San Joaquin Valley
UNIFIED AIR POLLUTION CONTROL DISTRICT
State of California

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

Prepared by
Administrative Services Department

This page is intentionally left blank.

San Joaquin Valley Unified Air Pollution Control District

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

Table of Contents

Table of Contents

Page

STATISTICAL SECTION

INTRODUCTORY SECTION

This page is intentionally left blank

December 28, 2022

Governing Board
San Joaquin Valley Unified Air Pollution Control District

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, 2022. 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

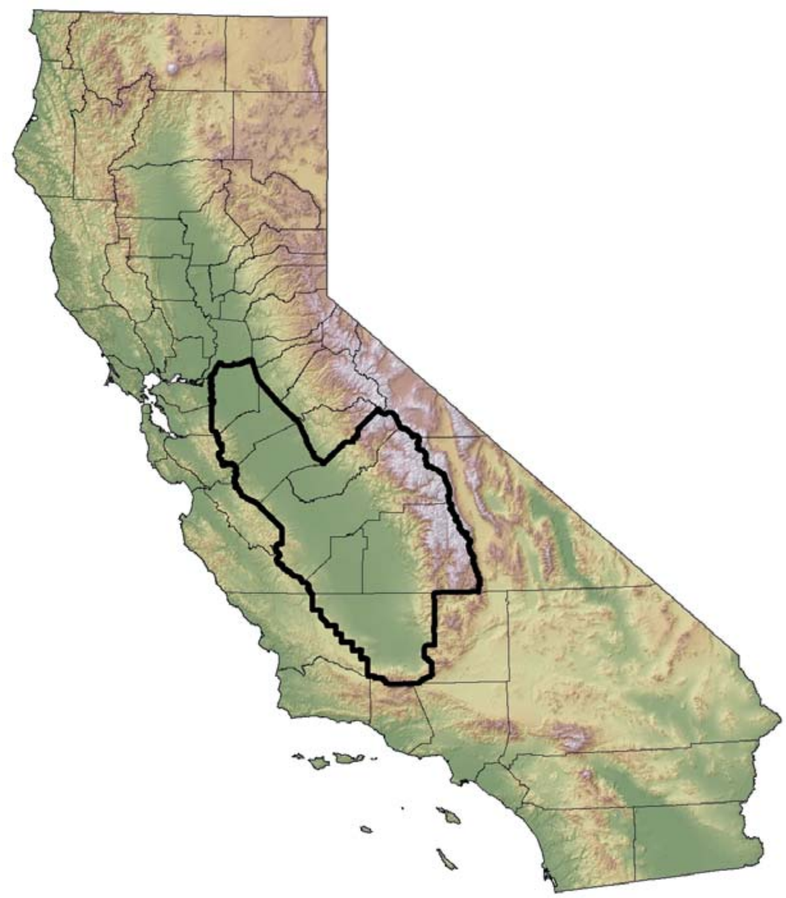
Background

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 4.3 million residents in the calendar year 2021. 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 ARB, the District develops air quality plans outlining strategies needed to reduce emissions and meet the new standards.
- ARB forwards the plans for EPA approval after it reviews, approves, and adds state strategies.
- The District, ARB, and EPA adopt and implement plan commitments.
- The District provides routine updates and progress reports.

<u>How the District Does Its Job</u>

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 2021-22

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 2021, the District continued steps to fulfill the requirements for the upcoming 2022 Ozone Plan, which is focused on addressing and developing an attainment plan for the 2015 8-hour ozone standard of 70 ppb. This included the development of the RACT SIP and the Emissions Certification Statement. In addition, the District continued to collaborate with the California Air Resources Board and the Environmental Protection Agency to assure EPA 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 adopted new rules and made amendments to existing rules, as summarized below:

Natural Gas-Fired, Fan-Type Central Furnaces (Rule 4905)
The District adopted Rule 4905 in 2005 and amended it in January 2015 to lower the NOx emission limit from 40 ng/Joule to 14 ng/Joule with an associated sell through period and emission fee period to allow manufacturers time to develop new compliant furnaces. Due to the limited number of certified compliant units that would have been available by the deadline dates set in the

2015 amendment, the rule was amended in 2018 and 2020 to extend the implementation period for specific unit types. To date, manufacturers have been successful in meeting the compliance deadlines and developing ultra-low NOx furnace technologies for all unit types except manufactured home furnaces. Due to the impacts of COVID-19, multiple manufacturers reported manufacturing delays or interruptions in the supply chain in the development of compliant units for the manufactured homes furnace category. The Governing Board approved amendments to Rule 4905 on December 16, 2021, which extended the emission fee period for manufactured home furnaces to September 30, 2023.

Glass Melting Furnaces (Rule 4354)
On December 16, 2021, the District Governing Board adopted amendments to Rule 4354 to include more stringent NOx, PM10, and SOx emission limits for glass melting facilities operating in the Valley, based on a comprehensive assessment of the latest emission control technologies. Additionally, the amended rule adds language to clarify definitions, remove expired language, and establish compliance timelines. Glass melting operations subject to Rule 4354 are required to comply with the revised PM10, NOx, and SOx emissions limits by 2024.

Solid Fuel Fired Boilers, Steam Generators, & Process Heaters (Rule 4352)
On December 16, 2021, the Governing Board approved amendments to Rule 4352 to reduce emissions of NOx, PM10, and SOx from any boiler, steam generator or process heater fired on solid fuel. These units are used in a broad range of industrial, commercial, and institutional settings. The amended rule removes the exemption for facilities with the potential to emit less than 10 tons of NOx or VOC, as well as establishing dates for the submission of authority to construct applications, and a final compliance deadline.

Internal Combustion Engines (Rule 4702)
On August 19, 2021, the Governing Board approved amendments to Rule 4702 in order to reduce emissions from internal combustion engines. The rule amendment consists of lowing NOx and VOC emission from spark-ignited IC engines and updating test methods. This amendment sets significantly more stringent emission limits from spark-ignited IC engines that will provide for significant additional reductions in NOx and VOC emissions from this category. The rule amendment also contains a compliance schedule that lists the documents that must be submitted to the District as well as all compliance dates that are required to be met.

Open Burning (Rule 4103)
The District Governing Board, in accordance with CARB recommendations, approved the Supplemental Report and Recommendations on Agricultural Burning, which established an updated schedule for the near-complete phase-out of remaining agricultural open burning in the Valley by January 1, 2025.

The Board approved this report and recommendations in June 2021, and then approved a technical demonstration of emissions reductions for the State Implementation Plan on November 18, 2021.

Permitting

The District has the responsibility for issuing or denying permits, registrations and plan approvals for more than 30,000 non-mobile sources of air contaminants, and for tracking and assessing the impacts of these facilities' annual pollutant emissions. During the fiscal year 2021-22 reporting period, permitting activities included:

- 1,821 Authority to Construct permits issued
- 64 new Permits to Operate issued
- 141 new Title V permits issued to 8 facilities
- 1,887 Title V permit renewals issued to 51 facilities
- 118 Title V permit modifications
- 581 Conservation Management Practices plans issued
- 113 Emission Reduction Credit certificates issued or transferred
- 807 toxic air contaminant risk-management reviews performed
- 840 toxic risk prioritizations for AB 2588 completed
- 7,037 annual emissions inventory statements and surveys processed
- 1,998 California Environmental Quality Act (CEQA) review requests processed
- 618 CEQA comment letters
- 369 CEQA documents prepared
- 355 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 2021-22:

- 36,593 units inspected
- 2,882 Notices of Violations issued
- 2,890 public complaints investigated
- 8,105 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 $4.9 billion in public/private investment in clean air projects has been made through these incentive programs, resulting in more than 234,300 tons of emission reductions. During the 2021-22 fiscal year, the District executed more than 16,000 agreements for more than $249 million. These projects are expected to reduce more than 24,000 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
- Vanpools
- 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.

- **Community Air Protection Program AB 617:** The Community Air Protection Program works in multiple Valley communities to address air quality concerns on a local level and with direct community participation. The District Communication and Outreach Department supports District efforts by ensuring a multi-lingual outreach and community engagement program facilitates full participation from all sectors within each of the San Joaquin Valley's selected disadvantaged communities to bring additional clean air resources and strategies to protect the health of Valley residents.

- **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.

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 4% in 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 2021-22, 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, increased state and federal mandates, and rising pension costs. 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. 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 rising 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 $5,480,000 as of June 30, 2021. 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. In order to plan for potential future uncertainties, the District amended its General Reserve Policy at the end of this reporting period to significantly increase the reserve from 10% to 20% of operating expenditures. These changes were reflected in the 2022-23 Budget and will be reflected in the 2022-23 and future ACFRs.

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, 2022. 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, 2022 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 comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the seventh 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 comprehensive annual 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 comprehensive annual 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 dedicated services of the District Finance team made the preparation of our comprehensive annual 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.

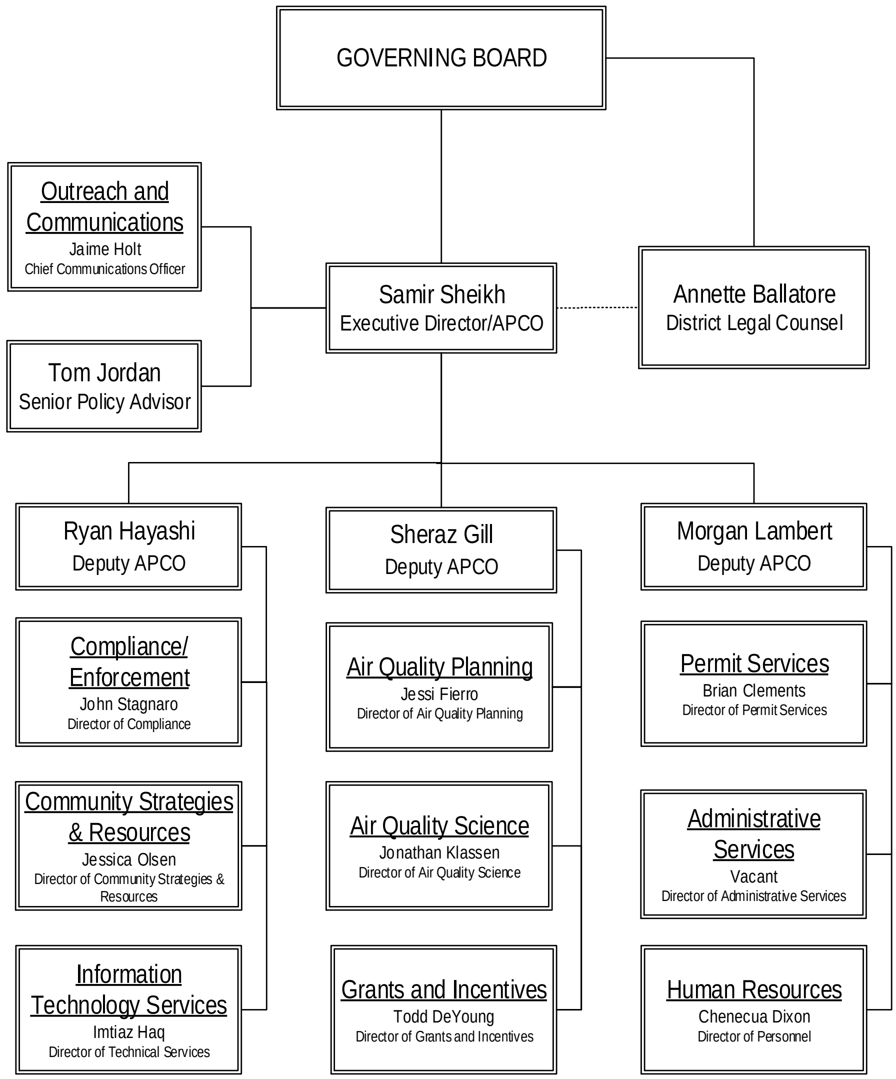
Respectfully submitted,

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, 2022



San Joaquin Valley Unified Air Pollution Control District

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Joaquin Valley
Unified Air Pollution Control District
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

This page is intentionally left blank.

FINANCIAL SECTION

This page is intentionally left blank.

PRICE PAIGE & COMPANY
Accountancy Corporation

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, 2022, 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 San Joaquin Valley Unified Air Pollution Control District, as of June 30, 2022, 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.

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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

www.ppcpas.com

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, 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 28, 2022, 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 28, 2022

San Joaquin Valley Unified Air Pollution Control District
Management's Discussion and Analysis
June 30, 2022

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, 2022. 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 $788.9 million *(net position).* Of this amount, $723.4 million is restricted for specific purposes, $13.3 million represents the net investment in capital assets and $52.1 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 $237.4 million as compared to the prior fiscal year. The majority of this increase was related to a significant increase in special revenue sources, such as Voluntary Emission Reduction Program, Carl Moyer, Volkswagen Mitigation, Proposition 1B, and State Cap and Trade, that was received this year in comparison to last year.

- At the close of the current fiscal year, the District's Governmental Fund reported a total fund balance of $865.7 million at year-end, a $234.5 million increase as compared to the prior year-end balance. Approximately 4.32% of this amount ($37.4 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 $141.7 million, or approximately 16.37% 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 20 and 21 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 22 and Statement of Revenues, Expenditures, and Changes in Fund Balance is presented on page 24 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 23 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 25 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 26 to 49 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 53 of this report with the Notes to the Schedule on page 54. 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 55.

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, 2022, as compared to the prior fiscal year.

Statement of Net Position
(In Thousands)

	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)	Percent Change
Current and other assets	$ 874,618	$ 651,010	$ 223,608	34.3%
Capital assets	13,334	13,474	(140)	-1.0%
Total assets	887,952	664,484	223,468	33.6%
Total deferred outflows of resources	24,829	40,215	(15,386)	-38.3%
Current liabilities	9,424	20,207	(10,783)	-53.4%
Noncurrent liabilities	89,446	128,031	(38,585)	-30.1%
Total liabilities	98,870	148,238	(49,368)	-33.3%
Total deferred inflows of resources	25,039	4,992	20,047	401.6%
Net position:				
Net investment in capital assets	13,334	13,474	(140)	-1.0%
Restricted for special projects/programs	723,433	497,658	225,775	45.4%
Unrestricted	52,105	40,337	11,768	29.2%
Total net position	$ 788,872	$ 551,469	$ 237,403	43.0%

The District's total net position increased $237,402,765 from the prior fiscal year. This was primarily due to Voluntary Emission Reduction Program, Carl Moyer, Volkswagen Mitigation, Proposition 1B, and Cap and Trade funding received and not spent by the end of the year as well as increased mobile sources revenue.

The District's total liabilities decreased $49,368,870 from the prior year; of this, current liabilities decreased $10,783,745 and noncurrent liabilities decreased $38,585,035. The decrease in current liabilities can be attributed to a decrease in advances to grantors. The decrease in noncurrent liabilities is due to a decrease in net pension liability.

Of the District's total net position, 91.7% is legally or contractually restricted to expenditures for incentives and grants, and 6.6% is unrestricted and may be used to meet the District's ongoing obligations without legal constraint. Lastly, 1.7% 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, 2022, as compared to the prior year.

Changes in Net Position
(In Thousands)

	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)	Percent
Revenues:				
Program revenues:				
Fees and charges - stationary sources	$ 29,825	$ 32,921	$ (3,096)	-9.4%
Fees and charges - mobile sources	37,462	23,908	13,554	56.7%
Operating grants	13,727	12,382	1,345	10.9%
Restricted special revenue sources	405,166	189,475	215,691	113.8%
General revenues:				
State subvention - not restricted	968	967	1	0.1%
Interest - not restricted	3,409	3,978	(569)	-14.3%
Penalties/settlements	7,810	3,521	4,289	121.8%
Miscellaneous revenue	274	134	140	104.5%
Total revenues	498,641	267,286	231,355	86.6%
Expenses:				
Permitting	14,470	17,620	(3,150)	-17.9%
Enforcement/agricultural burning	17,672	20,558	(2,886)	-14.0%
Plan and rule development	1,321	1,571	(250)	-15.9%
Mobile sources	9,578	9,781	(203)	-2.1%
Outreach and communications	3,570	3,508	62	1.8%
Air quality analysis/air monitoring	7,760	8,407	(647)	-7.7%
Restricted for grants and other uses	206,867	194,937	11,930	6.1%
Total expenses	261,238	256,382	4,856	1.9%
Increase (decrease) in net position	237,403	10,904	226,499	2077.2%
Net position - beginning	551,469	540,565	10,904	2.0%
Net position - ending	$ 788,872	$ 551,469	$ 237,403	43.0%

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, 2022, as compared to the prior year.

Revenues by Major Source
Governmental Activities
(In Thousands)

	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)
Stationary Sources	$ 29,825	$ 32,921	$ (3,096)
Mobile Sources	37,462	23,908	13,554
Operating Grants	13,727	12,382	1,345
General Revenues *	12,461	8,600	3,861
Restricted Special Revenue Sources	405,166	189,475	215,691
	$ 498,641	$ 267,286	$ 231,355

* 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 $3,096,133 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 an increase of $13,554,077 compared to the prior fiscal year. This was primarily due to an increase in administrative fee revenue received.

Operating Grant Revenue

- Operating Grant Revenue increased this year by $1,345,387 as compared to the prior fiscal year. This was a result of additional Operating Grants awards received during fiscal year 2021-22 that are not annually recurring funding.

Grant Revenue	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)
EPA 105 Grant	$ 1,980,358	$ 1,961,737	$ 18,621
State Grants-Rules 2260 & 3156	-	355,000	(355,000)
Miscellaneous State Revenue	25,000	-	25,000
State Operating Grant	11,400,114	9,893,985	1,506,129
EPA 103 Grant	322,096	171,459	150,637
Total Grant Revenue	$ 13,727,568	$ 12,382,181	$ 1,345,387

General Revenues

- General Revenues increased $3,861,259 as compared to the prior fiscal year due to increased revenue from Penalties and Interest Revenue.

Restricted Special Revenue Sources

- Restricted Special Revenue increased $215,691,312 compared to the prior fiscal year. The table below details the major changes to the various incentive programs that make up this increase. Changes are due to the availability of and/or timing of the receipt of grant and other funding sources.

Incentive Program	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)
DMV Surcharge Fees	$ 49,593,390	$ 50,452,115	$ (858,725)
Carl Moyer Program	47,517,428	364,609	47,152,819
Proposition 1B	2,276,118	93,779	2,182,339
State Cap and Trade and Air Quality Improvement Program	264,234,235	116,674,069	147,560,166
Diesel Emission Reduction Act	8,277,199	4,910,461	3,366,738
Voluntary Emission Reduction	7,307,935	950,596	6,357,339
Agriculture Tractor Replacement Program	6,558,069	6,022,209	535,860
Indirect Source Mitigation Fees	6,064,153	4,598,822	1,465,331
Volkswagen mitigation	8,594,018	910,967	7,683,051
Other Miscellaneous Incentives	1,525,851	1,191,970	333,881
CEC - Energy Efficiency Grant	3,217,714	3,305,201	(87,487)
Total	$ 405,166,110	$ 189,474,798	$ 215,691,312

Total District Expenses increased by $4,856,673. The majority of this increase was due to grant related expenses for various emission reduction incentives as well as additional cost for implementing AB617 state mandates. The following is a schedule of District expenses by activity for the fiscal year ended June 30, 2022 with a comparison of prior year expenses.

Expenses by Activities
Governmental Activities

	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)
Permitting	$ 14,469,655	$ 17,620,134	$ (3,150,479)
Enforcement/Agricultural Burning	17,671,526	20,557,914	(2,886,388)
Plan and Rule Development	1,321,570	1,571,316	(249,746)
Mobile Source	9,578,345	9,780,587	(202,242)
Outreach & Communications	3,569,852	3,507,581	62,271
Air Quality Analysis/Air Monitoring	7,760,766	8,407,605	(646,839)
Total Operating Expenses	54,371,714	61,445,137	(7,073,423)
Restricted for Grants and Special Uses	206,866,736	194,936,640	11,930,096
Total District Expenses	$ 261,238,450	$ 256,381,777	$ 4,856,673

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 $865,686,351, an increase of $234,511,870 in comparison with the prior year. Of the ending fund balance, 83.6%, or $723,432,877, 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 0.1%, or $507,432, not in spendable form for items that are not expected to be converted to cash, such as prepaid expenses, and 12.1%, or $104,358,378, assigned to be used for Community Incentive programs, encumbrances and other assignments of Fund Balance listed in Note 1.K on page 31 of this report.

At the end of the fiscal year, the District's Unassigned Fund Balance was $37,387,664, an increase of $6,105,485 compared with the prior year. The majority of this increase is a $7 million transfer from assigned fund balance from FY 20-21 offset by a transfer to assigned fund balance reserves for FY 21-22.

Operating Revenues

- Total Operating Revenues increased $15,664,586, which was mainly due to increases in Penalty and Settlement Revenues and Administrative Revenues.

Operating Expenditures

Total Operating Expenditures increased $4,134,098 as compared to the prior fiscal year.

- Total salaries and benefits increased $3,371,620 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 $548,353 from the prior fiscal year. This increase was due to increased expenditures in vehicle maintenance, insurance and professional services.

- Total capital outlay increased $214,125 as compared to the prior fiscal year. This was primarily the result of an increase in computer equipment purchases and office improvements. The increase also reflects the purchase of equipment for a phone system upgrade reflected within construction in progress. The table below details the major changes to the various capital asset accounts that make up this increase.

Account Title	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)
Computer Equipment	$ 1,399,043	$ 739,826	$ 659,217
Telephone System	13,380	5,104	8,276
Automobiles	70,626	286,503	(215,877)
Office Improvements	421,126	191,709	229,417
Community Monitoring	436,149	831,294	(395,145)
Central Region Bldg Expansion	-	-	-
Video Conferencing System	4,470	12,730	(8,260)
Air Monitoring Station Equipment	591,953	655,456	(63,503)
Total	$ 2,936,747	$ 2,722,622	$ 214,125

Non-Operating Revenues

- Non-Operating Revenues increased $215,691,312 mainly due to funding received through the Voluntary Emission Reduction Program, Carl Moyer, Volkswagen Mitigation, Proposition 1B Program, and State Cap and Trade and Air Quality Improvement Program.

Non-Operating Expenditures

- Non–Operating Incentive Program expenditures increased $11,930,095 compared to the prior fiscal year. This was primarily due to project expenditures such as the DMV Heavy-Duty Program, Federal EPA Incentive Program, Proposition 1B Program, Community Incentive Programs, and Volkswagen Mitigation Program. The table below details the major changes to the various Incentive Programs that make up this increase.

Incentive Program Name	Fiscal Year 2021-22	Fiscal Year 2020-21	Increase (Decrease)
DMV Heavy-Duty Program	$ 45,690,507	$ 33,636,473	$ 12,054,034
Carl Moyer Program	7,367,375	8,090,219	(722,844)
Federal EPA Incentive Program	13,341,688	6,863,015	6,478,673
State Cap and Trade and AQIP	88,111,595	91,679,625	(3,568,030)
Voluntary Emission Reduction Agreements	11,189,466	26,977,104	(15,787,638)
Indirect Source Review Rule Mitigation Program	3,455,048	7,669,379	(4,214,331)
Proposition 1B Program	3,795,023	1,243,889	2,551,134
Diesel Emission Reduction Act	2,811,186	4,924,232	(2,113,046)
Community Incentive Programs	11,156,308	7,572,147	3,584,161
Air Toxics	196,620	320,467	(123,847)
Misc. Incentive Grants	-	90	(90)
Hearing Board Incentive Grant	90,098	-	90,098
CEC - Energy Efficiency Grant	1,200,000	5,000,000	(3,800,000)
Volkswagen Mitigation Funding	18,461,821	960,000	17,501,821
Total	$ 206,866,735	$ 194,936,640	$ 11,930,095

E. Capital Assets

The District's capital assets are used for governmental activities. The book value was $13,333,974 (net of accumulated depreciation of $19,635,102) as of June 30, 2022. 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 39 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 $4,583,840. This amount is comprised solely of compensated absences, including the portion due within one year of $492,512. 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 2021 was $64,486,340. The Final Adjusted Budget was $66,486,671. Under District budget policy, all prior unused appropriations lapse at year-end and are re-budgeted. Revenues unrealized as of the fiscal year 2021-22 year-end are re-budgeted in 2022-23. Revenues already received, but unspent, are included in the 2022-23 budget as available Fund Balance.

The Adjusted Non-Operating Budget at June 30, 2022 was $744,220,468 including $850,000 appropriated for contingencies. This was an increase of $224,812,668 over the originally adopted Non-Operating Budget. This increase was due to fewer than expected expenditures occurring in fiscal year 2020-21, which increased that year's ending fund balance. That fund balance was a revenue source for fiscal year 2021-22, supporting the same expenditures as the previous year. Additionally, multiple state and federal grant funds became available during fiscal year 2021-22. Listed below are the major budget additions made during the year:

- The mid-year non-operating budget true-up of $344,779,600, 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.
- $167,062,500 from California Air Resources Board for the Alternatives to Agricultural Open Burning Incentive Program.

- $5,230,346 EPA 2021 Diesel Emission Reduction Act (DERA) National Clean Diesel Funding Assistance Program funding for Replacement of Agricultural Tractors and Heavy-Duty Trucks.
- $19,470,722 EPA 2021 Targeted Airshed Grant Program funding for Replacement of Agricultural Tractors, Wood Burning Devices, and Heavy-Duty Trucks.
- $35,659,298 from California Air Resources Board and California Energy Commission for the Zero-Emission Drayage Truck and Infrastructure Pilot Projects.
- $693,750 from California Air Resources Board to fund the Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Pilot Program.

Operating Budget

Revenues

Actual Operating Revenues at June 30, 2022 were $94,636,245, as compared to the final Adjusted Budget of $85,472,923, a positive variance of $9,163,322. Revenues were higher than expected in fiscal year 2021-22 due to an increase in administrative fees, interest, penalty and settlement fees, and federal operating grants.

Expenditures

Actual Operating Expenditures at June 30, 2022 were $58,004,778 as compared to the final Adjusted Budget of $66,486,671, a positive variance of $8,481,893.

Salaries and Benefits

Actual salary and benefit expenditures at year-end were $48,989,420 as compared to the final Adjusted Budget of $54,762,185, a positive variance of $5,772,765. 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 $5,635,932 as compared to the final Adjusted Budget of $7,910,936, a positive variance of $2,275,004. Of the total expenditure amount, $1,173,695 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, 2022	Variance With Final Budget Positive (Negative)
Mobile Communications	$ 309,305	$ 241,667	$ 67,638
Equipment Maintenance	1,556,895	1,135,043	421,852
Professional and Specialized Services	5,970,916	4,196,477	1,774,439
Publications and Legal Notices	73,820	62,745	11,075
Total	$ 7,910,936	$ 5,635,932	$ 2,275,004

Capital Assets

Actual Capital Outlay expenditures at year-end were $3,379,426 as compared to the final Adjusted Budget of $3,813,550, a positive variance of $434,124. Several planned purchases were delayed until fiscal year 2022-23, 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, 2022	Variance With Final Budget Positive (Negative)
Office Improvements	$ 712,838	$ 702,509	$ 10,329
Computer Equipment	729,749	491,477	238,272
Automobiles	655,000	632,443	22,557
Office Machines and Equipment	89,750	48,423	41,327
Telephone System	42,810	13,380	29,430
Video Teleconferencing System	70,000	4,470	65,530
Air Monitoring/Detection Equipment	1,508,403	1,482,050	26,353
Air Monitoring Station Automation Project	5,000	4,674	326
Total	$ 3,813,550	$ 3,379,426	$ 434,124

Non-Operating Budget

Revenues

Actual Non-Operating Revenues at June 30, 2022 were $232,626,809 as compared to the final Adjusted Budget of $326,756,105, a negative variance of $94,129,296. 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, 2022	Variance With Final Budget Positive (Negative)
Air Toxics	$ 323,898	$ 196,620	$ (127,278)
DMV Surcharge Fees	47,078,000	49,289,370	2,211,370
Carl Moyer Program	36,000,000	47,075,058	11,075,058
Proposition 1B	2,218,558	2,218,558	-
Federal and Heavy Duty Grants	64,651,568	10,676,072	(53,975,496)
CEC - Energy Efficiency Block Grant	1,200,000	3,230,000	2,030,000
VERA/ISR Rule Mitigation Funds	29,682,906	13,313,170	(16,369,736)
State Cap and Trade and AQIP Funding	129,194,765	92,916,133	(36,278,632)
Volkswagen Mitigation Funding	7,880,000	7,880,000	-
Non-Operating Interest	8,506,410	5,831,774	(2,674,636)
Other Miscellaneous Incentives	20,000	54	(19,946)
Total	$ 326,756,105	$ 232,626,809	$ (94,129,296)

The negative variances of $16,369,736 for VERA/ISR Rule Mitigation funds and $36,278,632 for State Cap and Trade 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 2022-23 fiscal year.

Expenditures

Actual Non-Operating Expenditures at June 30, 2022 were $186,999,096 as compared to the final Adjusted Budget of $743,370,468, a positive variance of $556,371,372. Listed in the table below are the expenditures that make up the variances in Non-Operating Expenditures.

	Final Adjusted Budget	Actual Expenditures June 30, 2022	Variance With Final Budget Positive (Negative)
Air Toxics-Pass Through	$ 323,900	$ 196,620	$ 127,280
Federal and Heavy Duty Grants	64,651,568	10,676,072	53,975,496
Carl Moyer Program	56,279,300	7,367,375	48,911,925
DMV Surcharge Fees	132,950,400	45,690,507	87,259,893
VERA/ISR Rule Mitigation Program	66,283,100	14,644,514	51,638,586
Proposition 1B Program	11,526,600	3,795,023	7,731,577
Community Incentive Programs	29,742,800	11,156,308	18,586,492
State Cap and Trade and AQIP Funding	313,442,000	73,720,758	239,721,242
CEC - Energy Efficiency Block Grant	1,200,000	1,200,000	-
Volkswagen Mitigation Funding	66,780,700	18,461,821	48,318,879
Miscellaneous Incentive Programs	190,100	90,098	100,002
Total	$ 743,370,468	$ 186,999,096	$ 556,371,372

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 2021-22 (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 2022-23 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 2022-23 is $635,371,517 as compared to the Adjusted Budget for fiscal year 2021-22 of $810,707,139, a decrease of $172,335,622. 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 2022-23 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, 2022

		Governmental Activities
Assets		
Current assets:		
Cash and investments	$	854,348,248
Accrued revenues		19,761,974
Prepaid expenses		507,432
Total current assets		874,617,654
Noncurrent assets:		
Land and other non-depreciable assets		1,704,601
Other capital assets, net of accumulated depreciation		11,629,373
Total noncurrent assets		13,333,974
Total assets		887,951,628
Deferred outflows of resources		
Deferred pension		24,829,254
Total deferred outflows of resources		24,829,254
Liabilities		
Current liabilities:		
Accounts payable		950,224
Accrued wages payable		1,657,315
Advances from grantors		6,323,764
Compensated absences payable:		
Due within one year		492,512
Total current liabilities		9,423,815
Noncurrent liabilities:		
Compensated absences payable:		
Due in more than one year		4,091,328
Net pension liability		85,354,840
Total noncurrent liabilities		89,446,168
Total liabilities		98,869,983
Deferred inflows of resources		
Deferred pension		25,039,402
Total deferred inflows of resources		25,039,402
Net position		
Net investment in capital assets		13,333,974
Restricted for:		
VERA/ISR mitigation programs		38,271,211
DMV surcharge programs		113,365,024
Carl Moyer funds		63,709,360
Proposition 1B programs		7,656,433
State cap and trade		449,861,013
Volkswagen mitigation		50,163,933
Other special projects/programs		405,903
Unrestricted		52,104,646
Total net position	$	788,871,497

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, 2022

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	$ 14,469,655	$ 20,499,237	$ 2,890,674	$ 2,684,345	$ -	$ 11,604,601
Enforcement/agricultural burning	17,671,526	9,325,924	4,715,631	2,026,538	-	(1,603,433)
Plan and rule development	1,321,570	-	1,830,882	763,656	-	1,272,968
Mobile sources	9,578,345	-	23,907,820	203,048	-	14,532,523
Outreach and communications	3,569,852	-	2,704,673	1,952,368	-	1,087,189
Air quality analysis/air monitoring	7,760,766	-	1,412,024	6,097,612	-	(251,130)
Restricted for grants and other special uses	206,866,736	-	-	-	405,166,110	198,299,374
Total governmental activities	$ 261,238,450	$ 29,825,161	$ 37,461,704	$ 13,727,567	$ 405,166,110	224,942,092

General Revenues:	
State subvention - not restricted to specific programs	968,160
Interest - not restricted to specific programs	3,409,195
Penalties / settlements	7,809,685
Miscellaneous revenue	273,633
Total general revenues	12,460,673
Change in net position	237,402,765
Net position - beginning, July 1, 2021	551,468,732
Net position - ending, June 30, 2022	$ 788,871,497

* 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, 2022

Assets		
Cash and investments	$	854,348,248
Accrued revenues		19,761,974
Prepaid items		507,432
Total assets	$	874,617,654
Liabilities		
Accounts payable	$	950,224
Accrued wages payable		1,657,315
Advances from grantors		6,323,764
Total liabilities		8,931,303
Fund Balance		
Nonspendable fund balance		507,432
Restricted fund balance		723,432,877
Assigned fund balance		104,358,378
Unassigned fund balance		37,387,664
Total fund balance		865,686,351
Total liabilities and fund balance	$	874,617,654

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, 2022

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

Fund balance - governmental fund	$ 865,686,351
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.	13,333,974
Deferred outflows of resources reported in the Statement of Net Position.	24,829,254
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.	(89,938,680)
Deferred inflows of resources reported in the Statement of Net Position.	(25,039,402)
Net position of governmental activities	$ 788,871,497

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, 2022

Revenues:	
License and permit fees	$ 43,926,779
Administrative fees	23,360,084
Penalties and settlements	7,809,685
Interest	3,409,195
State grants	12,393,274
Federal grants	2,302,454
Miscellaneous revenue	273,633
Incentive grants	383,181,463
Incentive grant interest	5,831,774
Federal incentive grants	16,152,874
Total revenues	498,641,215
Expenditures:	
Current:	
Salaries and benefits	48,996,337
Services and supplies	5,329,525
Grants and other special uses	206,866,736
Capital outlay	2,936,747
Total expenditures	264,129,345
Net change in fund balance	234,511,870
Beginning fund balance, July 1, 2021	631,174,481
Ending fund balance, June 30, 2022	$ 865,686,351

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, 2022

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

Net Change in Fund Balance - governmental fund		$ 234,511,870
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.		2,199,552
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.		(2,324,737)
The net effect of disposal of assets.		(15,098)
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	13,015,491	
Amount of pension expenses recognized at government-wide level	(10,085,905)	2,929,586
Increase in long-term compensated absences		101,592
Change in net position of governmental activities		$ 237,402,765

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, 2022

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, 2022 consisted of the following:

Loans Receivable	$	8,133
Prepaid Medical Insurance		339,561
Prepaid Workers Comp Premiums		159,738
Total Prepaid Expenses	$	507,432

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 $492,512 and $4,091,328, 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 $723,432,877. 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	$ 38,271,211
DMV surcharge programs	113,365,024
Carl Moyer funds	63,709,360
Proposition 1B programs	7,656,433
State cap and trade	449,861,013
Volkswagen mitigation	50,163,933
Other special projects/programs	405,903
Total Restricted Net Position	$ 723,432,877

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	$ 507,432
Restricted Fund Balance:	
VERA/ISR mitigation programs	38,271,211
DMV surcharge programs	113,365,024
Carl Moyer funds	63,709,360
Proposition 1B programs	7,656,433
State cap and trade	449,861,013
Volkswagen mitigation	50,163,933
Other special projects/programs	405,903
Total Restricted Fund Balance	723,432,877
Assigned Fund Balance:	
Encumbrances	4,828,155
Community Incentive Programs	75,371,733
Long-Term Building Maintenance	1,000,000
Contingency Reserve	850,000
Pension Stabilization Reserve	5,480,000
Modeling Center Reserve	500,000
Modeling Equipment Reserve	150,000
Appropriated FY 2022-23 Budgetary Deficit	16,178,490
Total Assigned Fund Balance	104,358,378
Unassigned Fund Balance:	
General Reserve	14,200,000
Unassigned	23,187,664
Total Unassigned Fund Balance	37,387,664
Total Fund Balances	$ 865,686,351

Nonspendable Fund Balance:

- The $507,432 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 $38,271,211 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 $113,365,024 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 $63,709,360 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 $7,656,433 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 $449,861,013 fund balance for the State Cap and Trade and Air Quality Improvement Program (AQIP) Funds represents monies from the California Air Resources 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 $50,163,933 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 $405,903 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 $4,828,155 fund balance for encumbrances outstanding at June 30, 2022 represents the amount of expenditures that would result if contracts in process at fiscal year-end were completed. Of the total assigned amount, $1,328,263 represents encumbrances for services and supplies and $3,499,892 represents encumbrances for capital assets. This assignment earmarks resources to pay for these contractual obligations by segregating a portion of fund balance.

- The $75,371,733 was assigned by the District Governing Board for various Community Incentive Programs. This balance includes a decrease of $7 million for FY 20-21 funds that were previously reported as assigned fund balance that are now reported as unassigned fund balance.

- The $1,000,000 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 $5,480,000 was established by the District Governing Board to provide for a Pension Stabilization Reserve.

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

- The $150,000 was assigned by the District Governing Board to provide for a Modeling Equipment Reserve.

- The $16,178,490 is the portion of existing fund balance that is included as a budgetary resource in the fiscal year 2022-23 budget

Unassigned Fund Balance:

- From total Unassigned Fund Balance of $37,387,664 reported on June 30, 2022, $14,200,000 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. 92, “Omnibus 2020.” 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. 93, “Replacement of Interbank Offered Rates. The requirement in paragraph 11 b will take effect for reporting periods ending after December 31, 2021.” The requirements in paragraphs 13 and 14 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. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.” 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.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 consisted of the following:

District Petty Cash/Change Funds	$ 1,972
Postage Funds	17,585
Total Cash On Hand	19,557
Wells Fargo Bank	17,269,151
Other Deposits	374
Total Deposits with Financial Institutions	17,269,525
Security Deposit - Leased Property	2,000
Total Other Deposits	2,000
Fresno County Treasurer	837,057,166
Total Investments with County Investment Pools	837,057,166
Total Cash and Investments	$ 854,348,248

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	$837,057,166	$837,057,166	$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 Legal	Exempt From	Rating as of Year-End		
Investment Type	Amount	Rating	Disclosure	AAA	AA	Not Rated
County Investment Pool	$837,057,166	N/A	$837,057,166	$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, 2022, 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, 2022 consisted of the following:

	Capital Assets - Governmental Activities			
	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, non-depreciable:				
Land	$ 1,595,549	$ -	$ -	$ 1,595,549
Construction in Progress	-	109,052	-	109,052
Total capital assets, non-depreciable	1,595,549	109,052	-	1,704,601
Capital assets, depreciable/amortizable:				
Building and improvements	10,134,952	-	-	10,134,952
Machinery and equipment	18,610,887	2,090,501	892,915	19,808,473
Intangible assets	1,321,050	-	-	1,321,050
Total capital assets, depreciable/amortizable	30,066,889	2,090,501	892,915	31,264,475
Less accumulated depreciation/amortization for:				
Building and improvements	5,004,241	609,434	-	5,613,675
Machinery and equipment	11,862,890	1,715,303	877,816	12,700,377
Intangible assets	1,321,050	-	-	1,321,050
Total accumulated depreciation/amortization	18,188,181	2,324,737	877,816	19,635,102
Total capital assets, depreciable/amortizable, net	11,878,708	(234,236)	15,099	11,629,373
Net book value of capital assets	$ 13,474,257	$ (125,184)	$ 15,099	$ 13,333,974

For the fiscal year ended June 30, 2022, depreciation expense of $2,324,737 on capital assets was charged to the District's activities as follows:

Permitting	$ 262,340
Enforcement / Agricultural Burning	602,086
Plan and Rule Development	23,456
Mobile Sources	144,235
Outreach and Communications	38,503
Air Quality Analysis / Air Monitoring	1,254,117
Total Depreciation Expense	$ 2,324,737

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, 2022:

July 1, 2021 Balance	$ 4,685,432
Plus: Additions	3,234,972
Less: (Reductions)	(3,336,564)
June 30, 2022 Balance	$ 4,583,840
Amount Due Within One Year	492,512
Amount Due In More Than One Year	$ 4,091,328

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 2020 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is $290,000. For General Tier III members who joined on or after January 1, 2013, the maximum pensionable compensation that can be taken into account for 2021 is $128,059 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. A member's retirement allowance is irrevocable once elected.

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 80% purchasing power protection and a $5,000 death benefit.

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the KCERA Board of Retirement. Depending upon the applicable plan, employees are required to contribute a certain percentage of their annual pay. For each of the plans, the District's contractually required contribution (formerly known as the actuarially required contribution (ARC)) rate for the fiscal year ended June 30, 2021, was a specified percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Contributions to the pension plan from the District were $13,015,491 for the year ended June 30, 2022. 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 2021 ranged from 4.58% to 16.97% 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 2021 ranged from 36.02% to 81.46% of covered payroll, with a combined average of 49.10% for all employers.

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

At June 30, 2022, the District reported a liability of $85,354,840 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the liability used to calculate the net pension liability was determined by an actuarial valuation date June 30, 2020. 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, 2021, the District's proportion was 4.5176%, compared to 4.6477% at June 30, 2020, a decrease of 0.1301%.

For the fiscal year ended June 30, 2022, the District recognized pension expense of $10,085,905. 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, 2022, 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	$ 4,337,156	$ -
Change in actual vs. proportionate contributions	7,588,106	-
Contributions subsequent to measurement date	13,015,491	-
Difference between prior year actuarial and actual employer contribution	(111,499)	-
Difference between projected and actual earnings on pension plan	-	19,369,360
Change in proportion	-	2,655,588
Difference between expected and actual experience	-	3,014,454
	$ 24,829,254	$ 25,039,402

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 $13,015,491 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, 2023.

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
2023	$ (1,285,575)
2024	(1,731,340)
2025	(3,132,048)
2026	(7,076,750)
2027	-
Thereafter	-
	$ (13,225,713)

Actuarial Assumptions

The total pension liability as of June 30, 2021 that was measured by an actuarial valuation as of June 30, 2020. The actuarial assumptions used were the same as the June 30, 2021 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, 2021 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, 2021 and 7.25% as of June 30, 2020. 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, 2021 and June 30, 2020.

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, 2021, 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	$ 128,548,030	$ 85,354,840	$ 49,835,172

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 2021-22, the District contributed $790,909 to the SDRMA. The District's contributions represented 1.55% 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, 2022, investments with a fair value of $45,544,878 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, 2022 were $4,828,155. 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. CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus, COVID-19, a pandemic. Accordingly, the District has continued to provide services to its stakeholders and has taken action to protect the health and safety of its employees and the public. The financial impact that could occur as a result of the pandemic is unknown at this time.

11. 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 28, 2022, which is the date the basic financial statements were issued.

This page is intentionally left blank.

Required Supplementary Information

This page is intentionally left blank.

San Joaquin Valley Unified Air Pollution Control District
General Fund - Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Adopted	Final Adjusted	Budgetary Basis	Final Budget
Operating Budget				
Revenues:				
Vehicle Registration Fees	$ 12,960,000	$ 12,960,000	$ 14,101,619	$ 1,141,619
License and Permit Fees	30,474,016	30,474,016	30,174,430	(299,586)
Interest	1,500,000	1,500,000	3,409,195	1,909,195
Penalties and Settlements	2,500,000	2,500,000	7,554,525	5,054,525
State Grants	14,255,000	14,255,000	13,668,160	(586,840)
Federal Grants	2,065,000	2,065,000	2,302,454	237,454
Administrative Fees	6,932,419	21,533,657	23,265,765	1,732,108
Miscellaneous Revenue	50,250	185,250	160,097	(25,153)
Total Operating Revenues	70,736,685	85,472,923	94,636,245	9,163,322
Operating Amounts Available For Appropriations	70,736,685	85,472,923	94,636,245	9,163,322
Expenditures:				
Salaries and Benefits	53,392,982	54,762,185	48,989,420	5,772,765
Services and Supplies	7,861,846	7,910,936	5,635,932	2,275,004
Capital Outlays:				
Office Improvements	341,000	712,838	702,509	10,329
Computer Equipment	686,549	729,749	491,477	238,272
Office Furniture/Equipment	30,000	30,000	22,266	7,734
Office Machines	32,750	59,750	26,157	33,593
Telephone System	42,810	42,810	13,380	29,430
Detection Equipment	75,003	75,003	74,684	319
Automobiles	515,000	655,000	632,443	22,557
Video Conferencing System	70,000	70,000	4,470	65,530
Air Monitoring Station Equipment	1,433,400	1,433,400	1,407,366	26,034
AMS Automation Project	5,000	5,000	4,674	326
Total Capital Outlays	3,231,512	3,813,550	3,379,426	434,124
Total Operating Charges to Appropriations	64,486,340	66,486,671	58,004,778	8,481,893
Excess of Operating Revenues Over Expenditures	6,250,345	18,986,252	36,631,467	17,645,215
Non-Operating Budget				
Revenues:				
Air Toxics	323,898	323,898	196,620	(127,278)
DMV Surcharge Fees	47,078,000	47,078,000	49,289,370	2,211,370
Carl Moyer Program	36,000,000	36,000,000	47,075,058	11,075,058
Proposition 1B	2,218,558	2,218,558	2,218,558	-
Federal and Heavy Duty Grants	32,837,800	64,651,568	10,676,072	(53,975,496)
CEC - Energy Efficiency Block Grant	-	1,200,000	3,230,000	2,030,000
VERA/ISR Rule Mitigation Funds	20,000	29,682,906	13,313,170	(16,369,736)
State Cap and Trade and AQIP Funding	29,682,906	129,194,765	92,916,133	(36,278,632)
Volkswagen Mitigation Funding	192,851,265	7,880,000	7,880,000	-
Non-Operating Interest	8,506,410	8,506,410	5,831,774	(2,674,636)
Other Miscellaneous Incentives	7,880,000	20,000	54	(19,946)
Non-Operating Amounts Available For Appropriations	357,398,837	326,756,105	232,626,809	(94,129,296)
Expenditures:				
Air Toxics-Pass Through	323,900	323,900	196,620	127,280
Federal and Heavy Duty Grants	32,837,800	64,651,568	10,676,072	53,975,496
Carl Moyer Program	40,958,100	56,279,300	7,367,375	48,911,925
DMV Surcharge Fees	62,325,300	132,950,400	45,690,507	87,259,893
VERA/ISR Rule Mitigation Program	40,132,200	66,283,100	14,644,514	51,638,586
Proposition 1B Program	5,459,000	11,526,600	3,795,023	7,731,577
Community Incentive Programs	13,028,400	29,742,800	11,156,308	18,586,492
State Cap and Trade and AQIP Funding	305,140,000	313,442,000	73,720,758	239,721,242
CEC - Energy Efficiency Block Grant	-	1,200,000	1,200,000	-
Volkswagen Mitigation Funding	18,142,600	66,780,700	18,461,821	48,318,879
Miscellaneous Incentive Programs	210,500	190,100	90,098	100,002
Total Non-Operating Charges to Appropriations	518,557,800	743,370,468	186,999,096	556,371,372
Excess(Deficiency) of Non-Operating Revenues Over(Under) Expenditures	(161,158,963)	(416,614,363)	45,627,713	462,242,076
Appropriation for Contingencies	850,000	850,000	-	850,000
Net Change to District Fund Balance, June 30, 2022	$ (155,758,618)	$ (398,478,111)	$ 82,259,180	$ 480,737,291

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, 2022.

Excess of revenues over expenditures (GAAP Basis)	$	234,511,870
Adjustments from budget cash basis to modified accrual basis		(152,252,690)
Excess of revenues over expenditures (Budgetary Basis)	$	82,259,180

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 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)	4.5176%	4.6477%	4.2869%	4.0838%	3.8855%	3.4683%	3.4037%
District's proportionate share of the net pension liability (asset)	$ 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	$ 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	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)	55.90%	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 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Actuarially determined contribution	$ 12,135,450	$ 12,730,527	$ 9,822,196	$ 9,904,685	$ 8,717,203	$ 7,499,401
Actual contributions	11,958,599	11,852,298	9,888,187	8,995,309	8,426,722	7,750,471
Contribution deficiency (excess)	$ 176,851	$ 878,229	$ (65,991)	$ 909,376	$ 290,481	$ (251,070)
District's covered payroll	$ 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	42.34%	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 45.

This page is intentionally left blank.

STATISTICAL SECTION

This page is intentionally left blank.

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

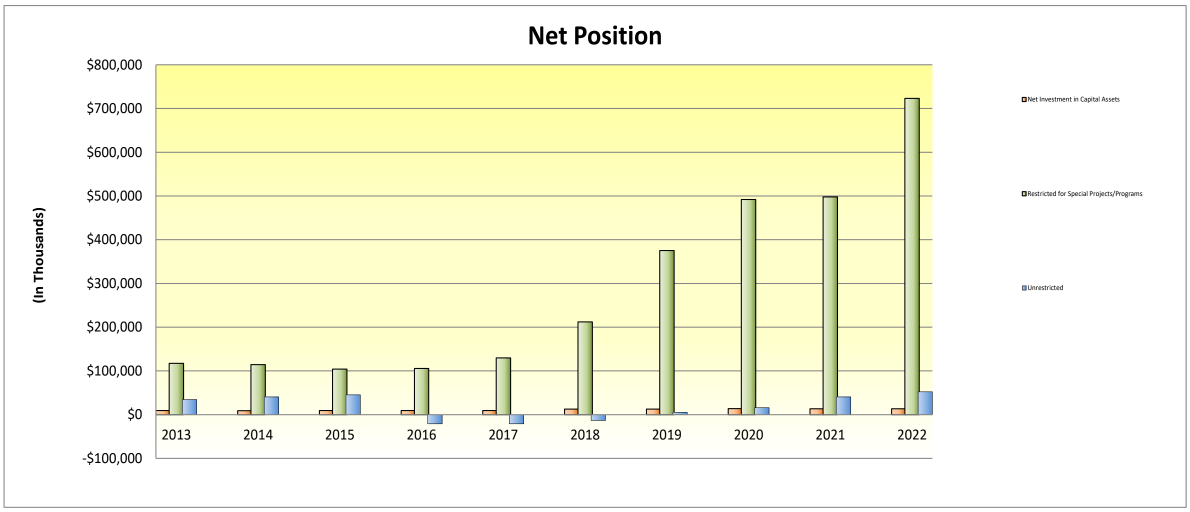
These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the District's financial activities take place.

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current and Other Assets	$ 162,777	$ 164,321	$ 150,856	$ 154,223	$ 188,266	$ 293,995	$ 472,447	$ 638,132	$ 651,010	$ 874,618
Capital Assets	9,298	9,117	9,259	9,568	9,397	12,528	12,322	13,698	13,474	13,334
Total Assets	172,075	173,438	160,115	163,791	197,663	306,523	484,769	651,830	664,484	887,952
Deferred Outflows of Resources - Deferred Pension	-	-	14,310	15,436	23,821	29,857	28,854	28,816	40,215	24,829
Current Liabilities	2,124	2,096	2,133	3,446	2,743	3,365	3,182	26,428	20,207	9,424
Noncurrent Liabilities	2,840	2,821	71,051	78,094	87,236	95,463	98,856	106,843	128,031	89,446
Total Liabilities	4,964	4,917	73,184	81,540	89,979	98,828	102,038	133,271	148,238	98,870
Deferred Inflows of Resources - Deferred Pension	-	-	8,893	3,806	5,775	7,948	8,082	6,810	4,992	25,039
Net Position:										
Net Investment in Capital Assets	9,298	9,117	9,259	9,568	9,397	12,528	12,322	13,698	13,474	13,334
Restricted for Special Projects/Programs	117,304	114,186	104,379	105,725	129,584	212,202	375,335	491,983	497,658	723,433
Unrestricted	34,347	40,509	45,218	(21,289)	(21,412)	(13,251)	4,875	15,846	40,337	52,105
Total Net Position	$ 160,949	$ 163,812	$ 158,856	$ 94,004	$ 117,569	$ 211,479	$ 392,532	$ 521,527	$ 551,469	$ 788,872



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

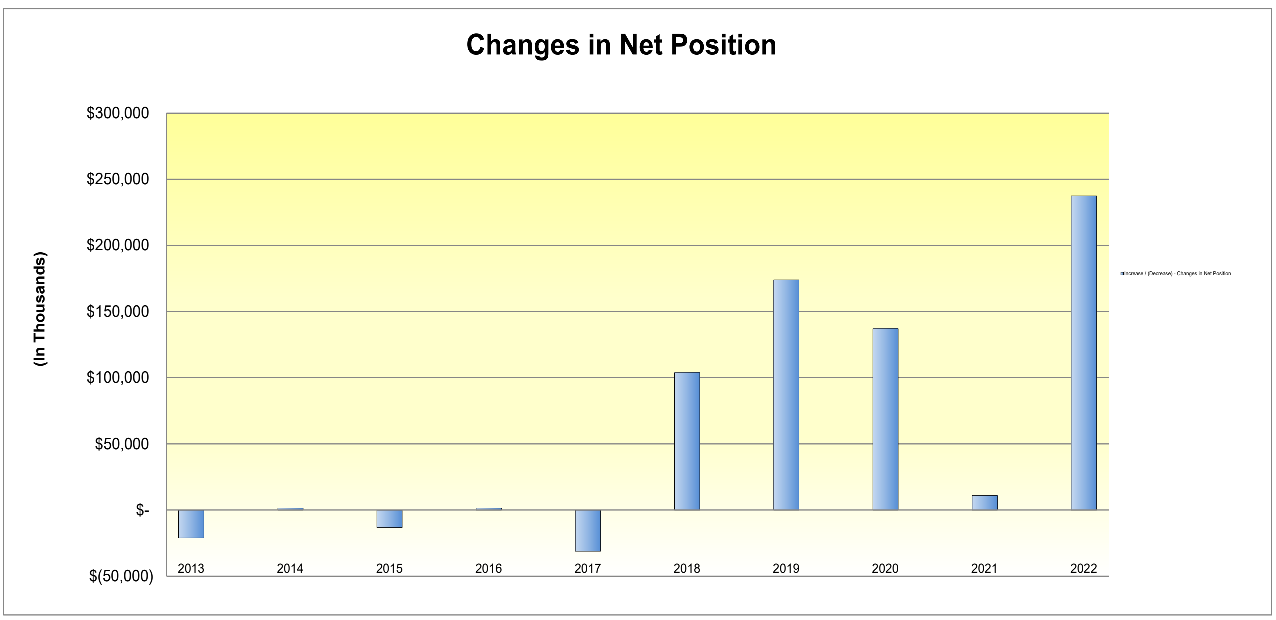
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

CHANGES IN NET POSITION
Last Ten Fiscal Years

(accrual basis of accounting)

(In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Program Revenue:										
Fees and Charges - Stationary Sources	$ 24,768	$ 23,372	$ 23,589	$ 24,936	$ 26,721	$ 32,126	$ 33,820	$ 37,535	$ 32,921	$ 29,825
Fees and Charges - Mobile Sources	11,480	13,945	12,587	13,084	17,961	20,971	29,572	31,368	23,908	37,462
Operating Grants	2,034	2,032	2,199	2,168	2,078	11,424	2,074	12,554	12,382	13,727
Restricted Special Revenue Sources	58,848	82,255	75,338	64,488	101,102	166,347	289,828	324,283	189,475	405,166
Total Program Revenue	97,130	121,604	113,713	104,676	147,862	230,868	355,294	405,740	258,686	486,180
General Revenues:										
State Subvention	923	917	916	916	929	936	947	957	967	968
Interest	920	1,050	1,237	1,334	1,611	2,323	3,761	5,135	3,978	3,409
Penalties/Settlements	3,896	4,204	3,022	3,672	6,004	6,495	6,115	5,747	3,521	7,810
Miscellaneous	150	71	142	196	61	113	280	93	134	274
Total General Revenues	5,889	6,242	5,317	6,118	8,605	9,867	11,103	11,932	8,600	12,461
Other Financing Sources - Capital Asset Leases	-	-	-	-	-	-	-	-	-	-
Total Revenues & Other Financing Sources	103,019	127,846	119,030	110,794	156,467	240,735	366,397	417,672	267,286	498,641
Expenses:										
Permitting	14,222	13,987	12,781	12,906	14,108	15,152	15,716	16,685	17,620	14,470
Enforcement / Air Monitoring / Ag Burning	12,112	12,560	13,938	14,532	15,084	16,389	17,352	19,193	20,558	17,672
Plan and Rule Development	1,540	1,781	1,272	1,148	726	1,288	1,361	1,550	1,571	1,321
Mobile Sources	4,380	4,526	4,639	4,885	5,417	5,799	7,265	9,062	9,781	9,578
Outreach & Communications	2,325	2,454	2,515	2,502	2,804	3,154	3,081	3,478	3,508	3,570
Air Quality Analysis	3,097	3,500	3,521	4,246	4,910	5,111	7,995	6,084	8,407	7,760
Non-Operating	86,518	87,628	93,561	69,043	81,569	89,966	139,729	224,558	194,937	206,867
Total Expenses	124,194	126,436	132,227	109,262	124,618	136,859	192,499	280,610	256,382	261,238
Increase / (Decrease) - Changes in Net Position										
Prior to Adjustment	(21,175)	1,410	(13,197)	1,532	31,849	103,876	173,898	137,062	10,904	237,403
Adjustment to Net Position	-	-	-	-	(62,975)	-	-	-	-	-
Changes in Net Position	$ (21,175)	$ 1,410	$ (13,197)	$ 1,532	$ (31,126)	$ 103,876	$ 173,898	$ 137,062	$ 10,904	$ 237,403



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

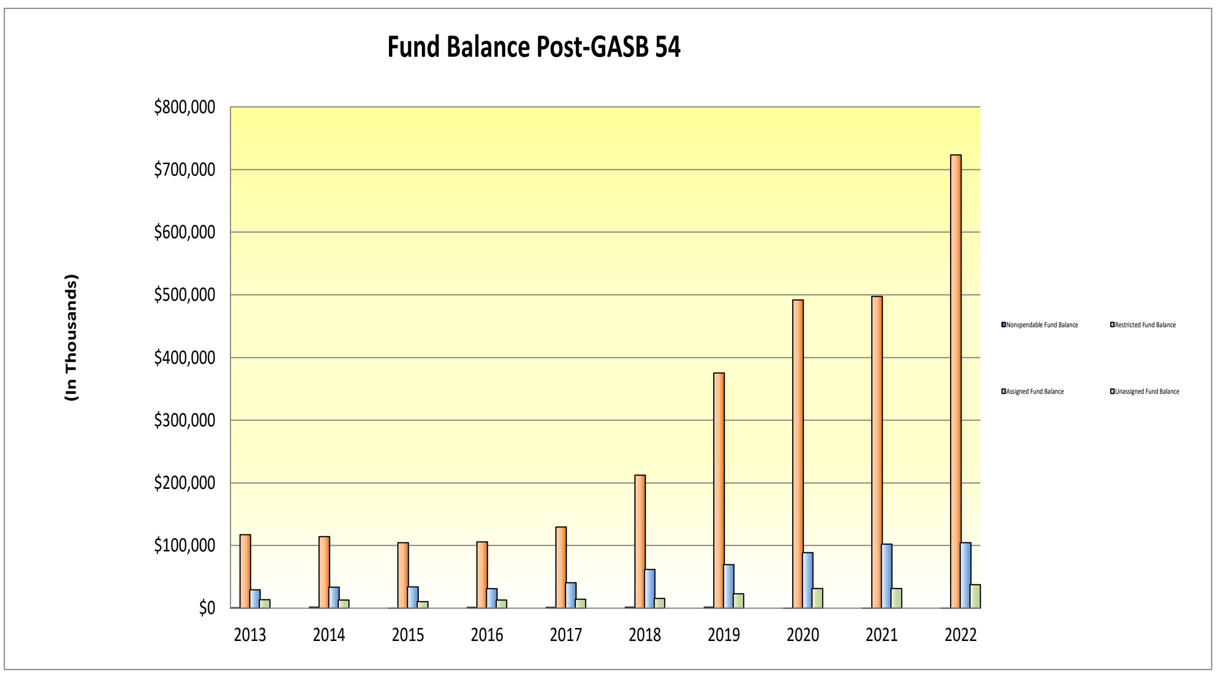
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

FUND BALANCE, GENERAL FUND
Last Ten Fiscal Years

(modified accrual basis of accounting)

(In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable Fund Balance	757	1,592	548	988	1,018	1,372	1,607	14	316	507
Restricted Fund Balance	117,304	114,186	104,379	105,726	129,584	212,202	375,334	491,983	497,657	723,433
Committed Fund Balance	-	-	-	-	-	-	-	-	-	-
Assigned Fund Balance	29,431	33,346	33,748	31,138	40,723	61,644	69,529	88,349	101,919	104,358
Unassigned Fund Balance	13,358	13,317	10,277	13,170	14,198	15,661	23,073	31,608	31,282	37,388
Total General Fund	$ 160,850	$ 162,441	$ 148,952	$ 151,022	$ 185,523	$ 290,879	$ 469,543	$ 611,954	$ 631,174	$ 865,686



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.

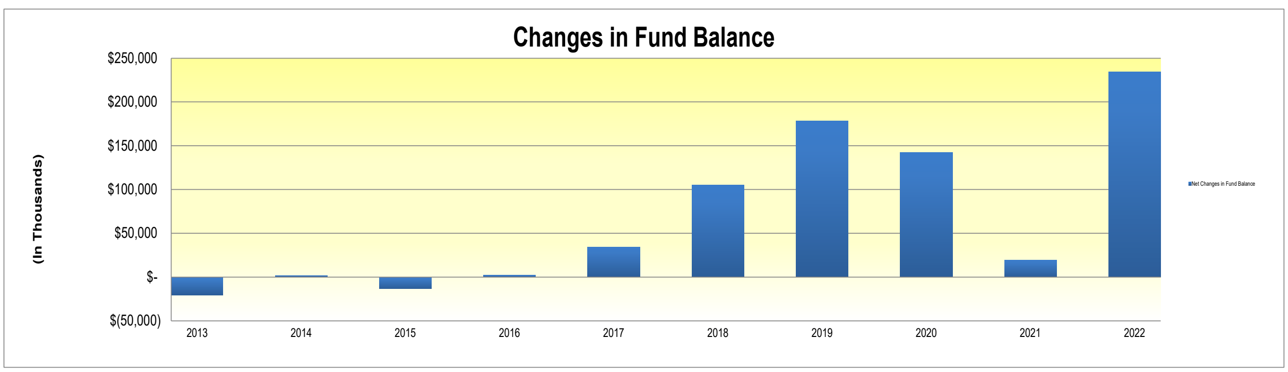
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

CHANGES IN FUND BALANCE, GENERAL FUND
Last Ten Fiscal Years

(modified accrual basis of accounting)

(In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Program Revenues:										
Fees and Charges - Stationary Sources	$ 24,768	$ 23,372	$ 23,589	$ 24,936	$ 26,721	$ 32,127	$ 33,820	$ 37,536	$ 32,921	$ 29,825
Fees and Charges - Mobile Sources	11,480	13,945	12,587	13,084	17,961	20,970	29,572	31,368	23,908	37,462
Operating Grants	2,034	2,032	2,199	2,168	2,078	11,424	2,074	12,554	12,382	13,727
Restricted Special Revenue Sources	58,848	82,255	75,338	64,488	101,102	166,347	289,828	324,283	189,475	405,166
General Revenues:										
State Subvention - Not Restricted	923	917	916	916	929	936	947	957	967	968
Interest - Not Restricted	920	1,050	1,237	1,334	1,611	2,323	3,761	5,135	3,978	3,409
Penalties/Settlements	3,896	4,204	3,022	3,672	6,004	6,495	6,115	5,747	3,521	7,810
Miscellaneous Revenue	172	71	142	283	61	113	280	93	134	274
Total Revenues	103,041	127,846	119,030	110,881	156,467	240,735	366,397	417,673	267,286	498,641
Expenditures:										
Operating:										
Salaries and Benefits	30,707	32,040	32,379	33,583	34,669	36,397	39,965	43,323	45,625	48,996
Services and Supplies	5,030	5,201	4,611	4,515	4,497	4,470	4,080	4,534	4,781	5,329
Capital Outlay	1,105	1,386	1,968	1,671	1,230	4,546	3,959	2,846	2,723	2,937
Debt Services:										
Principal	362	-	-	-	-	-	-	-	-	-
Interest	11	-	-	-	-	-	-	-	-	-
Total Operating Expenditures	37,215	38,627	38,958	39,769	40,396	45,413	48,004	50,703	53,129	57,262
Non-Operating:										
Pass Through and Non-Operating	86,518	87,628	93,561	69,043	81,569	89,966	139,729	224,559	194,937	206,867
Total Expenditures	123,733	126,255	132,519	108,812	121,965	135,379	187,733	275,262	248,066	264,129
Other Financing Sources - Capital Asset Leases	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balance - Prior to Adjustment	(20,692)	1,591	(13,489)	2,069	34,502	105,356	178,664	142,411	19,220	234,512
Adjustment to Fund Balance	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balance	$ (20,692)	$ 1,591	$ (13,489)	$ 2,069	$ 34,502	$ 105,356	$ 178,664	$ 142,411	$ 19,220	$ 234,512
Debt service as a percentage of noncapital expenditures	1.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



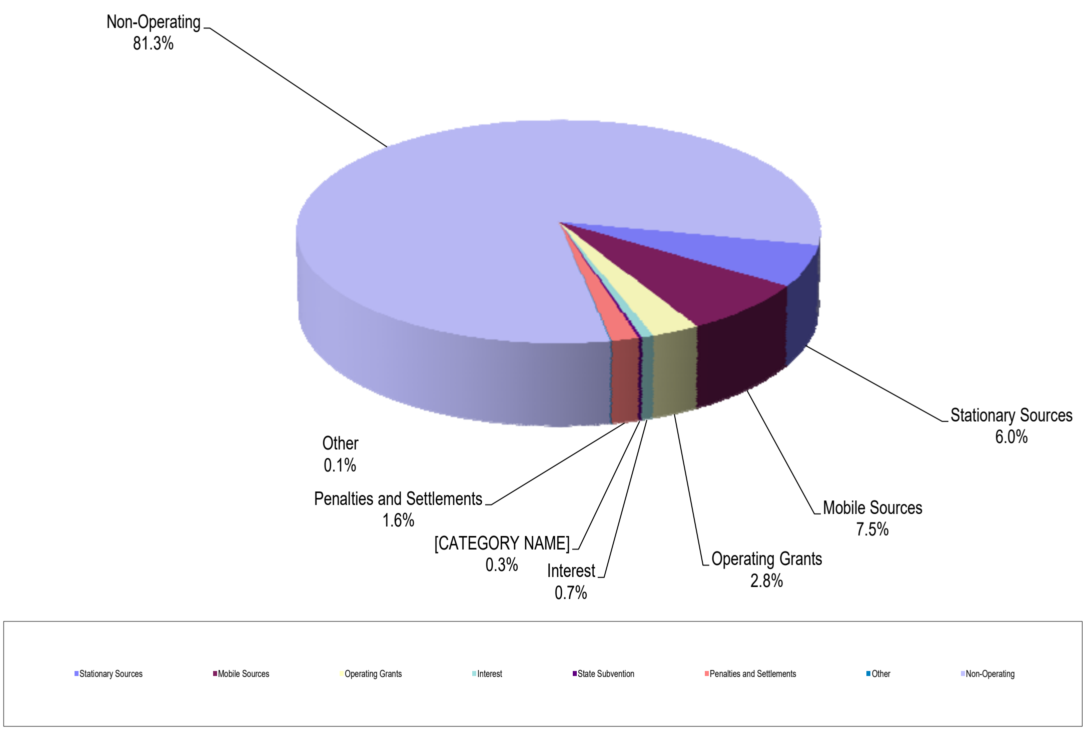
Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

REVENUES BY PROGRAM ACTIVITY
Last Ten Fiscal Years

Program Activity	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Stationary Sources	$ 24,767,656	$ 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
Mobile Sources	11,479,999	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
Operating Grants	2,034,170	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
Interest	919,905	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
State Subvention	923,280	916,805	916,425	916,151	929,057	936,250	947,052	957,169	967,016	968,160
Penalties and Settlements	3,895,600	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
Other	149,587	70,998	141,979	283,079	61,106	113,226	279,766	92,769	133,536	273,633
Non-Operating	58,848,227	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
Total Revenues	$ 103,018,424	$ 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

FY 21-22 REVENUES BY PROGRAM ACTIVITY



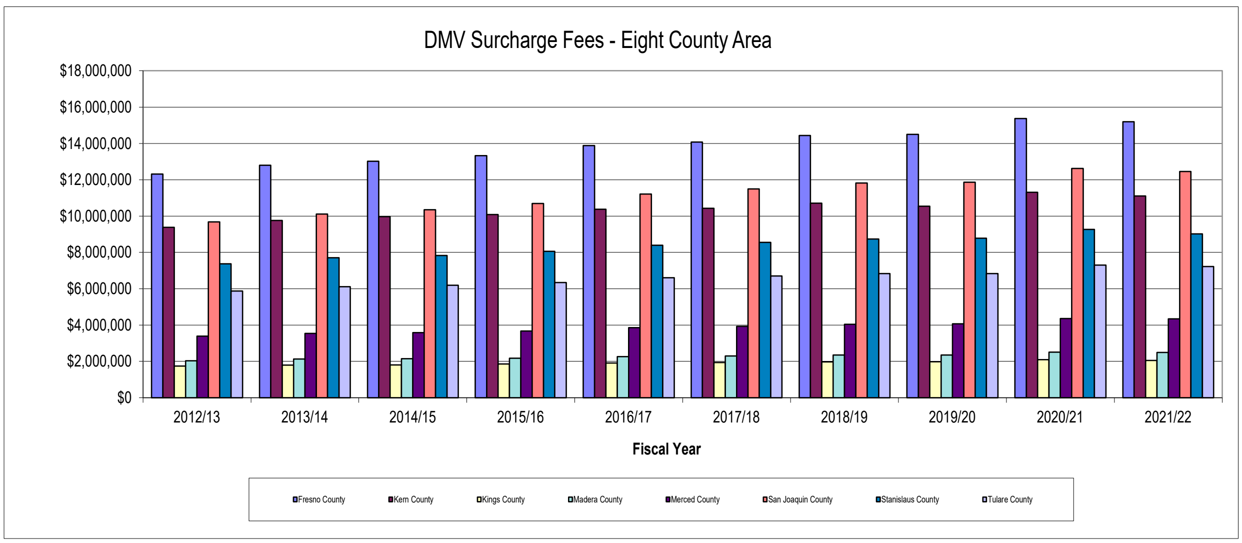
Notes: Other includes: Miscellaneous Revenue and Subscriptions

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
2012/13	12,305,801	9,378,758	1,739,277	2,043,700	3,389,954	9,674,703	7,370,208	5,873,046	51,775,447	34.23%
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%



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.

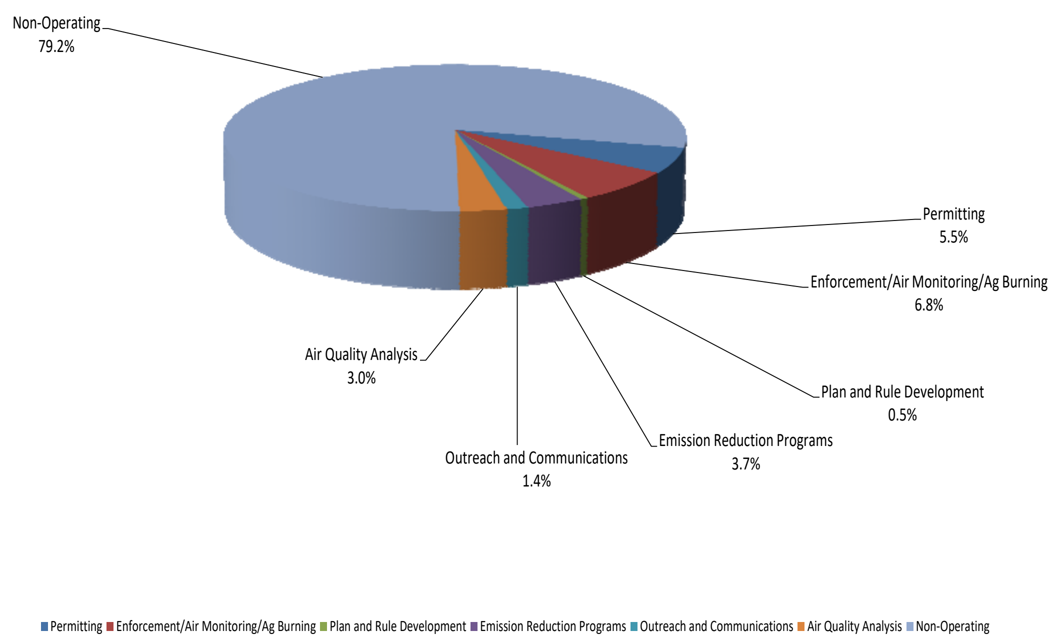
Source: California Department of Motor Vehicles

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

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

Program Activity	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Permitting	$ 14,222,479	$ 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
Enforcement/Air Monitoring/Ag Burning	12,112,312	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
Plan and Rule Development	1,539,504	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
Emission Reduction Programs	4,379,931	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
Outreach and Communications	2,324,962	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
Air Quality Analysis	3,096,749	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
Non-Operating	86,517,953	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
Total Expenses	$ 124,193,890	$ 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

FY 21-22 EXPENSES BY PROGRAM ACTIVITY
(Accrual Basis of Accounting)

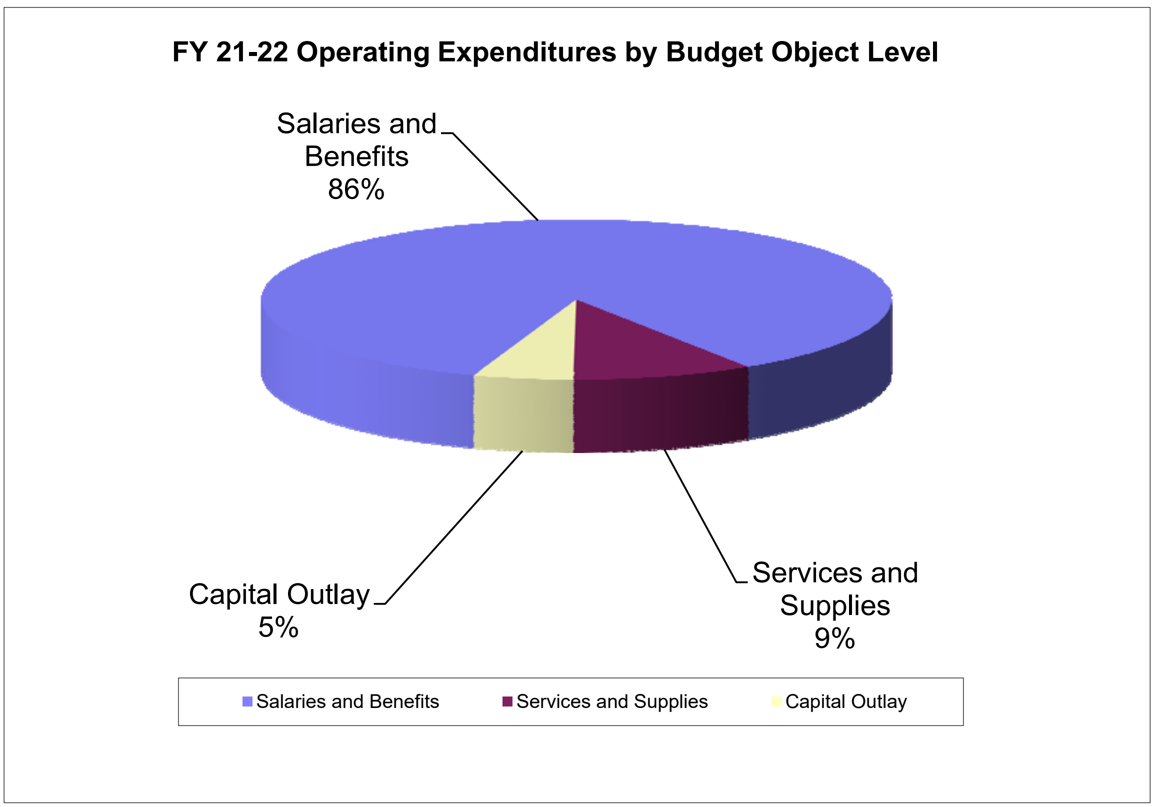


Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

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
2012/13	30,707,207	5,030,082	1,104,906	36,842,195
2013/14	32,039,781	5,201,603	1,385,826	38,627,210
2014/15	32,378,741	4,611,528	1,967,688	38,957,957
2015/16	33,582,733	4,514,604	1,670,870	39,768,207
2016/17	34,668,985	4,496,799	1,230,474	40,396,258
2017/18	36,396,633	4,469,687	4,546,283	45,412,603
2018/19	39,964,932	4,080,033	3,958,832	48,003,797
2019/20	43,323,215	4,534,297	2,846,243	50,703,755
2020/21	45,624,716	4,781,172	2,722,622	53,128,510
2021/22	48,996,337	5,329,525	2,936,747	57,262,609



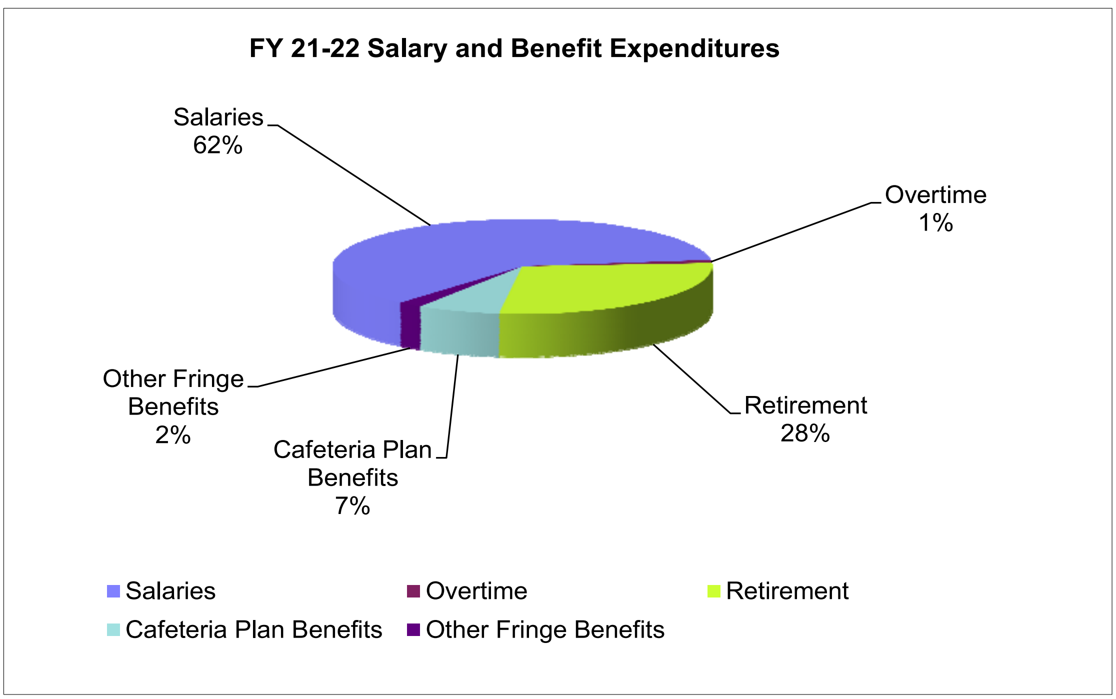
Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

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
2012/13	$ 19,516,057	$ 382,682	$ 7,604,832	$ 2,432,529	$ 771,107	$ 30,707,207
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

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.

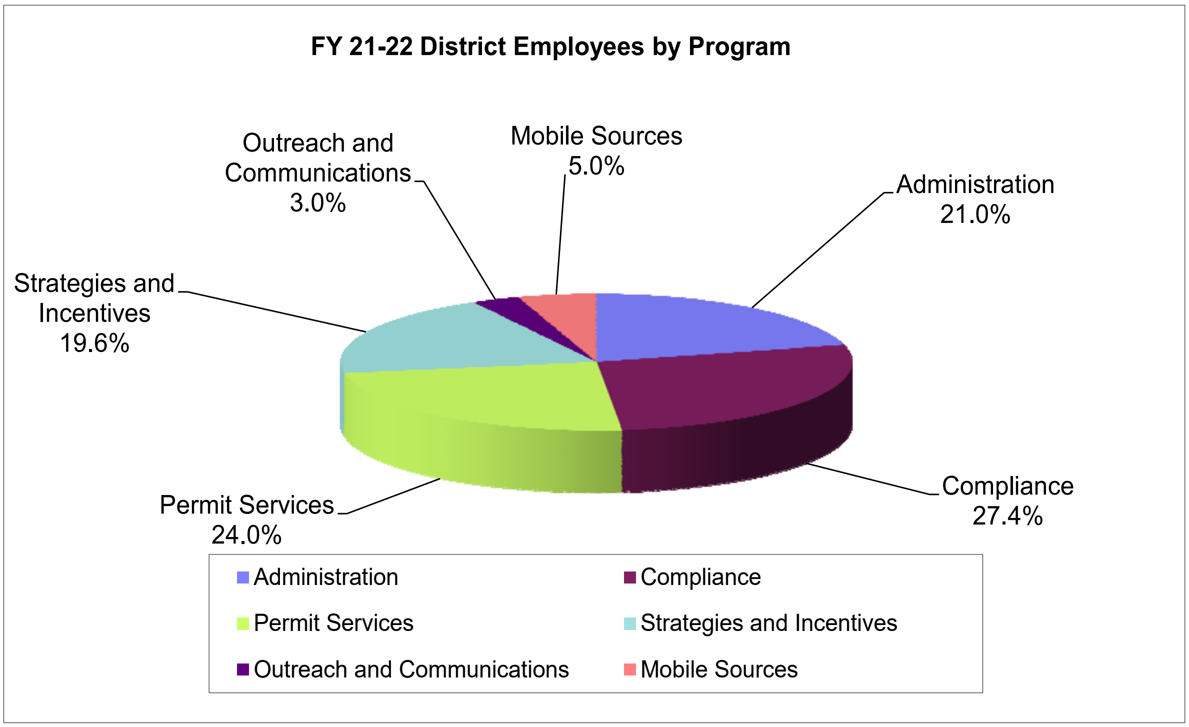


Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

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
2012/13	62	97	96	32	7	14	308
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



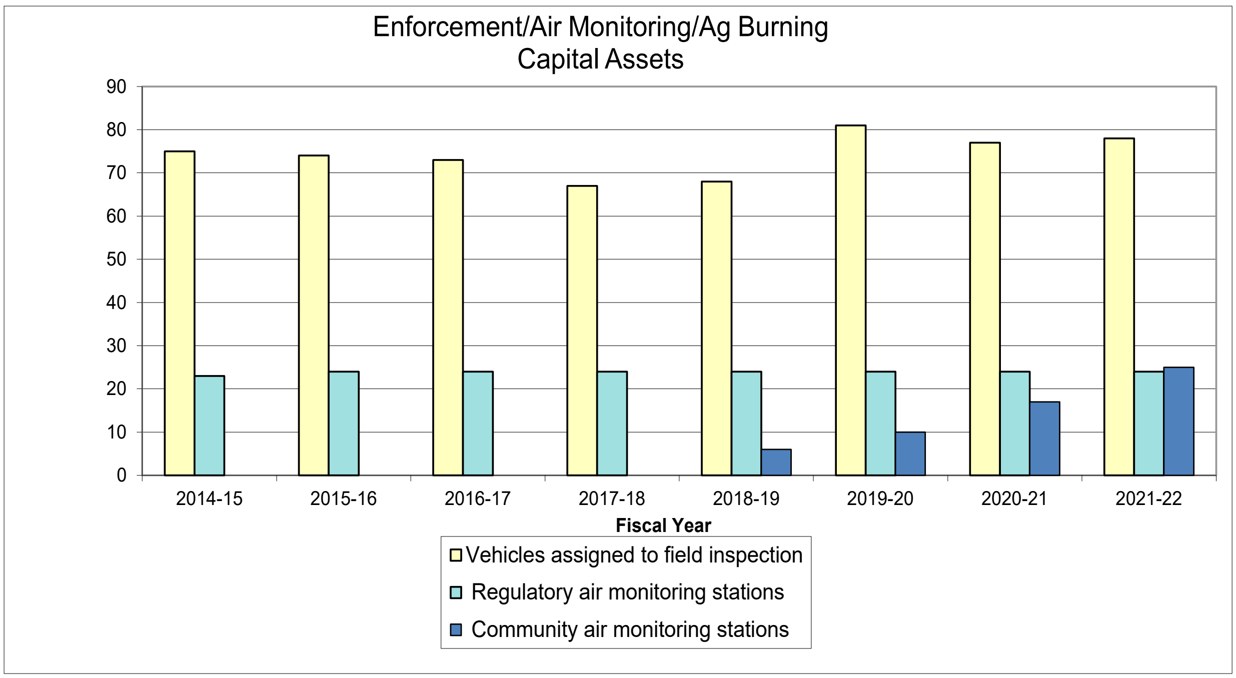
*District Adopted Budget

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	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Enforcement/Ag Burning								
Vehicles assigned to field inspection	75	74	73	67	68	81	77	78
Air Monitoring								
Regulatory air monitoring stations	23	24	24	24	24	24	24	24
Community air monitoring stations					6	10	17	25
Outreach and Communications								
Vehicles assigned to communications	1	1	1	1	1	1	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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Permitting										
Authority to construct permits issued	4,034	3,575	3,105	2,939	2,975	2,541	2,132	1,903	1,773	1,821
New permits to operate issued	133	127	48	59	30	2,226	2,364	10	189	64
New title V permits issued	2,586	214	201	27	320	55	10	965	11	8
Title V permit modifications	1,532	1,616	2,296	753	862	1,106	771	583	290	118
Conservation management practices plans issued	464	260	459	227	492	407	495	890	572	581
Emission reduction credit certificates issued or transferred	346	492	467	248	209	226	189	170	131	113
Toxic air contaminant risk-management reviews performed	987	853	876	686	678	809	697	714	744	807
Annual emissions inventory surveys processed	7,443	6,758	6,147	6,603	4,603	6,447	5,511	5,458	5,785	7,037
California environmental quality act review requests	1,475	1,769	1,796	1,807	2,560	2,568	3,125	2,682	2,293	1,998
Indirect source review applications processed	213	200	175	207	241	344	339	346	338	355
Enforcement/air monitoring/ag burning										
Permit units inspected	32,529	37,422	31,234	36,879	32,568	32,131	34,679	33,689	32,602	36,593
Public complaints investigated	2,759	3,379	3,376	2,719	2,891	3,297	3,007	3,382	3,474	2,890
Incentive funding units (trucks, engines) inspected	5,598	5,503	4,029	2,660	3,293	4,116	4,817	5,973	7,896	8,105
Notices of violation	2,560	2,810	2,457	2,297	2,069	2,909	2,833	2,818	2,796	2,882
Outreach and communications										
Media calls	211	250	201	195	188	191	204	94	149	160
Public calls	910	1,078	1,447	1,626	1,270	1,286	1,464	782	917	1,404
News releases	43	48	28	43	36	25	33	34	35	31
Events & presentations	51	77	52	81	84	65	125	53	36	51
Grants and Incentives										
Contracts awarded	4,906	6,008	8,619	7,512	7,717	7,746	10,117	14,249	15,745	16,276
Amount contracted	$107,648,690	$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

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

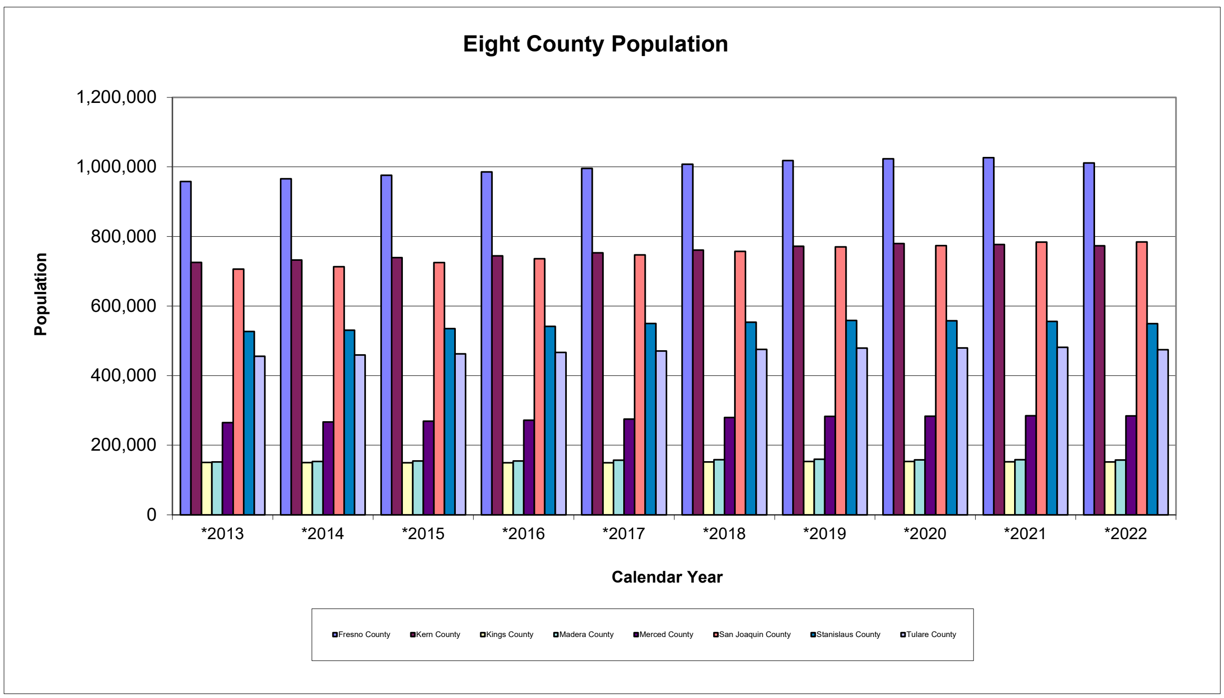
Source: San Joaquin Valley Unified Air Pollution Control District Audited Financial Statements

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
*2013	958,127	725,528	150,791	151,626	264,933	706,418	527,250	456,036	3,940,709	0.81%
*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%



* Estimated population

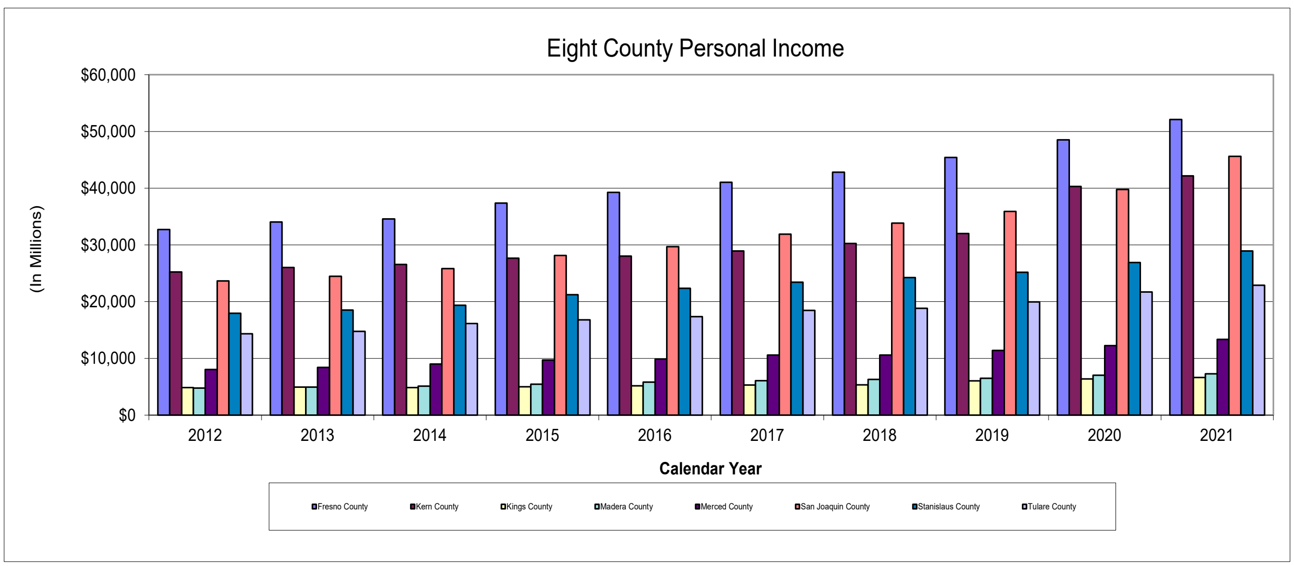
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

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
2012	32,729	25,251	4,833	4,770	8,039	23,683	17,957	14,343	$ 131,605	4.63%
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%



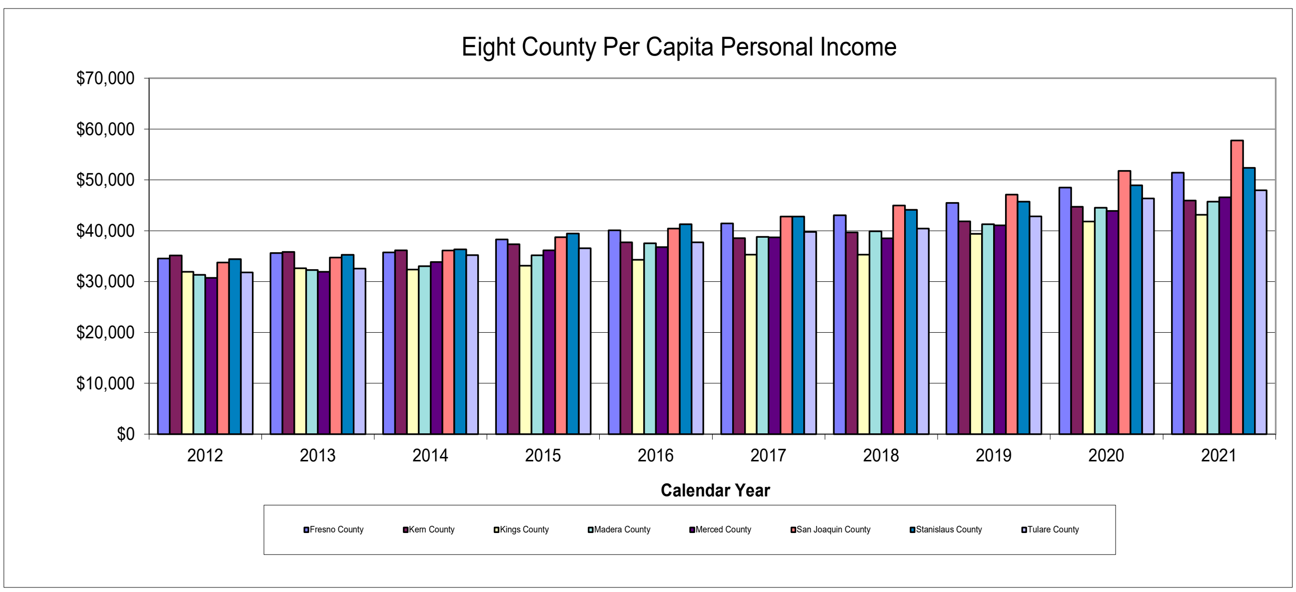
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

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
2012	34,539	35,139	31,926	31,334	30,726	33,777	34,437	31,801	32,960
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



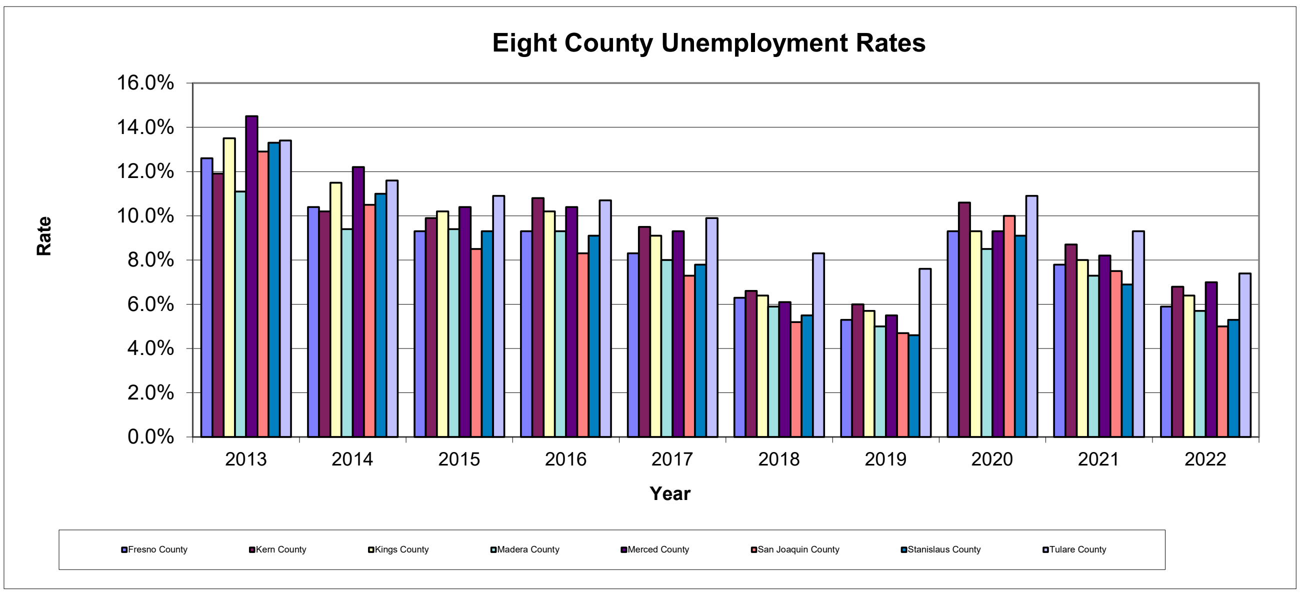
Notes: The San Joaquin Valley Unified Air Pollution Control District encompasses all of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties, and the valley portion of Kern County.

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
2013	12.6%	11.9%	13.5%	11.1%	14.5%	12.9%	13.3%	13.4%	12.9%
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%



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:	4,187,149 (2022 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:	3,338,810 (6/30/22) Estimate
Stationary Sources of Air Pollution	Oil Refineries, Oil Production Equipment, Power Regulated Plants, Manufacturing and Processing Facilities, Boilers and other Combustion Equipment, Emergency Generators, Paint Spray Booths, Service Stations, Agricultural Operations, and Dry Cleaners
Number of Sources:	Approximately 13,700 operating locations with more than 33,000 Permits to Operate and 6,200 Agricultural Conservation Management Practice Plans
Number of Air Monitoring Stations:	61, Combined sites among District, CARB, National Park Service, Tribal Nations
District Full-time Authorized Positions:	362.5
Adopted Fiscal Year 2022-23 Budget:	$635,371,517

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