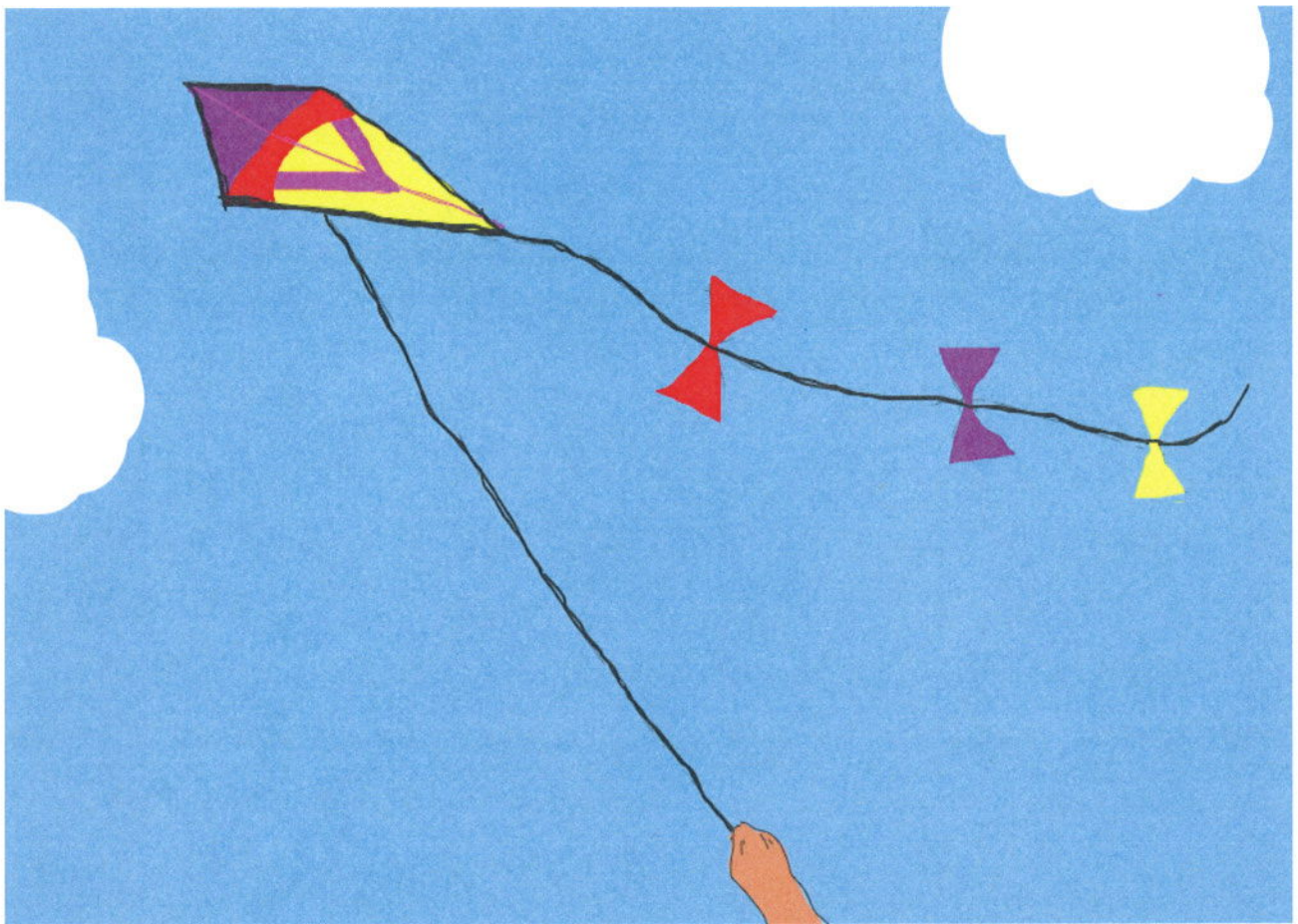


COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016

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, 2016

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**VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

June 30, 2016

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Ventura County
Air Pollution
Control District

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Ventura, California 93003

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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, 2016. 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, 2016, and 2015 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, 2016, 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, 2016, 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 Title 2, Part 200 of the Code of Federal Regulations (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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 auditors' results, and the independent auditors' 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. The smoggiest days usually occur from May through October when high temperatures and poor atmospheric mixing tend 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.

Since 1990, all areas of the county have enjoyed significant reductions in ozone levels despite a population increase of 28 percent. There were 129 days county-wide over the current (enacted in 2015) federal 8-hour ozone standard of 70 ppb in 1990, but only eight in 2016.

The EPA sets National Ambient Air Quality Standards (NAAQS) as the maximum concentrations in the atmosphere for specific air contaminants in order to protect public health and welfare. The EPA has adopted NAAQS for ozone, carbon monoxide (CO), lead, nitrogen dioxide (NO₂), fine particulate matter (PM_{2.5}), coarse particulate matter (PM₁₀), and sulfur dioxide (SO₂). Ventura County is designated nonattainment for the federal 2015 ozone standard and attainment for all other federal air quality standards.

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 ppb 8-hour ozone standard, in spite of significant population growth in Ventura County. There were 70 days countywide over the 1997 federal 8-hour ozone standard of 84 ppb in 1990 but only eight in 2009, four in 2010, and two in 2011. On September 14, 2012, the EPA found that Ventura County had attained the 1997 federal ozone standard of 84 ppb by its applicable attainment date of June 15, 2013. The EPA revoked the 1997 federal ozone standard effective April 6, 2015.

Factors Affecting Financial Condition

The District is a fee supported agency and does not receive sales or property tax support. Approximately 28 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; 40 percent from federal grants, pass through grants, and state subvention; and 4 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.

The District's fund balance significantly decreased by 35 percent in fiscal year 2015-2016 as a result of the purchase of a building that will serve as the District's permanent office. This has not affected the District's fund balance reserve of four to six months of its proposed operating expenses. The District plans on renovating the building before moving in. The estimated move-in date is January 2019.

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 Statements No. 31 and 72. Further information is available in Note 4 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, 2016

JOHN ZARAGOZA
Chair
Board of Supervisors - District V

DOUG TUCKER
Vice-Chair
Council Member, City of Fillmore

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

CARMEN RAMIREZ
Council Member, City of Oxnard

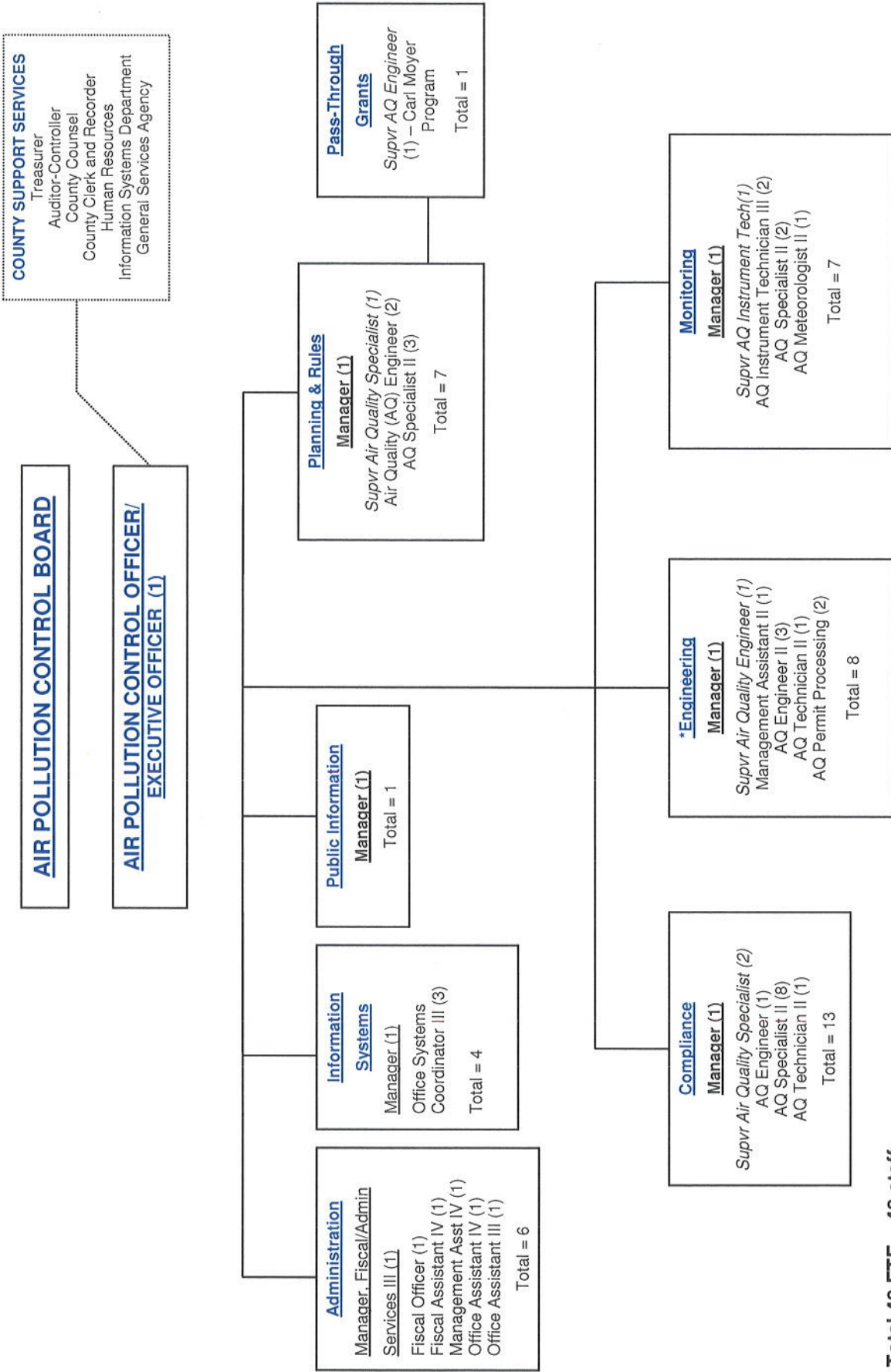
PETER C. FOY
Board of Supervisors - District IV

DAVID POLLOCK
Council Member, City of Moorpark

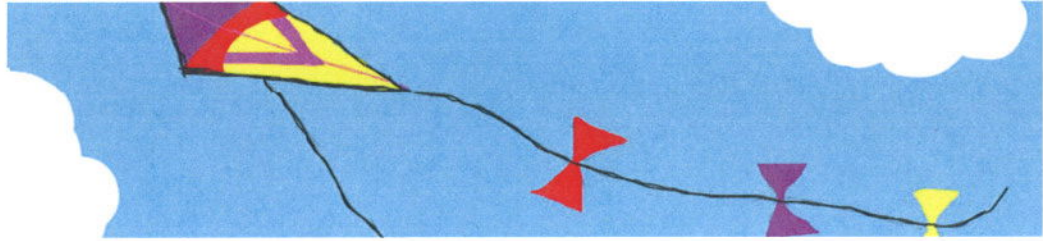
CHERYL HEITMANN
Alternate
Mayor, City of Ventura

MICHAEL VILLEGAS
Air Pollution Control Officer /
Executive Officer

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT



Total 48 FTE = 48 staff
Does not include student worker.
*One position deleted after promotion.



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, 2016, 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, 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, 2016, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2015. 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 management's discussion and analysis on pages 11 – 20, 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 introductory section, 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 30, 2017, 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.

Vavrich, Train, Day & Co., LLP

Rancho Cucamonga, California
March 30, 2017

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

This section of the report presents the District's discussion and analysis for its financial performance during the fiscal year ended June 30, 2016. Please read this section in conjunction with the transmittal letter at the front of this report and the basic financial statements following this section.

Financial Highlights

- The government-wide assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the 2015-2016 fiscal year by \$11,810,000 (net position). Of this amount, \$5,951,000 is net investment in capital assets and the remaining portion of \$5,859,000 (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 and the increase in net investment in capital assets resulted from the purchase of the District's office building.
- As of June 30, 2016, the District's governmental fund reported combined fund balances of \$8,924,000 a decrease of \$4,702,000 in comparison to the prior year. The decrease in fund balance resulted from the purchase of the District's office building. The \$8,924,000 represents the entire amount of the General Fund. Approximately 16 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 84 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 \$8,924,000 at the end of the fiscal year, \$1,426,000 was assigned and \$7,498,000 was unassigned, which is 75% 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 31 in Note 3 of the Notes to Basic Financial Statements.
- On June 20, 2016, the District purchased the building at 4567 Telephone Rd in Ventura that will serve as the District's permanent office. The cost of the building was \$5,475,000. The building will need repairs and improvements before the District can move-in. Portions of the building are currently leased by three tenants who are paying a combined \$42,106 per month in rent. The District believes that owning a building will reduce the operating costs for the District.

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.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

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 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 21-22 of this report.

Fund Financial Statements

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

Governmental Funds

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

In general, these financial statements under the modified-accrual basis have a short-term emphasis and for the most part, measure and account for 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.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

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 24.

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 26.

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

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in pages 27 to 43 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, 2016

(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 \$11,810,000. The District's net position increase of \$1,194,000 from last fiscal year was due to unique cost savings and receipt of one time revenues.

Statement of Net Position

June 30, 2016 and 2015

(In Thousands)

	2016	2015	Percent Change
Assets:			
Current and other assets	\$ 12,910	\$ 17,067	-24%
Capital Assets	5,951	546	990%
Total Assets	<u>18,861</u>	<u>17,613</u>	7%
Deferred outflows of resources			
Deferred outflows related to pensions	1,690	912	85%
Total deferred outflows of resources	<u>1,690</u>	<u>912</u>	85%
Liabilities:			
Long-term liabilities outstanding	3,750	2,702	39%
Other liabilities	4,355	3,762	16%
Total Liabilities	<u>8,105</u>	<u>6,464</u>	25%
Deferred inflows of resources			
Deferred inflows related to pensions	636	1,445	-56%
Total deferred inflows of resources	<u>636</u>	<u>1,445</u>	-56%
Net Position:			
Net Investment in capital assets	5,951	546	990%
Unrestricted	5,859	10,070	-42%
Total Net Position	<u>\$ 11,810</u>	<u>\$ 10,616</u>	11%

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

The largest component of the District's net position totaling \$5,951,000 (50%) reflects the District's net investment in capital assets net of accumulated depreciation. The significant increase of 990% in net investment in capital assets from prior year resulted from the purchase of the District's office building in

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

fiscal year 2016. The District uses these capital assets in carrying out its mission of protecting public health. Accordingly, these assets are not available for future spending.

The remaining component of the District's net position of \$5,859,000 (50%) is unrestricted and may be used to meet ongoing obligations in carrying out day-to-day operations. The decrease in unrestricted net position of 42% was due to the purchase of the District's office building.

The District has no restricted net position as of June 30, 2016.

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, 2016 and 2015
(In Thousands)

	2016	2015	Percent Change
Revenues:			
Program revenues:			
Charges for services	\$ 3,352	\$ 3,860	-13%
Operating grants and contributions	7,343	6,657	10%
General revenues:			
Investment earnings	108	58	86%
Rental Income	14	-	100%
Total Revenues	<u>10,817</u>	<u>10,575</u>	2%
Expenses:			
Public Protection	<u>9,623</u>	<u>8,995</u>	7%
Increase in net position	1,194	1,580	-24%
Net Position, beginning of year	10,616	12,397	-14%
Prior period adjustment	<u>0</u>	<u>(3,361)</u>	-100%
Net Position, beginning, as restated	10,616	9,036	17%
Net position, end of year	<u>\$ 11,810</u>	<u>\$ 10,616</u>	11%

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).

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

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

The District's revenues were for air pollution control services and totaled \$10,817,000. The graph and table on page 17 shows the total revenue for the District in 2015-16.

Operating grants and contributions are revenues earned from entities outside of the District, primarily state and federal agencies. In 2015-16, the District reported \$7,343,000 in operating grants and contributions representing the largest revenue source for the District. Federal grants of \$1,120,000 and Pass-through grants of \$3,038,000 increased by 18% due to the increase in the number of the Carl Moyer projects completed during the year.

Charges for services of \$3,352,000 are revenues earned from providing goods and services to external customers. Charges for services provided 31 percent of total program revenues in 2015-16, a decrease over the prior year by 13 percent. This was due to the decrease in one-time receipt of penalties from facilities with violations.

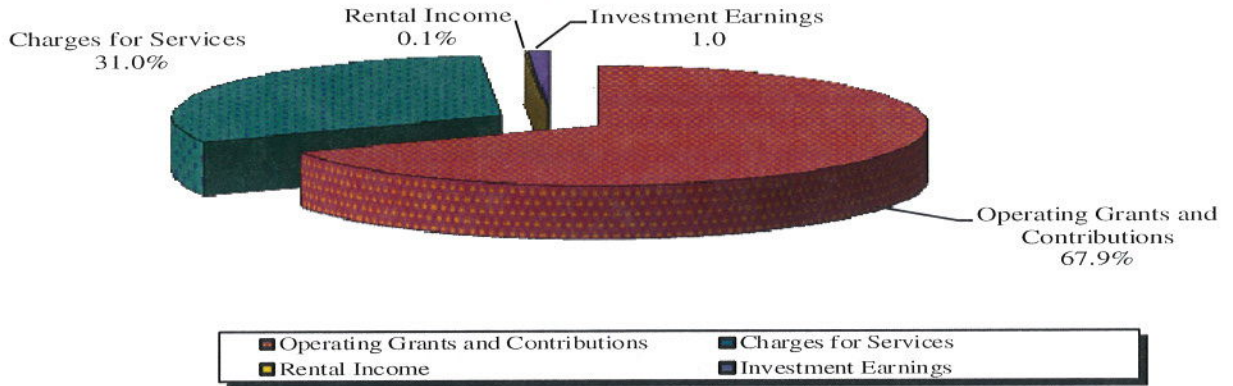
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

Revenues



<u>Operating Grants and Contributions</u>	<u>FY 2015-2016</u>	<u>FY 2014-2015</u>
DMV fees	\$ 2,985,000	\$ 2,944,000
State Subvention	200,000	200,000
Federal grants	1,120,000	1,071,000
Pass-through grants	3,038,000	2,442,000
Total	<u>\$ 7,343,000</u>	<u>\$ 6,657,000</u>

<u>Charges for Services</u>	<u>FY 2015-2016</u>	<u>FY 2014-2015</u>
Licenses, permits, and franchises	\$ 3,064,000	\$ 3,110,000
Charges for current services	3,000	4,000
Fines, forfeitures, and penalties	281,000	744,000
Other revenues	4,000	2,000
Total	<u>\$ 3,352,000</u>	<u>\$ 3,860,000</u>

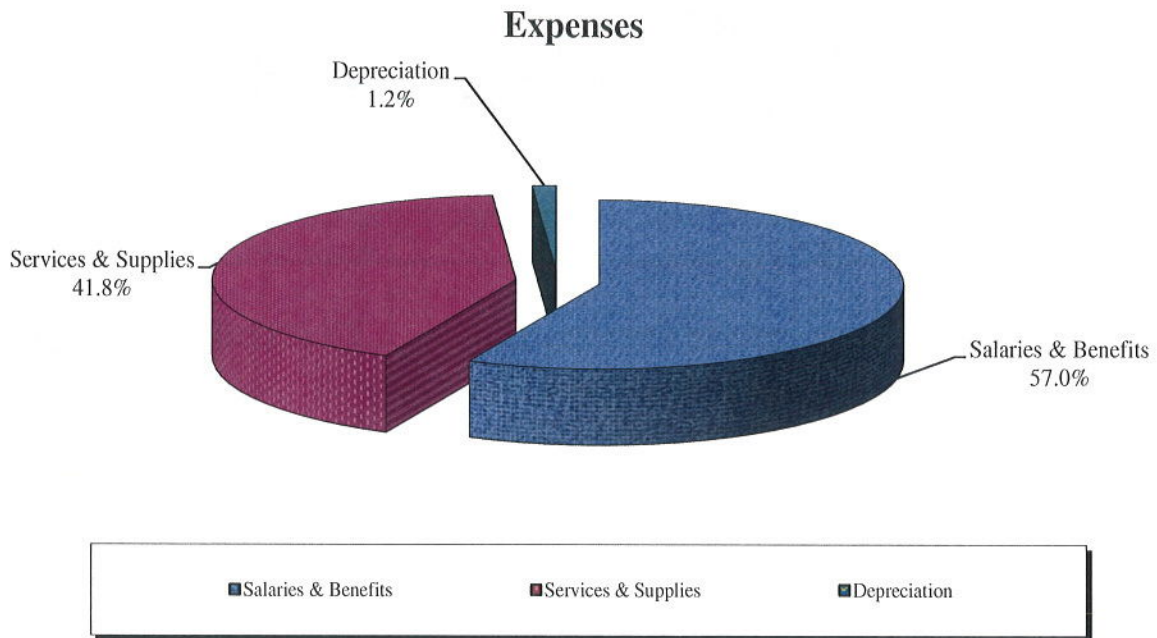
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

All of the expenses of the District were for air pollution control services at a total of \$9,623,000, an increase of 7% percent compared to the prior fiscal year. The majority of the increase was due to the increase in number of Carl Moyer projects completed during the year. The graph and table below provide District expenses by object level.



<u>Expenses</u>	<u>FY2015-16</u>	<u>FY2014-15</u>
Salaries & Benefits	\$ 5,485,000	\$ 5,360,000
Services & Supplies	4,018,000	3,518,000
Depreciation	120,000	117,000
Total expenses	<u>\$ 9,623,000</u>	<u>\$ 8,995,000</u>

Financial Analysis of the District's Funds

At June 30, 2016, the District's general fund reported an ending fund balance of \$8,924,000, a decrease of \$4,702,000 from the prior year. The decrease was due to the purchase of the District's office building.

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 \$7,498,000 which is available for spending in the future at the district's discretion within allowable use. The assigned amount of \$1,426,000 represents the 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

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

unassigned fund balance is \$7,498,000 which represents 48 percent of total expenditures for the year ended June 30, 2016, while the total fund balance represents 58 percent of that same total.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget, June 30, 2016

Appropriation for the General Fund final budget compared to the original budget reflected an increase in appropriations of \$9,302,000. The changes to the budget were the result of Air Pollution Control Board actions that allocated funds for the purchase of the District's office building and the additional funding to pass through grants after the budget was adopted. The largest change to the budget of approximately \$5,496,000 was attributable to the capital outlay for the purchase of the District's office building. The change to the budget of 3,806,000 was attributable to higher estimates in services and supplies related to pass-through grant, the Carl Moyer program.

Estimated revenues for the General Fund final budget exceeded the original budget by \$2,791,000. Aid from other governmental units increased as a result of the corresponding funding for the Carl Moyer program above.

Final Budget to Actual Expenditures and Revenues, June 30, 2016

The final budget appropriations exceeded actual expenditures by \$2,976,000, while the final budget estimated revenues exceeded actual revenues by \$457,000. The resulting combined positive budgetary variance was \$2,519,000. The largest revenue shortfall was \$509,000, 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 \$2,240,000 in services and supplies due mainly to pass-through grant projects that were not completed at fiscal yearend. Salary savings of \$366,000 resulted from the deferment of filling vacant positions.

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

Capital Assets

The net investment in capital assets is entirely for its governmental activities. The book value was \$5,951,000 (net of accumulated depreciation of \$979,000) as of June 30, 2016. This investment in capital assets includes the following: Office building, laboratory equipment, air monitoring stations, vehicle, computer, and software. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures. The increase in capital assets reported under Note 6 of the Notes to the Basic Financial Statements, reflects the purchase of the District's office building.

Economic Factors and Next Year's Budget and Rates

The fiscal year 2016-17 adopted budget (without pass-through grants) totals \$8,504,000 an increase of about 2 percent or \$170,000 when compared to the fiscal year 2015-16 adopted budget. This was mainly due to the increase in Services and Supplies for Professional Services. The contract with San Joaquin Air Pollution Control District for the two CEC Power Plant permit reviews was increased from \$200,000 to \$400,000.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

The fiscal year 2016-17 adopted budget (without pass-through grants) as compared to prior year actual expenditures includes an overall increase of 7 percent in salaries and benefits. This is due mainly to increases in salaries, retirement contributions, and vacation buydowns. Adopted budget for services and supplies (without pass-through grants) in fiscal year 2016-17 is 61 percent higher as compared to prior year actual expenditures. This is due mainly to increases in appropriations for Other Professional Services (\$400,000 consultant fees for the two California Energy Commission Power Plant permit reviews), Computer parts and services, and Conference and Seminar Expense. Capital Outlay decreased by 99 percent due to the purchase of the District's office building that happened in fiscal year 2015-16.

The District's fund balance has increased from fiscal years 2013 to 2015. In fiscal year 2016, the District purchased its office building and this has resulted in the decrease of fund balance. Excluding the building cost, the District's fund balance increased in fiscal year 2016. However, Fiscal year 2016-2017 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, 2016

(In thousands)

	Government Activities
Assets:	
Cash & investments	\$ 12,271
Accounts receivable	626
Due from the County of Ventura	13
Capital assets (Note 6):	
Nondepreciable	2,542
Depreciable, net	3,409
Total assets	18,861
Deferred Outflows of Resources:	
Deferred outflows related to pension (Note 11)	1,690
Liabilities:	
Accounts payable	8
Accrued liabilities	186
Due to the County of Ventura	28
Unearned revenue	3,754
Deposits	10
Noncurrent liabilities:	
Due within one year	369
Due in more than one year	3,750
Total liabilities	8,105
Deferred Inflows of Resources:	
Deferred inflows related to pension (Note 11)	636
Net Position:	
Net Investment in capital assets	5,951
Unrestricted	5,859
Total net position	\$ 11,810

See accompanying notes to financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2016

(In thousands)

	<u>Expenses</u>	<u>Program revenues</u>	<u>Operating grants and contributions</u>	<u>Net (expense) revenue and changes in net position</u>
		<u>Charges for services</u>		<u>Governmental activities</u>
Function/program activities:				
Governmental activities:				
Public protection	\$ 9,623	3,352	7,343	1,072
Total governmental activities	<u>9,623</u>	<u>3,352</u>	<u>7,343</u>	<u>1,072</u>
General revenues:				
Interest earnings				108
Rental Income				14
Total general revenues				<u>122</u>
Changes in net position				1,194
Net position, beginning of year				<u>10,616</u>
Net position, end of year				\$ <u><u>11,810</u></u>

See accompanying notes to financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Balance Sheet
 Governmental Fund
 June 30, 2016
 (In thousands)

	Assets		General Fund
Cash and investments		\$	12,271
Accounts receivable, net			626
Due from the County of Ventura			13
Total assets			12,910
Liabilities and Fund Balance			
Liabilities:			
Accounts payable			8
Accrued liabilities			186
Due to the County of Ventura			28
Deposits			10
Unearned Revenue			3,754
Total liabilities			3,986
Fund balance			
Assigned:			
Appropriated Fund Balance for FY 2016-17			726
Litigation			300
Capital Asset Acquisition			200
Motor Vehicle Fee Projects			200
Unassigned			7,498
Total fund balance			8,924
Total liabilities and fund balance		\$	12,910

See accompanying notes to financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2016

(6) Capital Assets

Changes in the capital assets by asset type during the year ended June 30, 2016, are as follows (in thousands):

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
Capital assets, nondepreciable:				
Land	\$ -	\$ 1,551	\$ -	\$ 1,551
Construction in progress-Software	58	21	-	79
Construction in progress-Building	-	912	-	912
Total capital assets, nondepreciable	<u>58</u>	<u>2,484</u>	<u>-</u>	<u>2,542</u>
Capital assets, depreciable:				
Building	-	3,012	-	3,012
Equipment	1,168	29	-	1,197
Vehicle	28	-	-	28
Software	151	-	-	151
Total capital assets, depreciable	<u>1,347</u>	<u>3,041</u>	<u>-</u>	<u>4,388</u>
Less accumulated depreciation for:				
Equipment	717	90	-	807
Vehicle	22	1	-	23
Software	120	29	-	149
Total accumulated depreciation	<u>859</u>	<u>120</u>	<u>-</u>	<u>979</u>
Total capital assets, depreciable, net	<u>488</u>	<u>2,921</u>	<u>-</u>	<u>3,409</u>
Governmental activities capital assets, net	<u>\$ 546</u>	<u>\$ 5,405</u>	<u>\$ -</u>	<u>\$ 5,951</u>

The increase in capital assets is due mainly to the purchase of the District's office building in the amount of \$5,475,000. The building will undergo renovation before the District can move-in. Depreciation expense is charged to the public protection function in the Statement of Activities.

(7) 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, 2016

The following schedule represents changes in the long-term liabilities relating to compensated absences during the year ended June 30, 2016 (in thousands):

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Employee compensated absences	\$ 684	360	382	662	369

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, 2016 (in thousands):

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due within one year
Net Pension Liability	\$ 2,339	2,002	884	3,457	—

(8) 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, 2016, the District paid premiums of \$28,444 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.

(9) 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, 2016, in accordance with the requirements of the Federal Single Audit Act of 1996 and the related Title 2, Part 200, Subpart F of the Code of Federal Regulations,

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2016

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 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 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. 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
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 Tier 1 employees. Certain General Tier 2 members also receive a fixed two percent cost of living adjustment on eligible SEIU service.

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 \$843,000 for the year ended June 30, 2016. Contribution rates, based on pensionable payroll, are as follows:

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2016

	Employer Contribution Rates	Employee Contribution Rates
General Tier 1	22.93%	9.16%
General PEPRA Tier 1	N/A	N/A
General Tier 2	18.07%	5.78%
General PEPRA Tier 2	16.63%	6.92%
General Tier 2C*	20.70%	8.41%
General PEPRA Tier 2C*	19.21%	9.55%

*2C (with COLA)

Pension Liabilities, Pension Expenses, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pension: At June 30, 2016, the District reported a liability of \$3,457,000 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2015. 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, 2014. 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, 2015, the District's proportion was 0.40 percent, which was a decrease of .02 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$374,000. At June 30, 2016, 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	\$ -	\$ 453
Net difference between projected and actual earnings on Retirement plan investments		132
Changes in proportion and differences between District Contributions and proportionate share of contributions	79	51
Changes of assumptions or other inputs	767	
District contributions subsequent to the measurement date	843	
Total	\$ 1,689	\$ 636

\$843,000 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, 2017.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

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
2017	(55)
2018	(55)
2019	(55)
2020	278
2021	97
Total	\$ 210

Actuarial Assumptions: The TPL was determined by an actuarial valuation as of June 30, 2014, which was rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Assumptions</u>
(1) Rate of return on investment	7.50%
(2) Projected salary increases	4.00% - 11.50%
Amount attributable to inflation	3.00%
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, 2014 valuation, which was rolled forward to June 30, 2015, were based on the results of an experience study for the period July 1, 2011 through June 30, 2014. Based on the experience study, the assumptions used in the actuarial valuation changed from 7.75 percent to 7.5 percent for the discount rate and from 3.25 percent to 3.00 percent for the inflation rate.

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

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2016

expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Large Cap U.S. Equity	27.74%	5.90%
Small Cap U.S. Equity	3.41%	6.60%
Developed International Equity	14.73%	6.95%
Emerging Market Equity	3.12%	8.44%
U.S. Core Fixed Income	14.00%	0.71%
Real Estate	7.00%	4.65%
Private Debt/Credit Strategies	5.00%	6.01%
Absolute Return (Risk Parity)	16.00%	4.13%
Real Assets (Master Limited Partnerships)	4.00%	6.51%
Private Equity	5.00%	9.25%
Total	100.00%	

Discount Rate: The discount rate used to measure the TPL was 7.50 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.

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate (in thousands):

	1% Decrease <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
District's proportionate share of the net pension liability	\$ 6,289	3,457	1,146

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

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2016

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.

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 \$794 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 2016 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 \$8,240 in FY 2013-14, and \$13,566 in FY 2014-15, and \$25,696 in FY 2015-16. These contributions represent 100 percent of the annual non-pension cost required for fiscal years 2014, 2015, and 2016.

(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 2016 CAFR.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2016

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, 2016, the District's obligation was reported as part of County of Ventura's net OPEB obligation in fiscal year 2015-2016.

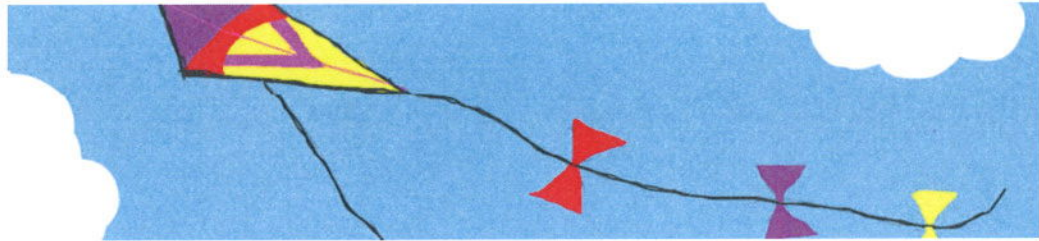
For additional details, actuarial assumptions, funded status of the plan and required supplementary information, refer to the Ventura County's CAFR.

(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 \$862,059 for County of Ventura Services provided during the fiscal year ended June 30, 2016.

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**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, 2016

(In thousands)

(Unaudited)

	Budgeted amounts		Actual amounts	Variance with final budget – positive (negative)
	Original	Final		
Revenues:				
Aid from other governments units	\$ 5,061	\$ 7,852	\$ 7,343	\$ (509)
Licenses, permits, and franchises	3,273	3,273	3,064	(209)
Fines, forfeitures, and penalties	104	104	281	177
Use of money and property	40	40	122	82
Charges for current services	5	5	3	(2)
Other revenue	—	—	4	4
Total revenues	<u>8,483</u>	<u>11,274</u>	<u>10,817</u>	<u>(457)</u>
Expenditures:				
Current – public protection:				
Salaries and benefits	6,343	6,343	5,977	366
Services and supplies	2,451	6,257	4,017	2,240
Contingencies	300	300	—	300
Total public protection	<u>9,094</u>	<u>12,900</u>	<u>9,994</u>	<u>2,906</u>
Capital outlay	<u>99</u>	<u>5,595</u>	<u>5,525</u>	<u>70</u>
Total expenditures	<u>9,193</u>	<u>18,495</u>	<u>15,519</u>	<u>2,976</u>
Excess (deficiency) of revenues over (under) expenditures	(710)	(7,221)	(4,702)	2,519
Fund balance, beginning of year	<u>13,626</u>	<u>13,626</u>	<u>13,626</u>	<u>—</u>
Fund balance, end of year	<u>\$ 12,916</u>	<u>\$ 6,405</u>	<u>\$ 8,924</u>	<u>\$ 2,519</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, 2016

(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, 2016
 (In thousands)

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	\$ 2,339	\$ 3,457
District's proportionate share of the net pension liability	0.42%	0.40%
District's covered payroll	4,421	4,438
District's proportionate share of the net pension liability as a percentage of its covered payroll	52.91%	77.90%
Plan's fiduciary net position as a percentage of the total pension liability	88.54%	83.63%
Measurement Date	6/30/2014	6/30/2015

(1) Restated to covered payroll in 2015-16

* Information from fiscal years ended 2007 to 2014 is not presented as required by GASB Statement 68 as 2015 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*

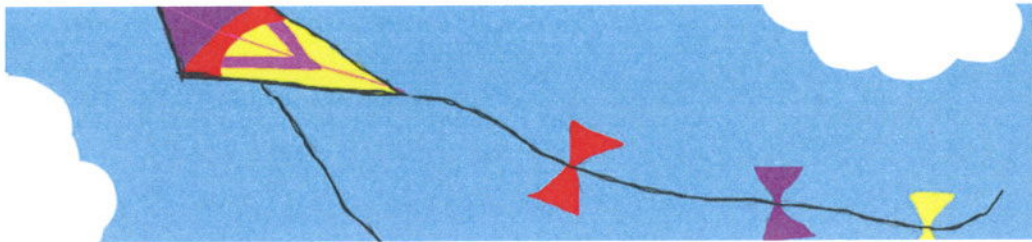
For the Year Ended June 30, 2016

(In thousands)

	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 809	\$ 843
Contributions in relation to the actuarially determined contribution	<u>809</u>	<u>843</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (1)	\$ 4,438	\$ 4,348
Contributions as a percentage of covered payroll (1)	18.23%	19.39%

(1) Restated to covered payroll in 2015-16

* Information from fiscal years ended 2007 to 2014 is not presented as required by GASB Statement 68 as 2015 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

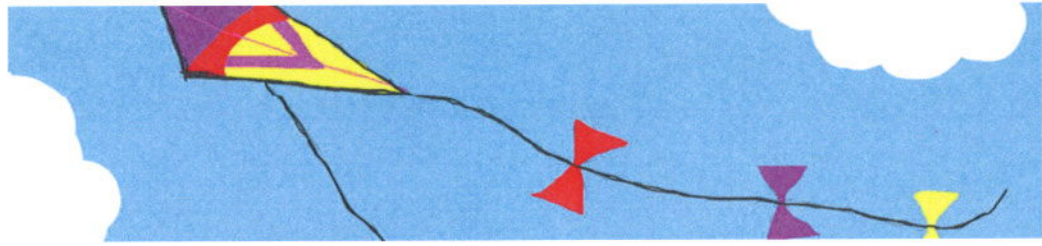
For the Year Ended June 30, 2016

(In thousands)

Revenue Sources	<u>Budgeted Revenue</u>	<u>Financial Report</u>	<u>Actual Revenue</u>
Local Sources:			
Fees & Permits:			
Operating Permits	\$560	\$316	\$316
Variance/Hearing Board	10	2	2
Engineering (Permit Renewals/AtoC)	2,358	2,331	2,331
Agricultural Engine Registration	52	50	50
Portable Engine Registration Program	40	52	52
AB 2766/DMV Surcharge	2,910	2,985	2,985
AB 2588/Hot Spots	12	20	20
Source Tests	205	241	241
Asbestos	18	28	28
Title V Certification	18	24	24
Fines	104	281	281
Interest	40	108 [1]	108
Rental Income		14	14
Other:			
Misc. Revenue	-	4	4
Charges for Services	5	3	3
Subtotal	<u>\$6,332</u>	<u>\$6,459</u>	<u>\$6,459</u>
State Sources:			
Subvention	200	200	200
Other Sources non-matching:			
Federal Grants	1,092	1,120	1,120
Carl Moyer Grant Program	442	1,783	1,783
Clean Air-Tire Voucher Program	32	-	0
DMV AB 923	342	1,239	1,239
Other Grants	75	16	16
Total Revenue	<u><u>\$8,515</u></u>	<u><u>\$10,817</u></u>	<u><u>\$10,817</u></u>

[1] Adjusted to properly state cash and investments at its fair market value at 6/30/2016.

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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 2015-16 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	Unrestricted	
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
2016	5,951	5,859	11,810

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								Change in Net Position
	Expenses: Public Protection	Program Revenues:			Net(Expense)/ Revenue	General Revenues			
		Charges for Services	Operating Grants and Contributions	Total Program Revenues		Investment Earnings	Rental Income		
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	
2016	9,623	3,352	7,343	10,695	1,072	108	14	1,194	

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)

	2006-07	2007-08	2008-09	2009-10
Fund Balances:				
Reserved :				
General reserve	\$ 100	\$ 100	\$ 100	\$ 100
Reserved for encumbrances	2,549	4,571	4,571	2,589
Total reserved	<u>2,649</u>	<u>4,671</u>	<u>4,671</u>	<u>2,689</u>
Unreserved :				
Designated	3,630	3,966	3,966	6,565
Total unreserved	<u>3,630</u>	<u>3,966</u>	<u>3,966</u>	<u>6,565</u>
Total Fund Balance	<u>\$ 6,279</u>	<u>\$ 8,637</u>	<u>\$ 8,637</u>	<u>\$ 9,254</u>

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	2015-16
Assigned:						
Building Acquisition	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Appropriated Fund Balance for next fiscal year	434	233	442	569	710	726
Capital Asset Acquisition	200	200	200	200	200	200
Litigation	300	300	300	300	300	300
Motor Vehicle Fee Projects	200	200	200	200	200	200
Total Assigned	<u>1,134</u>	<u>933</u>	<u>5,142</u>	<u>5,269</u>	<u>5,410</u>	<u>1,426</u>
Unassigned	8,756	9,689	6,306	7,180	8,216	7,498
Total Fund Balance	<u>\$ 9,890</u>	<u>\$ 10,622</u>	<u>\$ 11,448</u>	<u>\$ 12,449</u>	<u>\$ 13,626</u>	<u>\$ 8,924</u>

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									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:										
Aid from other governmental units	\$ 6,132	\$8,506	\$6,866	\$ 11,369	\$ 8,634	\$ 7,542	\$ 7,756	\$8,034	\$6,657	\$ 7,343
Licenses, permits, and franchises	2,602	3,039	3,108	2,974	3,054	3,039	2,846	3,070	3,110	3,064
Fines, forfeitures, and penalties	492	452	451	342	215	222	407	172	744	281
Use of money and property	371	361	318	34	88	40	6	32	58	122
Charges for current services	52	49	47	38	41	42	6	6	4	3
Other revenue	17	26	33	-	9	4	-	13	2	4
Total revenues	9,666	12,433	10,823	14,757	12,041	10,889	11,021	11,327	10,575	10,817
Expenditures:										
Current:										
Public protection	10,105	11,280	9,450	14,097	11,143	10,003	10,060	10,146	9,302	9,994
Capital outlay	50	134	34	43	262	154	135	180	96	5,525
Total expenditures	10,155	11,414	9,484	14,140	11,405	10,157	10,195	10,326	9,398	15,519
Net Change in Fund Balance	\$ (489)	\$1,019	\$1,339	\$ 617	\$ 636	\$ 732	\$ 826	\$1,001	\$1,177	\$(4,702)

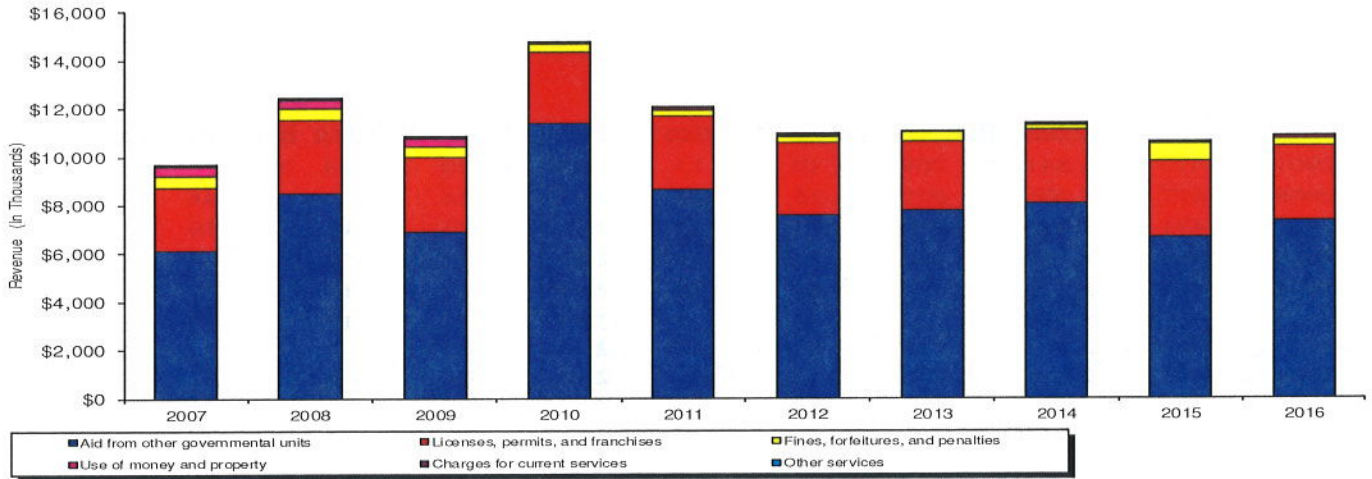
Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Total Revenue Sources - Last Ten Fiscal Years

(In thousands)

(Unaudited)



Year Ended	Aid from						Total revenues
	other governmental units	Licenses, permits, and franchises	Fines, forfeitures, and penalties	Use of money and property	Charges for current services	Other services	
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
2016	7,343	3,064	281	122	3	4	10,817
	(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

Source: Ventura County Air Pollution Control District Financial Statements

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
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
2016	316	2,331	241	24	28	2,985	20	2	50	52	6,049

[1] Portable Engine Registration Program (PERP)

Source: Ventura County Air Pollution Control District Accounting Records

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Top Ten Payers of Emission Fees

Fiscal Year 2015-16

(Unaudited)

<u>Company Name</u>	<u>Emission Fees</u>	<u>Rank</u>	<u>Percentage of Total Emission Fees</u>
Venoco, Inc.*	\$ 207,377	1	8.9%
NRG California South LP*	164,076	2	7.0%
California Resources Production Corporation*	141,966	3	6.1%
DCOR, LLC*	131,792	4	5.7%
Aera Energy LLC	104,854	5	4.5%
Naval Base Ventura County	80,921	6	3.5%
Procter & Gamble Paper Prods.	48,356	7	2.1%
County of Ventura *	47,598	8	2.0%
Schlumberger Tech (Vent. Well Services)	26,577	9	1.1%
Seneca Resources Corporation	<u>24,713</u>	10	<u>1.1%</u>
Total Paid by Largest Payers for emission fees	<u>\$ 978,230</u>		<u>42.0%</u>
Total Emission Fees Paid By All Emitters	<u>\$ 2,330,618</u>		

* Located at separate sites

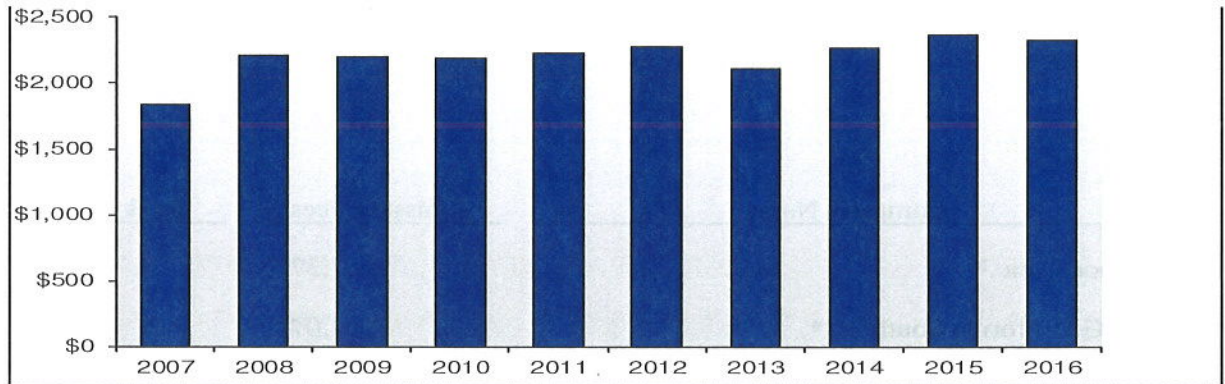
Source: Ventura County Air Pollution Control District Accounting Records

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Total Emission Fees – Last Ten Fiscal Years

(In thousands)

(Unaudited)



	Emission Fees
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
2016	2,331

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)

<u>Year</u>	<u>Camarillo</u>	<u>Fillmore</u>	<u>Moorpark</u>	<u>Ojai</u>	<u>Oxnard</u>	San			<u>Simi</u>	<u>Thousand</u>	<u>Total</u>	
						<u>Port</u>	<u>Buena-</u>	<u>Santa</u>				
						<u>Hueneme</u>	<u>Ventura</u>	<u>Paula</u>	<u>Valley</u>	<u>Oaks</u>	<u>Incorporated</u>	
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)
2016	69.92	15.53	36.72	7.48	207.00	22.70	108.56	30.75	127.17	132.36	758.19	(1)

(1) City/County Population Estimates with Annual Percent Change January 1, 2015 and 2016

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)

Year	Population	(a)	Personal Income (in millions)	(a)	Per Capita Personal Income	Unemployment Rate	(d)
2007	800,027		\$ 37,081		\$ 46,350	4.9%	
2008	806,353		36,669		45,475	6.3%	
2009	815,130		35,124		43,090	9.6%	
2010	825,353		36,033		43,657	10.8%	
2011	830,973		38,195		45,964	10.2%	
2012	835,476		40,391		48,345	9.1%	
2013	840,972		40,941		48,683	7.9%	
2014	846,178		42,651		50,405	6.6%	
2015	850,491	(b)	44,200	(c)	51,970	5.7%	
2016	856,508	(b)	46,000	(c)	53,706	5.2%	

Notes:

1) Revised in 2015-16 to reflect data from the U.S. Department of Commerce (last updated: November 2015.)

Sources:

(a) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, CA1-3 Personal Income Summary, as of November 2015. Population numbers reflect Census Bureau midyear population estimates available as of November 2015. 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 - 2016, as of May 2016.

(c) 2016 Los Angeles County and Ventura County Economic Outlook.

(d) State of California, Employment Development Department, Labor Market Information Division, September 2016. Historical Civilian Labor Force; data not seasonally adjusted. 2007 to 2015 rates are annual averages. The 2016 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>2016(a)</u>			<u>2007(b)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
			<u>of Total</u>			<u>of Total</u>
			<u>County Employment</u>			<u>County Employment</u>
United States Naval Base	14,210	1	4.46%	15,000	1	4.67%
County of Ventura	8,833	2	2.77%	9,517 (c)	3	2.96%
Amgen, Inc.	5,250	3	1.65%	10,600	2	3.30%
Anthem, Inc. (previously Wellpoint, Inc.)	2,863	4	0.90%	3,764	5	1.17%
Simi Unified School District	2,436	5	0.76%	2,382	8	0.74%
Community Memorial Hospital	2,000	6	0.63%			
Conejo Unified School District	1,958	7	0.61%	2,601	6	0.81%
Dignity Health	1,904	8	0.60%			
Ventura Unified School District	1,885	9	0.59%	2,138	10	0.67%
Ventura Community College District	1,701	10	0.53%			
Countrywide Financial Corp				5,271	4	1.64%
Vons				2,421	7	0.75%
Verizon Communications				2,200	9	0.69%
	43,040		13.50%	55,894		17.40%

Sources:

(a) 2016 Ventura County Real Estate and Economic Outlook as of January 2016

(b) UCSB Economic Forecast Project as of February, 2007

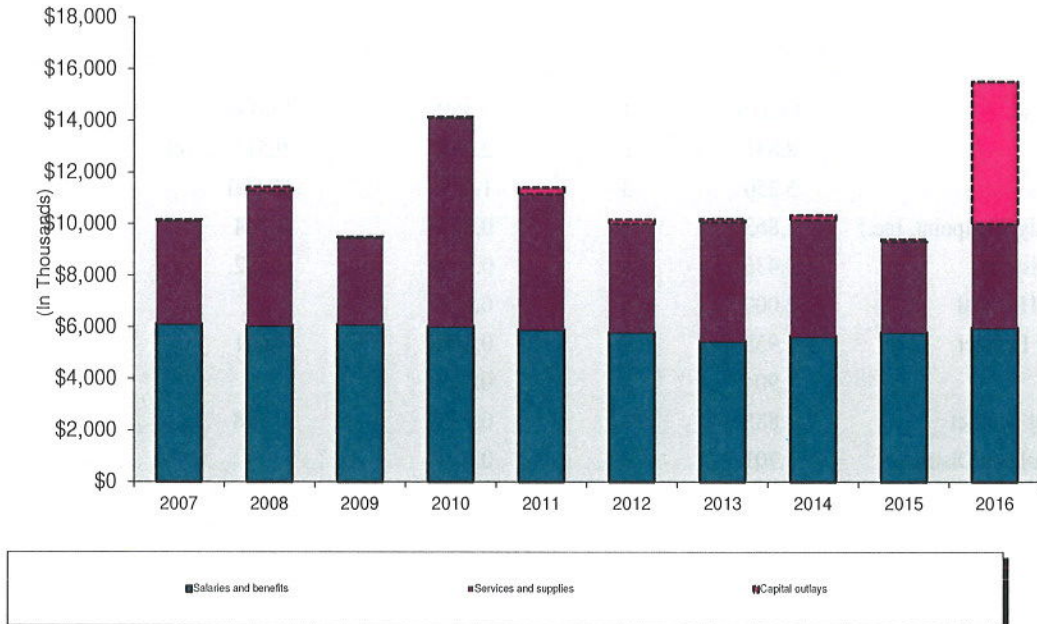
(c) Segments reported separately in the UCSB report were totaled by employer.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Expenditures by Category – Last Ten Years

(In thousands)

(Unaudited)



Year Ended	Salaries and benefits	Services and supplies	Capital outlays	Total expenditures
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
2016	5,977	4,017	5,525	15,519

(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									
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
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	1	1	1	1	1
APCD-Mgr, Monitoring	0	0	0	0	0	1	1	1	1	1
APCD-Mgr, Compliance	0	0	0	0	0	1	1	1	1	1
APCD-Mgr, Planning & Rules	0	0	0	0	0	1	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	1	1	2	1
APCD-AQ Engineer II	6	6	6	6	6	6	6	6	6	6
APCD-Supervising AQ Engineer	3	3	3	3	2	2	2	2	2	2
APCD-AQ Chemist II	1	1	1	1	1	1	1	1	0	0
APCD-Supervising AQ Chemist	1	1	1	1	1	1	0	0	0	0
APCD-AQ Specialist II	15	15	15	14	15	13	13	13	13	13
APCD-Supervising AQ Specialist	5	5	5	5	5	5	4	4	3	3
APCD-AQ Meteorologist II	1	1	1	1	1	1	1	1	1	1
APCD-Supervising AQ Meteorologist	1	1	1	1	1	0	0	0	0	0
APCD-Sr Mgr, Engineering	0	0	0	0	0	0	0	0	0	0
APCD-Sr Mgr, MTS/Planning	0	0	0	0	0	0	0	0	0	0
APCD-Sr Mgr, Compliance	1	1	1	1	1	0	0	0	0	0
APCD-Mgmt Asst IV-Confidential	1	1	1	1	1	1	1	1	1	1
APCD-AQ Instrument Technician III	2	2	2	2	2	2	2	1	2	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	3	3	3	3	3	3
APCD-Management Assistant II	2	2	1	1	1	1	1	1	1	1
APCD-Office Assistant IV	0	0	1	1	1	1	1	1	1	1
APCD-Office Assistant III	1	1	1	1	1	1	1	1	1	1
TOTAL STAFFING*	53.0	53.0	53.0	52.0	51.0	51.0	50.0	49.0	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.

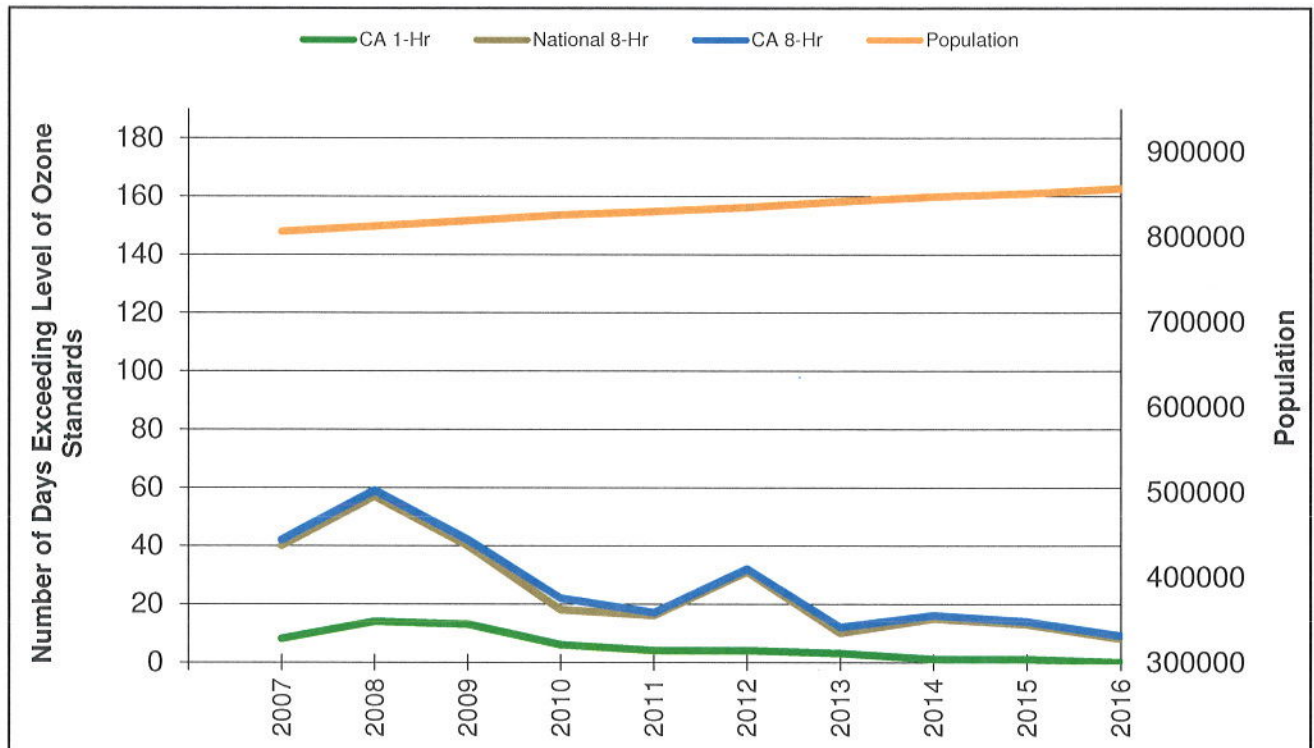
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Smog Trend

Last Ten Calendar Years

(Unaudited)

County-wide Ozone v. Population



- Notes:
- 1) 2016 air quality data is preliminary and is subject to change.
 - 2) 2002 - 2010 population estimates are from the California Department of Finance (DOF). 2011 - 2016 population estimates are from Table E-4 Population Estimates for Counties and State, 2011-2016 with 2010 Benchmark.
 - 3) National 8-hr standard is 2015 standard of 0.070 parts per million.

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 Depreciation</u>	<u>Capital Assets, net</u>
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
2016	6,930	(979)	5,951

Source: Ventura County Air Pollution Control District Accounting Records

- END OF REPORT -

