San Joaquin Valley

UNIFIED AIR POLLUTION CONTROL DISTRICT

State of California

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

Prepared by
Administrative Services Department

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San Joaquin Valley Unified Air Pollution Control District

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION

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December 27, 2023

To the Governing Board of the San Joaquin Valley Unified Air Pollution Control District, and Citizens of the eight counties we serve,

This Annual Comprehensive Financial Report (ACFR) of the San Joaquin Valley Unified Air Pollution Control District (District) is for the fiscal year ended June 30, 2023. Responsibility for the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position, changes in financial position, and all disclosures necessary to enable the reader to gain an understanding of the District's financial activities.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

ABOUT THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

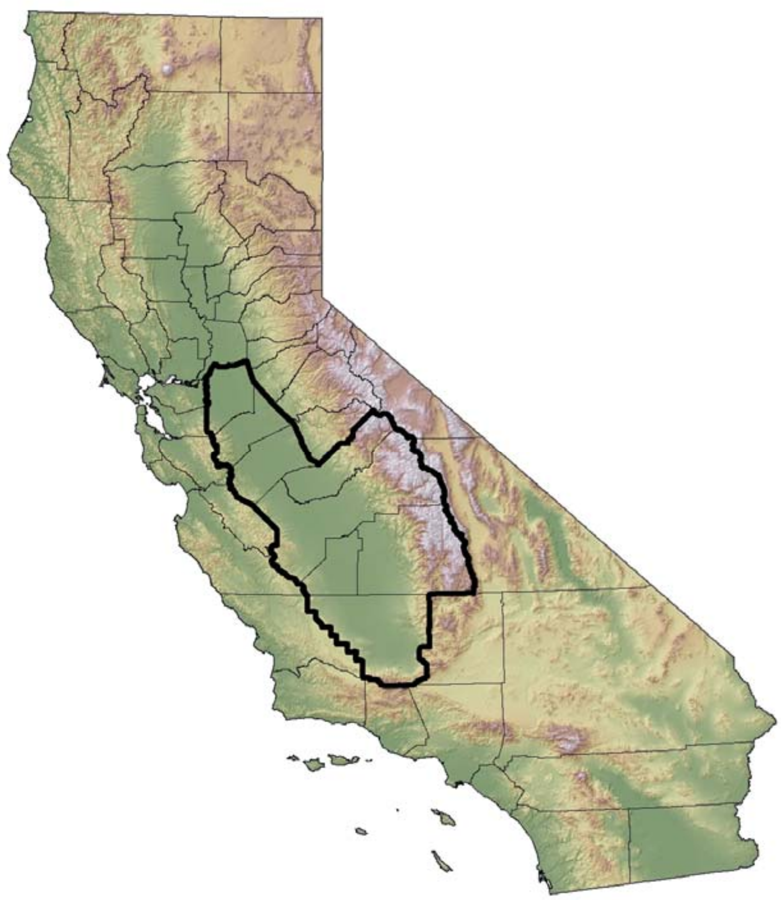
Background

The District began operation on March 20, 1991 as a unified air pollution control district operating under the provisions of Sections 40150 through 40162 of the California Health and Safety Code. The District is a regional agency responsible for air quality management in the eight counties in the San Joaquin Valley Air Basin: San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare and the Valley portion of Kern. The San Joaquin Valley Air Basin is the largest air basin in California and covers about 25,000 square miles (see map next page). The San Joaquin Valley (Valley) is one of California's fastest growing population areas, with a total estimated population of about 4.2 million residents in the calendar year 2022. Major urban centers exist in Stockton, Modesto, Fresno, Visalia, and Bakersfield.

The District works with local, state and federal government agencies, the business community and the residents of the Valley to reduce emissions that create harmful air quality conditions.

The District is governed by a fifteen member Board that consists of one representative from each of the Boards of Supervisors of all eight counties, five Council Members from Valley cities and two Governor-appointed public members. These locally elected and appointed officials ensure that the implementation of state and federal air pollution mandates in the Valley are tailored to local conditions and responsive to local needs.

San Joaquin Valley Unified Air Pollution Control District
Jurisdictional Boundaries



Achieving Cleaner Air in the San Joaquin Valley

Through decades of implementing innovative clean air strategies, the District has made significant strides towards achieving cleaner air in the San Joaquin Valley. In 2014, the Valley's air quality data demonstrated attainment of the federal 1-hour ozone standard, and subsequently the District submitted an official redesignation request to the California Air Resources Board (CARB) and U.S. Environmental Protection Agency (EPA) in July 2015. In July 2016, the EPA published in the Federal Register a final action determining that the San Joaquin

Valley has attained the 1-hour ozone national ambient air quality standard. By contrast, in 1996 the Valley experienced 281 individual 1-hour exceedances of this standard throughout the eight-county region. Reaching this milestone was the key focus of the Valley's air quality management strategies for more than two decades. In 2004, the U.S. EPA classified the Valley as "Extreme" nonattainment for this standard, meaning that reaching the standard at that time was deemed impossible. The Valley is the first and only region in the nation to attain a standard after being classified as "Extreme" nonattainment by the federal EPA.

The Valley continues to make strides towards attainment of several PM2.5 standards. In light of this progress, in 2021, the EPA determined that the Valley had attained the 1997 24-hour PM2.5 standard based on air monitoring data through the year 2020. In addition, the Valley has also made significant progress in improving annual average PM2.5, where twenty years ago almost the entire region was not attaining the federal 1997 annual average PM2.5 standard, and outside of wildfire impacts, the Valley is now on the verge of attaining this standard, and making progress towards attaining the more stringent 2006 24-hour and 2012 annual PM2.5 standards.

In addition, despite strings of triple digit temperatures, stagnant atmospheric conditions, and added emissions from wildfires in the area, the Valley has continued to reduce ozone concentrations across the region. Outside of days impacted by wildfire emissions, the Valley is on the cusp of attaining the 1997 8-hour ozone standard, and making progress towards attaining the more stringent 2008 and 2015 ozone standards.

These improvements would not be possible without the success of the District's control strategy through its various attainment planning efforts, its robust incentive programs, and the commitment from the Valley's stakeholders in doing their part to reduce emissions as much as possible.

The District has the primary authority in regulating stationary sources of pollution, such as factories, businesses, and industries. Although state and federal laws preempt the District from setting new tailpipe standards for mobile sources of emissions, the District implements indirect source regulations and incentive-based programs to reduce emissions from on-road and off-road sources of air pollution. The primary authority to regulate emissions from mobile sources of air pollution, such as cars and trucks, lies with the state and federal government. In achieving clean air goals, the District partners with a number of other governmental agencies:

- The **federal government**, primarily through the EPA, sets health-based standards for air pollutants. The EPA also oversees state and local actions to improve air quality.

- The **state government,** through the California Air Resources Board (ARB) and the Bureau of Automotive Repair, develops programs to reduce pollution from vehicles and consumer products. The state also oversees the actions of local air districts and city and county agencies.
- **County and city governments** are responsible for land-use planning to address issues such as “urban sprawl” as well as transportation and mass transit planning.

Progress in cleaning our air is often measured in relation to the health-based standards established by the federal government. The State of California also establishes ambient air quality standards that serve as ultimate goals in achieving clean air.

In a regulatory sense, the road to cleaner air can be described as follows:

- EPA establishes the health standards.
- EPA identifies the regions that do not meet the new standards.
- EPA establishes deadlines for meeting the new standards and for submitting plans to get there.
- In collaboration with CARB, the District develops air quality plans outlining strategies needed to reduce emissions and meet the new standards.
- CARB forwards the plans for EPA approval after it reviews, approves, and adds state strategies.
- The District, CARB, and EPA adopt and implement plan commitments.
- The District provides routine updates and progress reports.

How the District Does Its Job

The District is a public health agency whose mission is to improve the health and quality of life for all Valley residents through efficient, effective and entrepreneurial air quality-management strategies. Our Core Values have been designed to ensure that our mission is accomplished through commonsense, feasible measures that are based on sound science. Towards that end, the District conducts the following activities:

- Develops and adopts air quality plans outlining strategies needed to reduce emissions.
- Develops, adopts and implements rules and regulations to reduce emissions.
- Evaluates, develops, and implements innovative emission reduction strategies on an ongoing basis to achieve early attainment.
- Administers voluntary incentive grants offering financial assistance to reduce air pollution.
- Administers an efficient and comprehensive permitting system for stationary sources and offers meaningful business assistance to the regulated community in meeting applicable regulations.

- Maintains and updates an inventory of emissions from various Valley sources on an ongoing basis.
- Maintains an active and effective enforcement program.
- Operates an extensive air monitoring network to measure air pollutants throughout the Valley and track air quality improvements.
- Conducts comprehensive public education and outreach.
- Continues to set high standards in legal activities.
- Collaborates with state and local agencies.

MAJOR ACCOMPLISHMENTS FOR 2022-23

Air Quality Plans

The District has written several air quality plans (State Implementation Plans, or SIPs) over the years that serve as road maps for effective measures needed for the Valley to attain federal air quality standards. The District continues to implement commitments in previously adopted air quality plans, bringing additional emissions reductions and improved air quality to the Valley.

The District's air quality plans include emissions inventories showing the sources of air pollutants, evaluations of how well different control methods have achieved reductions, and a strategy for emissions to be further reduced. The air quality plans also use complex computer modeling to estimate future levels of pollution and to ensure that the Valley will meet air quality goals as expeditiously as practicable. In December 2022, the District Governing Board adopted the *2022 Ozone Plan for the 2015 8-Hour Ozone Standard*, which is the latest effort in the District's ongoing mission to improve the San Joaquin Valley's air quality and protect the health of Valley residents. This Plan uses extensive science and research, state of the art air quality modeling, and the best available information in developing a strategy to attain the federal 2015 8-hour ozone standard as expeditiously as practicable. In addition, the District continued to collaborate with CARB and the EPA to ensure approval of the Valley's State Implementation Plan elements for federal PM2.5 standards. The District will continue to progress with its planning efforts to meet the ongoing ozone and PM2.5 federal standard requirements.

Rules and Regulations

The District continues its leadership in developing groundbreaking regulatory strategies to reduce emissions. During this past year, the District Governing Board adopted amendments to existing rules, as summarized below:

Petroleum Refinery Fence-Line Air Monitoring (Rule 4460) and Petroleum Refinery Community Air Monitoring Fees (Rule 3200)
Following a period of extensive research and a robust public outreach process, the District Governing Board adopted amendments to Rules 4460 to clarify

definitions, remove exemptions, expand the number of required pollutants that must be considered and evaluated in the affected facility fence-line air monitoring plans. The Governing Board also adopted amendments to Rule 3200 to ensure consistency with Rule 4460. Additionally, to establish detailed guidance and consistency with respect to implementation, these amendments also included the adoption of Rule 4460 Petroleum Refinery Fence-line Air Monitoring Guidelines for facilities to use as they develop and submit their fence-line air monitoring plans.

Definitions (Rule 1020)
On April 20, 2023, the District Governing Board adopted amendments to Rule 1020. The rule amendments provided clarified definitions and updated information consistent with 40 CFR 51.100(s). Amendments also improved consistency with other District rules and further defined PM10 as related to gaseous emissions.

New and Modified Stationary Source Review Rule (Rule 2201)
On April 20, 2023, the District Governing Board adopted amendments to Rule 2201. The amendments addressed the offset equivalency remedies contained within Rule 2201 for federal NOx and VOC offsetting, updated commitments in response to the CARB review of District offset program, and enhanced transparency and public engagement surrounding NSR, ERC, and the federal offset equivalency program.

Emission Reduction Credit Banking (Rule 2301)
On April 20, 2023, the District Governing Board adopted amendments to Rule 2301. Amendments to Rule 2301 clarify the definitions of shutdown and emission reduction credit (ERC) banking application timeliness, and discontinue the banking of new greenhouse gas (GHG) emission reductions.

Wood Burning Fireplaces and Wood Burning Heaters (Rule 4901)
On May 18, 2023, the District Governing Board adopted amendments to District Rule 4901 as part of the *PM2.5 Contingency Measure State Implementation Plan Revision*. The amendments to District Rule 4901 include a contingency provision to establish progressively more stringent episodic curtailment level(s) if triggered pursuant to Clean Air Act contingency requirements.

Steam-Enhanced Crude Oil Production Wells (Rule 4401)
On June 15, 2023, the District Governing Board adopted amendments to District Rules 4401, 4409, 4455, 4623, and 4624 to address commitments in the 2022 Plan for the 2015 8-Hour Ozone Standard, Best Available Retrofit Control Technology (BARCT) requirements, and Reasonably Available Control Technology (RACT) requirements. Rule 4401 was amended to establish lower leak thresholds, require quarterly inspections of all components, and reduce repair periods. The amendments also subject one-half inch nominal or less stainless steel tube fittings to the requirements of Rule 4401. Additionally, in

order to provide better service to stakeholders and affected industry, the rule amendments simplify and clarify existing rule standards and language.

Components at Light Crude Oil Production Facilities, Natural Gas Production Facilities, and Natural Gas Processing Facilities (Rule 4409)

On June 15, 2023, the District Governing Board adopted amendments to District Rules 4401, 4409, 4455, 4623, and 4624 to address commitments in the 2022 Plan for the 2015 8-Hour Ozone Standard, Best Available Retrofit Control Technology (BARCT) requirements, and Reasonably Available Control Technology (RACT) requirements. Rule 4409 was amended to establish lower leak thresholds, require quarterly inspections of all components, and reduce repair periods. The amendments also subject one-half inch nominal or less stainless steel tube fittings to the requirements of Rule 4409. Additionally, in order to provide better service to stakeholders and affected industry, the rule amendments simplify and clarify existing rule standards and language.

Components at Petroleum Refineries, Gas Liquids Processing Facilities, And Chemical Plants (Rule 4455)

On June 15, 2023, the District Governing Board adopted amendments to District Rules 4401, 4409, 4455, 4623, and 4624 to address commitments in the 2022 Plan for the 2015 8-Hour Ozone Standard, Best Available Retrofit Control Technology (BARCT) requirements, and Reasonably Available Control Technology (RACT) requirements. Rule 4455 was amended to establish lower leak thresholds, require quarterly inspections of all components, and reduce repair periods. The amendments also subject one-half inch nominal or less stainless steel tube fittings to the requirements of Rules 4455. Additionally, in order to provide better service to stakeholders and affected industry, the rule amendments simplify and clarify existing rule standards and language.

Storage of Organic Liquids (Rule 4623)

On June 15, 2023, the District Governing Board adopted amendments to District Rules 4401, 4409, 4455, 4623, and 4624 to address commitments in the 2022 Plan for the 2015 8-Hour Ozone Standard, Best Available Retrofit Control Technology (BARCT) requirements, and Reasonably Available Control Technology (RACT) requirements. Rule 4623 was amended to establish lower leak thresholds, require quarterly inspections of all components, and reduce repair periods. The District also modified the applicability of Rule 4623 to require vapor control systems for crude oil storage tanks that have the potential to emit six tons of VOC or greater per year, and lower the minimum True Vapor Pressure (TVP) at which tanks are subject to Rule 4623 from 0.5 psia to 0.1 psia. Additionally, in order to provide better service to stakeholders and affected industry, the rule amendments simplify and clarify existing rule standards and language.

Transfer of Organic Liquid (Rule 4624)

On June 15, 2023, the District Governing Board adopted amendments to District Rules 4401, 4409, 4455, 4623, and 4624 to address commitments in the 2022 Plan for the 2015 8-Hour Ozone Standard, Best Available Retrofit Control Technology (BARCT) requirements, and Reasonably Available Control Technology (RACT) requirements. Rule 4624 was amended to establish lower leak thresholds, require quarterly inspections of all components, and reduce repair periods. Additionally, in order to provide better service to stakeholders and affected industry, the rule amendments simplify and clarify existing rule standards and language.

Permitting

The District has the responsibility for issuing or denying permits, registrations and plan approvals for stationary sources (facilities) that may emit air contaminants. During the fiscal year 2022-23 reporting period, permitting activities included:

- 3,098 Authority to Construct permits issued
- 262 new Title V permits issued to 2 facilities
- 1,973 Title V permit renewals issued to 36 facilities
- 102 Title V permit modifications
- 459 Conservation Management Practices plans issued
- 115 Emission Reduction Credit certificates issued or transferred
- 784 toxic air contaminant risk-management reviews performed
- 1,077 toxic risk prioritizations for AB 2588 completed
- 7,822 annual emissions inventory statements and surveys processed
- 1,425 California Environmental Quality Act (CEQA) review requests processed
- 550 CEQA comment letters
- 312 CEQA documents prepared
- 360 Indirect Source Review applications processed

Enforcement

The District maintains an active and effective enforcement program to assure real and continued reductions in emissions. The District inspects sources of air pollution, including all facilities with permits issued by the District. When sources are found in violation of District rules and regulations, citations are issued and monetary fines are levied. For 2022-23:

- 34,320 units inspected
- 2,583 Notices of Violations issued
- 2,401 public complaints investigated
- 8,909 incentive funding units (i.e., trucks, engines) verified

Emission Reduction Incentive Grants

To attain the current health-based air quality standards, the Valley must achieve an additional 90% reduction in emissions from current levels. The District, however, has limited legal authority to achieve these emission reductions, as mobile sources comprise 85% of the Valley's NOx emission inventory. Thus, District regulations alone will not bring the Valley into attainment of federal air quality standards. Emission reduction incentive programs play a critical role in achieving and accelerating the reductions required for the Valley's attainment.

Since inception, over $6.2 billion in public/private investment in clean air projects has been made through these incentive programs, resulting in more than 268,000 tons of emission reductions. During the 2022-23 fiscal year, the District executed more than 21,000 agreements for more than $376 million. These projects are expected to reduce more than 29,000 tons of emissions.

The District's incentive program has become a model for grant programs throughout the State. In recent state audits, the District was noted for its efficient, robust and effective use of incentive grant funds in reducing air pollution. The District funds the following types of projects:

- Diesel agriculture irrigation pump replacements
- New electric agricultural irrigation pump purchase
- Emerging technology demonstration projects
- Electric forklift purchases
- Bicycle path construction
- On-road and off-road vehicle replacements
- Wood-stove replacements
- Gross-polluting vehicle crushing and replacements
- New, clean vehicle purchases
- Transit pass subsidies
- Locomotive replacements
- E-mobility equipment
- Residential air filters
- Lawn and garden equipment
- Alternate fuel mechanic training
- Advanced transit and transportation
- Electric vehicle charging stations for public use
- Alternative to Open Burning Incentive Program
- Zero-Emission Ag Utility Terrain Vehicle (UTV)
- Electric School Bus Incentive Program
- Low Dust Nut Harvester Pilot Program
- Agricultural Truck Replacement Program
- Agricultural Tractor Trade-Up Program

The District has received high marks for efficiency and accountability in our administration of these programs by ARB and EPA auditors in the past. In fact, District incentive program policies and procedures are often used as examples of "best practices" that other programs throughout the State can emulate, and the District has been awarded administration of grant funds for other air agencies as a result. Recently, the California Department of Finance conducted a fiscal compliance audit of the District's implementation of the California Air Resources Board air pollution reduction incentive programs. This comprehensive audit covered hundreds of millions of dollars of state program expenditures over a 10-year period, and resulted in a clean audit report, finding that the District had no deficiencies in internal controls.

Comprehensive Public Education and Outreach

The District's Outreach and Communications Department continues to set the standard for innovative, effective and efficient outreach strategies and campaigns. Operating with a budget much less than other air management agencies statewide, the District's outreach team nonetheless is just as effective in conveying critical public information, policy and air quality news.

A highly skilled group of communications professionals with expertise in public relations, media, graphics and web design, audio-video production and event organization, the outreach team continues to expand its activities and District messaging in the Valley air basin through programs tailored to each sector in the broader community. The District outreach team continues to spearhead many important public outreach campaigns, including:

- **Residential Wood Smoke Reduction Program:** This annual multimedia, multilingual outreach campaign runs from November through the end of February, and is credited with the Valley achieving unprecedented improvements in wintertime air quality.

- **Fireplace and Woodstove Change-out Program:** This campaign focuses on encouraging residents to replace their dirty wood burning devices with cleaner gas or electric devices through the District's recently rebranded Fireplace and Woodstove Change-out incentive program.

- **Healthy Air Living:** The summer Healthy Air Living outreach campaign focused on those voluntary action residents can collectively take "together" to reduce vehicle emissions during the important back-to-school season.

- **Drive Clean In the San Joaquin:** Under the umbrella of the Drive Clean in the San Joaquin Program, the District offers a suite of incentives to help Valley residents drive cleaner passenger vehicles. The program has options for residents to repair vehicles with emission-related issues; replace older, high-polluting vehicles with newer and cleaner alternatives; and receive rebates to reduce the cost of purchasing or leasing new zero-and near-zero emission vehicles. Through this program, Valley residents have the opportunity to select an option that works for their particular situation.

- **Wildfire Air Quality Impact Response:** During major wildfire events, the District strives to provide timely information to the public on current air quality conditions and impacts to public health through a variety of outreach tools working closely with media, schools, land management agencies, the weather service, and other partners.

- **Healthy Air Living Schools Program:** Youth and school outreach is a top priority for the District and the Healthy Air Living Schools Program focuses on protecting students during episodes of poor air quality; engaging teachers and students through the K-6 kids kit and annual kids calendar; and urging action by students and parents to reduce air pollution such as the "Turn the Key, Be Idle Free" no-idling program.

- **Annual Report to the Community:** Public accountability and transparency are core values that guide the District's day-to-day conduct and activities. The purpose of the Annual Report to the Community is to provide Valley residents with a detailed account of the District's operations in the preceding year. In contrast to the many detailed, highly scientific and technical reports regularly published by the District, this report, published in both English and Spanish, outlines the District's goals, objectives, legal obligations, and actions in a more concise and easy-to-follow format for the general public.

FACTORS AFFECTING FINANCIAL CONDITIONS

The District's operations are supported by a variety of operating revenues, including permit fees, vehicle registration fees, state operating grants, federal operating grants, and other revenues. In addition, the District receives penalties, settlements, interest and other miscellaneous revenues.

The District has been able to maintain low permit fees and administrative overhead through implementation of zero-based budgeting, ongoing cost-cutting efforts through efficiency and streamlining measures, and investment in technology and automation. During this period, the District continued to devise and implement a number of efficiency and streamlining measures aimed at minimizing operating costs while delivering a high level of customer service. Additionally, through strict position control, the District was able to achieve 5.5% in budgeted salary savings.

The District uses a combination of fees and other operating revenues to cover total program costs. The District had no fee increases in fiscal year 2022-23, but will continue to monitor program costs to ensure sufficient fee revenues in future years.

Long-term Financial Planning

While the District's permit fee and DMV revenues are relatively stable, operating costs continue to grow due to inflation and increased state and federal mandates. As new state mandates and programs are established that increase District program costs such as new incentive funding and AB 617 implementation, the District continues to successfully advocate for the required state resources to offset these costs. While the District has been successful in advocating for state clean air incentive and implementation funding, the state's upcoming 2024-25 budget will be impacted by a significant projected deficit (recently estimated at $68 billion). In the coming years, ongoing advocacy for needed incentive funding (e.g. FARMER, cap and trade funds, alternatives to burning), AB 617, and other resources will be important to ensure continued and successful implementation of these programs.

Over the past several years, the District has placed a high priority on addressing pension costs and unfunded pension liability. As a first step, the District negotiated with employees to add a second retirement tier for new employees hired on or after July 31, 2012. In 2015, the District took significant steps to reduce the District's future unfunded pension obligations by transitioning to an employee contribution of a 50% share of total normal retirement costs resulting in a reduction in employer contribution rates, which was achieved in 2017. Additionally, during the 2016-17 Budget process, to address the District's share of Kern County Employees' Retirement Association Unfunded Accrued Actuarial Liability (UAAL), the Governing Board approved funding a new Pension Stabilization Reserve Fund of $1,250,000, which equaled to 2% of the District's share of Kern County Employees' Retirement Association Unfunded Accrued Actuarial Liability (UAAL) as of June 30, 2016, and an additional annual contribution equivalent to 1% of the UAAL balance each year thereafter. The Pension Stabilization Reserve Fund balance is $6,380,000 as of June 30, 2023. The Pension Stabilization Reserve Fund can be utilized to fund the District's Employer Required Contribution in circumstances of large unexpected Retirement Rate increase or for funding District's UAAL. Future funding and utilization of the Pension Stabilization Reserve Fund will require the Governing Board's approval. The District will continue to look for additional opportunities within the bounds of applicable laws to reduce the District's long-term pension costs.

To safeguard long-term financial stability, the District continues to recognize cost saving and operational efficiencies through its Zero-Based Budgeting process as a means to continue balancing revenues and expenditures. The District's General Reserve Policy of 20% of operating expenditures allows for the planning of potential future uncertainties and is reflected in the 2022-23 ACFR.

FINANCIAL CONTROLS

Annual and Independent Audit

It is the policy of the District to have an annual audit performed by an independent certified public accounting firm appointed by the District's Governing Board. Price Paige and Company conducted the independent audit of the District's financial statements for the fiscal year ended June 30, 2023. The auditor's unmodified opinion on the basic financial statements is included in the Financial Section of this report.

As part of the District's annual audit engagement, the auditors review the District's internal control structure, as well as compliance with applicable laws and regulations. The results of the District's annual audit for the fiscal year ended June 30, 2023 provided no instances of material weaknesses in connection with the internal control structure or violations of applicable laws and regulations.

As a recipient of federal and state financial resources, the District is required to undergo an annual single audit. The information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is included in a separately issued report.

Relevant Financial Policies

The District's budget process is mandated by Section 40131 of the Health and Safety Code. Section 40131 places the following three requirements on the adoption of the District's annual budget:

1. The District shall notice and hold a public hearing for the exclusive purpose of allowing the public an opportunity to comment on the Budget. This hearing must be separate from the hearing at which the District adopts the Budget.
2. The District must have summary information regarding the Budget available to the public at least 30 days prior to the public hearing.
3. The District must notify each person subject to fees imposed by the District in the preceding year of the availability of the Budget summary information.

In addition to Health and Safety Code, the District Administrative Code requires the Executive Director/Air Pollution Control Officer to present the recommended budget to the Board prior to June 30th.

Internal Accounting Controls

Management of the District is responsible for establishing, maintaining and evaluating the District's accounting system with an emphasis on the adequacy of an internal control structure. The internal accounting controls are designed to ensure that the assets of the District are protected against loss, theft or misuse; ensure the reliability of adequate accounting data for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America; and provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the costs of a control should not exceed the benefits likely to be derived from it and that the evaluation of costs and benefits require estimates and judgment be made by management.

The District's internal control evaluations occur within the above framework, which ensures adequate safeguard of the District's assets and reasonable assurance of proper recording of financial transactions.

Budgetary Control

In accordance with the provisions of the State Health and Safety Code Section 40131, the District's Formation Agreement, and the District's Administrative Code, the District prepares and legally adopts a final balanced budget on or before June 30 of each fiscal year. The final adopted budget is available for review on the District's Website, **www.valleyair.org**.

Budgetary control is exercised at the object level. All amendments or transfers of appropriations between these levels are authorized by the Executive Director/Air Pollution Control Officer (APCO) and must be approved by the District Governing Board. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

Expenditures, except for capital outlays, are controlled at the object level for all program budgets within the District. Capital outlays are controlled at the sub-object level. There are no excess expenditures over the related appropriations in any object. Budgeted amounts are reported as amended.

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes. Encumbrance accounting is utilized for budgetary control and accountability and to facilitate effective cash planning and control.

Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as assigned fund balance for subsequent year expenditures.

The accounting principles applied in developing budgetary expenditures data differ from the amount reported on the financial statements in conformity with accounting principles generally accepted in the United States of America. Reconciliation of the differences is presented in the Required Supplementary Information section of this report.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the San Joaquin Valley Unified Air Pollution Control District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the tenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The California DOF recently completed a fiscal compliance audit of the District's implementation of CARB air pollution reduction incentive programs to determine whether the incentive programs' revenues, expenditures and balances were in compliance with applicable grant agreements, guidelines, and statutes. The audit scope consisted of eight air pollution reduction incentive programs over a 10-year period, from June 30, 2011, to June 30, 2021, and covering $491 million in state grant funding administration. The DOF establishes appropriate fiscal policies to carry out the state's programs and serves as the Governor's chief fiscal policy advisor and promotes long-term economic sustainability and responsible resource allocation. The DOF's final audit report came back as a clean audit that did not identify any deficiencies in internal controls. This audit once again demonstrated that the District continues to be good stewards of public funds, and reaffirmed the District's focus on robust fiscal controls, accountability, and transparency in the use of public funds in support of clean air programs.

The dedicated services of the District Finance team made the preparation of our annual comprehensive financial report possible.

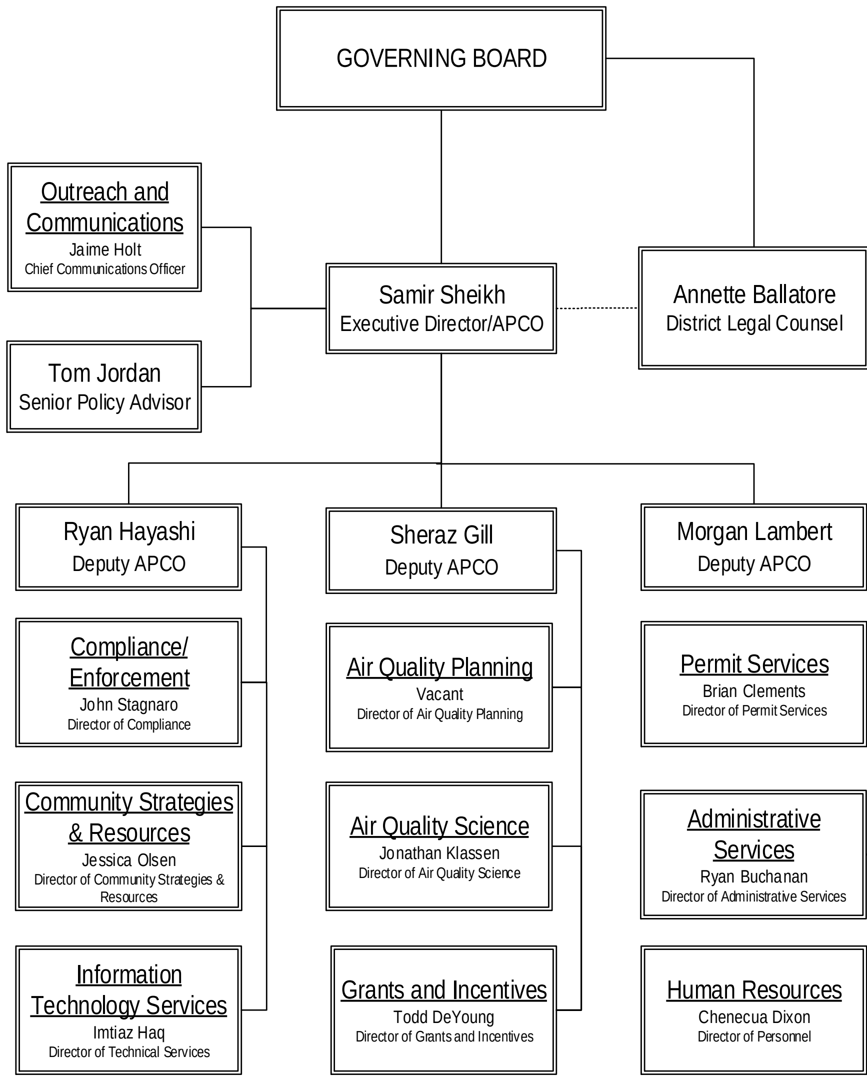
Recognition is also given to the Governing Board for their leadership and support and to all employees of the District who continue to promote technology and improve operations to accomplish the District's mission of protecting public health from air pollution in an efficient and cost effective manner.

Respectfully submitted,

Samir Sheikh
Executive Director/Air
Pollution Control Officer

Ryan N. Buchanan
Director of Administrative
Services

San Joaquin Valley Unified Air Pollution Control District
Organizational Chart
June 30, 2023



San Joaquin Valley Unified Air Pollution Control District

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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of the
San Joaquin Valley Unified Air Pollution Control District
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General fund of the San Joaquin Valley Unified Air Pollution Control District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule for the General fund, schedule of the proportionate share of the net pension liability, and schedule of contributions, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Price Paige & Company

Clovis, California
December 27, 2023

San Joaquin Valley Unified Air Pollution Control District
Management's Discussion and Analysis
June 30, 2023

Our discussion and analysis of the San Joaquin Valley Unified Air Pollution Control District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter and the basic financial statements.

A. Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $952.0 million *(net position).* Of this amount, $885.2 million is restricted for specific purposes, $14.2 million represents the net investment in capital assets and $52.6 million *(unrestricted net position)* may be used to finance the District's day-to-day operations without constraints established by legal requirements.

- The District's total net position increased $163.1 million as compared to the prior fiscal year. The majority of this increase was related to an increase in special revenue sources, such as State Cap and Trade and Air Quality Improvement Program, Volkswagen Mitigation, and Agricultural Tractor Replacement Program that was received this year in comparison to last year. There was also a 49.6% increase, or $1.7 million, in non-restricted interest for general revenues.

- At the close of the current fiscal year, the District's Governmental Fund reported a total fund balance of $1.03 billion at year-end, a $164.2 million increase as compared to the prior year-end balance. Approximately 4.52% of this amount ($46.5 million) is available for spending at the government's discretion (*unassigned fund balance*).

- At the end of the current fiscal year, unrestricted fund balance (the total of the *assigned* and *unassigned* components of *fund balance*) for the general fund was $144.3 million, or approximately 14.01% of total general fund expenditures.

B. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. The District's Annual Comprehensive Financial Report (ACFR) also includes required supplementary information to the Basic Financial Statements. In general, the purpose of financial reporting is to provide external parties that read the financial statements 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 financial 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. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to commercial enterprises or a 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 of the District's Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources with the difference reported as Net Position. This difference is comparable to total stockholders' equity presented by a commercial enterprise. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities reports the net cost of the District's activities by program and is prepared on the full accrual basis of accounting. Revenues and expenses are recognized as earned and incurred even though they may not have been received or paid in cash.

The focus of the Statement of Activities is on the cost of various program activities performed by the District. The statement begins with a column that identifies the cost of each of the District's major programs. Another set of columns identifies the revenues that are specifically related to these activities. The difference between the expenses and the revenues related to specific program activities represents the net cost or revenue of the program. This determines the amount, if any, drawn from general revenues by each program activity.

The District's government-wide financial statements are presented on pages 21 and 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.

Governmental Fund

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. See Note 1, section (B), which explains the modified accrual basis of accounting. In contrast, the government-wide financial statements are prepared on the full accrual basis of accounting.

The District's Balance Sheet is presented on page 23 and Statement of Revenues, Expenditures, and Changes in Fund Balance is presented on page 25 of this report.

The focus of the fund financial statements is narrower than that of the government-wide financial statements. Since different accounting bases are used to prepare the above statements, a reconciliation is required to facilitate the comparison between the fund financial statements and the government-wide financial statements. The reconciliation of the total fund balance and total net position reported in these two statements can be found on page 24 of this report.

The reconciliation of the total changes in fund balance for the governmental fund to the change in net position can be found on page 26 of this report.

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 can be found on pages 27 to 50 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budgetary comparison schedule and budgetary reconciliation. The Schedule of General Fund Budgeted and Actual Expenditures can be found on page 54 of this report with the Notes to the Schedule on page 55. The Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions can be found on page 56.

C. Government-wide Financial Analysis

Our analysis focuses on the net position and the changes in net position of the District's governmental activities.

The following schedule is a condensed Statement of Net Position as of the fiscal year ended June 30, 2023, as compared to the prior fiscal year.

Statement of Net Position
(In Thousands)

	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)	Percent Change
Current and other assets	$ 1,040,535	$ 874,618	$ 165,917	19.0%
Capital assets	14,193	13,334	859	6.4%
Total assets	1,054,728	887,952	166,776	18.8%
Total deferred outflows of resources	32,453	24,829	7,624	30.7%
Current liabilities	11,127	9,424	1,703	18.1%
Noncurrent liabilities	118,008	89,446	28,562	31.9%
Total liabilities	129,135	98,870	30,265	30.6%
Total deferred inflows of resources	6,062	25,039	(18,977)	-75.8%
Net position:				
Net investment in capital assets	14,193	13,334	859	6.4%
Restricted for special projects/programs	885,220	723,433	161,787	22.4%
Unrestricted	52,571	52,105	466	0.9%
Total net position	$ 951,984	$ 788,872	$ 163,112	20.7%

The District's total net position increased $163,112,769 from the prior fiscal year. This was primarily due to Volkswagen Mitigation Program and Agricultural Tractor Replacement Program funding received and not spent by the end of the year.

The District's total liabilities increased $30,264,736 from the prior year; of this, current liabilities increased $1,703,419 and noncurrent liabilities increased $28,561,317. The increase in current liabilities can be attributed to an increase in advances from grantors. The increase in noncurrent liabilities is due to an increase in net pension liability.

Of the District's total net position, 93.0% is legally or contractually restricted to expenditures for incentives and grants, and 5.5% is unrestricted and may be used to meet the District's ongoing obligations without legal constraint. Lastly, 1.5% is net position in the form of non-spendable capital assets (e.g. land, construction in progress, buildings, equipment, vehicles).

The following is a condensed schedule of Changes in Net Position for the fiscal year ended June 30, 2023, as compared to the prior year.

Changes in Net Position
(In Thousands)

	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)	Percent
Revenues:				
Program revenues:				
Fees and charges - stationary sources	$ 24,735	$ 29,825	$ (5,090)	-17.1%
Fees and charges - mobile sources	33,064	37,462	(4,398)	-11.7%
Operating grants	14,003	13,727	276	2.0%
Restricted special revenue sources	377,235	405,166	(27,931)	-6.9%
General revenues:				
State subvention - not restricted	970	968	2	0.2%
Interest - not restricted	5,099	3,409	1,690	49.6%
Penalties/settlements	6,371	7,810	(1,439)	-18.4%
Miscellaneous revenue	327	274	53	19.3%
Total revenues	461,804	498,641	(36,837)	-7.4%
Expenses:				
Permitting	19,478	14,470	5,008	34.6%
Enforcement/agricultural burning	18,312	17,672	640	3.6%
Plan and rule development	1,690	1,321	369	27.9%
Mobile sources	12,757	9,578	3,179	33.2%
Outreach and communications	3,616	3,570	46	1.3%
Air quality analysis/air monitoring	8,643	7,760	883	11.4%
Restricted for grants and other uses	234,196	206,867	27,329	13.2%
Total expenses	298,692	261,238	37,454	14.3%
Increase (decrease) in net position	163,112	237,403	(74,291)	-31.3%
Net position - beginning	788,872	551,469	237,403	43.0%
Net position - ending	$ 951,984	$ 788,872	$ 163,112	20.7%

Governmental Activities

The objective of the Statement of Activities is to report the full cost of providing government services for the year. The format also permits the reader to ascertain the extent to which each function is either self-financing or draws from the general revenues of the District.

The Statement of Activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

Fees, grants, state subvention, penalties, and settlements predominantly support the governmental functions of the District. The primary governmental activities of the District include the following: Permit Services, Enforcement/Air Monitoring/Agricultural Burning, Plan and Rule Development, Mobile Source, Outreach and Communications, Air Quality Analysis, and Grants and Other Special Uses. The following is a schedule of Revenues by Major Source for the fiscal year ended June 30, 2023, as compared to the prior year.

Revenues by Major Source
Governmental Activities
(In Thousands)

	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)
Stationary Sources	$ 24,735	$ 29,825	$ (5,090)
Mobile Sources	33,064	37,462	(4,398)
Operating Grants	14,003	13,727	276
General Revenues *	12,767	12,461	306
Restricted Special Revenue Sources	377,235	405,166	(27,931)
	$ 461,804	$ 498,641	$ (36,837)

* Includes State Subvention, Interest, Penalties and Settlements, and other Miscellaneous Revenues that are not restricted to specific programs.

Following are explanations of the significant revenue variances from the prior fiscal year:

Stationary Source Revenue

- Stationary Source Revenue decreased $5,090,489 compared to the prior fiscal year. The majority of this decrease was due to decreased permitting revenue and fee collections.

Mobile Source Revenue

- Mobile Source Revenue shows a decrease of $4,397,475 compared to the prior fiscal year. This was primarily due to a decrease in administrative fee revenue received.

Operating Grant Revenue

- Operating Grant Revenue increased this year by $276,140 as compared to the prior fiscal year. This was a result of additional Operating Grants awards received during fiscal year 2022-23 that are not annually recurring funding.

Grant Revenue	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)
EPA 105 Grant	$ 2,087,110	$ 1,980,358	$ 106,752
State Grants-Rules 2260 & 3156	355,000	-	355,000
Miscellaneous State Revenue	50,000	25,000	25,000
State Operating Grant	11,458,832	11,400,114	58,718
EPA 103 Grant	52,766	322,096	(269,330)
Total Grant Revenue	$ 14,003,708	$ 13,727,568	$ 276,140

General Revenues

- General Revenues increased $305,911 as compared to the prior fiscal year due to increased revenue from Interest and Miscellaneous Revenue.

Restricted Special Revenue Sources

- Restricted Special Revenue decreased $27,930,726 compared to the prior fiscal year. The table below details the major changes to the various incentive programs that make up this decrease. Changes are due to the availability of and/or timing of the receipt of grant and other funding sources.

Incentive Program	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)
DMV Surcharge Fees	$ 50,104,738	$ 49,593,390	$ 511,348
Carl Moyer Program	35,815,659	47,517,428	(11,701,769)
Proposition 1B	50,631	2,276,118	(2,225,487)
State Cap and Trade and Air Quality Improvement Program	220,143,160	264,234,235	(44,091,075)
Diesel Emission Reduction Act	10,432,166	8,277,199	2,154,967
Voluntary Emission Reduction	5,020,240	7,307,935	(2,287,695)
Agriculture Tractor Replacement Program	9,573,496	6,558,069	3,015,427
Indirect Source Mitigation Fees	7,230,958	6,064,153	1,166,805
Volkswagen mitigation	37,889,199	8,594,018	29,295,181
Other Miscellaneous Incentives	975,137	1,525,851	(550,714)
CEC - Energy Efficiency Grant	-	3,217,714	(3,217,714)
Total	$ 377,235,384	$ 405,166,110	$ (27,930,726)

Total District Expenses increased by $37,453,356. The majority of this increase was due to grant related expenses for various emission reduction incentives as well as an increase in permitting, mobile source, and rule development costs. The following is a schedule of District expenses by activity for the fiscal year ended June 30, 2023 with a comparison of prior year expenses.

Expenses by Activities
Governmental Activities

	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)
Permitting	$ 19,478,053	$ 14,469,655	$ 5,008,398
Enforcement/Agricultural Burning	18,311,514	17,671,526	639,988
Plan and Rule Development	1,689,778	1,321,570	368,208
Mobile Source	12,757,328	9,578,345	3,178,983
Outreach & Communications	3,616,458	3,569,852	46,606
Air Quality Analysis/Air Monitoring	8,642,558	7,760,766	881,792
Total Operating Expenses	64,495,689	54,371,714	10,123,975
Restricted for Grants and Special Uses	234,196,117	206,866,736	27,329,381
Total District Expenses	$ 298,691,806	$ 261,238,450	$ 37,453,356

D. Financial Analysis of the District’s General Fund

General Fund

As of the end of the fiscal year, the District’s General Fund reported an ending fund balance of $1,029,932,259, an increase of $164,245,908 in comparison with the prior year. Of the ending fund balance, 85.9%, or $885,220,455, is restricted for grants and incentives. The long-term contractual commitments related to these restricted programs involve multiple-year expenditures. The ending fund balance also includes less than 0.04%, or $407,830, not in spendable form for items that are not expected to be converted to cash, such as prepaid expenses, and 9.5%, or $97,771,586, assigned to be used for Community Incentive programs, encumbrances and other assignments of Fund Balance listed in Note 1.K on page 32 of this report.

At the end of the fiscal year, the District’s Unassigned Fund Balance was $46,532,388, an increase of $9,144,724 compared with the prior year. The majority of this increase was related to an increase in restrictive and non-restrictive interest, and Federal incentive grants revenue.

Operating Revenues

- Total Operating Revenues decreased $8,905,914, which was mainly due to decreases in Penalty and Settlement Revenues and Administrative Revenues.

Operating Expenditures

Total Operating Expenditures increased $6,099,941 as compared to the prior fiscal year.

- Total salaries and benefits increased $3,644,459 compared to the prior fiscal year. The major factors in this increase were vacant positions filled, scheduled salary increase per the employees' Memorandum of Understanding and increases in retirement costs.

- Total services and supplies increased $1,640,291 from the prior fiscal year. This increase was due to increased expenditures in vehicle maintenance, insurance, postage, and legal services.

- Total capital outlay increased $815,191 as compared to the prior fiscal year. This was primarily the result of an increase in automobile purchases and community monitoring equipment. The increase also reflects the purchase of office equipment and office improvements. The table below details the major changes to the various capital asset accounts that make up this increase.

Account Title	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)
Computer Equipment	$ 741,476	$ 1,399,043	$ (657,567)
Telephone System	1,342	13,380	(12,038)
Automobiles	1,053,643	70,626	983,017
Office Improvements	532,079	421,126	110,953
Community Monitoring	1,184,313	436,149	748,164
Video Conferencing System	1,623	4,470	(2,847)
Air Monitoring Station Automation Project	8,064	-	8,064
Air Monitoring Station Equipment	229,398	591,953	(362,555)
Total	$ 3,751,938	$ 2,936,747	$ 815,191

Non-Operating Revenues

- Non-Operating Revenues decreased $27,930,726 mainly due to reduced funding received through the Voluntary Emission Reduction Program, Carl Moyer, CEC Energy Efficiency Program, Proposition 1B Program, and State Cap and Trade and Air Quality Improvement Program.

Non-Operating Expenditures

- Non–Operating Incentive Program expenditures increased $27,329,381 compared to the prior fiscal year. This was primarily due to project expenditures such as the DMV Heavy-Duty Program, Carl Moyer Program, Federal EPA Incentive Program, State Cap and Trade and AQIP, Indirect Source Review Rule Mitigation Program, and Diesel Emission Reduction Act. The table below details the major changes to the various Incentive Programs that make up this increase.

Incentive Program Name	Fiscal Year 2022-23	Fiscal Year 2021-22	Increase (Decrease)
DMV Heavy-Duty Program	$ 54,645,580	$ 45,690,507	$ 8,955,073
Carl Moyer Program	16,368,083	7,367,375	9,000,708
Federal EPA Incentive Program	14,103,717	13,341,688	762,029
State Cap and Trade and AQIP	102,544,970	88,111,596	14,433,374
Voluntary Emission Reduction Agreements	10,120,519	11,189,466	(1,068,947)
Indirect Source Review Rule Mitigation Program	9,636,539	3,455,048	6,181,491
Proposition 1B Program	1,235,944	3,795,023	(2,559,079)
Diesel Emission Reduction Act	6,754,717	2,811,186	3,943,531
Community Incentive Programs	7,965,670	11,156,308	(3,190,638)
Air Toxics	98,746	196,620	(97,874)
Hearing Board Incentive Grant	26,536	90,098	(63,562)
CEC - Energy Efficiency Grant	-	1,200,000	(1,200,000)
Volkswagen Mitigation Funding	10,695,096	18,461,821	(7,766,725)
Total	$ 234,196,117	$ 206,866,736	$ 27,329,381

E. Capital Assets

The District's capital assets are used for governmental activities. The book value was $14,193,282 (net of accumulated depreciation of $21,289,193) as of June 30, 2023. Capital assets include land, construction in progress, buildings and improvements, equipment for air monitoring stations, computer and office equipment, video conferencing equipment, and District vehicles. During the fiscal year, the District was in the process of implementing a phone system upgrade. The equipment purchased for the phone system upgrade are reflected in construction in progress.

Additional information on capital assets can be found in the "Notes to the Basic Financial Statements" on page 40 of this report.

F. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources

Deferred outflows of resources, although similar to assets, are set apart because these items do not meet the technical definition of being a District asset on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflows of resources will become expenses/expenditures.

The most significant deferred outflows of resources reported are related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and GASB Statement No. 71 for pension liability reporting. GASB Statement No. 71 requires that contributions made during the fiscal year to the retirement system be reported as deferred outflows of resources. Consequently, the majority of the deferred outflows of resources reported are comprised of current year contributions to the retirement system. However, there may be some deferred outflows of resources attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Deferred Inflows of Resources

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the District as of the date of the financial statements. When all the recognition criteria are met, the deferred inflows of resources will become revenue or increases to net position. The only types of deferred inflows of resources being reported on the District's Statement of Net Position are those related to pensions.

Deferred inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

G. Current Year's Long-Term Debt

At the end of the current fiscal year, the District had total long-term debt outstanding of $118,531,661. This amount is comprised of pension liability and compensated absences, including the portion due within one year of $524,176. Additional information on the District's compensated absences can be found in Note 4 under the Notes to the Basic Financial Statements section of this report.

H. Current Year's Budget

The District Budget is divided into two sections. The Operating Budget represents those expenditures that directly support the everyday operations of the District, including administration of incentive programs. The Non-Operating Budget represents those expenditures for the emission reduction incentive programs administered by the District. In addition to funding provided by the District, various federal and state agencies provide funding for these programs in the form of grants or agreements. Listed below are the major factors that explain the change from the Adopted Budget to the final Adjusted Budget at year-end.

The original Operating Budget adopted in June 2022 was $70,933,917. The Final Adjusted Budget was $72,157,004. Under District budget policy, all prior unused appropriations lapse at year-end and are re-budgeted. Revenues unrealized as of the fiscal year 2022-23 year-end are re-budgeted in 2023-24. Revenues already received, but unspent, are included in the 2023-24 budget as available Fund Balance.

The Adjusted Non-Operating Budget at June 30, 2023 was $1,310,154,097 including $451,104 appropriated for contingencies. This was an increase of $745,716,497 over the originally adopted Non-Operating Budget. This increase was due to fewer than expected expenditures occurring in fiscal year 2021-22, which increased that year's ending fund balance. That fund balance was a revenue source for fiscal year 2022-23, supporting the same expenditures as the previous year. Additionally, multiple state and federal grant funds became available during fiscal year 2022-23. Listed below are the major budget additions made during the year:

- The mid-year non-operating budget true-up of $391,165,600, including increases to DMV Surcharge Fees, Carl Moyer Program, Proposition 1B, Voluntary Emission Reduction Program, Community Incentive Programs, Agricultural Replacement Measures for Emissions Reductions (FARMER) Program, Greenhouse Gas Reduction Funds, Volkswagen Mitigation Funds, and Cap and Trade and Air Quality Improvement Program (AQIP) funds.
- $12,093,750 from California Air Resources Board for the Replacement of Heavy-Duty Trucks with Zero and Near-Zero Emission Technology.

- $65,000,000 Volkswagen Mitigation Trust Funding for the Second Phase of the Statewide Incentive Program for Zero-Emission Transit, School, and Shuttle Buses.
- $111,375,000 from California Air Resources Board for Replacement of Agricultural Equipment and Necessary Resource Enhancements.
- $5,748,750 from California Air Resources Board for Zero-Emission Commercial Landscaping Equipment.
- $128,839,092 from California Air Resources Board for Voluntary Emission and Exposure Reduction Projects Benefitting Valley AB 617 Communities and Disadvantaged Communities Valley-Wide.
- $12,787,000 from California Air Resources Board and California Energy Commission for the South-Central Fresno Zero-Emission Delivery Truck Demonstration Project.
- $2,000,000 from Community Incentives Reserves for Valley-Wide Clean Air Rooms Residential Air Filtration Program for Valley Disadvantaged Communities.
- $17,106,201 from the United States Environmental Protection Agency for the Replacement of Low-Dust Nut Harvesters and Wood Burning Devices.

Operating Budget

Revenues

Actual Operating Revenues at June 30, 2023 were $85,810,359, as compared to the final Adjusted Budget of $93,307,402, a negative variance of $7,497,043. Revenues were lower than expected in fiscal year 2022-23 due to a decrease in administrative fees, and license and permit fees received.

Expenditures

Actual Operating Expenditures at June 30, 2023 were $64,696,501 as compared to the final Adjusted Budget of $72,157,004, a positive variance of $7,460,503.

Salaries and Benefits

Actual salary and benefit expenditures at year-end were $52,640,796 as compared to the final Adjusted Budget of $57,845,815, a positive variance of $5,205,019. Salary and benefit savings on vacant positions during the year were the major factors contributing to the positive variance.

Services and Supplies

Actual services and supplies expenditures at year-end were $8,096,677 as compared to the final Adjusted Budget of $9,805,598, a positive variance of $1,708,921. Of the total expenditure amount, $2,136,656 was encumbered at year-end. Listed in the table below are the expenditures that make up the variances in the services and supplies accounts.

	Final Adjusted Budget	Actual Expenditures June 30, 2023	Variance With Final Budget Positive (Negative)
Mobile Communications	$ 371,313	$ 228,012	$ 143,301
Equipment Maintenance	1,959,723	1,785,020	174,703
Professional and Specialized Services	7,404,142	6,031,203	1,372,939
Publications and Legal Notices	70,420	52,442	17,978
Total	$ 9,805,598	$ 8,096,677	$ 1,708,921

Capital Assets

Actual Capital Outlay expenditures at year-end were $3,959,028 as compared to the final Adjusted Budget of $4,505,591, a positive variance of $546,563. Several planned purchases were delayed until fiscal year 2023-24, contributing to this variance. Listed in the table on the following page are the expenditures that make up the variances in the Capital Assets accounts.

	Final Adjusted Budget	Actual Expenditures June 30, 2023	Variance With Final Budget Positive (Negative)
Office Improvements	$ 179,000	$ 146,530	$ 32,470
Computer Equipment	754,208	394,456	359,752
Automobiles	875,000	875,000	-
Office Machines and Equipment	61,640	26,514	35,126
Telephone System	33,060	1,342	31,718
Video Teleconferencing System	1,176,573	1,173,918	2,655
Air Monitoring/Detection Equipment	1,400,110	1,317,878	82,232
Air Monitoring Station Automation Project	6,000	3,390	2,610
Monitoring Near Roadways	20,000	20,000	-
Total	$ 4,505,591	$ 3,959,028	$ 546,563

Non-Operating Budget

<u>Revenues</u>
Actual Non-Operating Revenues at June 30, 2023 were $377,235,384 as compared to the final Adjusted Budget of $684,966,318, a negative variance of $307,730,934. Listed in the table below are the revenues that make up the major variances in Non-Operating Revenues.

	Final Adjusted Budget	Actual Revenues June 30, 2023	Variance With Final Budget Positive (Negative)
Air Toxics	$ 189,000	$ 98,746	$ (90,254)
DMV Surcharge Fees	50,322,900	49,543,677	(779,223)
Carl Moyer Program	34,342,500	34,456,410	113,910
Federal and Heavy Duty Grants	110,603,398	20,858,435	(89,744,963)
CEC - Energy Efficiency Block Grant	3,889,960	-	(3,889,960)
VERA/ISR Rule Mitigation Funds	13,350,982	12,028,728	(1,322,254)
State Cap and Trade and AQIP Funding	397,436,468	209,819,693	(187,616,775)
Volkswagen Mitigation Funding	65,000,000	36,720,000	(28,280,000)
Non-Operating Interest	9,801,710	13,709,749	3,908,039
Other Miscellaneous Incentives	29,400	(54)	(29,454)
Total	$ 684,966,318	$ 377,235,384	$ (307,730,934)

The negative variances of $89,744,963 for Federal and Heavy Duty Grant funds, $187,616,775 for State Cap and Trade funds, and $28,280,000 for Volkswagen Mitigation funds are due to the delay in receipt of this revenue because of program milestones that must be met prior to receiving the revenue. These funds are anticipated to be available during the 2023-24 fiscal year.

Expenditures

Actual Non-Operating Expenditures at June 30, 2023 were $234,196,117 as compared to the final Adjusted Budget of $1,309,702,993, a positive variance of $1,075,506,876. Listed in the table below are the expenditures that make up the variances in Non-Operating Expenditures.

	Final Adjusted Budget	Actual Expenditures June 30, 2023	Variance With Final Budget Positive (Negative)
Air Toxics-Pass Through	$ 189,000	$ 98,746	$ 90,254
Federal and Heavy Duty Grants	75,973,701	20,858,435	55,115,266
Carl Moyer Program	79,975,000	16,368,083	63,606,917
DMV Surcharge Fees	135,793,300	54,645,580	81,147,720
VERA/ISR Rule Mitigation Program	48,670,100	19,757,058	28,913,042
Proposition 1B Program	7,787,300	1,235,944	6,551,356
Community Incentive Programs	25,586,500	7,965,670	17,620,830
State Cap and Trade and AQIP Funding	817,235,892	102,544,969	714,690,923
CEC - Energy Efficiency Block Grant	4,187,000	-	4,187,000
Volkswagen Mitigation Funding	114,193,400	10,695,096	103,498,304
Miscellaneous Incentive Programs	111,800	26,536	85,264
Total	$ 1,309,702,993	$ 234,196,117	$ 1,075,506,876

The District has a policy of not entering into incentive agreements for non-federal grant contracts until grant funds are received by the District. This occasionally results in delayed expenditures. A significant amount of grant funds that were received and appropriated in fiscal year 2022-23 (Carl Moyer Program, Proposition 1B Program, Cap and Trade Program, VERA/ISR Rule Mitigation Program, and Volkswagen Mitigation funds) will not be expended on incentive contracts until fiscal year 2023-24 or later. Federal incentive grant contracts are reimbursable grants whereby the District must expend the incentive grant funds prior to receiving reimbursement from the Federal government.

I. Next Year's Budget

The Adopted Budget for fiscal year 2023-24 is $723,132,560 as compared to the Adjusted Budget for fiscal year 2022-23 of $1,382,311,101, a decrease of $659,178,541. In June 2011, the District Governing Board adopted a change in the District's non-operating budgeting approach which combined the Prior Year and Current Year Budgets used previously, into a single ongoing budget for the current and future years. Since the adopted budget is based on estimated revenues, expenditures, and encumbrances occurring, and due to the length of the budget development process, every year after the financial closing, the budget is adjusted to reflect the actual available fund balance based on the year-end closing actuals. The 2023-24 adopted budget will be also adjusted to include year-end encumbrances and reflect actual year-end reserves.

J. Economic Factors

It is important to note that the District is relatively self-sufficient with no significant dependence on the state or federal funding for its operating expenditures. In addition, ongoing, long-term forecasts project stable fiscal health for the District. While the District does face a full agenda of challenges, the Governing Board generally has sufficient resources available to meet them.

K. Requests for Information

This financial report 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 Director of Administrative Services, 1990 East Gettysburg Avenue, Fresno, California 93726-0244.

San Joaquin Valley Unified Air Pollution Control District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	$ 1,014,633,032
Accrued revenues	25,494,455
Prepaid expenses	407,830
Total current assets	1,040,535,317
Noncurrent assets:	
Land and other non-depreciable assets	1,595,549
Other capital assets, net of accumulated depreciation	12,597,733
Total noncurrent assets	14,193,282
Total assets	1,054,728,599
Deferred outflows of resources	
Deferred pension	32,452,824
Total deferred outflows of resources	32,452,824
Liabilities	
Current liabilities:	
Accounts payable	1,024,322
Accrued wages payable	2,013,804
Advances from grantors	7,564,932
Compensated absences payable:	
Due within one year	524,176
Total current liabilities	11,127,234
Noncurrent liabilities:	
Compensated absences payable:	
Due in more than one year	4,284,503
Net pension liability	113,722,982
Total noncurrent liabilities	118,007,485
Total liabilities	129,134,719
Deferred inflows of resources	
Deferred pension	6,062,438
Total deferred inflows of resources	6,062,438
Net position	
Net investment in capital assets	$14,193,282
Restricted for:	
VERA/ISR mitigation programs	30,798,625
DMV surcharge programs	109,063,160
Carl Moyer funds	84,935,140
Proposition 1B programs	6,470,097
State cap and trade	576,645,041
Volkswagen mitigation	76,965,339
Other special projects/programs	343,053
Unrestricted	52,570,529
Total net position	$ 951,984,266

The notes to the financial statements are an integral part of the this statement.

San Joaquin Valley Unified Air Pollution Control District
Statement of Activities
For the Year Ended June 30, 2023

Programs	Expenses	Program Revenues: Fees and Charges for Services: Stationary Sources	Program Revenues: Fees and Charges for Services: Mobile Sources	Program Revenues: Operating Grants	Program Revenues: Restricted Special Revenue Sources *	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:						
Permitting	$ 19,478,053	$ 14,064,952	$ 2,905,367	$ 2,981,890	$ -	$ 474,156
Enforcement/agricultural burning	18,311,514	10,669,720	4,155,553	1,888,373	-	(1,597,868)
Plan and rule development	1,689,778	-	1,840,192	817,946	-	968,360
Mobile sources	12,757,328	-	20,025,487	267,987	-	7,536,146
Outreach and communications	3,616,458	-	2,718,424	1,109,941	-	211,907
Air quality analysis/air monitoring	8,642,558	-	1,419,204	6,937,571	-	(285,783)
Restricted for grants and other special uses	234,196,117	-	-	-	377,235,384	143,039,267
Total governmental activities	$ 298,691,806	$ 24,734,672	$ 33,064,227	$ 14,003,708	$ 377,235,384	150,346,185
General Revenues:						
State subvention - not restricted to specific programs						969,846
Interest - not restricted to specific programs						5,098,989
Penalties / settlements						6,370,674
Miscellaneous revenue						327,075
Total general revenues						12,766,584
Change in net position						163,112,769
Net position - beginning, July 1, 2022						788,871,497
Net position - ending, June 30, 2023						$ 951,984,266

* Restricted Special Revenue Sources consist of pass-through and/or one-time limited duration funding sources that are restricted for specific programs such as the Carl Moyer Program Fund and the Proposition 1B Program Fund.

The notes to the financial statements are an integral part of this statement.

San Joaquin Valley Unified Air Pollution Control District
Balance Sheet - Governmental Fund
General Fund
June 30, 2023

Assets		
Cash and investments	$	1,014,633,032
Accrued revenues		25,494,455
Prepaid items		407,830
Total assets	$	1,040,535,317
Liabilities		
Accounts payable	$	1,024,322
Accrued wages payable		2,013,804
Advances from grantors		7,564,932
Total liabilities		10,603,058
Fund Balance		
Nonspendable fund balance		407,830
Restricted fund balance		885,220,455
Assigned fund balance		97,771,586
Unassigned fund balance		46,532,388
Total fund balance		1,029,932,259
Total liabilities and fund balance	$	1,040,535,317

The notes to the financial statements are an integral part of this statement.

San Joaquin Valley Unified Air Pollution Control District

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

June 30, 2023

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

Fund balance - governmental fund	$ 1,029,932,259
Capital assets net of accumulated depreciation have not been included as financial resources in the governmental fund activity. These capital assets are reported in the Statement of Net Position as capital assets of the District as a whole.	14,193,282
Deferred outflows of resources reported in the Statement of Net Position.	32,452,824
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.	(118,531,661)
Deferred inflows of resources reported in the Statement of Net Position.	(6,062,438)
Net position of governmental activities	$ 951,984,266

The notes to the financial statements are an integral part of this statement.

San Joaquin Valley Unified Air Pollution Control District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
General Fund
For the Year Ended June 30, 2023

Revenues:	
License and permit fees	$ 38,907,987
Administrative fees	18,890,912
Penalties and settlements	6,370,674
Interest	5,098,989
State grants	12,833,678
Federal grants	2,139,876
Miscellaneous revenue	327,075
Incentive grants	342,667,200
Incentive grant interest	13,709,749
Federal incentive grants	20,858,435
Total revenues	461,804,575
Expenditures:	
Current:	
Salaries and benefits	52,640,796
Services and supplies	6,969,816
Grants and other special uses	234,196,117
Capital outlay	3,751,938
Total expenditures	297,558,667
Net change in fund balance	164,245,908
Beginning fund balance, July 1, 2022	865,686,351
Ending fund balance, June 30, 2023	$ 1,029,932,259

The notes to the financial statements are an integral part of this statement.

San Joaquin Valley Unified Air Pollution Control District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2023

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

Net Change in Fund Balance - governmental fund		$164,245,908
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of the capital outlays recorded in the current period.		3,589,560
Depreciation expense on capital assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental fund.		(2,681,423)
The net effect of disposal of assets.		(48,829)
Certain pension expenses in the Statement of Activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68.		
Amount of pension expenditures at fund modified accrual level	14,255,308	
Amount of pension expenses recognized at government-wide level	(16,022,916)	(1,767,608)
Increase in long-term compensated absences		(224,839)
Change in net position of governmental activities		$163,112,769

The notes to the financial statements are an integral part of this statement.

SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The San Joaquin Valley Unified Air Pollution Control District (District) is a special district operating under the provisions of Sections 40150 through 40162 of the California Health and Safety Code. The District exists to develop and implement programs on a local level to meet the requirements of state and federal air pollution control laws in the San Joaquin Valley. The San Joaquin Valley Air Basin (SJVAB) comprises eight counties (San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and the Valley portion of Kern), and covers about 25,000 square miles. The District is governed by a fifteen member Governing Board that consists of one representative from the board of supervisors of all eight counties, five council members from Valley cities and two governor-appointed public members. The District operates a network of air monitoring stations, analyzes air quality data and establishes maximum emission levels for stationary, commercial, and industrial facilities that are enforced through the District's permit system.

B. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District considers accrued revenue to be available if it is collected within 90 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due. State and federal grants, vehicle registration fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when the District receives cash.

Government-wide Financial Statements

The District government-wide financial statements include a Statement of Net Position and Statement of Activities. These statements present summaries of governmental activities for the District as a whole.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities and deferred inflows of resources are included in the accompanying Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

The Statement of Activities demonstrates the degree to which the direct expenses of a given functional activity are offset by program revenues directly connected with the functional activity. Direct expenses are those that are clearly identifiable with a specific functional activity.

The District's functional activities are broken down into the following categories:

- Permitting
- Enforcement / Agricultural Burning
- Plan and Rule Development
- Mobile Sources
- Outreach and Communications
- Air Quality Analysis / Air Monitoring

The types of transactions reported as program revenues are reported in three categories: 1) Fees and Charges, including stationary source fees from permitted facilities and mobile source fees derived from motor vehicle registrations, 2) Operating Grants that are in support of air pollution program activities, and 3) Restricted Special Revenue Sources. Program revenues are netted with program expenses to present the net cost of each functional activity. Interest income and other miscellaneous revenue that cannot be identified with a program are reported as General Revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reporting them as expenditures.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance.

Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences as a result of the integrated approach of the Governmental Accounting Standards Board (GASB) Statement No. 34 reporting.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Using the current financial resources measurement focus means that only current assets and current liabilities are generally included in the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than recording them as fund assets.

C. Fund Types

General Fund

The primary operating fund of the District is used to record transactions relating to its general business operations.

D. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is employed in the General Fund. Purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are recorded as assignment of fund balance for expenditure in a subsequent year. These outstanding encumbrances do not constitute expenditures or liabilities until performance has occurred on the part of the vendors with whom the District has entered into an agreement.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements. The cost is recorded as an expense as prepaid items are consumed.

Prepaid Expenses of the District for the fiscal year ended June 30, 2023 consisted of the following:

Loans Receivable	$	8,133
Prepaid Medical Insurance		399,697
Total Prepaid Expenses	$	407,830

F. Capital Assets and Depreciation

Land, construction in progress, equipment, buildings and improvements are valued at cost unless obtained by donation, in which case the assets are recorded at the acquisition value at the date of receipt. Capital asset purchases with values of at least $2,000 and with an expected useful life greater than one year are capitalized. Likewise, building improvements totaling $100,000 and with an expected useful life greater than one year are capitalized. The District implemented GASB Statement No. 51 and started capitalizing intangible software that was developed internally and met the threshold of $100,000 for intangible asset capitalization.

Repair and maintenance costs are charged to current expenditures as incurred. Equipment disposed of or no longer required for its existing use is removed from the records at actual or estimated cost.

Depreciation is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. Property, plant, and equipment of the District are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	15-25 Years
Air Monitoring and Detection Equipment	5-8 Years
Office Furniture and Other Misc. Equipment	5-10 Years
Telephone Equipment	10 Years
Computer Equipment and Software	5 Years
Automobiles	5 Years

G. Compensated Absences

Regular employees accumulate annual leave. Certain restrictions apply with respect to the accumulation of annual leave and its payment at termination. The compensated absences due within one year and due in more than one year amounted to $524,176 and $4,284,503, respectively, and have been reflected in the Statement of Net Position.

H. Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 5 and the Required Supplementary Information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Kern County Employees' Retirement Association (KCERA). The net pension liability is measured as of the District's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

I. Self-Insurance

The District is self-insured on comprehensive/collision coverage on all District automobiles. The Special District Risk Management Authority provides coverage for comprehensive general and auto liability, workers' compensation liability, public officials liability, public employees blanket bond, and the replacement cost of property. (See Note 6)

J. Restrictions on Net Position

Total Restricted Net Position at year-end was $885,220,455. Restricted Net Position is net position that is subject to restrictions beyond the District's control. The programs listed below are subject to restrictions imposed by the grantors of each program. The amounts for each program are as follows:

VERA/ISR mitigation programs	$ 30,798,625
DMV surcharge programs	109,063,160
Carl Moyer funds	84,935,140
Proposition 1B programs	6,470,097
State cap and trade	576,645,041
Volkswagen mitigation	76,965,339
Other special projects/programs	343,053
Total Restricted Net Position	$ 885,220,455

As these restrictions are also restrictions of fund balance, a description and the purpose of each program can be found in Note 1.K.

K. Fund Balance

Beginning in fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraint placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

- Committed fund balance—amounts constrained to a specific purpose by the District itself, using its highest level of decision-making authority (i.e., District Governing Board). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same level of action to remove or change the constraint.

- Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Governing Board or by an official or body to which the District Governing Board delegates the authority.

- Unassigned fund balance—amounts that are available for any purpose. Only the General Fund reports positive amounts.

The District Governing Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Governing Board through adoption or amendment of the budget as intended for specific purpose.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance is available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

The amounts of various fund balance categories required by GASB Statement No. 54 are as follows:

Nonspendable Fund Balance	$ 407,830
Restricted Fund Balance:	
VERA/ISR mitigation programs	30,798,625
DMV surcharge programs	109,063,160
Carl Moyer funds	84,935,140
Proposition 1B programs	6,470,097
State cap and trade	576,645,041
Volkswagen mitigation	76,965,339
Other special projects/programs	343,053
Total Restricted Fund Balance	885,220,455
Assigned Fund Balance:	
Encumbrances	6,875,191
Community Incentive Programs	70,491,474
Long-Term Building Maintenance	1,200,000
Contingency Reserve	850,000
Pension Stabilization Reserve	6,380,000
Video Teleconferencing and Computer Equipment	200,000
Modeling Center Reserve	500,000
Modeling Equipment Reserve	200,000
Appropriated FY 2023-24 Budgetary Deficit	11,074,921
Total Assigned Fund Balance	97,771,586
Unassigned Fund Balance:	
General Reserve	14,600,000
Unassigned	31,932,388
Total Unassigned Fund Balance	46,532,388
Total Fund Balances	$ 1,029,932,259

Nonspendable Fund Balance:

- The $407,830 fund balance is for prepaid medical, payroll and other expenses and long-term notes receivable to the flex spending bank account.

Restricted Fund Balance:

- The $30,798,625 fund balance for the Indirect Source Review (ISR) Rule Mitigation Program and Voluntary Emission Reduction Program represents funds received from new development projects and voluntary development mitigation contracts. These funds will be used as incentive grants for projects that will offset the future projected emissions generated by these development projects.

- The $109,063,160 fund balance for DMV Surcharge Fees represents monies identified by the District Governing Board for distribution to qualifying agencies or individuals in the District's DMV Heavy Duty Emissions Program and the DMV Mobile Source Incentives Program.

- The $84,935,140 fund balance for the Carl Moyer Program represents funds received from the California Air Resources Board. The District will use these funds for Heavy Duty Engine Emission Reduction Program incentives.

- The $6,470,097 fund balance for the Proposition 1B Program represents funds received from the California Air Resources Board. These funds will be used for the replacement and retrofit of heavy-duty trucks.

- The $576,645,041 fund balance for the State Cap and Trade and Air Quality Improvement Program (AQIP) Funds represents monies from the California Air Resources Board for projects that generate reductions in greenhouse gas emissions with potential co-benefits of criteria pollutant reductions. The District will use these funds for several programs aimed at disadvantaged communities, administered by Valley Clean Air Now.

- The $76,965,339 fund balance for the Volkswagen Mitigation funds received from CARB in an effort to provide funding to mitigate excess nitrogen oxide (NOx) emissions caused by VW's use of illegal defeat devices. The Mitigation Trust funds will be used for replacement projects mostly in the heavy-duty sector to mitigate future emissions.

- The $343,053 fund balance for the Other special projects/programs consists of funds received from the Environmental Protection Agency, California Air Resources Board, and other miscellaneous grants and fees. The District will utilize these funds for the replacement of heavy-duty trucks, school buses, agricultural tractors and other projects that aim to reduce emissions.

Assigned Fund Balance:

- The $6,875,191 fund balance for encumbrances outstanding at June 30, 2023 represents the amount of expenditures that would result if contracts in process at fiscal year-end were completed. Of the total assigned amount, $3,193,577 represents encumbrances for services and supplies and $3,618,614 represents encumbrances for capital assets. This assignment earmarks resources to pay for these contractual obligations by segregating a portion of fund balance.

- The $70,491,474 was assigned by the District Governing Board for various Community Incentive Programs.

- The $1,200,000 was established by the District Governing Board to provide for Long-Term Building Maintenance.

- The $850,000 was established by the District Governing Board to provide for a Contingency Reserve.

- The $6,380,000 was established by the District Governing Board to provide for a Pension Stabilization Reserve.

- The $200,000 was assigned by the District Governing Board to provide for a Video Teleconferencing and Computer Equipment Reserve.

- The $500,000 was assigned by the District Governing Board to provide for a Modeling Center Reserve.

- The $200,000 was assigned by the District Governing Board to provide for a Modeling Equipment Reserve.

- The $11,074,921 is the portion of existing fund balance that is included as a budgetary resource in the fiscal year 2023-24 budget

Unassigned Fund Balance:

- From total Unassigned Fund Balance of $46,532,388 reported on June 30, 2023, $14,600,000 is a General Reserve that was established by the District Governing Board to provide for additional financial stability.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

M. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements.

GASB Statement No. 87, "Leases." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022. The District has determined that the requirements of this statement are not applicable to the District operations and will continue to consider the financial statement applicability in future years.

GASB Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022. The District has determined that the requirements of this statement are not applicable to the District operations and will continue to consider the financial statement applicability in future years.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payments." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The District has determined that the requirements of this statement are not applicable to the District operations and will continue to consider the financial statement applicability in future years.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The District has determined that the requirements of this statement are not applicable to the District operations and will continue to consider the financial statement applicability in future years.

GASB Statement No. 99, "Omnibus 2022." The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The District has determined that the requirements of this statement are not applicable to the District operations and will continue to consider the financial statement applicability in future years.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 consisted of the following:

District Petty Cash/Change Funds	$	1,208
Postage Funds		15,585
Total Cash On Hand		16,793
Wells Fargo Bank		30,696,344
Other Deposits		556
Total Deposits with Financial Institutions		30,696,900
Security Deposit - Leased Property		2,000
Total Other Deposits		2,000
Fresno County Treasurer		983,917,339
Total Investments with County Investment Pools		983,917,339
Total Cash and Investments	$	1,014,633,032

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk and credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
County Investment Pools	N/A	100%	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In other words, the risk that interest rates will rise and reduce the fair value of an investment. Generally, the longer the maturity of an investment, the greater its sensitivity is to fair value and to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type	Amount	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
County Investment Pool	$983,917,339	$983,917,339	$0	$0	$0

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of the rating required by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, or the District's investment policy, and the actual rating as of year-end for each type. The column marked "Exempt From Disclosure" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

		Minimum	Exempt	Rating as of Year-End		
		Legal	From			Not
Investment Type	Amount	Rating	Disclosure	AAA	AA	Rated
County Investment Pool	$983,917,339	N/A	$983,917,339	$0	$0	$0

County Treasurer's Investment Pool

The District is a voluntary participant in the County of Fresno Treasurer's Investment Pool that is regulated by the California Government Code (CGC). The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value for the entire Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Investment Pool, which are recorded on an amortized cost basis. In accordance with GASB Statement No. 72, investments in the County Treasurer's Investment Pool are not subject to the three-tiered fair value hierarchy: Level 1, Level 2 and Level 3. The three tiers are defined as follows:

Level 1 – reflect unadjusted quoted prices in active markets for identical assets
Level 2 – reflect inputs that are based on a similar observable asset either directly or indirectly
Level 3 – reflect unobservable inputs

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The CGC and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The CGC requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, all of the District's deposits with financial institutions were held in fully collateralized accounts, as permitted by the CGC.

3. CAPITAL ASSETS AND DEPRECIATION

Capital assets of the District for the fiscal year ended June 30, 2023 consisted of the following:

	Capital Assets - Governmental Activities				
	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, non-depreciable:					
Land	$ 1,595,549	$ -	$ -	$ -	$ 1,595,549
Construction in Progress	109,052	-	-	(109,052)	-
Total capital assets, non-depreciable	1,704,601	-	-	(109,052)	1,595,549
Capital assets, depreciable/amortizable:					
Building and improvements	10,134,952	-	-	-	10,134,952
Machinery and equipment	19,808,473	3,589,560	1,076,161	109,052	22,430,924
Intangible assets	1,321,050	-	-	-	1,321,050
Total capital assets, depreciable/amortizable	31,264,475	3,589,560	1,076,161	109,052	33,886,926
Less accumulated depreciation/amortization for:					
Building and improvements	5,613,675	593,956	-	-	6,207,630
Machinery and equipment	12,700,377	2,087,468	1,027,332	-	13,760,513
Intangible assets	1,321,050	-	-	-	1,321,050
Total accumulated depreciation/amortization	19,635,102	2,681,423	1,027,332	-	21,289,193
Total capital assets, depreciable/amortizable, net	11,629,373	908,137	48,829	109,052	12,597,733
Net book value of capital assets	$ 13,333,974	$ 908,137	$ 48,829	$ -	$ 14,193,282

For the fiscal year ended June 30, 2023, depreciation expense of $2,681,423 on capital assets was charged to the District's activities as follows:

Permitting	$ 340,542
Enforcement / Agricultural Burning	697,448
Plan and Rule Development	27,292
Mobile Sources	176,613
Outreach and Communications	45,231
Air Quality Analysis / Air Monitoring	1,394,297
Total Depreciation Expense	$ 2,681,423

4. COMPENSATED ABSENCES

When employment with the District is terminated, an employee will receive compensation for all unused annual leave hours.

The following is a summary of earned compensated absences of the District for the fiscal year ended June 30, 2023:

July 1, 2022 Balance	$ 4,583,840
Plus: Additions	3,070,451
Less: (Reductions)	(2,845,612)
June 30, 2023 Balance	$ 4,808,679
Amount Due Within One Year	524,176
Amount Due In More Than One Year	$ 4,284,503

5. PENSIONS

General Information about the Pension Plan

Plan Description

The Kern County Employees' Retirement Association (KCERA) was established by the County of Kern in 1945. KCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.), the California Public Employees' Pension Reform Act (CalPEPRA) and the bylaws, procedures and policies adopted by the KCERA Board. KCERA is a cost-sharing multiple employer defined benefit public employee retirement system whose main function is to provide retirement, disability, death, beneficiary, cost-of-living and supplemental retirement benefits to the General and Safety members employed by the County of Kern. KCERA also provides retirement benefits to the employee members of the Berrenda Mesa Water District, Buttonwillow Recreation and Park District, East Kern Cemetery District, Inyokern Community Services District, Kern County Water Agency, Kern Mosquito and Vector Control District, North of the River Sanitation District, San Joaquin Valley Unified Air Pollution Control District, Shafter Recreation and Park District, West Side Cemetery District, West Side Mosquito and Vector Control District, West Side Recreation and Park District, the Kern County Superior Court, and the Kern County Hospital Authority. The management of KCERA is vested with the KCERA Board of Retirement. The Board consists of nine members and two alternate members. KCERA issues an Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for KCERA. The ACFR is available at www.kcera.org or by contacting KCERA's office at 11125 River Run Blvd., Bakersfield, CA 93311 or by calling (661) 381- 7700.

Summary of Plans and Eligible Participants

All regular full-time employees of the County of Kern or contracting districts who work 50% or more of the regular standard hours required become members of KCERA effective on the first day of the first full biweekly payroll period following the date of hire.

General members (excluding Tier III) are eligible to retire at age 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General Tier III members are eligible to retire at age 70 regardless of service or at age 52 with 5 or more years of retirement service credit.

Benefits Provided

The retirement benefit the member will receive is based on age at retirement, final average compensation (FAC), years of retirement service credit and benefit tier.

General member benefits for Tier I and Tier II are calculated pursuant to California Government Code Sections 31676.17 and 31676.01, respectively. The monthly allowance is equal to 1/50th of FAC times years of accrued retirement service credit times an age factor from Section 31676.17 (Tier I), or 1/90th of FAC times years of accrued retirement service credit times an age factor from Section 31676.01 (Tier II). General Tier III member benefits are calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the FAC multiplied by years of accrued retirement credit multiplied by an age factor from Section 7522.20(a).

For general members in Tiers I and II, the maximum monthly retirement allowance is 100% of FAC. For General Tier III members, there is no limit on the maximum monthly allowance relative to FAC.

The maximum amount of compensation earnable that can be taken into account for 2022 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is $305,000. For General Tier III members who joined on or after January 1, 2013, the maximum pensionable compensation that can be taken into account for 2022 is $134,974 for those enrolled in Social Security. These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

FAC consists of the highest 12 consecutive months of compensation earnable for General Tier I and General Tier IIA members. FAC consists of the highest 36 consecutive months of pensionable compensation for General Tier IIB and General Tier III members.

The member may elect an unmodified retirement allowance or one of four optional retirement allowances. The unmodified option provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible spouse or partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or partners may also be eligible if marriage or partnership was at least two years prior to the date of death and the surviving spouse or partner is age 55 or older as of the date of death. There are four optional retirement allowances the member may chose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

Death Benefits

An active member’s beneficiary is entitled to receive death benefits, which consist of accumulated contributions, plus interest, and one month’s salary for each full year of service, up to a maximum of six months of salary.

If a member is vested and the death is not the result of a job-caused injury or disease, the spouse or registered domestic partner will be entitled to receive a lifetime monthly allowance equal to 60% of the retirement allowance to which they would have been entitled if they had retired with a nonservice-connected disability on the date of the member’s death. If there is no eligible spouse or partner, the same choice is given to the member’s minor children who are under the age of 18 (continuing to age 22 if enrolled full-time in an accredited school).

If a member dies in the performance of duty, the spouse or registered domestic partner receives, for life, monthly allowance equal to at least 50% of the member’s final average salary. This will only apply to minor children under the age of 18 (continuing to age 22 if enrolled full time in an accredited school).

If a member dies after retirement, a death benefit of $5,000 (increased from $3,000 to $5,000 on January 1, 2015) is payable to their designated beneficiary or the estate.

If the retirement was for service-connected or nonservice-connected disability and the member chose the unmodified allowance option, their surviving spouse, registered domestic partner or minor children will receive a monthly continuance equal to 60% of the benefit.

If the retirement was for service-connected disability, their spouse, registered domestic partner or minor children will receive a 100% continuance of the member's benefit.

Disability Benefits

A member with five years of service, regardless of age, who becomes permanently incapacitated from the performance of duty will be eligible for a nonservice-connected disability retirement. Any member who becomes permanently incapacitated from the performance of duty as a result of an injury or disease arising out of and in the course of employment is eligible for a service-connected disability, regardless of service length or age.

Cost-of-Living Adjustments

An annual cost-of-living adjustment (COLA) of up to 2.0% was adopted for all retirees and continuance beneficiaries as of April 1, 1973. An additional 0.5% COLA was granted by the Ventura Settlement as of April 1, 2002, resulting in a maximum COLA of 2.5%, depending on the rate of inflation.

Supplemental Benefits

The Board of Retirement and the Kern County Board of Supervisors adopted Government Code Section 31618 on April 23, 1984, which provides for the establishment of the Supplemental Retiree Benefit Reserve (SRBR). The SRBR is used only for the benefit of future and current retired members and their beneficiaries. The supplemental benefit is not a guaranteed benefit. The distribution of the SRBR is determined by the Board of Retirement. SRBR currently provides for 82% purchasing power protection and a $5,000 death benefit.

Contributions

The County of Kern and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from KCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2020 valuation and after reflecting the phase-in of the impact of the assumption changes for the County Safety cost group) was 48.78% of compensation. Contributions to the pension plan from the District were $14,255,308 for the year ended June 30, 2023. Active members are plan members who are currently accruing benefits and/or paying contributions into the applicable plan.

Eligible employees and their beneficiaries are entitled to pension, disability and survivors' benefits under the provision of the CERL with the establishment of KCERA on January 1, 1945. As a condition of participation under the provisions of the CERL, members are required to pay a percentage of their salaries, depending upon their age at date of entry in the Plan, membership type and benefit tier.

Member contribution rates for fiscal year 2022 ranged from 4.58% to 17.10% and were applied to the member's base pay plus compensable special pay; they were calculated based on the member's KCERA entry age and actuarially calculated benefits. Members are required to contribute depending on the member's tier, employer and bargaining unit.

Interest is credited to member contributions semi-annually on June 30 and December 31, in accordance with Article 5.5 of the CERL. Member contributions and credited interest are refundable upon termination of membership.

Each year, an actuarial valuation is performed for the purpose of determining the funded ratio of the retirement plan and the employer contributions that are necessary to pay benefits accruing to KCERA members not otherwise funded by member contributions or investment earnings. The employer contribution rates are actuarially determined by using the Entry Age Normal Actuarial Cost method. The Plan's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. Contribution rates determined in each actuarial valuation (as of June 30) apply to the fiscal year beginning 12 months after the valuation date. Employer rates for fiscal year 2022 ranged from 39.82% to 81.59% of covered payroll, with a combined average of 48.76% for all employers.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a liability of $113,722,982 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the liability used to calculate the net pension liability was determined by an actuarial valuation date June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2022, the District's proportion was 4.7787%, compared to 4.5176% at June 30, 2021, an increase of 0.2611%.

For the fiscal year ended June 30, 2023, the District recognized pension expense of $16,022,916. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 2,961,943	$ -
Change in actual vs. proportionate contributions	8,374,653	-
Contributions subsequent to measurement date	14,255,308	-
Difference between prior year actuarial and actual employer contribution	(108,196)	-
Difference between projected and actual earnings on pension plan	6,969,116	-
Change in proportion	-	1,974,668
Difference between expected and actual experience	-	4,087,770
	$ 32,452,824	$ 6,062,438

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The District contributions of $14,255,308 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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

Fiscal Year Ended	Amount
2024	$ 4,307,449
2025	2,888,199
2026	(1,211,722)
2027	6,151,152
2028	-
Thereafter	-
	$ 12,135,078

Actuarial Assumptions

The total pension liability as of June 30, 2022 that was measured by an actuarial valuation as of June 30, 2021. The actuarial assumptions used were the same as the June 30, 2022 funding valuation. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation:	2.75%
Salary Increases:	General: 4.00% to 8.75%. Varies by service, including inflation.
Investment Rate of Return:	7.25%, net of pension plan investment expenses, including inflation.
Administrative Expenses:	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
Other Assumptions:	Same as those used in the June 30, 2022 funding valuation. These assumptions were developed in the analysis of the actuarial experience for the period from July 1, 2016 to June 30, 2019.

The Entry Age Actuarial Cost Method used in KCERA's annual actuarial valuation has also been applied in measuring the Service Cost and Total Pension Liability (TPL) with one exception. For purposes of measuring the Service Cost and TPL, KCERA has reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in KCERA's annual funding valuation, where the Normal Cost and Actuarial Accrued Liability are determined as if the current benefit accrual rate had always been in effect.

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 pension plan investment expenses and inflation) are developed for each major asset class. This data is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. 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 below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37%	6.51%
Core Fixed Income	14%	1.09%
High Yield Corporate Credit	6%	3.38%
Emerging Market Debt Blend	4%	3.41%
Commodities	4%	3.08%
Core Real Estate	5%	4.59%
Private Real Estate	5%	9.50%
Midstream	5%	8.20%
Capital Efficiency Alpha Pool	5%	2.40%
Hedge Fund	10%	2.40%
Private Equity	5%	9.40%
Private Credit	5%	5.60%
Cash	-5%	0.00%
Total	100%	

Discount Rate

The discount rates used to measure the total pension liability were 7.25% as of June 30, 2022 and 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rates assumed member contributions would be made at the current contribution rate and that employer contributions would be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan'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 total pension liability as of both June 30, 2022 and June 30, 2021.

The discount rate assumptions have been developed without taking into consideration any impact of the 50/50 allocation of future excess earnings between the retirement and Supplemental Retiree Benefit Reserve SRBR asset pools.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability as of June 30, 2022, calculated using a discount rate of 7.25%, and what the net pension liability would be if it were calculated using a discount rate that is one point lower (6.25%) or one point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net retirement plan liability	$ 160,387,816	$ 113,722,982	$ 75,331,319

Pension Plan Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in the separately issued KCERA ACFR.

6. 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 a joint powers authority, the Special District Risk Management Authority (SDRMA), whose purpose is to develop and fund programs of excess insurance for comprehensive liability, workers' compensation, property and employee blanket bonds for its member districts.

For the fiscal year 2022-23, the District contributed $769,040 to the SDRMA. The District's contributions represented 1.33% of all member contributions.

The District has coverage against claims up to a limit of $10,000,000 for comprehensive general and auto liability and public official's liability, up to a limit of $5,000,000 for workers' compensation liability and up to $400,000 for public employees blanket bond and for the replacement cost of property. The District is entirely self-insured for vehicle damage.

No claim settlement exceeded insurance coverage during the last three fiscal years. Also, during this period, no significant reduction in insurance coverage occurred.

7. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. For employees hired on or after July 31, 2012, the District provides a match of employee contributions not to exceed six percent of their base salary. These funds are not available to employees until termination, retirement, death or unforeseen emergency.

The deferred compensation plan monies are invested in various investment funds as selected by the participating employees. The available investment options include a fixed return fund, stock fund, bond fund and a money market fund. All amounts of compensation deferred under the plan and all income attributed to those amounts are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Effective January 1, 1999, federal legislation requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. The District's deferred compensation administrator, MassMutual Financial Group, qualifies as a plan trustee to meet the federal requirements. In accordance with GASB Statement No. 32, the District no longer reports plan assets and liabilities in its financial statements. As of June 30, 2023, investments with a fair value of $50,350,650 were held in trust.

8. COMMITMENTS AND ENCUMBRANCES

Encumbrances
The District utilizes encumbrance accounting in its governmental fund as explained in Note 1.D. Total encumbrances for the General Fund as of June 30, 2023 were $6,875,191. Encumbrances are categorized as Assigned Fund Balance.

9. PENDING LITIGATION

There are various lawsuits and claims filed against the District which, in the opinion of the District Counsel, will be resolved with no material adverse effect on the District's financial position or results of operations.

10. SUBSEQUENT EVENTS

In compliance with accounting standards generally accepted in the United States of America, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in these basic financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through December 27, 2023, which is the date the basic financial statements were issued.

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Required Supplementary Information

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San Joaquin Valley Unified Air Pollution Control District
General Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Adopted	Final Adjusted	Budgetary Basis	Final Budget
Operating Budget				
Revenues:				
Vehicle Registration Fees	$ 13,060,000	$ 13,060,000	$ 14,173,316	$ 1,113,316
License and Permit Fees	25,872,677	25,872,677	25,216,794	(655,883)
Interest	1,500,000	1,500,000	5,098,989	3,598,989
Penalties and Settlements	2,500,000	2,500,000	6,028,660	3,528,660
State Grants	13,955,000	13,955,000	14,024,846	69,846
Federal Grants	2,065,000	2,065,000	2,139,876	74,876
Administrative Fees	6,932,419	34,301,975	18,750,473	(15,551,502)
Miscellaneous Revenue	52,750	52,750	377,405	324,655
Total Operating Revenues	65,937,846	93,307,402	85,810,359	(7,497,043)
Operating Amounts Available For Appropriations	65,937,846	93,307,402	85,810,359	(7,497,043)
Expenditures:				
Salaries and Benefits	57,127,124	57,845,815	52,640,796	5,205,019
Services and Supplies	9,378,202	9,805,598	8,096,677	1,708,921
Capital Outlays:				
Office Improvements	151,000	179,000	146,530	32,470
Computer Equipment	846,781	754,208	394,456	359,752
Office Furniture/Equipment	32,600	32,600	15,009	17,591
Office Machines	29,040	29,040	11,505	17,535
Telephone System	33,060	33,060	1,342	31,718
Detection Equipment	58,000	58,000	51,483	6,517
Automobiles	840,000	875,000	875,000	-
Video Conferencing System	1,070,000	1,176,573	1,173,918	2,655
Air Monitoring Station Equipment	1,342,110	1,342,110	1,266,395	75,715
Monitoring Near Roadways	20,000	20,000	20,000	-
AMS Automation Project	6,000	6,000	3,390	2,610
Total Capital Outlays	4,428,591	4,505,591	3,959,028	546,563
Total Operating Charges to Appropriations	70,933,917	72,157,004	64,696,501	7,460,503
Excess of Operating Revenues Over Expenditures	(4,996,071)	21,150,398	21,113,858	(36,540)
Non-Operating Budget				
Revenues:				
Air Toxics	323,898	189,000	98,746	(90,254)
DMV Surcharge Fees	47,078,000	50,322,900	49,543,677	(779,223)
Carl Moyer Program	36,000,000	34,342,500	34,456,410	113,910
Proposition 1B	2,218,558	-	-	-
Federal and Heavy Duty Grants	32,837,800	110,603,398	20,858,435	(89,744,963)
CEC - Energy Efficiency Block Grant	-	3,889,960	-	(3,889,960)
VERA/ISR Rule Mitigation Funds	20,000	13,350,982	12,028,728	(1,322,254)
State Cap and Trade and AQIP Funding	29,682,906	397,436,468	209,819,693	(187,616,775)
Volkswagen Mitigation Funding	192,851,265	65,000,000	36,720,000	(28,280,000)
Non-Operating Interest	8,506,410	9,801,710	13,709,749	3,908,039
Other Miscellaneous Incentives	7,880,000	29,400	(54)	(29,454)
Non-Operating Amounts Available For Appropriations	357,398,837	684,966,318	377,235,384	(307,730,934)
Expenditures:				
Air Toxics-Pass Through	189,000	189,000	98,746	90,254
Federal and Heavy Duty Grants	24,795,800	75,973,701	20,858,435	55,115,266
Carl Moyer Program	33,471,400	79,975,000	16,368,083	63,606,917
DMV Surcharge Fees	65,736,400	135,793,300	54,645,580	81,147,720
VERA/ISR Rule Mitigation Program	32,453,700	48,670,100	19,757,058	28,913,042
Proposition 1B Program	4,465,300	7,787,300	1,235,944	6,551,356
Community Incentive Programs	6,835,900	25,586,500	7,965,670	17,620,830
State Cap and Trade and AQIP Funding	374,669,800	817,235,892	102,544,969	714,690,923
CEC - Energy Efficiency Block Grant	-	4,187,000	-	4,187,000
Volkswagen Mitigation Funding	20,858,500	114,193,400	10,695,096	103,498,304
Miscellaneous Incentive Programs	111,800	111,800	26,536	85,264
Total Non-Operating Charges to Appropriations	563,587,600	1,309,702,993	234,196,117	1,075,506,876
Excess(Deficiency) of Non-Operating Revenues Over(Under) Expenditures	(206,188,763)	(624,736,675)	143,039,267	767,775,942
Appropriation for Contingencies	850,000	451,104	-	451,104
Net Change to District Fund Balance, June 30, 2023	$ (212,034,834)	$ (604,037,381)	$ 164,153,125	$ 768,190,506

NOTES TO THE SCHEDULE OF GENERAL FUND BUDGETED AND ACTUAL EXPENDITURES
BUDGETARY BASIS

Note 1 – GENERAL FUND BUDGETARY BASIS RECONCILIATION

The General Fund Budgetary Comparison Schedule on page 53 presents comparisons of the legally Adopted Budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing expenditure data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of differences is presented below for the fiscal year ended June 30, 2023.

Excess of revenues over expenditures (GAAP Basis)	$ 164,245,908
Adjustments from budget cash basis to modified accrual basis	(92,783)
Excess of revenues over expenditures (Budgetary Basis)	$ 164,153,125

Note 2 - BUDGETING

In accordance with the provisions of the State Health and Safety Code Section 40131, the District's Formation Agreement, and the San Joaquin Valley Unified Air Pollution Control District's (District) Administrative Code, the District prepares and legally adopts a final balanced budget on or before June 30 of each fiscal year. The final Adopted Budget is available for review on the District's website at **www.valleyair.org**.

Budgetary control is exercised at the object level. All amendments or transfers of appropriations between these levels are authorized by the Executive Director/Air Pollution Control Officer and must be approved by the District Governing Board (Board). The Board also must approve supplemental appropriations financed by unanticipated revenues.

Expenditures, except for Capital Outlays, are controlled at the object level for all program budgets within the District. Capital assets are controlled at the sub-object level.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION – SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Ten Fiscal Years*

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION - SCHEDULE OF THE DISTRICT'S PROPPORTIONATE SHARE OF THE NET PENSION LIABILITY

	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
District's proportion of the net pension liability (asset)	4.7787%	4.5176%	4.6477%	4.2869%	4.0838%	3.8855%	3.4683%	3.4037%
District's proportionate share of the net pension liability (asset)	$ 113,722,982	$ 85,354,840	$ 123,717,825	$ 102,135,944	$ 95,186,053	$ 91,852,721	$ 83,711,648	$ 74,985,888
District's covered payroll	$ 28,344,293	$ 27,271,303	$ 27,077,369	$ 25,384,117	$ 24,978,663	$ 22,993,004	$ 22,163,475	$ 21,862,199
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	401.22%	312.98%	456.90%	402.36%	381.07%	399.48%	377.70%	342.99%
Plan fiduciary net position as a percentage of the total pension liability (asset)	62.80%	69.69%	55.90%	58.47%	59.22%	57.90%	57.15%	59.25%

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION - SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Last Ten Fiscal Years*

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION - SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Actuarially determined contribution	$ 13,717,952	$ 12,135,450	$ 12,730,527	$ 9,822,196	$ 9,904,685	$ 8,717,203	$ 7,499,401
Actual contributions	13,006,626	11,958,599	11,852,298	9,888,187	8,995,309	8,426,722	7,750,471
Contribution deficiency (excess)	$ 711,326	$ 176,851	$ 878,229	$ (65,991)	$ 909,376	$ 290,481	$ (251,070)
District's covered payroll	$ 30,438,414	$ 28,246,481	$ 27,322,161	$ 27,000,871	$ 25,335,880	$ 24,056,703	$ 22,969,370
Actual contributions as a percentage of the District's covered payroll	42.73%	42.34%	43.38%	36.62%	35.50%	35.03%	33.74%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. The information presented relates solely to the District and not Kern County Employees' Retirement Association as a whole. Additional information related to actuarial assumptions are included in the Notes to the Basic Financial Statements on page 46.

STATISTICAL SECTION

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STATISTICAL SECTION

The information in this section is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the District's economic condition.

Contents

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.

Revenue Capacity

These schedules contain trend information to help the reader assess the District's most significant revenue source, DMV Surcharge Fees.

Operating Information

These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Demographic and Economic Information

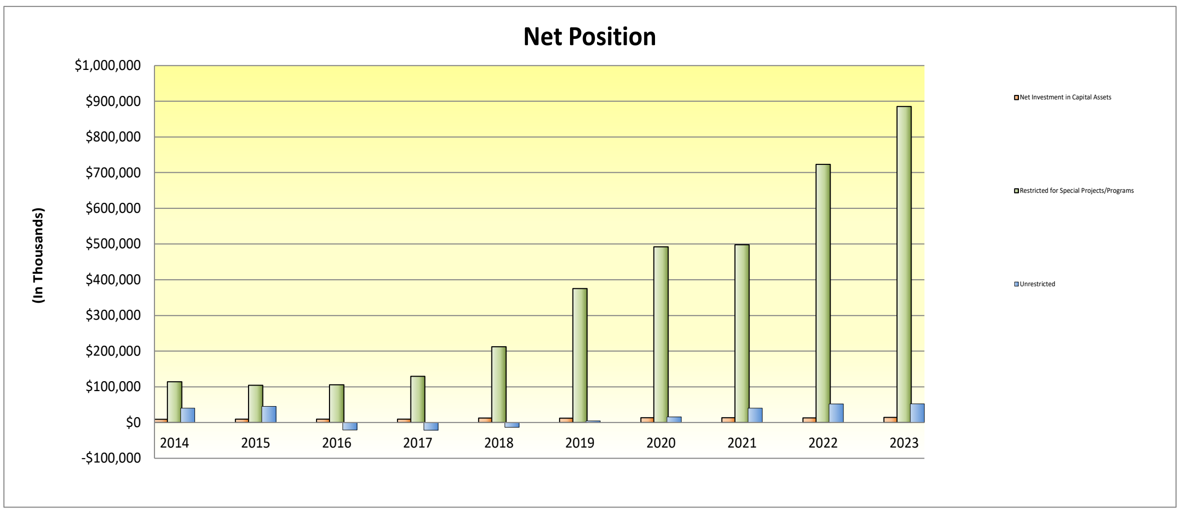
These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the District's financial activities take place.

Source: Unless otherwise noted, the information in these schedules was derived from the District's annual comprehensive financial reports for the relevant year.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

STATEMENT OF NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Current and Other Assets	$ 164,321	$ 150,856	$ 154,223	$ 188,266	$ 293,995	$ 472,447	$ 638,132	$ 651,010	$ 874,618	$ 1,040,535
Capital Assets	9,117	9,259	9,568	9,397	12,528	12,322	13,698	13,474	13,334	14,193
Total Assets	173,438	160,115	163,791	197,663	306,523	484,769	651,830	664,484	887,952	1,054,728
Deferred Outflows of Resources - Deferred Pension	-	14,310	15,436	23,821	29,857	28,854	28,816	40,215	24,829	32,453
Current Liabilities	2,096	2,133	3,446	2,743	3,365	3,182	26,428	20,207	9,424	11,127
Noncurrent Liabilities	2,821	71,051	78,094	87,236	95,463	98,856	106,843	128,031	89,446	118,008
Total Liabilities	4,917	73,184	81,540	89,979	98,828	102,038	133,271	148,238	98,870	129,135
Deferred Inflows of Resources - Deferred Pension	-	8,893	3,806	5,775	7,948	8,082	6,810	4,992	25,039	6,062
Net Position:										
Net Investment in Capital Assets	9,117	9,259	9,568	9,397	12,528	12,322	13,698	13,474	13,334	14,193
Restricted for Special Projects/Programs	114,186	104,379	105,725	129,584	212,202	375,335	491,983	497,658	723,433	885,220
Unrestricted	40,509	45,218	(21,289)	(21,412)	(13,251)	4,875	15,846	40,337	52,105	52,571
Total Net Position	$ 163,812	$ 158,856	$ 94,004	$ 117,569	$ 211,479	$ 392,532	$ 521,527	$ 551,469	$ 788,872	$ 951,984



Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

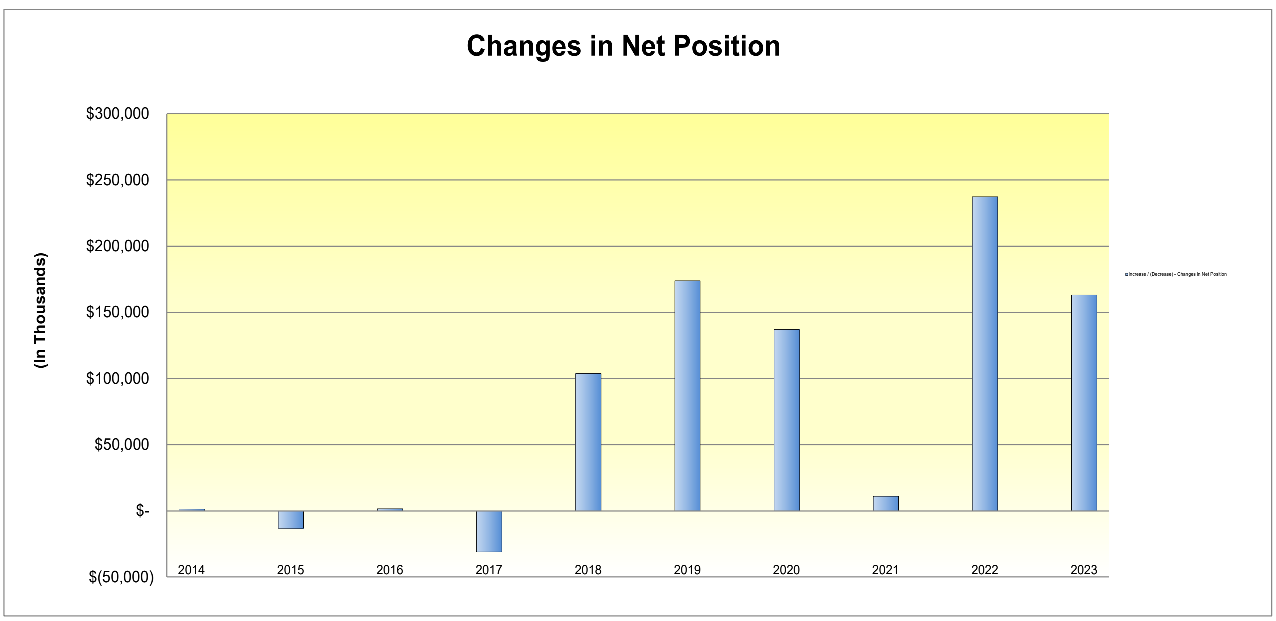
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

CHANGES IN NET POSITION
Last Ten Fiscal Years

(accrual basis of accounting)

(In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Program Revenue:										
Fees and Charges - Stationary Sources	$ 23,372	$ 23,589	$ 24,936	$ 26,721	$ 32,126	$ 33,820	$ 37,535	$ 32,921	$ 29,825	$ 24,735
Fees and Charges - Mobile Sources	13,945	12,587	13,084	17,961	20,971	29,572	31,368	23,908	37,462	33,064
Operating Grants	2,032	2,199	2,168	2,078	11,424	2,074	12,554	12,382	13,727	14,003
Restricted Special Revenue Sources	82,255	75,338	64,488	101,102	166,347	289,828	324,283	189,475	405,166	377,235
Total Program Revenue	121,604	113,713	104,676	147,862	230,868	355,294	405,740	258,686	486,180	449,037
General Revenues:										
State Subvention	917	916	916	929	936	947	957	967	968	970
Interest	1,050	1,237	1,334	1,611	2,323	3,761	5,135	3,978	3,409	5,099
Penalties/Settlements	4,204	3,022	3,672	6,004	6,495	6,115	5,747	3,521	7,810	6,371
Miscellaneous	71	142	196	61	113	280	93	134	274	327
Total General Revenues	6,242	5,317	6,118	8,605	9,867	11,103	11,932	8,600	12,461	12,767
Other Financing Sources - Capital Asset Leases	-	-	-	-	-	-	-	-	-	-
Total Revenues & Other Financing Sources	127,846	119,030	110,794	156,467	240,735	366,397	417,672	267,286	498,641	461,804
Expenses:										
Permitting	13,987	12,781	12,906	14,108	15,152	15,716	16,685	17,620	14,470	19,478
Enforcement / Air Monitoring / Ag Burning	12,560	13,938	14,532	15,084	16,389	17,352	19,193	20,558	17,672	18,312
Plan and Rule Development	1,781	1,272	1,148	726	1,288	1,361	1,550	1,571	1,321	1,690
Mobile Sources	4,526	4,639	4,885	5,417	5,799	7,265	9,062	9,781	9,578	12,757
Outreach & Communications	2,454	2,515	2,502	2,804	3,154	3,081	3,478	3,508	3,570	3,616
Air Quality Analysis	3,500	3,521	4,246	4,910	5,111	7,995	6,084	8,407	7,760	8,643
Non-Operating	87,628	93,561	69,043	81,569	89,966	139,729	224,558	194,937	206,867	234,196
Total Expenses	126,436	132,227	109,262	124,618	136,859	192,499	280,610	256,382	261,238	298,692
Increase / (Decrease) - Changes in Net Position										
Prior to Adjustment	1,410	(13,197)	1,532	31,849	103,876	173,898	137,062	10,904	237,403	163,112
Adjustment to Net Position	-	-	-	(62,975)	-	-	-	-	-	-
Changes in Net Position	$ 1,410	$ (13,197)	$ 1,532	$ (31,126)	$ 103,876	$ 173,898	$ 137,062	$ 10,904	$ 237,403	$ 163,112



Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

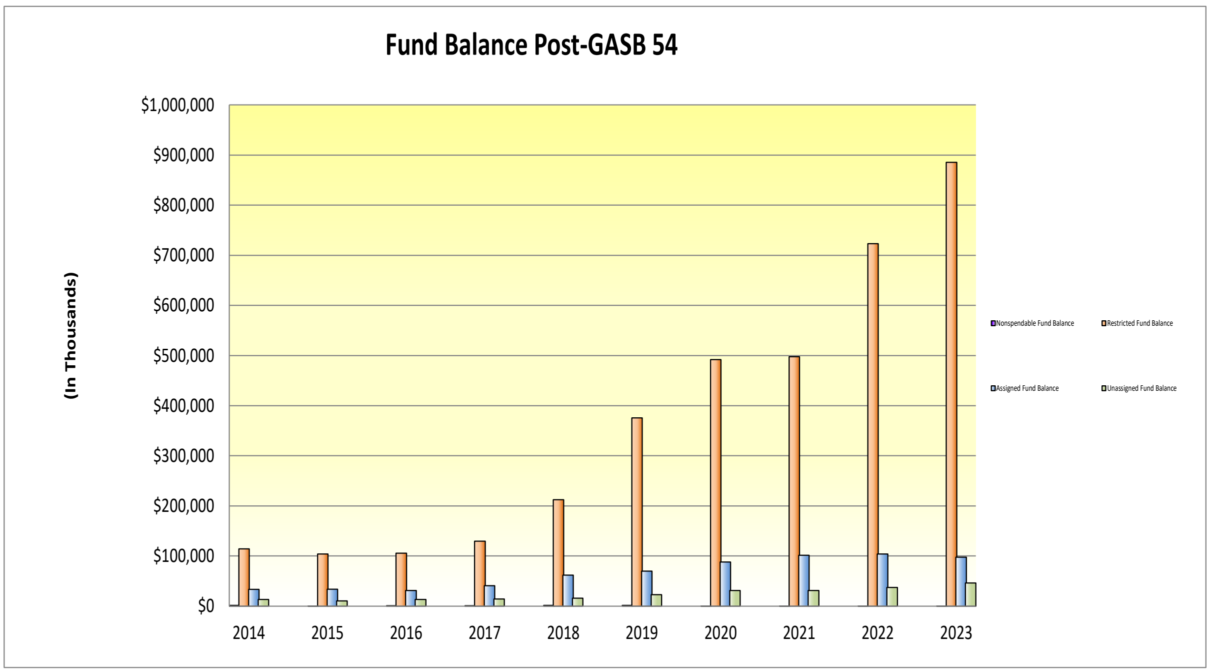
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

FUND BALANCE, GENERAL FUND
Last Ten Fiscal Years

(modified accrual basis of accounting)

(In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable Fund Balance	1,592	548	988	1,018	1,372	1,607	14	316	507	408
Restricted Fund Balance	114,186	104,379	105,726	129,584	212,202	375,334	491,983	497,657	723,433	885,220
Committed Fund Balance	-	-	-	-	-	-	-	-	-	-
Assigned Fund Balance	33,346	33,748	31,138	40,723	61,644	69,529	88,349	101,919	104,358	97,772
Unassigned Fund Balance	13,317	10,277	13,170	14,198	15,661	23,073	31,608	31,282	37,388	46,532
Total General Fund	$ 162,441	$ 148,952	$ 151,022	$ 185,523	$ 290,879	$ 469,543	$ 611,954	$ 631,174	$ 865,686	$1,029,932



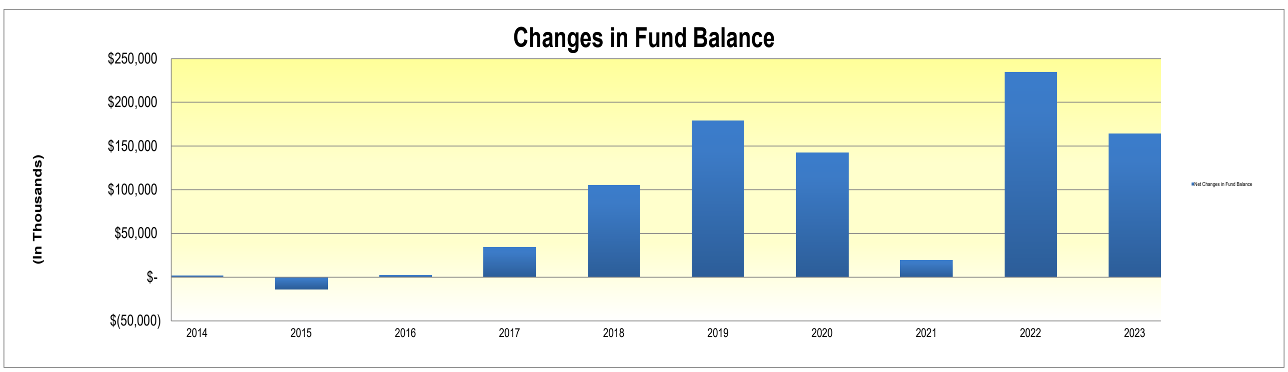
Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

Note: The District implemented GASB Statement No. 54 under which fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

CHANGES IN FUND BALANCE, GENERAL FUND
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Program Revenues:										
Fees and Charges - Stationary Sources	$ 23,372	$ 23,589	$ 24,936	$ 26,721	$ 32,127	$ 33,820	$ 37,536	$ 32,921	$ 29,825	$ 24,735
Fees and Charges - Mobile Sources	13,945	12,587	13,084	17,961	20,970	29,572	31,368	23,908	37,462	33,064
Operating Grants	2,032	2,199	2,168	2,078	11,424	2,074	12,554	12,382	13,727	14,003
Restricted Special Revenue Sources	82,255	75,338	64,488	101,102	166,347	289,828	324,283	189,475	405,166	377,235
General Revenues:										
State Subvention - Not Restricted	917	916	916	929	936	947	957	967	968	970
Interest - Not Restricted	1,050	1,237	1,334	1,611	2,323	3,761	5,135	3,978	3,409	5,099
Penalties/Settlements	4,204	3,022	3,672	6,004	6,495	6,115	5,747	3,521	7,810	6,371
Miscellaneous Revenue	71	142	283	61	113	280	93	134	274	327
Total Revenues	127,846	119,030	110,881	156,467	240,735	366,397	417,673	267,286	498,641	461,804
Expenditures:										
Operating:										
Salaries and Benefits	32,040	32,379	33,583	34,669	36,397	39,965	43,323	45,625	48,996	52,641
Services and Supplies	5,201	4,611	4,515	4,497	4,470	4,080	4,534	4,781	5,329	6,970
Capital Outlay	1,386	1,968	1,671	1,230	4,546	3,959	2,846	2,723	2,937	3,752
Debt Services:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditures	38,627	38,958	39,769	40,396	45,413	48,004	50,703	53,129	57,262	63,363
Non-Operating:										
Pass Through and Non-Operating	87,628	93,561	69,043	81,569	89,966	139,729	224,559	194,937	206,867	234,196
Total Expenditures	126,255	132,519	108,812	121,965	135,379	187,733	275,262	248,066	264,129	297,559
Other Financing Sources - Capital Asset Leases	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balance - Prior to Adjustment	1,591	(13,489)	2,069	34,502	105,356	178,664	142,411	19,220	234,512	164,245
Adjustment to Fund Balance	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balance	$ 1,591	$ (13,489)	$ 2,069	$ 34,502	$ 105,356	$ 178,664	$ 142,411	$ 19,220	$ 234,512	$ 164,245
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

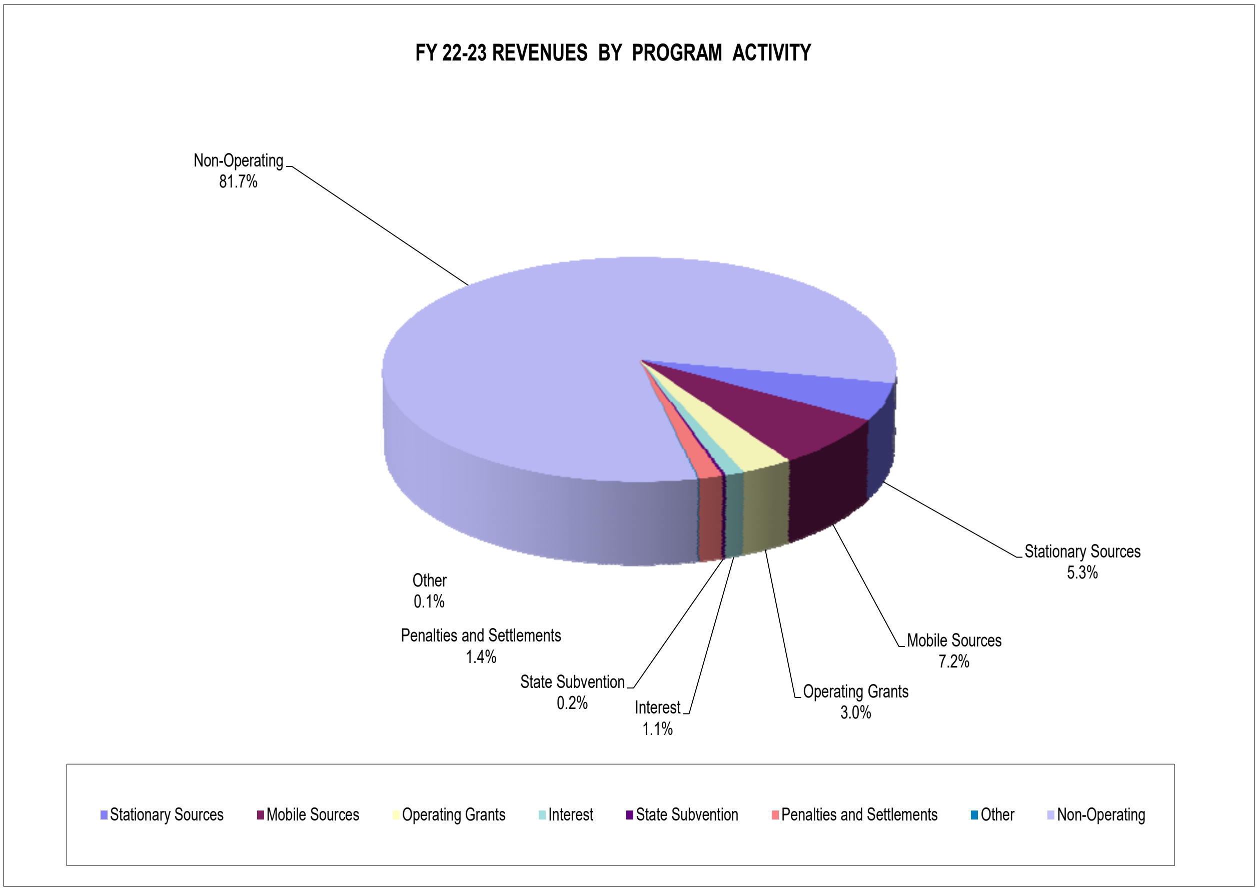


Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

REVENUES BY PROGRAM ACTIVITY
Last Ten Fiscal Years

Program Activity	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Stationary Sources	$ 23,372,236	$ 23,589,328	$ 24,935,598	$ 26,720,737	$ 32,126,421	$ 33,819,926	$ 37,535,371	$ 32,921,293	$ 29,825,161	$ 24,734,672
Mobile Sources	13,945,295	12,587,016	13,083,836	17,960,475	20,970,391	29,571,734	31,368,469	23,907,628	37,461,704	33,064,227
Operating Grants	2,032,077	2,198,751	2,168,103	2,077,626	11,424,146	2,074,312	12,554,413	12,382,182	13,727,567	14,003,708
Interest	1,049,885	1,236,409	1,334,372	1,610,865	2,322,980	3,761,051	5,135,114	3,978,036	3,409,195	5,098,989
State Subvention	916,805	916,425	916,151	929,057	936,250	947,052	957,169	967,016	968,160	969,846
Penalties and Settlements	4,204,663	3,021,904	3,671,774	6,004,361	6,495,034	6,115,094	5,746,760	3,520,826	7,809,685	6,370,674
Other	70,998	141,979	283,079	61,106	113,226	279,766	92,769	133,536	273,633	327,075
Non-Operating	82,254,719	75,338,055	64,487,754	101,102,354	166,346,429	289,827,526	324,283,301	189,474,798	405,166,110	377,235,384
Total Revenues	$ 127,846,678	$ 119,029,867	$ 110,880,667	$ 156,466,581	$ 240,734,877	$ 366,396,461	$ 417,673,366	$ 267,285,315	$ 498,641,215	$ 461,804,575



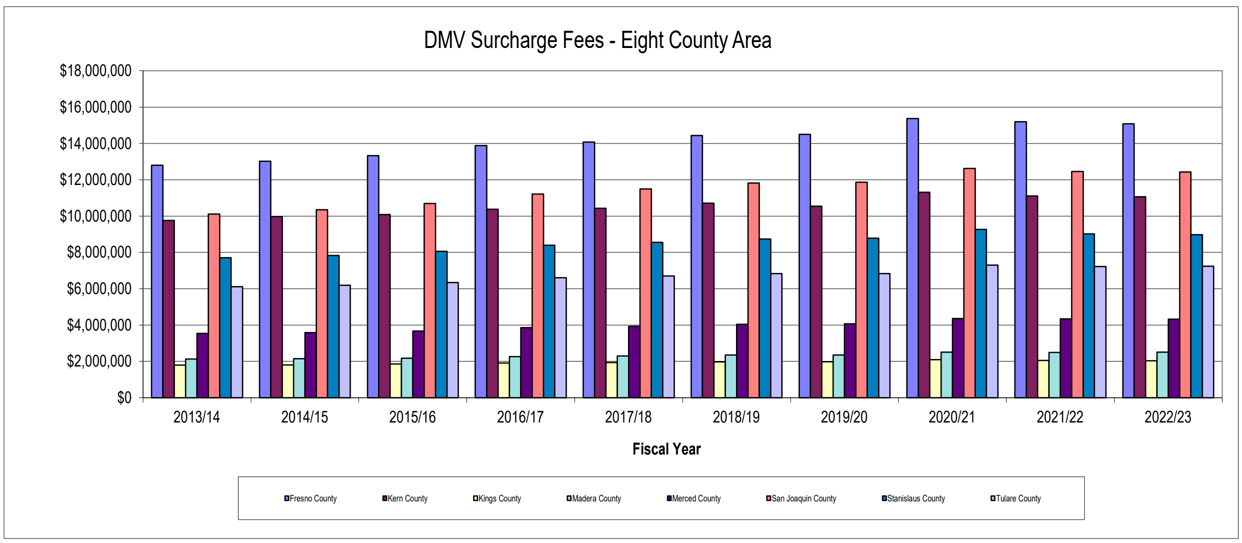
Notes: Other includes: Miscellaneous Revenue and Subscriptions

Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

DMV SURCHARGE FEES - EIGHT COUNTY AREA
Last Ten Fiscal Years
(cash basis of accounting)

Fiscal Year	Fresno County	Kern County	Kings County	Madera County	Merced County	San Joaquin County	Stanislaus County	Tulare County	Total	% Increase
2013/14	12,808,059	9,761,658	1,802,917	2,130,958	3,535,028	10,115,186	7,703,961	6,117,122	53,974,889	4.25%
2014/15	13,018,575	9,969,430	1,812,567	2,149,631	3,583,162	10,357,161	7,831,201	6,198,103	54,919,830	1.75%
2015/16	13,333,245	10,093,614	1,853,353	2,175,019	3,677,138	10,697,281	8,057,686	6,346,114	56,233,450	2.39%
2016/17	13,879,471	10,371,045	1,911,541	2,263,424	3,858,515	11,208,940	8,392,900	6,607,936	58,493,772	4.02%
2017/18	14,079,399	10,428,850	1,940,071	2,297,766	3,932,779	11,498,274	8,551,038	6,699,858	59,428,035	1.60%
2018/19	14,444,692	10,711,561	1,969,449	2,350,851	4,044,430	11,819,334	8,739,692	6,840,133	60,920,142	2.51%
2019/20	14,500,382	10,551,082	1,981,990	2,353,014	4,060,392	11,863,477	8,782,009	6,838,133	60,930,479	0.02%
2020/21	15,374,457	11,315,002	2,099,540	2,507,038	4,361,286	12,618,985	9,262,776	7,311,685	64,850,769	6.43%
2021/22	15,196,850	11,107,144	2,052,323	2,499,618	4,339,564	12,454,860	9,027,474	7,221,249	63,899,082	-1.47%
2022/23	15,084,681	11,065,710	2,042,005	2,508,187	4,327,756	12,431,280	8,973,767	7,241,364	63,674,749	-0.35%



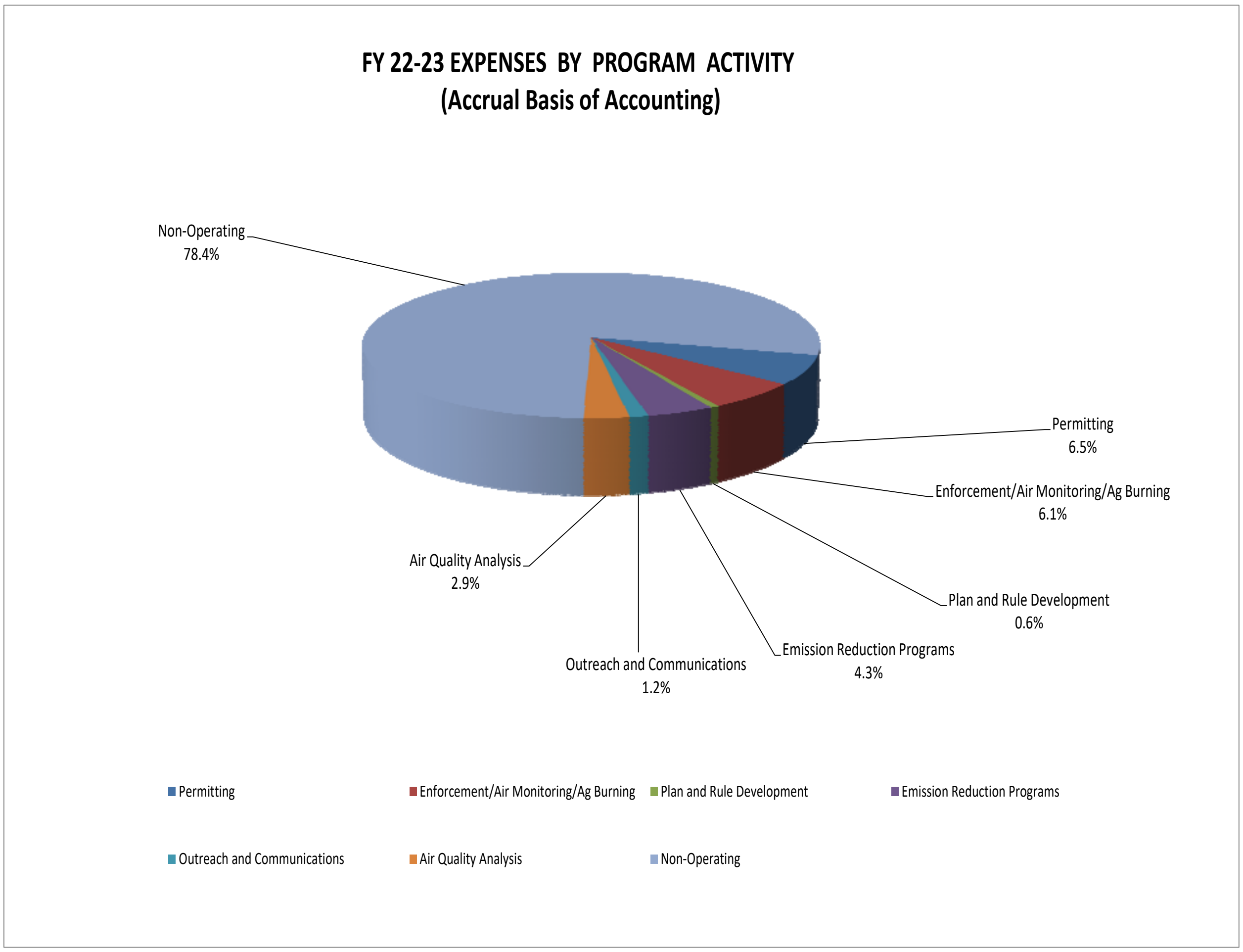
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.
Starting in 2011/12, total DMV Surcharge Fees include funds from AB2766, AB2522, SB709, and AB923.

Source: California Department of Motor Vehicles

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

EXPENSES BY PROGRAM ACTIVITY (Accrual Basis of Accounting)
Last Ten Fiscal Years

Program Activity	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Permitting	$ 13,987,232	$ 12,781,456	$ 12,906,182	$ 14,108,474	$ 15,151,629	$ 15,716,153	$ 16,684,825	$ 17,620,134	$ 14,469,655	$ 19,478,053
Enforcement/Air Monitoring/Ag Burning	12,559,594	13,938,265	14,532,516	15,084,374	16,388,828	17,351,638	19,193,489	20,557,914	17,671,526	18,311,514
Plan and Rule Development	1,780,869	1,271,597	1,147,918	725,613	1,288,524	1,361,075	1,550,158	1,571,316	1,321,570	1,689,778
Emission Reduction Programs	4,526,521	4,639,424	4,885,046	5,416,974	5,799,206	7,264,553	9,061,698	9,780,587	9,578,345	12,757,328
Outreach and Communications	2,453,837	2,514,672	2,502,259	2,803,370	3,153,693	3,081,456	3,478,074	3,507,581	3,569,852	3,616,458
Air Quality Analysis	3,499,658	3,520,539	4,245,554	4,910,143	5,111,140	7,994,990	6,084,535	8,407,605	7,760,766	8,642,558
Non-Operating	87,628,449	93,560,856	69,043,003	81,568,823	89,966,110	139,728,770	224,558,522	194,936,640	206,866,736	234,196,117
Total Expenses	$ 126,436,160	$ 132,226,809	$ 109,262,478	$ 124,617,771	$ 136,859,130	$ 192,498,635	$ 280,611,301	$ 256,381,777	$ 261,238,450	$ 298,691,806

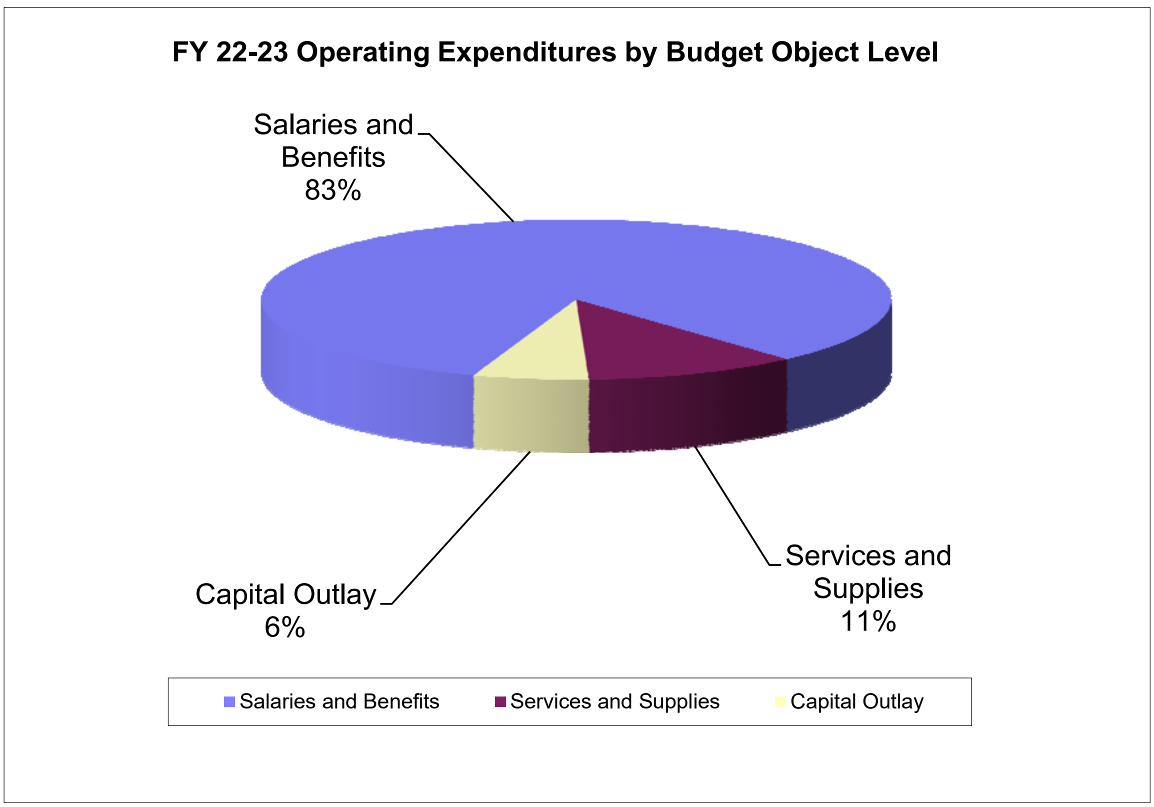


Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

OPERATING EXPENDITURES BY BUDGET OBJECT LEVEL
Last Ten Fiscal Years

Fiscal Year	Salaries and Benefits	Services and Supplies	Capital Outlay	Total Operating Expenditures
2013/14	32,039,781	5,201,603	1,385,826	36,842,195
2014/15	32,378,741	4,611,528	1,967,688	38,627,210
2015/16	33,582,733	4,514,604	1,670,870	38,957,957
2016/17	34,668,985	4,496,799	1,230,474	39,768,207
2017/18	36,396,633	4,469,687	4,546,283	40,396,258
2018/19	39,964,932	4,080,033	3,958,832	45,412,603
2019/20	43,323,215	4,534,297	2,846,243	48,003,797
2020/21	45,624,716	4,781,172	2,722,622	50,703,755
2021/22	48,996,337	5,329,525	2,936,747	57,262,609
2022/23	52,640,796	6,969,816	3,751,938	63,362,550



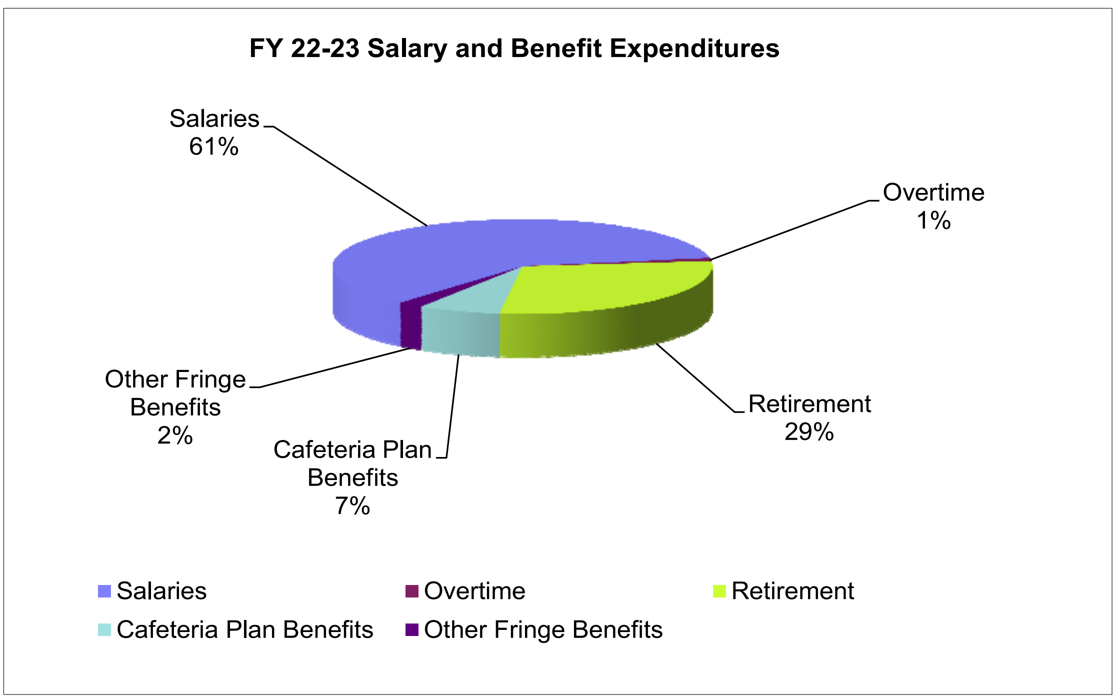
Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

SALARY AND BENEFIT EXPENDITURES
Last Ten Fiscal Years

Fiscal Year	Salaries	Overtime	Retirement	Cafeteria Plan Benefits	Other Fringe Benefits	Total Salaries and Benefits
2013/14	$ 19,845,461	$ 361,635	$ 8,117,087	$ 2,889,718	$ 825,880	$ 32,039,781
2014/15	20,056,696	347,558	8,261,724	2,867,501	845,262	32,378,741
2015/16	20,807,732	280,133	8,815,981	2,815,604	863,283	33,582,733
2016/17	21,726,834	320,720	8,942,971	2,791,546	886,914	34,668,985
2017/18	22,900,987	394,487	9,332,994	2,828,282	939,883	36,396,633
2018/19	24,647,442	433,478	10,912,144	3,016,092	955,776	39,964,932
2019/20	26,754,789	465,857	11,754,985	3,251,523	1,096,061	43,323,215
2020/21	28,218,130	505,070	12,541,184	3,200,970	1,159,363	45,624,717
2021/22	30,210,435	522,728	13,783,536	3,455,891	1,023,746	48,996,336
2022/23	32,134,737	523,148	15,151,703	3,682,169	1,149,039	52,640,796

Notes: Salaries Includes: Regular Salaries, Temporary Help, and On Call Pay.
Other Fringe Benefits Includes: Unemployment Insurance, OASDI Insurance, Workers' Compensation Contributions, Long-Term Disability Insurance, Clean Air Employee Incentive, and Alternate Transportation Incentive.

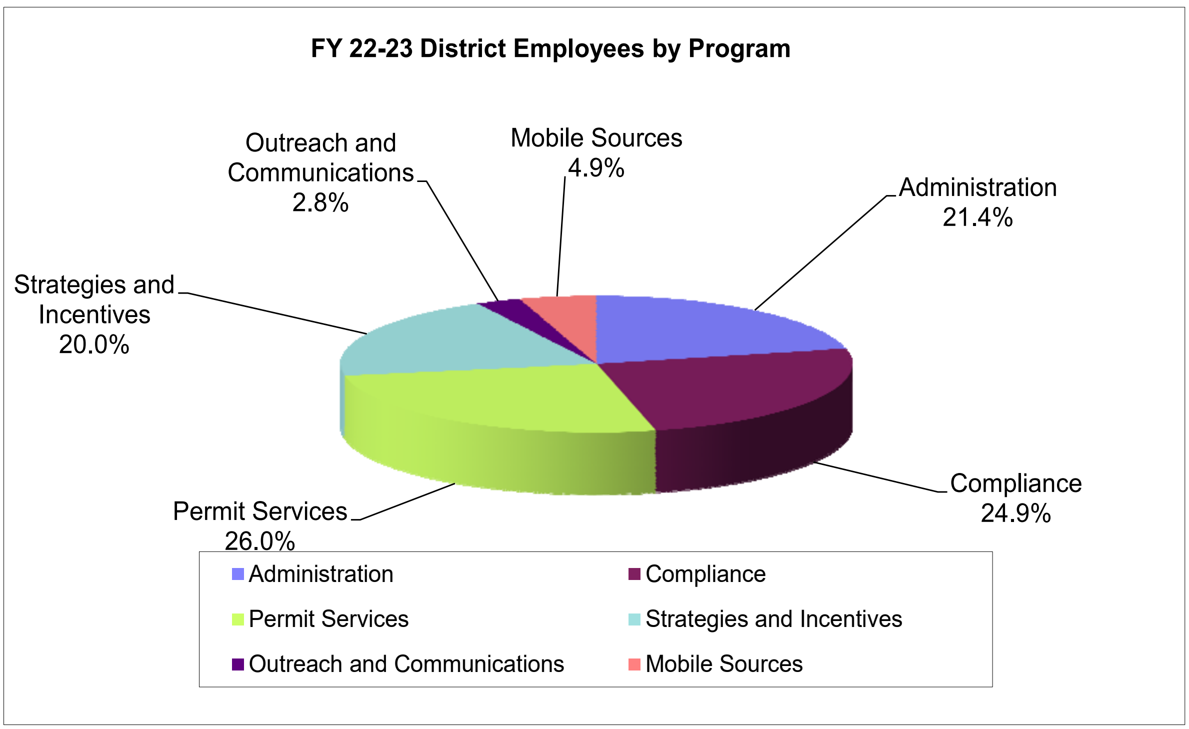


Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

DISTRICT EMPLOYEES BY PROGRAM
Last Ten Fiscal Years

*Fiscal Year	Administration	Compliance	Permit Services	Strategies and Incentives	Outreach and Communications	Mobile Sources	Total Employees
2013/14	62	97	96	32	7	14	308
2014/15	62	97	96	32	7	14	308
2015/16	66	93	85	42	8	16	310
2016/17	66	93	85	41	8	17	310
2017/18	66	93	85	41	8	17	310
2018/19	71	100	87	65	9	18	350
2019/20	72	100	87	69	10	17	355
2020/21	72	100	87	69	10	17	355
2021/22	76	100	87	71	11	18	363
2022/23	79	92	96	74	11	18	370



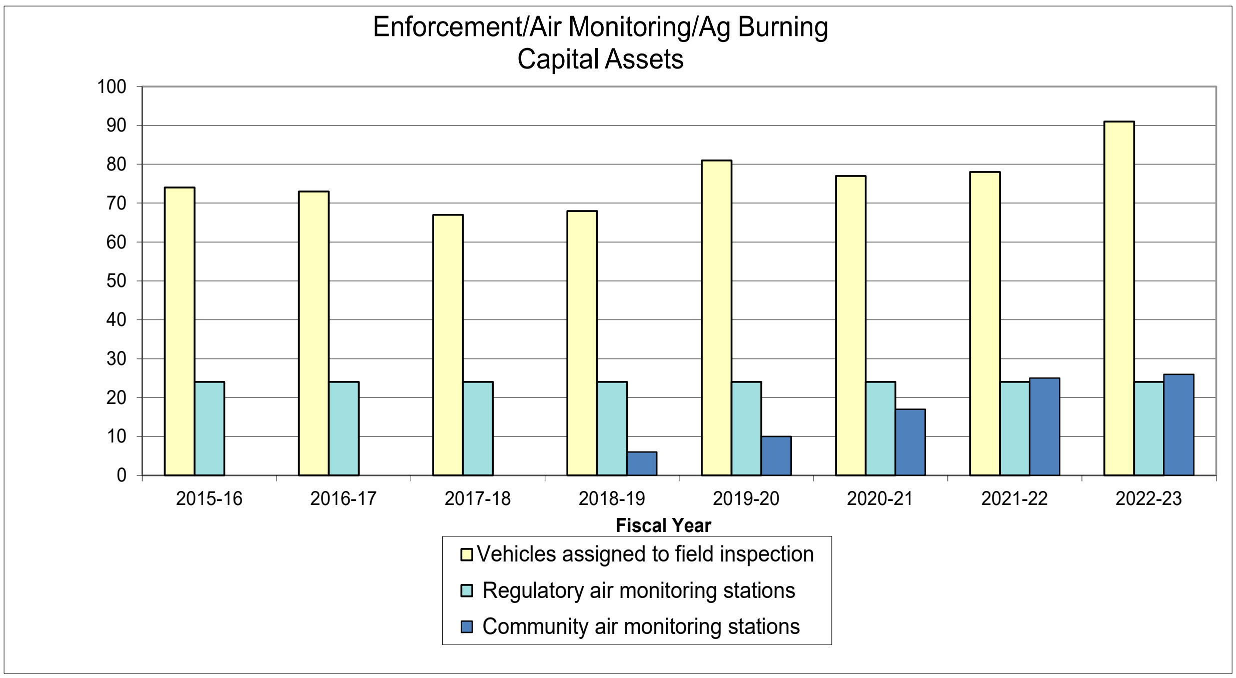
*District Adopted Budget

Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

CAPITAL ASSET STATISTICS BY PROGRAM
Last Eight Fiscal Years*

Program	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Enforcement/Ag Burning								
Vehicles assigned to field inspection	74	73	67	68	81	77	78	91
Air Monitoring								
Regulatory air monitoring stations	24	24	24	24	24	24	24	24
Community air monitoring stations				6	10	17	25	26
Outreach and Communications								
Vehicles assigned to communications	1	1	1	1	1	0	0	0



* Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

OPERATING INDICATORS BY PROGRAM
Last Ten Fiscal Years

Program Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Permitting										
Authority to construct permits issued	3,575	3,105	2,939	2,975	2,541	2,132	1,903	1,773	1,821	3,098
New permits to operate issued	127	48	59	30	2,226	2,364	10	189	64	9
New title V permits issued	214	201	27	320	55	10	965	11	8	262
Title V permit modifications	1,616	2,296	753	862	1,106	771	583	290	118	102
Conservation management practices plans issued	260	459	227	492	407	495	890	572	581	459
Emission reduction credit certificates issued or transferred	492	467	248	209	226	189	170	131	113	115
Toxic air contaminant risk-management reviews performed	853	876	686	678	809	697	714	744	807	784
Annual emissions inventory surveys processed	6,758	6,147	6,603	4,603	6,447	5,511	5,458	5,785	7,037	7,822
California environmental quality act review requests	1,769	1,796	1,807	2,560	2,568	3,125	2,682	2,293	1,998	1,425
Indirect source review applications processed	200	175	207	241	344	339	346	338	355	360
Enforcement/air monitoring/ag burning										
Permit units inspected	37,422	31,234	36,879	32,568	32,131	34,679	33,689	32,602	36,593	34,320
Public complaints investigated	3,379	3,376	2,719	2,891	3,297	3,007	3,382	3,474	2,890	2,401
Incentive funding units (trucks, engines) inspected	5,503	4,029	2,660	3,293	4,116	4,817	5,973	7,896	8,105	8,909
Notices of violation	2,810	2,457	2,297	2,069	2,909	2,833	2,818	2,796	2,882	2,583
Outreach and communications										
Media calls	250	201	195	188	191	204	94	149	160	150
Public calls	1,078	1,447	1,626	1,270	1,286	1,464	782	917	1,404	2,251
News releases	48	28	43	36	25	33	34	35	31	36
Events & presentations	77	52	81	84	65	125	53	36	51	112
Grants and Incentives										
Contracts awarded	6,008	8,619	7,512	7,717	7,746	10,117	14,249	15,745	16,276	21,609
Amount contracted	$82,171,567	$76,089,828	$72,905,963	$126,589,650	$119,555,398	$220,567,168	$240,379,464	$279,955,435	$249,017,850	$353,463,419

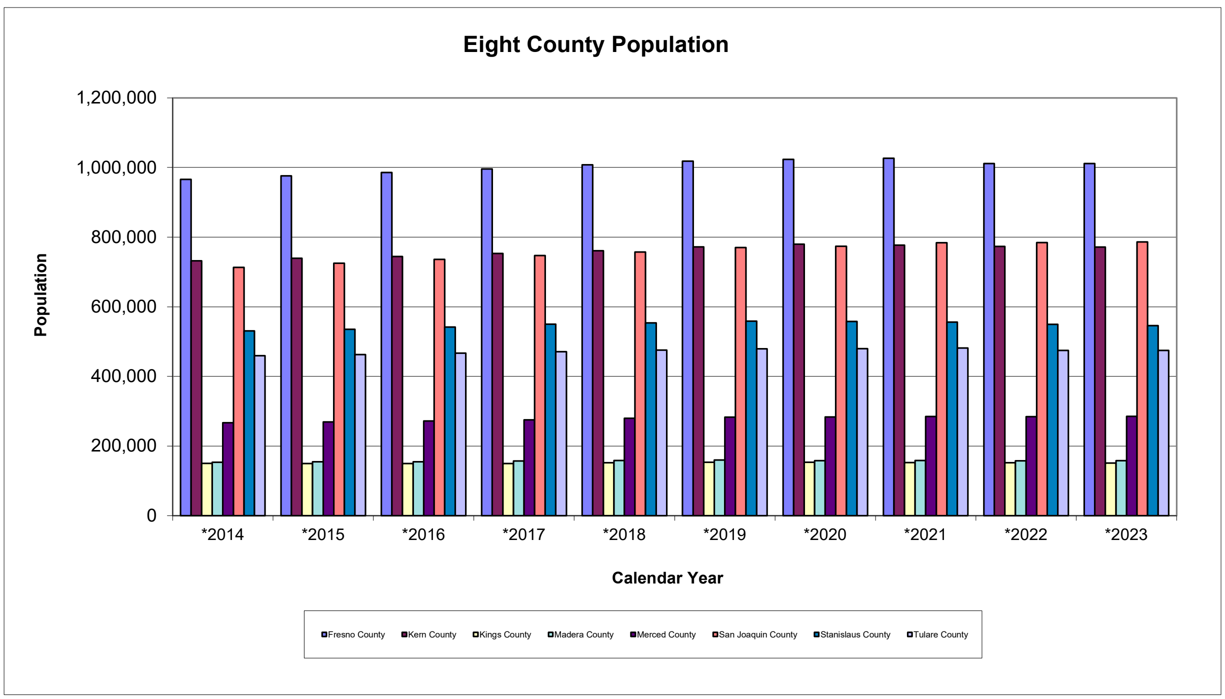
* Amounts presented above were determined as of 6/30.

Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

EIGHT COUNTY POPULATION
Last Ten Calendar Years

Year	Fresno County	Kern County	Kings County	Madera County	Merced County	San Joaquin County	Stanislaus County	Tulare County	Total	% Increase
*2014	965,933	732,315	149,921	153,376	266,814	713,315	530,834	459,434	3,971,942	0.79%
*2015	976,153	739,491	149,890	154,900	269,299	724,859	535,651	462,510	4,012,753	1.03%
*2016	985,571	744,369	149,868	154,849	271,629	736,027	541,553	467,010	4,050,876	0.95%
*2017	995,922	752,725	149,630	156,794	275,009	747,579	549,897	470,705	4,098,261	1.17%
*2018	1,007,252	760,873	151,776	158,328	279,424	757,279	554,108	475,346	4,144,386	1.13%
*2019	1,018,241	772,144	153,710	159,536	282,928	770,385	558,972	479,112	4,195,028	1.22%
*2020	1,023,358	779,920	153,608	158,147	283,521	773,632	557,709	479,977	4,209,872	0.35%
*2021	1,026,681	777,064	152,543	158,474	284,836	783,534	555,968	481,733	4,220,833	0.26%
*2022	1,011,273	773,341	152,023	157,396	284,338	784,298	549,466	475,014	4,187,149	-0.80%
*2023	1,011,499	771,355	151,018	158,148	285,337	786,145	545,939	475,064	4,184,505	-0.06%



* Estimated population

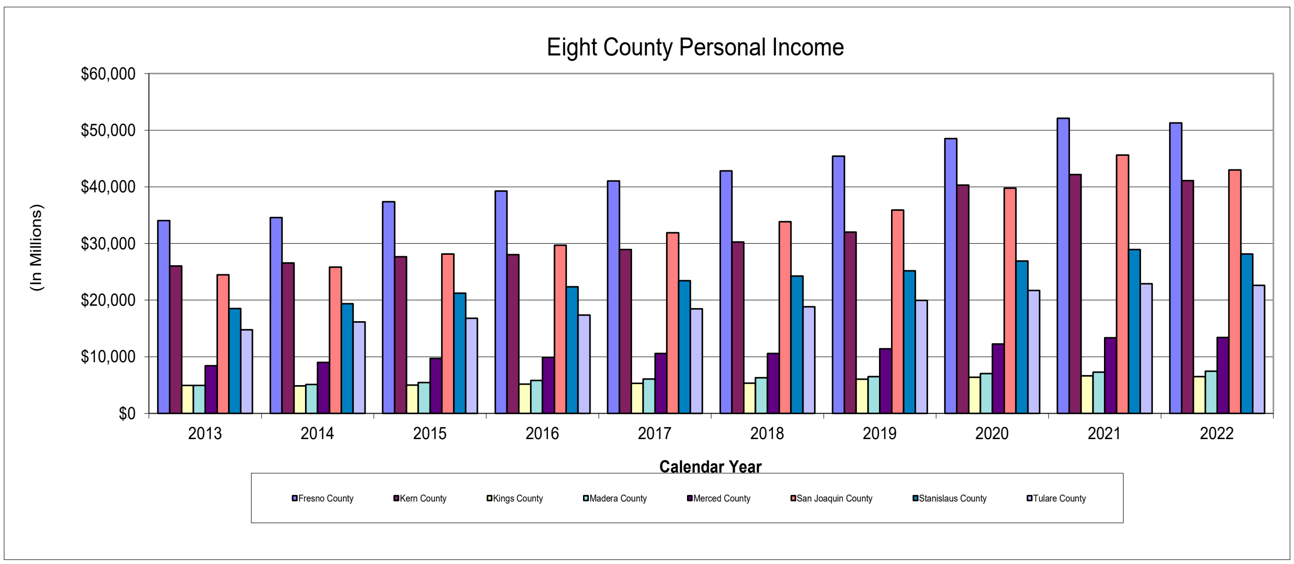
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

Source: California State Department of Finance - Demographic Research Unit (SJVUAPCD Portion of Kern County estimated at 84%)
Reports ran for January 1st of each year

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

EIGHT COUNTY PERSONAL INCOME
Last Ten Calendar Years
(In Thousands)

Year	Fresno County	Kern County	Kings County	Madera County	Merced County	San Joaquin County	Stanislaus County	Tulare County	Total	% Increase
2013	34,041	26,020	4,927	4,920	8,406	24,481	18,528	14,782	$ 136,105	3.42%
2014	34,568	26,569	4,864	5,107	9,020	25,859	19,341	16,147	141,475	3.95%
2015	37,360	27,681	5,001	5,450	9,714	28,151	21,237	16,809	151,403	7.02%
2016	39,295	28,030	5,136	5,806	9,888	29,684	22,366	17,366	157,571	4.07%
2017	41,024	28,928	5,303	6,087	10,557	31,920	23,446	18,467	165,732	5.18%
2018	42,843	30,263	5,344	6,291	10,584	33,866	24,258	18,830	172,279	3.95%
2019	45,446	32,017	6,031	6,492	11,406	35,927	25,188	19,974	182,481	5.92%
2020	48,539	40,310	6,387	7,025	12,263	39,793	26,929	21,723	202,969	11.23%
2021	52,120	42,177	6,625	7,294	13,343	45,614	28,953	22,892	219,018	7.91%
2022	51,316	41,099	6,506	7,437	13,395	42,980	28,123	22,586	213,442	-2.55%



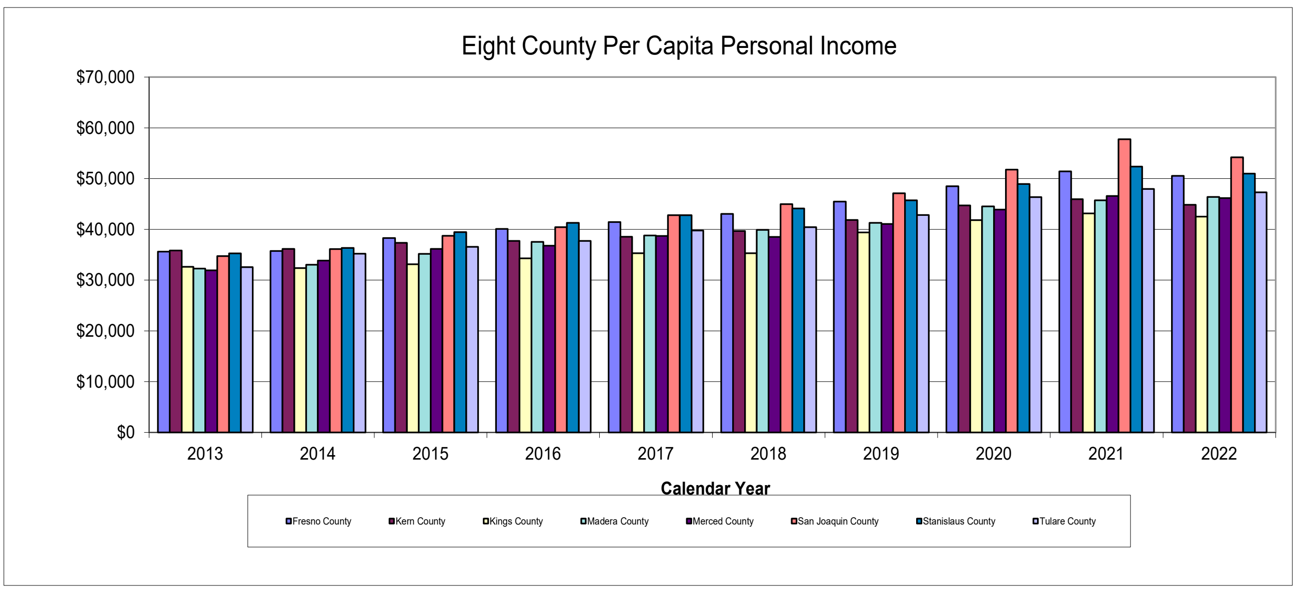
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

Source: Bureau of Economic Analysis (SJVUAPCD Portion of Kern County estimated at 84%)

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

EIGHT COUNTY PER CAPITA PERSONAL INCOME
Last Ten Calendar Years

Year	Fresno County	Kern County	Kings County	Madera County	Merced County	San Joaquin County	Stanislaus County	Tulare County	Eight County Average
2013	35,635	35,847	32,635	32,287	31,935	34,755	35,259	32,550	33,863
2014	35,785	36,165	32,371	33,042	33,865	36,136	36,356	35,240	34,870
2015	38,323	37,355	33,126	35,165	36,185	38,769	39,445	36,551	36,865
2016	40,101	37,714	34,287	37,529	36,804	40,458	41,299	37,717	38,239
2017	41,470	38,560	35,326	38,799	38,716	42,822	42,793	39,756	39,780
2018	43,084	39,703	35,306	39,897	38,519	44,995	44,120	40,420	40,756
2019	45,487	41,843	39,433	41,267	41,077	47,139	45,742	42,845	43,104
2020	48,495	44,721	41,829	44,532	43,914	51,816	48,954	46,348	46,326
2021	51,422	45,961	43,176	45,757	46,580	57,783	52,356	47,986	48,878
2022	50,549	44,862	42,525	46,406	46,188	54,183	51,015	47,295	47,878



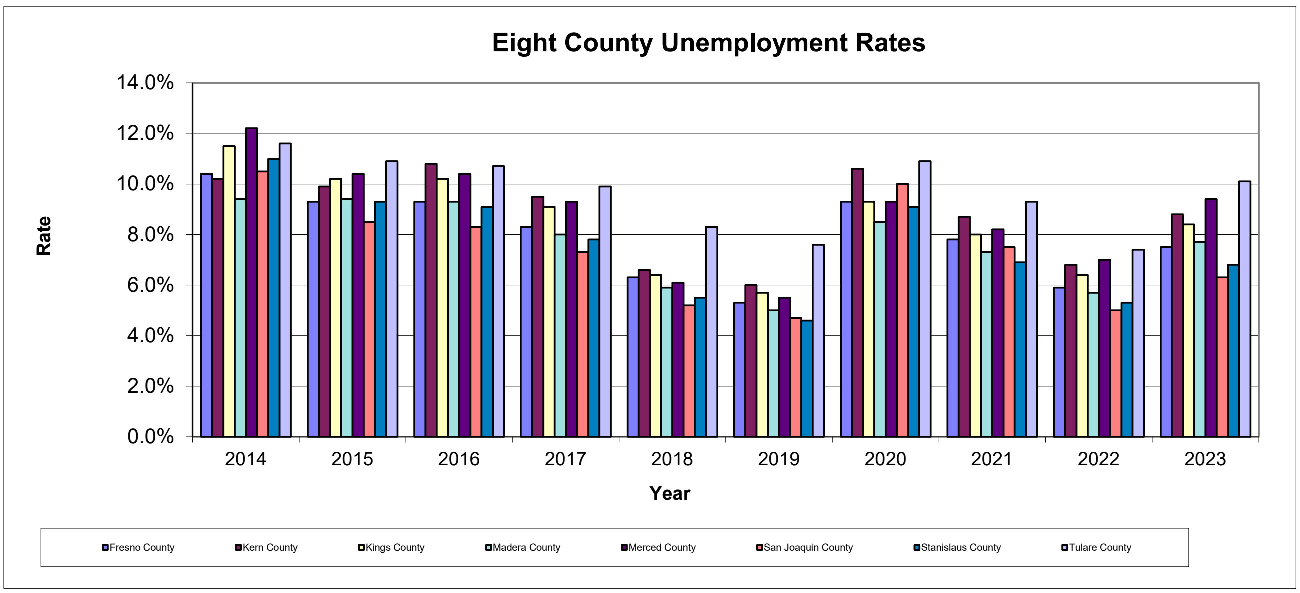
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

Source: Bureau of Economic Analysis

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

EIGHT COUNTY UNEMPLOYMENT RATES
Last Ten Fiscal Years

Year	Fresno County	Kern County	Kings County	Madera County	Merced County	San Joaquin County	Stanislaus County	Tulare County	Eight County Average
2014	10.4%	10.2%	11.5%	9.4%	12.2%	10.5%	11.0%	11.6%	10.9%
2015	9.3%	9.9%	10.2%	9.4%	10.4%	8.5%	9.3%	10.9%	9.7%
2016	9.3%	10.8%	10.2%	9.3%	10.4%	8.3%	9.1%	10.7%	9.8%
2017	8.3%	9.5%	9.1%	8.0%	9.3%	7.3%	7.8%	9.9%	8.7%
2018	6.3%	6.6%	6.4%	5.9%	6.1%	5.2%	5.5%	8.3%	6.3%
2019	5.3%	6.0%	5.7%	5.0%	5.5%	4.7%	4.6%	7.6%	5.6%
2020	9.3%	10.6%	9.3%	8.5%	9.3%	10.0%	9.1%	10.9%	9.6%
2021	7.8%	8.7%	8.0%	7.3%	8.2%	7.5%	6.9%	9.3%	8.0%
2022	5.9%	6.8%	6.4%	5.7%	7.0%	5.0%	5.3%	7.4%	6.2%
2023	7.5%	8.8%	8.4%	7.7%	9.4%	6.3%	6.8%	10.1%	8.1%



Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

Source: California Employment Development Department (Reports ran for June of each year)

San Joaquin Valley Unified Air Pollution Control District

Miscellaneous Statistics

District Established:	March 21, 1991
Area Covered:	25,000 Square Miles
Counties Included in District:	San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, and Tulare Counties, and the Valley portion of Kern County
Population:	4,184,505 (2023 Estimate)
Transportation:	Two Transcontinental Railroads – Burlington Northern, Santa Fe and the Union Pacific Six Commercial Airports – Stockton Metro, Modesto, Merced Municipal, Fresno Yosemite, Visalia Municipal, and Meadows Field (Bakersfield) Two Major Interstate Freeways – California State Highway 99 and U.S. Interstate Highway 5 One Major Port – Port of Stockton
Visitor Destinations:	Yosemite National Park, Kings Canyon National Park, Sequoia National Park
Number of Registered Vehicles:	3,290,077 (6/30/23) Estimate
Stationary Sources of Air Pollution	Manufacturing Facilities, Boilers and steam generators, Emergency Engine Generators, Paint Spray Booths, Gasoline Dispensing Facilities, Oilfields, Oil Refineries, Power Plants, Agricultural Operations, Tree Nut Processing Facilities, Dry Materials Handling Facilities, Woodworking facilities, etc.
Number of Sources:	Approximately 15,000 operating facilities subject to District Permits, Conservation Management Plans, Permit-Exempt Equipment Registrations, and/or Portable Registrations.
Number of Air Monitoring Stations:	62, Combined sites among District, CARB, National Park Service, and Tribal Nations
District Full-time Authorized Positions:	369.5
Adopted Fiscal Year 2023-24 Budget:	$723,132,560

Northern Region
Serving San Joaquin, Stanislaus and Merced counties
4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400 FAX (209) 557-6475

Central Region
Serving Madera, Fresno and Kings counties
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000 FAX (559) 230-6061

Southern Region
Serving Tulare and Valley air basin portions of Kern counties
34946 Flyover Court
Bakersfield, CA 93308-9725
(661) 392-5500 FAX (661) 392-5585