

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

Ventura County Air Pollution Control District



**669 County Square Drive, 2nd Floor
Ventura, CA 93003
www.vcapcd.org**

**Michael Villegas
APCO/Executive Officer**



To protect public health and agriculture from the adverse effects of air pollution by identifying air pollution problems and developing a comprehensive program to achieve and maintain state and federal air quality standards.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2015

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Ventura County
Air Pollution
Control District

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Michael Villegas
Air Pollution Control Officer

March 31, 2016

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, 2015. 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 required supplementary information. The Statistical Section provides important historical and trend information about the District.

Audits

The CAFR was prepared to satisfy the financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). 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, 2015, and 2014 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, 2015, 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, 2015, concluded that the District's annual financial statements as contained herein present fairly, in all material respects, the financial position and changes in financial position of the District in conformity with generally accepted accounting principles. The auditor's unmodified opinion is included in the financial section of this CAFR.

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 industrial 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 re-appropriated in the next year's budget.

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 mixing, 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 2015, the air quality standards for ozone were exceeded on 1 day for the state 1-hour standard and on 3 days for the federal 75 parts per billion 8-hour standard. The new federal 70 parts per billion 8-hour standard was exceeded on 13 days in 2015.

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 8-hour standard over the three-year period of 2013 to 2015 decreased by approximately 97 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.

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, has decreased pollutant levels to meet the federal 84 part per billion 8-hour air quality standard, in spite of population growth in Ventura County.

Factors Affecting Financial Condition

The District is a fee supported agency and does not receive sales or property tax support. Approximately 29 percent of its funding is derived from fees paid by stationary sources that emit air pollution; 28 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; 35 percent from federal grants, pass through grants, and state subvention; and 8 percent from general revenues such as penalties/settlements and interest earnings.

The District minimized increases in expenses by reviewing the current budget and year-to-date expenditures to ensure that all likely costs were identified and necessary steps were taken to scrutinize the service and supplies expenditure object for potential savings. The District's workload continued to increase due to additional federal and state mandates; however, the District was able to meet its program commitments and has successfully streamlined many of its operations thus, reducing the cost of its programs. Overall, the District's fund balance has increased as a result of the positive financial performance in fiscal year 2014-2015.

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 5 of the Notes to the Basic Financial Statements, Cash and Investments.

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, <http://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

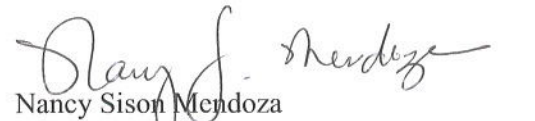
The completion of this report was made possible by the dedicated and coordinated team efforts of the entire District staff. We would like to acknowledge and express our appreciation to the special efforts of the Fiscal section, the Ventura County Auditor-Controller's Office, and our independent auditors,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

Recognition is also given to the District Board for their continued 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 Services Manager

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VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

List of Governing Board

June 30, 2015

CARMEN RAMIREZ
Chair
Council Member – City of Oxnard

JOHN ZARAGOZA
Vice-Chair
Board of Supervisors - District V

STEVE BENNETT
Board of Supervisors - District I

MIKE MORGAN
Council Member, City of Camarillo

Linda Parks
Board of Supervisors - District II

JONATHAN SHARKEY
Council Member, City of Port Hueneme

KATHY I. LONG
Board of Supervisors - District III

DOUG TUCKER
Council Member, City of Fillmore

PETER C. FOY
Board of Supervisors - District IV

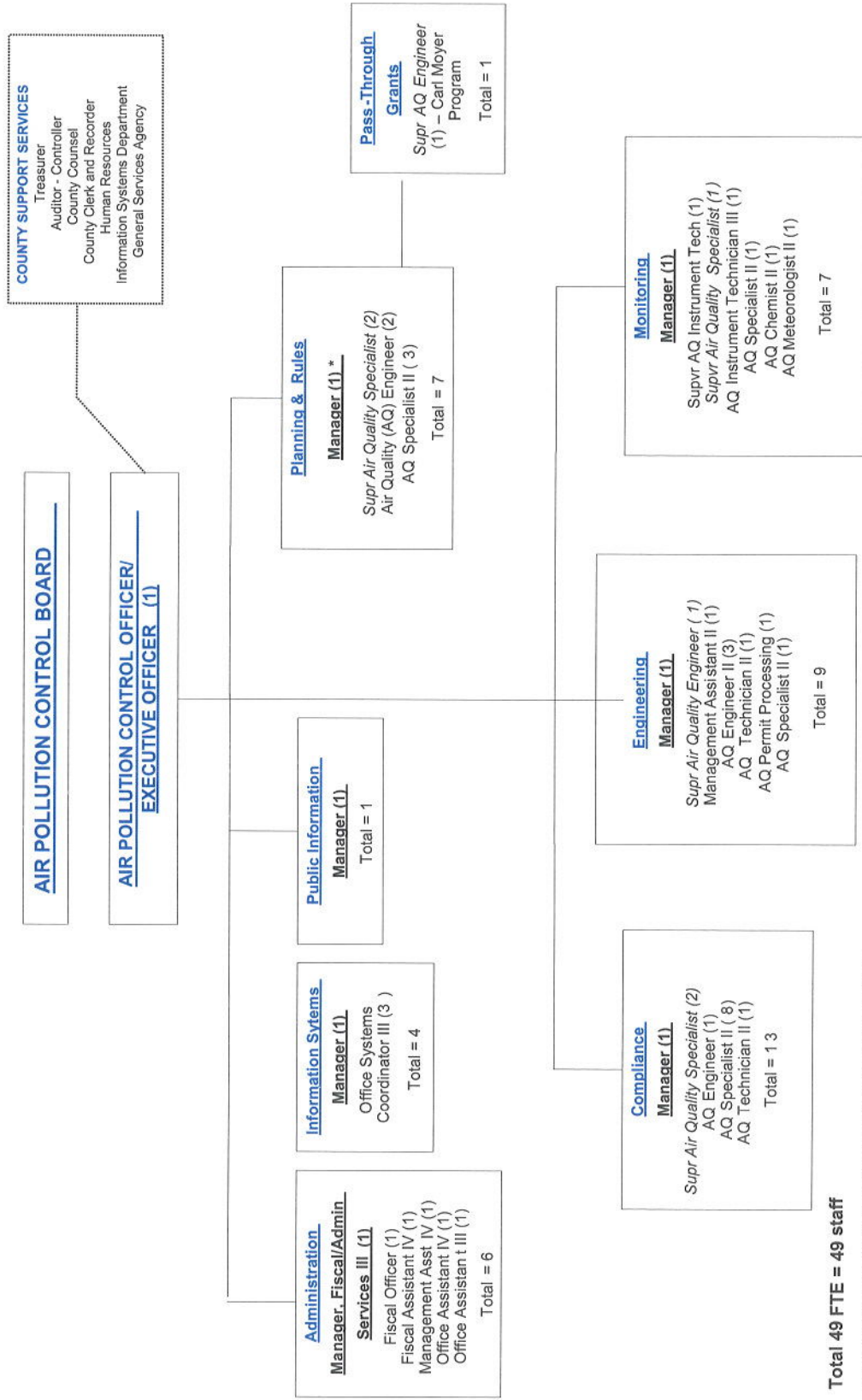
DAVID POLLOCK
Council Member, City of Moorpark

CHERYL HEITMANN
Alternate
Mayor, City of Ventura

MICHAEL VILLEGAS
Air Pollution Control Officer /
Executive Officer

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Organization Chart



Total 49 FTE = 49 staff

Does not include student workers and unfunded positions.



**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

Air Pollution Control Board
Ventura County Air Pollution Control District
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Ventura County Air Pollution Control District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Notes 2 and 11 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 – 21, general fund schedule of revenues, expenditures, and changes in fund balance – budget and actual and related notes on pages 45 and 46, schedule of the District's proportionate share of the net pension liability on page 47, and schedule of the District's contributions on page 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The California Air Resources Board – State Subvention Funds Revenue Detail and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


Rancho Cucamonga, California
March 31, 2016

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

This section of the report presents the District's discussion and analysis for its financial performance during the fiscal year ended June 30, 2015. Please read this section in conjunction with the transmittal letter at the front of this report and the basic financial statements following this section.

NEW SIGNIFICANT ACCOUNTING STANDARDS IMPLEMENTED

The most significant change to the District's financial statements during fiscal year 2014-15 was the implementation of Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB 68*.

GASB 68 establishes standards of accounting and financial reporting, but not for funding or budgetary standards, for the District's defined benefit pension plans. This Statement replaces the requirements of prior GASB statements impacting accounting and disclosure of pensions.

The significant impact to the District of implementing GASB 68 is the reporting of the District's unfunded pension liability on the District's full accrual basis of accounting government-wide financial statements. GASB 68 also requires new note disclosure and supplementary schedules.

The measurement date for the pension liabilities is as of June 30, 2014. This date reflects a one year lag and was used so that these financial statements could be issued in a timely manner. Activity occurring during fiscal year 2014-15 (e.g. contributions made by the District) are reported as deferred outflows of resources.

In order to implement GASB 68 and 71, a prior period adjustment was made to the District's July 1, 2014, net position. This prior period adjustment decreased the District's net position by \$3,361,000, from \$12,397,000 to \$9,036,000, and reflects the reporting of net pension liabilities of \$4,206,000, and deferred outflows of resources of \$845,000. Please refer to Note 4 for more information regarding the District's pensions.

The implementation of GASB 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures equal to the amount of the District's actuarially determined contribution, formerly referred to as the "annual required contribution." The calculation of the pension contribution is, also, not impacted by GASB 68.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Financial Highlights

- The government-wide assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2014-2015 fiscal year by \$10,616,000 (net position). Of this amount, \$546,000 is net investment in capital assets and the remaining portion of \$10,070,000 (unrestricted net position) may be used to meet the District's ongoing obligations without constraints established by legal requirements. The decrease in unrestricted net position is a result of implementing GASB 68.
- As of June 30, 2015, the District's governmental fund reported combined fund balances of \$13,626,000 an increase of \$1,177,000 in comparison to the prior year. The \$13,626,000 represents the entire amount of the General Fund. Approximately 40 percent of the fund balance is available for spending, but bound by various levels of constraints that control the purposes for which specific amounts can be spent. Approximately 60 percent is not constrained as reported in other classifications, may be available to meet the District's current and future needs (unassigned fund balance).
- Out of the general fund balance of \$13,626,000 at the end of the fiscal year, \$5,410,000 was assigned and \$8,216,000 was unassigned, which is 91% of the general fund expenditures. The District's fund balance policy is to maintain an unassigned fund balance between four to six months of operating expenses. A detailed analysis of fund balances can be found on page 33 in Note 3 of the Notes to Basic Financial Statements.

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, are designed to provide readers with a broad overview of the

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

District's finances, in a manner similar to private-sector business. These financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all District assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the differences between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information on how net position 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 22-23 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 assets that are current financial resources and liabilities that are expected to be liquidated with current financial resources. 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 unassigned fund balance is not constrained and may be used to finance any District 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 position of governmental activities can be found on page 25.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

The reconciliation of the total change in the fund balance for the governmental funds to the change in net position of governmental activities can be found on page 27.

The fund financial statements can be found on pages 24 and 26.

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 28 to 44 of this report.

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, Schedule of the District's Proportionate Share of the Net Pension Liability, Last Ten Fiscal Years, and Schedule of the District's Contributions, Last Ten Fiscal Years. It also includes supplementary information on the District's Revenue Detail. Required supplementary information can be found on page 45 to 48 of this report. Other supplementary information as required by the California Air Resources Board to report on the District's State Subvention Funds can be found on page 49 of this report. Statistical information is also provided beginning on page 51 of this report.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Government-Wide Financial Analysis

Government-wide Summary of Net Position

- The net position serves as a useful indicator of the District's financial position. At the close of fiscal year, the District's net position was \$10,616,000. The District's net position decrease of \$1,781,000 from last fiscal year was due to a prior period adjustment of \$3,361,000 to implement GASB 68.

Statement of Net Position

June 30, 2015 and 2014

(In Thousands)

	FY 2014-2015	FY 2013-2014	Percent Change
Assets:			
Current and other assets	\$ 17,067	\$ 15,526	10%
Capital Assets	546	584	-7%
Total Assets	<u>17,613</u>	<u>16,110</u>	9%
Deferred outflows of resources			
Deferred outflows related to pensions	912	0	100%
Total deferred outflows of resources	<u>912</u>	<u>0</u>	100%
Liabilities:			
Long-term liabilities outstanding	2,702	316	755%
Other liabilities	3,762	3,397	11%
Total Liabilities	<u>6,464</u>	<u>3,713</u>	74%
Deferred inflows of resources			
Deferred inflows related to pensions	1,445	0	100%
Total deferred inflows of resources	<u>1,445</u>	<u>0</u>	100%
Net Position:			
Net Investment in capital assets	546	584	-7%
Unrestricted	10,070	11,813	-15%
Total Net Position	<u>\$ 10,616</u>	<u>\$ 12,397</u>	-14%

Net Position includes three components: net investment in capital assets, restricted net position, and unrestricted net position.

The largest portion of the District's net position of \$10,070,000 (95%) is unrestricted and may be used to meet ongoing obligations in carrying out day-to-day operations. The decrease in unrestricted net position of 15% was due to the implementation of GASB 68.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Another component of the District's net position totaling \$546,000 (5%) 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 revenues, expenses, and changes in net position for governmental type activities:

Statement of Activities For the Fiscal Year Ended June 30, 2015 and 2014 (In Thousands)			
	FY 2014-2015	FY 2013-2014	Percent Change
Revenues:			
Program revenues:			
Charges for services	\$ 3,860	\$ 3,261	18%
Operating grants and contributions	6,657	8,034	-17%
General revenues:			
Investment earnings	58	32	81%
Total Revenues	10,575	11,327	-7%
Expenses:			
Public Protection	8,995	10,294	-13%
Increase in net position	1,580	1,033	53%
Net Position, beginning of year	12,397	11,364	9%
Prior period adjustment	(3,361)	0	-100%
Net Position, beginning, as restated	9,036	11,364	-20%
Net position, end of year	\$ 10,616	\$ 12,397	-14%

Governmental Activities - The statement of activities presents information on how net position 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 position in a given year. All changes in net position 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).

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

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

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 totaled \$10,575,000. The graph and table on page 18 shows the total revenue for the District in 2014-15.

Operating grants and contributions are revenues earned from entities outside of the District, primarily state and federal agencies. In 2014-15, the District reported \$6,657,000 in operating grants and contributions representing the largest revenue source for the District. Federal grants of \$1,071,000 and Pass-through grants of \$2,442,000 decreased by 28%. Majority of the decrease was due to the one-time early receipt of the 105 Grant in prior year, decrease in the number of Carl Moyer projects completed in the current year, and the use of the Reliant funds for the Shore Power Installation project at Port of Hueneme in prior year.

Charges for services of \$3,860,000 are revenues earned from providing goods and services to external customers. Charges for services provided 37 percent of total program revenues in 2014-15, an increase over the prior year by 18 percent. Majority of the increase was due to the one-time receipt of penalties from six facilities totaling \$565,000.

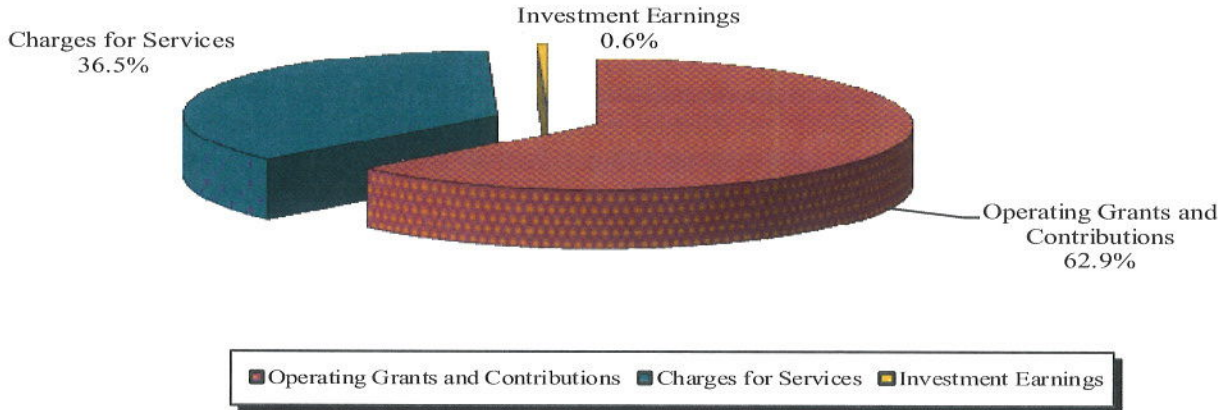
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Revenues



<u>Operating Grants and Contributions</u>	<u>FY 2014-2015</u>	<u>FY 2013-2014</u>
DMV fees	\$ 2,944,000	\$ 2,932,000
State Subvention	200,000	200,000
Federal grants	1,071,000	1,381,000
Pass-through grants	2,442,000	3,521,000
Total	<u>\$ 6,657,000</u>	<u>\$ 8,034,000</u>
<u>Charges for Services</u>	<u>FY 2014-2015</u>	<u>FY 2013-2014</u>
Licenses, permits, and franchises	\$ 3,110,000	\$ 3,070,000
Charges for current services	4,000	6,000
Fines, forfeitures, and penalties	744,000	172,000
Other revenues	2,000	13,000
Total	<u>\$ 3,860,000</u>	<u>\$ 3,261,000</u>

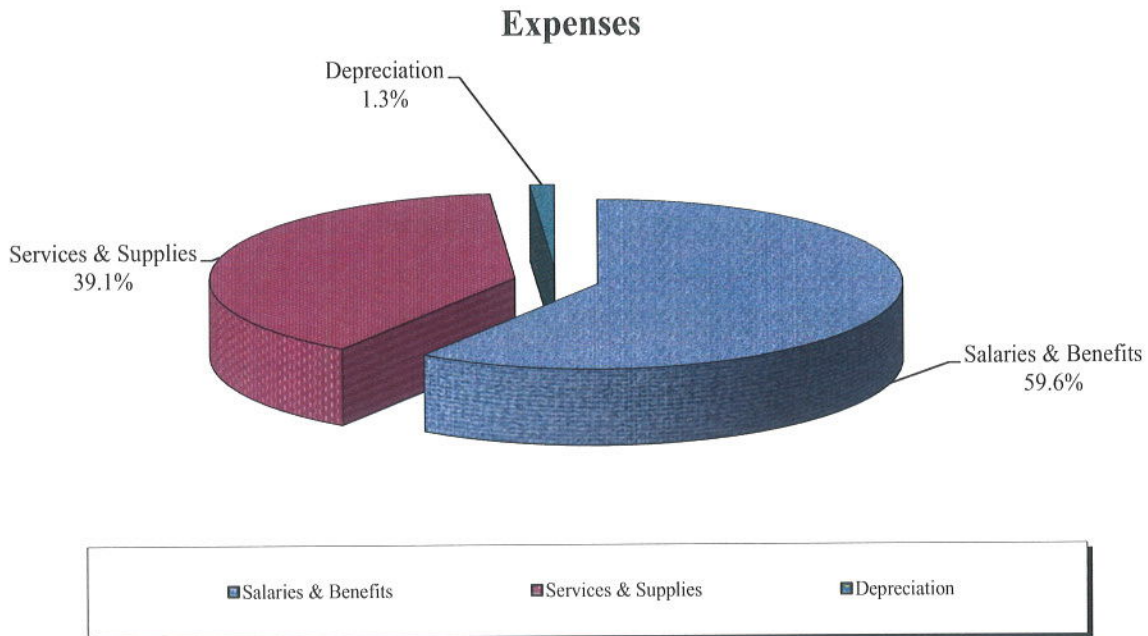
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

All of the expenses of the District were for air pollution control services at a total of \$8,995,000, a decrease of 13% percent compared to the prior fiscal year. The majority of the decrease was due to the deferral of capital outlay purchases, lower laboratory supplies cost, lower liability insurance, and the implementation of GASB 68. Retirement contributions during the fiscal year were reported as deferred outflows of resources. The graph and table below provide District expenses by object level.



<u>Expenses</u>	<u>FY2014-15</u>	<u>FY2013-14</u>
Salaries & Benefits	\$ 5,360,000	\$ 5,648,000
Services & Supplies	3,518,000	4,517,000
Depreciation	117,000	129,000
Total expenses	<u>\$ 8,995,000</u>	<u>\$ 10,294,000</u>

Financial Analysis of the District's Funds

At June 30, 2015, the District's general fund reported an ending fund balance of \$13,626,000, an increase of \$1,177,000 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 unassigned fund balance of \$8,216,000 which is available for spending in the future at the district's discretion within allowable use. The assigned amount of \$5,410,000 represents the

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

District's intended use of the financial resources in future periods. Its components are reported under Note 3 of the Notes to Basic Financial Statements. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance, and total fund balance to the total General Fund expenditures. The unassigned fund balance is \$8,216,000 which represents 87 percent of total expenditures for the year ended June 30, 2015, while the total fund balance represents 145 percent of that same total.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget, June 30, 2015

Appropriation for the General Fund final budget compared to the original budget reflected an increase in appropriations of \$2,863,000. The changes to the budget were the result of Air Pollution Control Board actions that allocated additional funding to pass through grants after the budget was adopted. The largest change to the budget of approximately \$2,834,000 was attributable to higher estimates in services and supplies related to the various pass-through grant programs, particularly the Carl Moyer Program.

Estimated revenues for the General Fund final budget exceeded the original budget by \$2,803,000. Aid from other governmental units increased as a result of the corresponding funding for the various pass-through grants above.

Final Budget to Actual Expenditures and Revenues, June 30, 2015

The final budget appropriations exceeded actual expenditures by \$2,607,000, while the final budget estimated revenues exceeded actual revenues by \$801,000. The resulting combined positive budgetary variance was \$1,806,000. The largest revenue shortfall was \$1,435,000, aid from other governmental units, due to pass-through grant projects that were allocated funding but were not completed at fiscal yearend and were carried over to the new fiscal year. The largest expenditure savings was \$2,017,000 in services and supplies due mainly to pass-through grant projects that were not completed at fiscal yearend. Salary savings of \$218,000 resulted from the deferment of filling vacant positions.

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

Capital Assets

The investment in capital assets is entirely for its governmental activities. The book value was \$546,000 (net of accumulated depreciation of \$859,000) as of June 30, 2015. 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 decrease in capital assets reported under Note 7 of the Notes to the Basic Financial Statements, reflects the retirements of various old monitoring computer and laboratory equipment.

Economic Factors and Next Year's Budget and Rates

The fiscal year 2015-16 adopted budget (without pass-through grants) totals \$8,334,000 an increase of about 4 percent or \$333,000 when compared to the fiscal year 2014-15 adopted budget. This was mainly due to the increase in Regular Salaries as a result of salary increases per the Memorandum of Understanding and APCD

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

(Unaudited)

Management Resolution. In addition, vacant positions in the prior year are now filled and funded for the entire fiscal year. Slight increase in Services and Supplies was due to increases in Professional Services and County EDP charges. The District is hiring an outside computer programmer and County ISD to assist the District's IS Division on various programming projects. Certain work requires specific knowledge and skills and the District does not have the expertise or staffing.

The fiscal year 2015-16 adopted budget (without pass-through grants) as compared to prior year actual expenditures includes an overall increase of 8 percent in salaries and benefits. This is due mainly to increases in salaries, retirement contributions, vacation buydowns, and group insurance appropriations. Adopted budget for services and supplies (without pass-through grants) in fiscal year 2015-16 is 45 percent higher as compared to prior year actual expenditures. This is due mainly to increases in appropriations for Other Professional Services (\$200,000 consultant fee), Laboratory Supplies, Printing/Binding, Conference and Seminar Expense, and Advertising & Marketing. Capital Outlay increased by \$52,000 due to the planned replacement of aging laboratory equipment in fiscal year 2015-16.

The District's fund balance has increased as a result of continued increases in revenue and decreases in expenditures in fiscal years 2013 to 2015. However, fiscal year 2015-2016 adopted budget shows that expenditures will exceed revenues. If the current economic situation continues, revenue from permits may likely decrease due to business closures, along with the possibility of federal grants remaining flat, if not reduced. Furthermore, any potential increase in retirement costs in the coming fiscal years, as well as any increase from bargaining agreements and/or cost of living adjustments for management, will contribute to reducing the fund balance. The District's fund balance is able to support these unforeseen events but staff will continue to explore all potential revenues and ensure the expenses generated provides the highest benefits to District's programs.

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.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Statement of Net Position

June 30, 2015

(In thousands)

	Government Activities
Assets:	
Cash & investments	\$ 16,749
Accounts receivable	309
Due from the County of Ventura	9
Capital assets:	
Depreciable, net	546
Total assets	17,613
Deferred Outflows of Resources:	
Deferred outflows related to pension (Note 11)	912
Liabilities:	
Accounts payable	7
Accrued liabilities	157
Due to the County of Ventura	28
Unearned revenue	3,249
Noncurrent liabilities:	
Due within one year	321
Due in more than one year	2,702
Total liabilities	6,464
Deferred Inflows of Resources:	
Deferred inflows related to pension (Note 11)	1,445
Net Position:	
Net Investment in capital assets	546
Unrestricted	10,070
Total net position	\$ 10,616

See accompanying notes to basic financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2015

(In thousands)

		Program revenues		Net (expense) revenue and changes in net position
	Expenses	Charges for services	Operating grants and contributions	Governmental activities
Function/program activities:				
Governmental activities:				
Public protection	\$ 8,995	3,860	6,657	1,522
Total governmental activities	8,995	3,860	6,657	1,522
General revenues:				
Interest earnings				58
Changes in net position				1,580
Net position, beginning of year				12,397
Prior period adjustment (Note 4)				(3,361)
Net position - beginning, as restated				9,036
Net position, end of year				\$ 10,616

See accompanying notes to basic financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Balance Sheet
 Governmental Fund
 June 30, 2015
 (In thousands)

	Assets	General Fund
Cash and investments		\$ 16,749
Accounts receivable, net		309
Due from the County of Ventura		9
Total assets		17,067
Liabilities and Fund Balance		
Liabilities:		
Accounts payable		7
Accrued liabilities		157
Due to the County of Ventura		28
Unearned Revenue		3,249
Total liabilities		3,441
Fund balance		
Assigned:		
Building Acquisition		4,000
Appropriated Fund Balance for FY 2015-16		710
Litigation		300
Capital Asset Acquisition		200
Motor Vehicle Fee Projects		200
Unassigned		8,216
Total fund balance		13,626
Total liabilities and fund balance		\$ 17,067

See accompanying notes to basic financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Reconciliation of the Balance Sheet of

Governmental Fund to Statement of Net Position

June 30, 2015

(In thousands)

Fund Balance - total governmental fund (page 24)	\$ 13,626
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	546
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds:	
Compensated absences	(684)
Net Pension Liability	(2,339)
Deferred outflows of resources related to pensions are not reported in the governmental funds	912
Deferred inflows of resources related to pensions are not reported in governmental funds	<u>(1,445)</u>
Net position of governmental activities (page 22)	<u><u>\$ 10,616</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

For the Fiscal Year ended June 30, 2015

(In thousands)

	<u>General Fund</u>
Revenues:	
Aid from other governmental units	\$ 6,657
Licenses, permits, and franchises	3,110
Fines, forfeitures, and penalties	744
Use of money and property	58
Charges for current services	4
Other revenue	2
Total revenues	<u>10,575</u>
Expenditures:	
Current:	
Public protection	9,302
Capital outlay	96
Total expenditures	<u>9,398</u>
Excess of revenues over expenditures	1,177
Fund balance, beginning of year	<u>12,449</u>
Fund balance, end of year	<u>\$ 13,626</u>

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

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

For the Fiscal Year ended June 30, 2015

(In thousands)

Net changes in fund balance - total governmental fund (page 26)	\$	1,177
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>The governmental fund reports 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.</p>		
Expenditures for capital assets acquisition	96	
Less: Current year depreciation	<u>(117)</u>	(21)
<p>Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds:</p>		
Compensated absences		(48)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Current year District's pension contributions in excess of pension expense		489
Loss of Disposal of Capital Assets		(17)
Change in net position of governmental activities (page 23)	\$	1,580

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

(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's 10-member Board includes five representatives from the County Board of Supervisors and five representatives from the cities of Camarillo, Oxnard, Moorpark, Port Hueneme, and Fillmore.

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. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014, improves accounting and financial reporting by state and local governments for pensions. The District implemented the new requirements for the fiscal year 2014-15 financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The new requirements are not applicable to the District.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective simultaneously with the provisions of Statement 68, eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. The District implemented the new requirements for the fiscal year 2014-15 financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

The District is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015, enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The District intends to implement the new requirements for the fiscal year 2015-16 financial statements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for periods beginning after June 15, 2015; except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective beginning after June 15, 2016, improves financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employer and non-employer contributing entities. The District intends to implement the new requirements for the fiscal year 2015-16 and fiscal year 2016-17 financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016, improves the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and accessing accountability, primarily through enhanced note disclosures and schedules of required supplementary information. Management believes the new requirements are not applicable to the District.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017, improves the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhances its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The District intends to implement the new requirements for the fiscal year 2017-18 financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for periods beginning after June 15, 2015, improves financial reporting by state and local governments by identifying the hierarchy of generally accepted accounting principles (GAAP) and addressing the use of authoritative and non-authoritative literature in the event that the accounting treatment of a transaction or other event is not specified within a source of authoritative GAAP. The District intends to implement the new requirements for the fiscal year 2015-16 financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015, improves financial reporting of state and local governments by providing users the tax abatement information they need to evaluate the financial health of governments, such as, a reporting government's own tax abatement agreements and those that are entered into by other governments and

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

that reduce the reporting government's tax revenues. Management believes the new requirements are not applicable to the District.

(b) Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

Statement of Net Position

The government-wide statement of net position utilizes a net position 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 position). The net position are categorized as net investment in capital assets, restricted, and unrestricted.

(1) *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

(2) *Restricted Net Position* – 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.

(3) *Unrestricted Net Position* – These are the resources that do not fall into net investment in capital assets or restricted net position. 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.

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. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants and contributions for operational or capital requirements of a particular program. 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.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

The District follows the measurement focus and modified accrual basis of accounting. 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 resources.

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 receivable items are included in accounts receivable. Revenues that are not considered susceptible to accrual include certain licenses, permits, fines, forfeitures, DMV registration fees and penalties. Expenditures are generally recorded under the modified-accrual basis of accounting when the fund liability is incurred, except payments on compensated absences, which are recognized when matured.

(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 an external investment pool 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, 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.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

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 capital 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) *Deferred Outflow of Resources*

A deferred outflow of resources is a consumption of net position by the District that is applicable to future reporting period.

(f) *Pensions*

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's pension plan with Ventura County Employees Retirement Association (VCERA) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported to VCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment are reported at fair value.

(g) *Compensated Absences (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.

(h) *Deferred Inflow of Resources*

A deferred inflow of resources represents an acquisition of net position by the District that is applicable to a future reporting period.

(i) *Unearned Revenues*

Unearned Revenues are advanced funds from the Carl Moyer Program, DMV AB923 Program, Reliant Energy Mandalay, and Clean Air Fund. The Reliant Energy Mandalay, LLC-mitigation fees and DMV AB923 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.

(j) *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 and disclosures of the basic financial statements. Actual results could differ from those estimates.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

(3) Fund Balance

As of June 30, 2015, the District's fund balance is categorized below:

Nonspendable: amounts are not in a spendable form or are required to be maintained intact (e.g. inventories, prepaid, or principal of an endowment).

Restricted: amounts subject to specific purposes as stipulated by externally enforceable legal restrictions, constitution or through enabling legislation.

Committed: amounts that can be used only for specific purposes determined by the approval or resolution of the Air Pollution Control Board for the District and can only be changed or lifted by the same Board, taking same approval or resolution, that originally imposed the constraint.

Assigned: amounts that reflect a government's intended use of resources. The intent is established at either the highest level of decision making (the Air Pollution Control Board) or by a body (e.g., Standing Committee) or an official (Air Pollution Control Officer) designated for that purpose. The government cannot assign resources that it does not have; thus, the amount reported as assigned fund balance could never exceed total fund balance less its nonspendable, restricted, and committed components. The Air Pollution Control Board following the recommendations of the Air Pollution Control Officer approves the assigned resources and delegates the Air Pollution Control Officer to use the assigned funds for their intended purpose.

Unassigned: the residual classification for the general fund and includes all amounts not contained in the other classifications.

As of June 30, 2015, fund balance is composed of the following:

			<u>General Fund</u>
Assigned:			
Building Acquisition	\$	4,000,000	
Appropriated Fund Balance for FY 2015-16		710,000 (a)	
Litigation		300,000	
Capital Asset Acquisition		200,000	
Motor Vehicle Projects		200,000	5,410,000
Unassigned			8,216,000
Total Fund Balance			\$ 13,626,000

(a) FY 2015-16 Budget Deficit

If at fiscal year end, the available financing exceeds the financing requirements for the District's fund, the surplus financing shall be applied as a provision for increase in the Unassigned Fund Balance. If the

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

financing requirements for the fund exceed available financing, the unassigned fund balance will be used before the assigned fund balance. When restricted and unrestricted resources are available, restricted resources are generally considered to be used first followed by committed, assigned, and unassigned as they are needed.

(4) Change in Accounting Principle

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, improve accounting and financial reporting by state and local governments for pensions. The requirements of these Statements are effective for the FY 2014-15 financial statements. Prior year balances have been restated as follows (in thousands):

Governmental Activities:	6/30/14 as previously presented	Restatement	July 1, 2014, as restated
Deferred outflows related to pensions	\$ -	\$ 845	\$ 845
Net pension liability	-	4,206	(4,206)
Net position beginning	12,397	(3,361)	9,036

Determination of all beginning balances applicable to deferred inflows of resources and deferred outflows of resources was not practical therefore in accordance with GASB 68 these were not included in the restatement of beginning balances.

(5) 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, 2015, was \$16,749,000.

Per GASB 31, *Accounting and Financial Reporting for Certain Investment and for External Pools*, the District’s investments were reported at fair market value of June 30, 2015. Calculations of the fair value at fiscal year-end were based on market values provided by the County Treasurer. The net change in fair value from June 30, 2014 to June 30, 2015, was a decrease of approximately \$14,000.

Applicable disclosures to the County Treasurer’s Cash and Investment pool, are provided in Ventura County’s Fiscal Year 2015 CAFR. That report may be obtained by contacting the County of Ventura, Auditor Controller, 800 South Victoria Avenue, Ventura CA 93009.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

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.

(6) Accounts Receivables

The District accrues revenues at fiscal year-end. Included are revenues from permits, rule 47, variances, renewals, air toxics, and title V. A portion of these revenues estimated at \$15,385 may not be collectible and accounts receivable is reported at net. All accounts receivable are expected to be collected within a year.

(7) Capital Assets

Changes in the capital assets by asset type during the year ended June 30, 2015, are as follows (in thousands):

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Equipment	\$ 1,630	96	(321)	1,405
Less accumulated depreciation	(1,046)	(117)	304	(859)
Total	\$ 584	(21)	(17)	546

Depreciation expense is charged to the public protection function in the Statement of Activities.

(8) 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.

Long-term liabilities of the District consist of compensated absences and the net pension liability.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

The following schedule represents changes in the long-term liabilities relating to compensated absences during the year ended June 30, 2015 (in thousands):

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due within one year
Employee compensated absences	\$ 636	344	296	684	321

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.

The following schedule represents changes in the long-term liabilities relating to net pension liability during the year ended June 30, 2015 (in thousands):

	Balance June 30, 2014 as restated	Additions	Reductions	Balance June 30, 2015	Due within one year
Net Pension Liability	\$ 4,206	423	2,290	2,339	—

(9) 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, 2015, the District paid premiums of \$28,296 to the County. There were no claims or losses for the past three years that have exceeded the coverage amounts.

The Risk Management Department within the General Insurance ISF administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to \$1,000,000 per occurrence, as of July 1, 2014, thereafter, covered by excess commercial liability insurance up to \$32 million per occurrence.

(10) Commitments and Contingencies

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

The District participates in a number of state and federal assisted programs. Although the District's grant programs have been audited through June 30, 2015, in accordance with the requirements of the Federal Single Audit Act of 1996 and the related U.S. Office of Management and Budget's Circular A-133, these

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

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 has entered into a lease agreement with the County of Ventura. This is for the 20,971 square feet of office space it occupies at 669 County Square Drive. The agreement is for a five year term, from July 1, 2009, through June 30, 2014, with an option for the District to terminate with 90 days written notice after July 1, 2011. The rent is for \$36,699 per month (\$440,388 per year) for the first two years with 3 percent annual increases thereafter during the term of the agreement and any holdover period. The District has become a tenant from month-to-month after June 30, 2014 subject to the rental increases described above for the holdover period. Total office rental expenditure for FY 2014-15 was \$495,661.

The District leases the Simi Valley monitoring station under an operating lease. Annual rental expense for the operating leases was \$300 for the year ended June 30, 2015. Future obligations under these agreements total \$300 for the year ended June 30, 2016, and \$300 for the year ended June 30, 2017.

The District has entered into various board approved contracts, which have outstanding balances totaling \$1,032,558 as of June 30, 2015. Majority of these contracts involve pass-through grants for the Carl Moyer and DMV AB923 programs.

(11) Pension

The District participates in the VCERA which is subject to GASB Statement No. 68. A summary of the pension amounts for the District's plan at June 30, 2015 is as follows (in thousands):

		<u>VCERA</u>
Deferred outflows related to pensions	\$	912
Net pension liability		2,339
Deferred inflows related to pensions		1,445
Pension expense		320

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 permanent employees who work a regular schedule of 64 hours or more per biweekly pay period.

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

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

Plan members are classified as either General or Safety. The District has only General members. Members are classified in tiers as follows:

Closed to New Enrollment:

General Tier 1 All general members with membership dates before June 30, 1979, plus Deputy Sheriff trainees and certain executive management with membership dates before January 1, 2013.

General Tier 2 All general members with membership dates on or after June 30, 1979 and before January 1, 2013, except as noted above for General Tier 1.

Open to New Enrollment:

PEPRA General Tier 1 Deputy Sheriff trainees and certain executive management with membership dates on or after January 1, 2013.

PEPRA General Tier 2 All general members with membership dates on or after January 1, 2013, except as noted above for PEPRA General Tier 1.

Retirement Benefits: VCERA provides retirement, disability, death, and survivor benefits to its members and qualified beneficiaries. A General or Safety member with 10 or more years of District 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. PEPRA members are eligible to retire with 5 or more years of service beginning at age 52 for general members and at age 50 for safety members. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation. The tiers and benefit formulas are as follows:

<u>Tier:</u>	<u>Benefit Formula</u>
General Tier 1	2% @ 58.5
General Tier 2	2% @ 61
Safety Tier1	2% @ 50
PEPRA General	2.5% @ 67

Employees terminating before accruing 5 years of retirement service credit (5-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 5 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 Safety and Tier 1 employees. Certain General Tier 2 members also receive a fixed two percent cost of living adjustment on eligible SEIU service.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

Contributions: The District contributes to VCERA based upon actuarially determined contribution rates adopted by the Board of Retirement. Members are required to make contributions to VCERA regardless of the retirement plan or tier in which they are included. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation. Employer contributions to VCERA from the District were \$809,000 for the year ended June 30, 2015. Employer contributions include employer pick ups in accordance with Government Code 31581.1. Any pick ups in excess of that amount are not included. Employer and employee contribution rates, based on pensionable payroll, are as follows:

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>
General Tier 1	50.20%	9.16%
General PEPRA Tier 1	46.11%	6.50%
General Tier 2	18.68%	5.78%
General PEPRA Tier 2	17.03%	6.83%
General Tier 2C*	19.65%	8.41%
General PEPRA Tier 2C*	17.91%	9.46%
*2C (with COLA)		

The rates above approximate the proportion of contributions based on covered-employee payroll.

Pension Liabilities, Pension Expenses, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pension: At June 30, 2015, the District reported a liability of \$2,339,000 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2014. The Plan's fiduciary net position was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2013. The District's proportion of the NPL was based on the ratio of the District's compensation by tier to the total compensation for the tier. This ratio was then applied to the NPL for the tier. The District's NPL is the sum of the NPL for each tier. At June 30, 2014, the District's proportion was 0.42 percent, which was the same as its proportion measured as of June 30, 2013.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

For the year ended June 30, 2015, the District recognized pension expense of \$320,000. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 167
Net difference between projected and actual earnings on Retirement plan investments		1,278
Changes in proportion and differences between District Contributions and proportionate share of contributions	103	
District contributions subsequent to the measurement date	809	
Total	\$ 912	\$ 1,445

\$809,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30,	Amount
2016	\$ (335)
2017	(335)
2018	(334)
2019	(334)
2020	(4)
Total	\$ (1,342)

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

Actuarial Assumptions: The TPL was determined by an actuarial valuation as of June 30, 2013, which was rolled forward to June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Assumptions</u>
(1) Rate of return on investment	7.75%
(2) Projected salary increases	4.50% - 12.50%
Amount attributable to inflation	3.25%
Amount attributable to merit and longevity	0.50% - 8.50%
Amount attributable to real "across the board"	0.75%
(3) Annual cost of living increases after retirement (Tier I and Safety members - contingent upon CPI increases, 3% maximum. Tier 2 SEIU members - fixed 2% not subject to CPI increases, for service after March 2003.)	0.00%-3.00%
(4) Mortality	RP-2000 Combined Health Mortality Table

The actuarial assumptions used in the June 30, 2013 valuation, which was rolled forward to June 30, 2014, were based on the results of an experience study for the period July 1, 2008 through June 30, 2011. There are no changes to the assumptions from the prior valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	39.00%	6.22%
International equity	21.00%	6.78%
Core bonds	16.25%	1.06%
Global bonds	5.00%	1.45%
Real estate	10.00%	5.05%
Credit strategies	3.75%	4.18%
Private equity	5.00%	11.08%
Total	100.00%	

Discount Rate: The discount rate used to measure the TPL was 7.75 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, VCERA's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. Beginning with the June 30, 2015 valuation, a discount rate of 7.50 percent will be used.

Sensitivity of the District's Proportionate Share of the Net Pension Liability

to changes in the discount rate: The following table presents the District's proportionate share of the NPL calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate (in thousands):

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 4,968	2,339	146

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued VCERA financial report.

Management Retiree Health Payment

Plan Description: The District participates in the Management Retiree Health Benefits Program (MRHBP), a cost-sharing multiple employer defined benefit plan administered by the County of Ventura. The MRHBP was established by the Ventura County Board of Supervisors on June 8, 1999. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees hired after July 2, 2005.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2015

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 \$724 per month were equivalent to premiums for the Ventura County Health Care Plan. The payments do not constitute any guarantee of medical care benefits.

Additional details actuarial assumptions, funded status and required supplementary information for the MRHBP are provided in Ventura County's Fiscal Year 2015 Comprehensive Financial Statements.

Funding Policy: The MRHBP is currently funded on the pay-as-you-go basis. Annual required contributions are determined by the County of Ventura. Contributions and Transfers Made: The District's required contributions, as determined by the County of Ventura, were \$7,948 in FY 2012-13, \$8,240 in FY 2013-14, and \$13,566 in FY 2014-15. These contributions represent 100 percent of the annual non-pension cost required for fiscal years 2013, 2014, and 2015.

(12) Other Postemployment Benefits (OPEB)

Subsidized Retiree Health Benefits Program

Plan Description: The District participates in the Subsidized Retiree Health Benefits Program, a defined benefit plan administered by the County of Ventura. Substantially all participants are included in the County's primary government reporting entity. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. The information presented is for all participants and includes non-County participants.

Eligible employees (age 50 with 10 years of County Service) who retire from the County may receive health benefits at subsidized rates. For coverage prior to age 65, the retiree pays premiums that are developed by blending active and retiree costs. Since retirees are older and generally cost more to insure than active employees, the premium paid by the retiree is less than the "true cost" of coverage for retirees thus creating an implicit subsidy. This implicit subsidy is considered an obligation under GASB 45. The plan is governed by the County Board of Supervisors. The County has made no commitments to maintain this program and retirees' participation in the program is approved on a year-to-year basis by the Board. Retiree Health Benefits are not vested and may be modified or eliminated at anytime.

A separate financial statement is not issued for the plan. The financial statements and required supplementary information of the Plan are included in the County of Ventura's fiscal year 2015 CAFR.

Funding Policy: The contribution requirements of plan members and the District are those established for the County of Ventura and may be amended by the County Board of Supervisors. The County currently funds postemployment health benefits on a pay-as-you-go basis. For the fiscal year ended, June 30, 2015, the District's obligation was reported as part of County of Ventura's net OPEB obligation in fiscal year 2014-2015.

For additional details, actuarial assumptions, funded status of the plan and required supplementary information, refer to the Ventura County's CAFR.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT


Notes to Basic Financial Statements

Year ended June 30, 2015

(13) Related Party Transactions

The District contracts with the County to provide accounting, banking and investment, human resources, risk management, motor pool, building lease, information technology, legal services, purchasing, mailing, printing, copier program, health services, clerking services, warehouse, and other administrative services.

The District incurred expenses totaling \$844,833 for County of Ventura Services provided during the fiscal year ended June 30, 2015.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Required Supplementary Information

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

Budget and Actual

For the Fiscal Year Ended June 30, 2015

(In thousands)

(Unaudited)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget – positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Aid from other governments units	\$ 5,289	\$ 8,092	\$ 6,657	\$ (1,435)
Licenses, permits, and franchises	3,126	3,126	3,110	(16)
Fines, forfeitures, and penalties	108	108	744	636
Use of money and property	45	45	58	13
Charges for current services	5	5	4	(1)
Other revenue	—	—	2	2
Total revenues	<u>8,573</u>	<u>11,376</u>	<u>10,575</u>	<u>(801)</u>
Expenditures:				
Current – public protection:				
Salaries and benefits	6,020	6,019	5,360	659
Services and supplies	2,684	5,518	3,942	1,576
Contingencies	300	330	—	330
Total public protection	<u>9,004</u>	<u>11,867</u>	<u>9,302</u>	<u>2,565</u>
Capital outlay	<u>138</u>	<u>138</u>	<u>96</u>	<u>42</u>
Total expenditures	<u>9,142</u>	<u>12,005</u>	<u>9,398</u>	<u>2,607</u>
Excess (deficiency) of revenues over (under) expenditures	(569)	(629)	1,177	1,806
Fund balance, beginning of year	<u>12,449</u>	<u>12,449</u>	<u>12,449</u>	<u>—</u>
Fund balance, end of year	<u>\$ 11,880</u>	<u>\$ 11,820</u>	<u>\$ 13,626</u>	<u>\$ 1,806</u>

See notes to Required Supplementary Information.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Required Supplementary Information

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

Budget and Actual

June 30, 2015

(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 capital 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 capital 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. 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
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years*
 For the Year Ended June 30, 2015
 (In thousands)

	2015
District's proportion of the net pension liability	\$ 2,339
District's proportionate share of the net pension liability	0.42%
District's covered-employee payroll	5,686
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	41.14%
Plan's fiduciary net position as a percentage of the total pension liability	88.54%
Measurement Date	6/30/2014

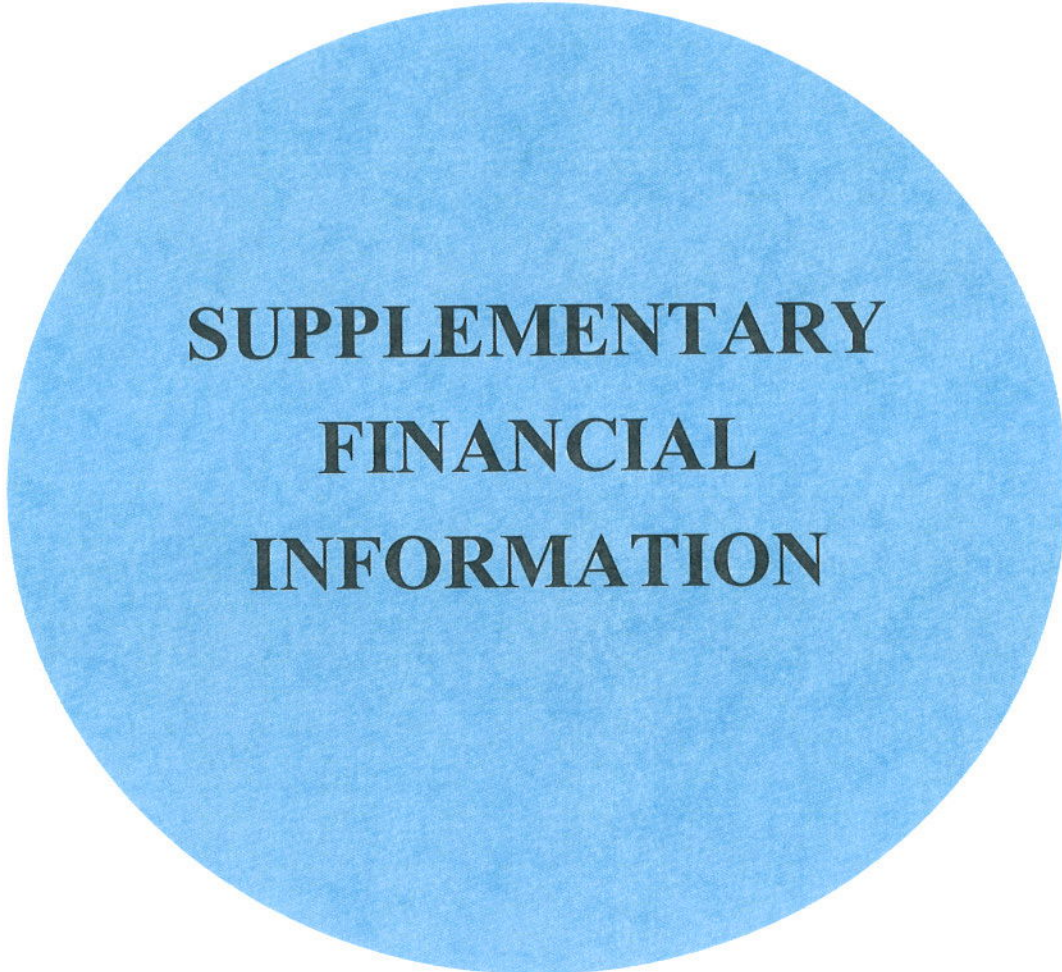
* Information from fiscal years ended 2006 to 2014 is not presented as required by GASB Statement 68 as this was the first year of implementation. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of June 30.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Required Supplementary Information
Schedule of the District's Contributions
Last Ten Fiscal Years*
For the Year Ended June 30, 2015
(In thousands)

	<u>2015</u>
Actuarially determined contribution	\$ 809
Contributions in relation to the actuarially determined contribution	809
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 5,851
Contributions as a percentage of covered-employee payroll	13.83%

* Information from fiscal years ended 2006 to 2014 is not presented as required by GASB Statement 68 as this was the first year of implementation. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of June 30.



**SUPPLEMENTARY
FINANCIAL
INFORMATION**

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Supplementary Financial Information

California Air Resources Board – State Subvention Funds

Revenue Detail

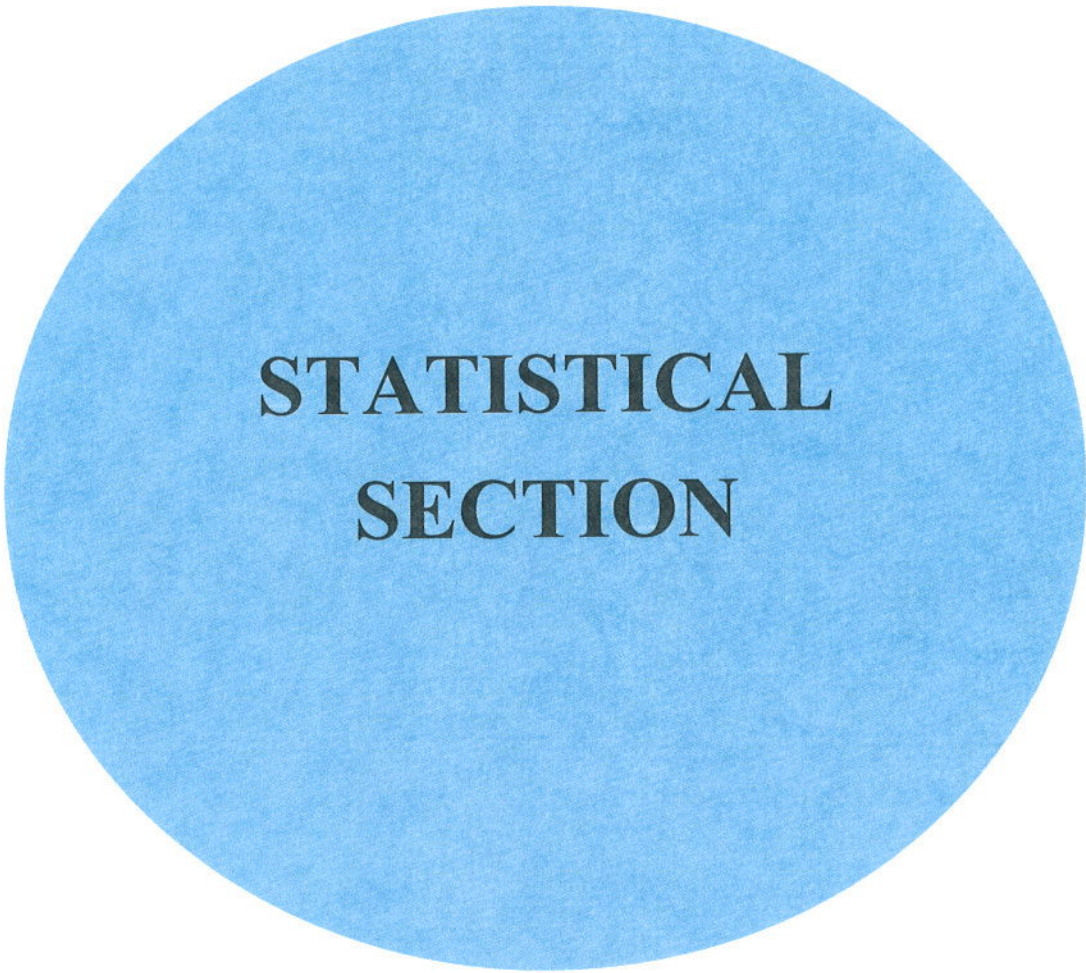
For the Year Ended June 30, 2015

(In thousands)

	<u>Budgeted Revenue</u>	<u>Financial Report</u>	<u>Actual Revenue</u>
Revenue Sources			
Local Sources:			
Fees & Permits:			
Operating Permits	\$575	\$321	\$321
Variance/Hearing Board	10	8	8
Engineering (Permit Renewals/AtoC)	2,192	2,365	2,365
Agricultural Engine Registration	56	51	51
Portable Engine Registration Program	40	54	54
AB 2766/DMV Surcharge	2,810	2,944	2,944
AB 2588/Hot Spots	12	18	18
Source Tests	205	243	243
Asbestos	18	36	36
Title V Certification	18	14	14
Fines	108	744	744
Interest	45	58 [1]	58
Misc. Revenue	-	2	2
Charges for Services	5	4	4
Subtotal	<u>\$6,094</u>	<u>\$6,862</u>	<u>\$6,862</u>
State Sources:			
Subvention	200	200	200
Other Sources non-matching:			
Federal Grants	1,138	1,071	1,071
Carl Moyer Grant Program	500	936	936
School Bus Program	-	2	2
CA Alternative and Renewable Fuel & Veh. Tech.	-	-	0
Clean Air-Tire Voucher Program	32	1	1
DMV AB 923	524	1,473	1,473
EV Charging Stations	10	-	-
Other Grants	75	30	30
Total Revenue	<u><u>\$8,573</u></u>	<u><u>\$10,575</u></u>	<u><u>\$10,575</u></u>

[1] Adjusted to properly state cash and investments at its fair market value at 6/30/2015.

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**STATISTICAL
SECTION**

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.	53
Revenue Capacity These schedules contain information to help the reader assess the District's revenue sources.	57
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.	61
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.	64

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. Some schedules contained here has 2014-15 information only, as relevant.

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VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Net Position by Component – Last Ten Fiscal Years

(Accrual Basis of Accounting)

(In thousands)

(Unaudited)

Year Ended	Governmental Activities			Total Net Position
	Net Investment in Capital Assets	Restricted	Unrestricted	
2006	\$ 493	\$ 393	\$ 5,698	\$ 6,584
2007	433	-	5,644	6,077
2008	447	-	6,619	7,066
2009	364	-	7,963	8,327
2010	286	-	8,533	8,819
2011	451	-	9,169	9,620
2012	520	-	9,974	10,494
2013	534	-	10,830	11,364
2014	584	-	11,813	12,397
2015	546	-	10,070	10,616

Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Changes in Net Position – Last Ten Fiscal Years

(Accrual Basis of Accounting)

(In thousands)

(Unaudited)

Year Ended	Governmental Activities						General Revenues: Investment Earnings	Change in Net Position
	Expenses: Public Protection	Program Revenues:			Net(Expense)/ Revenue			
		Charges for Services	Operating Grants and Contributions	Total Program Revenues				
2006	\$ 10,002	\$ 3,373	\$ 5,845	\$ 9,218	\$ (784)	\$ 218	\$ (566)	
2007	10,173	3,163	6,132	9,295	(878)	371	(507)	
2008	11,444	3,566	8,506	12,072	628	361	989	
2009	9,562	3,639	6,866	10,505	943	318	1,261	
2010	14,265	3,354	11,369	14,723	458	34	492	
2011	11,240	3,319	8,634	11,953	713	88	801	
2012	10,015	3,307	7,542	10,849	834	40	874	
2013	10,151	3,259	7,756	11,015	864	6	870	
2014	10,294	3,261	8,034	11,295	1,001	32	1,033	
2015	8,995	3,860	6,657	10,517	1,522	58	1,580	

Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

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

(In thousands)

(Unaudited)

	2005-06	2006-07	2007-08	2008-09	2009-10
Fund Balances:					
Reserved :					
General reserve	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Reserved for pass-through grants	393	-	-	-	-
Reserved for encumbrances	3,208	2,549	4,571	4,571	2,589
Total reserved	3,701	2,649	4,671	4,671	2,689
Unreserved :					
Designated	3,067	3,630	3,966	3,966	6,565
Total unreserved	3,067	3,630	3,966	3,966	6,565
Total Fund Balance	\$ 6,768	\$ 6,279	\$ 8,637	\$ 8,637	\$ 9,254

Fund Balances per GASB 54:

APCD has implemented the requirements of GASB Statement No. 54 starting Fiscal Year 2010-11. GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the level of government commitment to honor fiscal constraints on fund expenditures.

	2010-11	2011-12	2012-13	2013-14	2014-15
Assigned:					
Building Acquisition	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ 4,000
Appropriated Fund Balance for next fiscal year	434	233	442	569	710
Fixed Asset Acquisition	200	200	200	200	200
Litigation	300	300	300	300	300
Motor Vehicle Fee Projects	200	200	200	200	200
Total Assigned	1,134	933	5,142	5,269	5,410
Unassigned	8,756	9,689	6,306	7,180	8,216
Total Fund Balance	\$ 9,890	\$ 10,622	\$ 11,448	\$ 12,449	\$ 13,626

Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Changes in Fund Balance—Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(In thousands)

(Unaudited)

	Fiscal Year									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Revenues:										
Aid from other governmental units	\$ 5,845	\$6,132	\$8,506	\$6,866	\$11,369	\$ 8,634	\$ 7,542	\$7,756	\$8,034	\$6,657
Licenses, permits, and franchises	2,905	2,602	3,039	3,108	2,974	3,054	3,039	2,846	3,070	3,110
Fines, forfeitures, and penalties	327	492	452	451	342	215	222	407	172	744
Use of money and property	218	371	361	318	34	88	40	6	32	58
Charges for current services	40	52	49	47	38	41	42	6	6	4
Other revenue	101	17	26	33	-	9	4	-	13	2
Total revenues	9,436	9,666	12,433	10,823	14,757	12,041	10,889	11,021	11,327	10,575
Expenditures:										
Current:										
Public protection	9,851	10,105	11,280	9,450	14,097	11,143	10,003	10,060	10,146	9,302
Capital outlay	83	50	134	34	43	262	154	135	180	96
Total expenditures	9,934	10,155	11,414	9,484	14,140	11,405	10,157	10,195	10,326	9,398
Net Change in Fund Balance	\$ (498)	\$ (489)	\$1,019	\$1,339	\$ 617	\$ 636	\$ 732	\$ 826	\$1,001	\$1,177

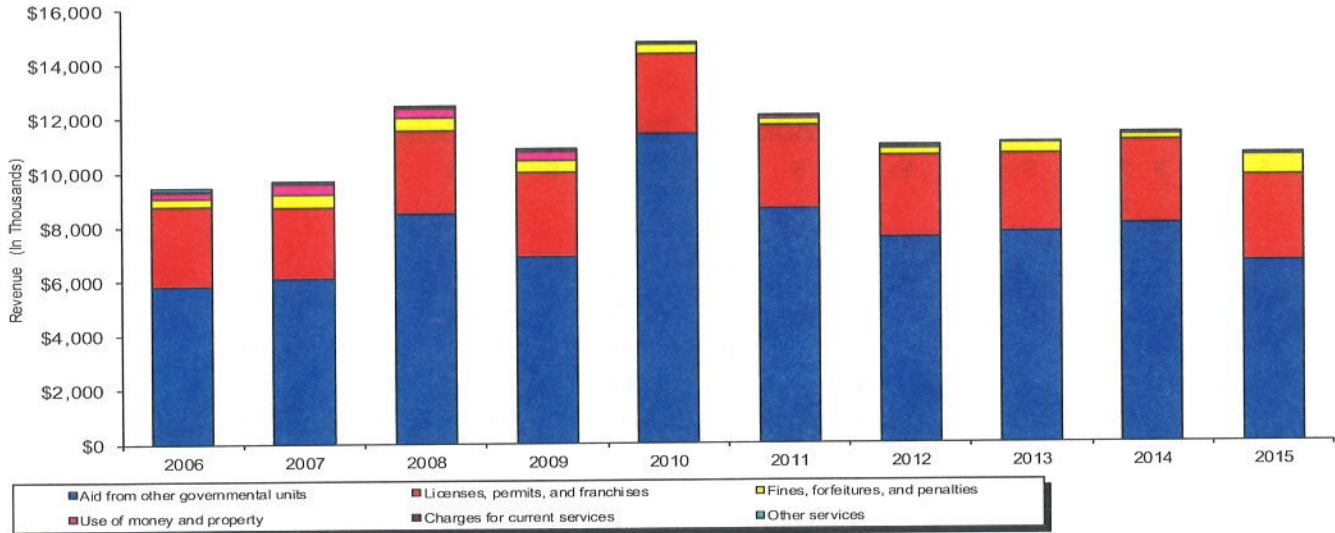
Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Total Revenue Sources - Last Ten Fiscal Years

(In thousands)

(Unaudited)



Aid from

Year Ended	Aid from other governmental units	Licenses, permits, and franchises	Fines, forfeitures, and penalties	Use of money and property	Charges for current services	Other services	Total revenues
2006	\$ 5,845	\$ 2,905	\$ 327	\$ 218	\$ 40	\$ 101	\$ 9,436
2007	6,132	2,602	492	371	52	17	9,666
2008	8,506	3,039	452	361	49	26	12,433
2009	6,866	3,108	451	318	47	33	10,823
2010	11,369	2,974	342	34	38	-	14,757
2011	8,634	3,054	215	88	41	9	12,041
2012	7,542	3,039	222	40	42	4	10,889
2013	7,756	2,846	407	6	6	-	11,021
2014	8,034	3,070	172	32	6	13	11,327
2015	6,657	3,110	744	58	4	2	10,575
	(1)	(2)	(3)	(4)	(5)	(6)	

- (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)

Year Ended	Permits	Emission	Rule 47	Title V	Asbestos	DMV	Air Toxics	Variance	Agricultural Permits & Renewals	(1) PERP Fees	Total Local Revenues
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
2008	477	2,206	207	25	27	2,853	24	4	46	23	5,892
2009	471	2,198	251	18	17	2,813	23	14	56	60	5,921
2010	383	2,191	228	17	21	2,818	22	20	59	33	5,792
2011	368	2,226	246	26	20	2,831	20	11	75	62	5,885
2012	362	2,276	228	18	18	2,833	17	13	54	53	5,872
2013	339	2,109	241	19	22	2,836	15	-	51	50	5,682
2014	409	2,265	227	17	24	2,932	18	8	51	52	6,003
2015	321	2,365	243	14	36	2,944	18	8	51	54	6,054

[1] Portable Engine Registration Program (PERP)

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Top Ten Payers of Emission Fees

Fiscal Year 2014-15

(Unaudited)

<u>Company Name</u>	<u>Emission Fees</u>	<u>Rank</u>	<u>Percentage of Total Emission Fees</u>
NRG California South LP*	\$ 487,768	1	20.6%
Venoco, Inc.*	203,863	2	8.6%
California Resources Production Corporation*	160,008	3	6.8%
DCOR, LLC*	129,695	4	5.5%
Aera Energy LLC	103,678	5	4.4%
Naval Base Ventura County	86,965	6	3.7%
Procter & Gamble Paper Prods.	47,398	7	2.0%
County of Ventura *	40,709	8	1.7%
Seneca Resources Corporation	24,235	9	1.0%
New-Indy Oxnard LLC	<u>22,604</u>	10	<u>1.0%</u>
Total Paid by Largest Payers for emission fees	\$ <u>1,306,923</u>		<u>55.3%</u>
Total Emission Fees Paid By All Emitters	\$ <u><u>2,365,150</u></u>		

* Located at separate sites

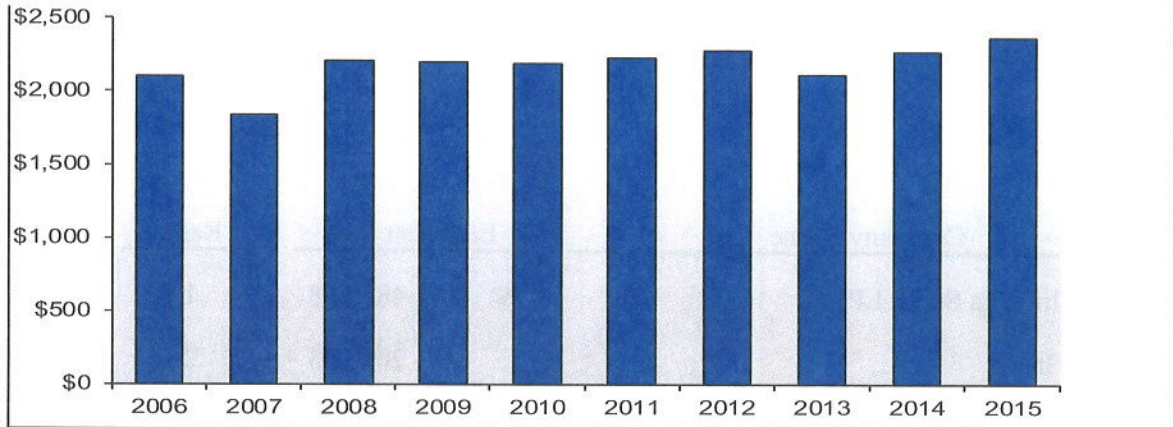
Source: Ventura County Air Pollution Control District Accounting Records

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Total Emission Fees – Last Ten Fiscal Years

(In thousands)

(Unaudited)



	Emission Fees
2006	\$ 2,103
2007	1,841
2008	2,206
2009	2,198
2010	2,191
2011	2,226
2012	2,276
2013	2,109
2014	2,265
2015	2,365

Source: Ventura County Air Pollution Control District
Accounting Records

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Population (by Cities) – Last Ten Years

(In thousands)

(Unaudited)

Year	Camarillo	Fillmore	Moorpark	Ojai	Oxnard	San			Simi	Thousand	Total	
						Port	Buena-	Santa				
						Hueneme	Ventura	Paula	Valley	Oaks	Incorporated	
2006	63.89	15.13	35.67	8.13	189.29	22.33	106.32	29.02	122.25	127.17	719.20	(1)
2007	65.21	15.16	35.93	8.08	191.83	22.22	106.85	29.05	123.77	126.94	725.04	(1)
2008	65.12	15.54	36.62	8.11	193.89	22.09	107.71	29.39	125.00	127.98	731.45	(1)
2009	66.08	15.62	37.05	8.15	196.89	22.15	108.69	29.69	125.70	128.44	738.46	(1)
2010	65.20	14.90	34.39	7.46	197.90	21.04	106.43	29.31	124.24	126.66	727.53	(1)
2011	66.14	15.09	34.63	7.49	199.27	21.55	106.23	29.46	124.73	127.26	731.85	(1)
2012	66.41	15.14	34.83	7.54	200.39	21.68	107.17	29.88	125.32	128.03	736.39	(1)
2013	66.43	15.18	34.90	7.55	200.86	22.02	108.29	29.95	125.56	128.14	738.88	(1)
2014	66.75	15.34	35.17	7.59	203.65	22.40	108.96	30.45	126.31	129.04	745.66	(1)
2015	67.15	15.44	35.73	7.61	206.15	22.77	109.34	30.56	126.48	129.35	750.58	(1)

(1) Population estimates for Cities January 1, 2015

Source: <http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php>

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 (in millions)</u>	(a)	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	(d)
2006	798,183		\$ 35,980		\$ 45,077	4.3%	
2007	800,027		37,497		46,870	4.9%	
2008	806,353		37,437		46,427	6.3%	
2009	815,130		36,100		44,287	9.6%	
2010	825,312		37,067		44,912	10.8%	
2011	830,623		39,424		47,463	10.2%	
2012	834,398		41,705		49,982	9.1%	
2013	839,620		42,406		50,507	7.9%	
2014	842,385	(b)	43,900	(c)	52,114	6.7%	
2015	848,073	(b)	45,600	(c)	53,769	5.6%	

Notes:

1) Revised in 2014-15 to reflect data from the U.S. Department of Commerce (last updated: November 2014.)

Sources:

(a) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, CA1-3 Personal Income Summary, as of November 2014. Population numbers reflect Census Bureau midyear population estimates available as of November 2014. All dollar estimates are in current dollars (not adjusted for inflation).

(b) State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011 - 2015, as of May 2015.

(c) 2015 Ventura County Real Estate and Economic Outlook.

(d) State of California, Employment Development Department, Labor Market Information Division, September 2015. Historical Civilian Labor Force; data not seasonally adjusted. 2006 to 2014 rates are annual averages. The 2015 rate is an eight month average.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Principal Employers
Current Year and Nine Years Ago
(Unaudited)

<u>Employer</u>	<u>2015[a]</u>			<u>2006[b]</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
United States Naval Base	14,547	1	4.63%	14,457	1	4.56%
County of Ventura	8,721	2	2.77%	7,191	3	2.27%
Amgen, Inc.	5,095	3	1.62%	10,000	2	3.15%
Anthem, Inc. (previously Wellpoint, Inc.)	2,913	4	0.93%	3,738	5	1.18%
Simi Unified School District	2,436	5	0.77%	2,370	8	0.75%
Community Memorial Hospital	2,000	6	0.64%			
Conejo Unified School District	1,943	7	0.62%	2,456	6	0.77%
Ventura Unified School District	1,842	8	0.59%	2,340	9	0.74%
Dignity Health	1,805	9	0.57%			
Los Robles Regional Med Center	1,700	10	0.54%			
Countrywide Financial Corp				5,700	4	1.80%
Vons				2,406	7	0.76%
Verizon Communications				2,200	10	0.69%
	43,002		13.68%	52,858		16.67%

Note:

(a) 2015 Ventura County Real Estate and Economic Outlook as of January 2015

(b) UCSB Economic Forecast Project as of February, 2006

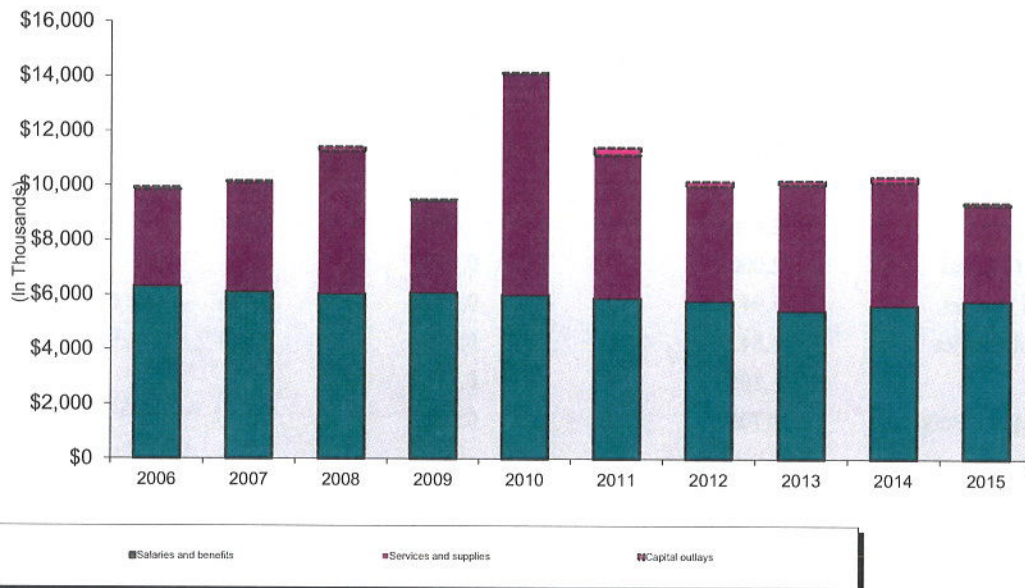
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Expenditures by Category – Last Ten Years

(In thousands)

(Unaudited)

Expenditures for the Last Ten Years



Year Ended	Salaries and benefits	Services and supplies	Capital outlays	Total expenditures
2006	\$ 6,320	\$ 3,531	\$ 83	\$ 9,934
2007	6,116	3,989	50	10,155
2008	6,050	5,230	134	11,414
2009	6,098	3,352	34	9,484
2010	6,023	8,074	43	14,140
2011	5,904	5,239	262	11,405
2012	5,797	4,206	154	10,157
2013	5,453	4,607	135	10,195
2014	5,648	4,498	180	10,326
2015	5,801	3,501	96	9,398

(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									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
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
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-Mgr, Engineering	0	0	0	0	0	0	1	1	1	1
APCD-Mgr, Monitoring	0	0	0	0	0	0	1	1	1	1
APCD-Mgr, Compliance	0	0	0	0	0	0	1	1	1	1
APCD-Mgr, Planning & Rules	0	0	0	0	0	0	1	1	1	1
APCD-Fiscal Officer	1	1	1	1	1	1	1	1	1	1
APCD-AQ Permit Processing Specialist I/II	0	0	0	0	0	0	0	1	1	2
APCD-AQ Engineer II	7	6	6	6	6	6	6	6	6	6
APCD-Supervising AQ Engineer	4	3	3	3	3	2	2	2	2	1
APCD-AQ Chemist II	1	1	1	1	1	1	1	1	1	0
APCD-Supervising AQ Chemist	1	1	1	1	1	1	1	0	0	0
APCD-AQ Specialist II	15	15	15	15	14	15	13	13	13	13
APCD-Supervising AQ Specialist	5	5	5	5	5	5	5	4	4	3
APCD-AQ Meteorologist II	1	1	1	1	1	1	1	1	1	1
APCD-Supervising AQ Meteorologist	1	1	1	1	1	1	0	0	0	0
APCD-Sr Mgr, Engineering	1	0	0	0	0	0	0	0	0	0
APCD-Sr Mgr, MTS/Planning	1	0	0	0	0	0	0	0	0	0
APCD-Sr Mgr, Compliance	1	1	1	1	1	1	0	0	0	0
APCD-Mgmt Asst IV-Confidential	1	1	1	1	1	1	1	1	1	1
APCD-AQ Instrument Technician III	3	2	2	2	2	2	2	2	1	2
APCD-Supervising AQ Instrument Tech	1	1	1	1	1	1	1	1	1	1
APCD-AQ Technician II	2	2	2	2	2	2	2	2	2	2
APCD-Office Systems Coordinator III	4	4	4	4	4	3	3	3	3	3
APCD-Management Assistant II	2	2	2	1	1	1	1	1	1	1
APCD-Office Assistant IV	0	0	0	1	1	1	1	1	1	1
APCD-Office Assistant III	1	1	1	1	1	1	1	1	1	1
TOTAL STAFFING*	59.0	53.0	53.0	53.0	52.0	51.0	51.0	50.0	49.0	48.0

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

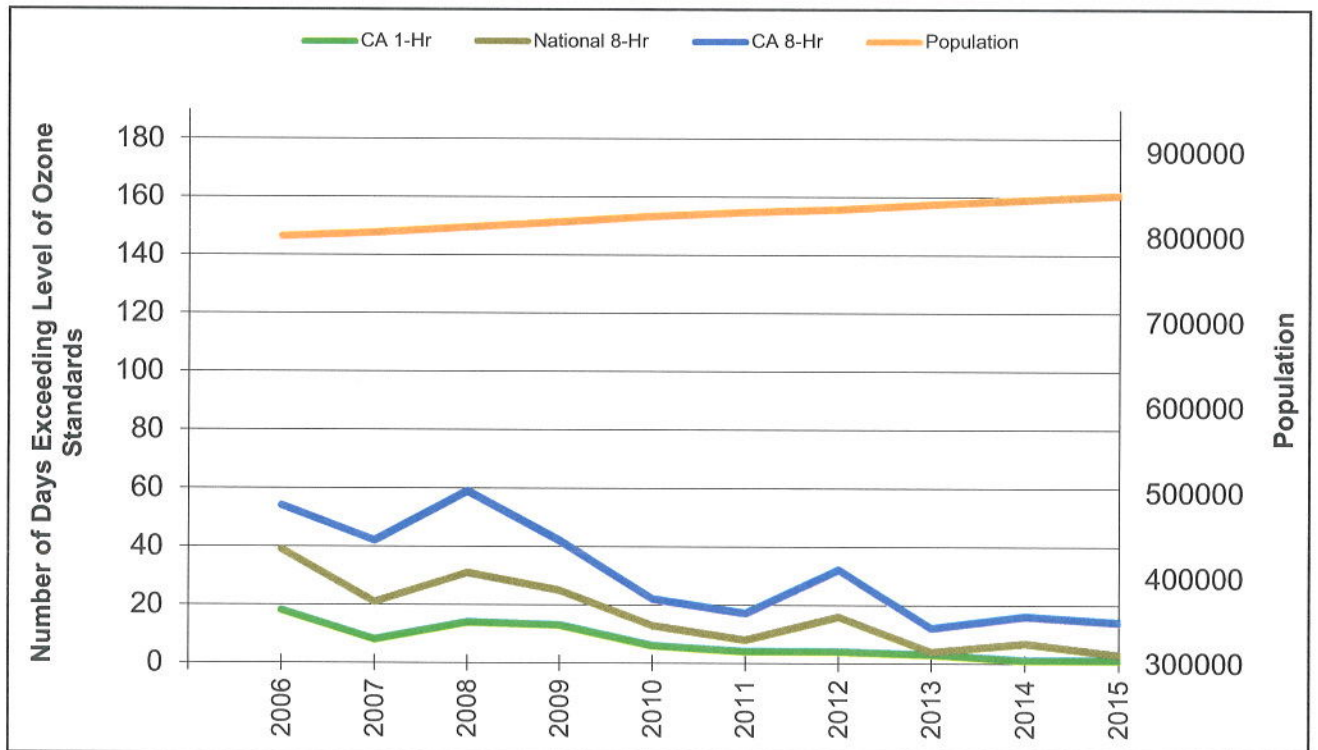
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Smog Trend

Last Ten Calendar Years

(Unaudited)

County-wide Ozone v. Population



- Notes: 1) 2015 air quality data is preliminary and is subject to change.
 2) 2002 - 2010 population estimates are from the California Department of Finance (DOF). 2015 population which is a projection from DOF, Report P-2: Population Projections by Race/Ethnicity and 5-Year Age Groups, 2010-2060.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Capital Assets– Last Ten Fiscal Years

(In thousands)

(Unaudited)

<u>Year Ended</u>	<u>Capital Assets</u>	<u>Accumulated Depreciaton</u>	<u>Depreciable, net</u>
2006	\$ 1,314	\$ (821)	\$ 493
2007	1,364	(931)	433
2008	1,498	(1,051)	447
2009	1,508	(1,144)	364
2010	1,256	(970)	286
2011	1,384	(933)	451
2012	1,525	(1,005)	520
2013	1,622	(1,088)	534
2014	1,630	(1,046)	584
2015	1,405	(859)	546

Source: Ventura County Air Pollution Control District Accounting Records

- END OF REPORT -

