

San Joaquin Valleywide Air Pollution STUDY AGENCY

Funding air quality research in Central California

Judith G. Case
Chair
Supervisor, Fresno County

Hub Walsh
Vice Chair
Supervisor, Merced County

Tony Barba
Supervisor, Kings County

David Couch
Supervisor, Kern County

Bob Elliott
Supervisor, San Joaquin County

William O'Brien
Supervisor, Stanislaus County

Tom Wheeler
Supervisor, Madera County

J. Steven Worthley
Supervisor, Tulare County

Administrative services
provided by:
**San Joaquin Valley Air
Pollution Control District**
1990 E. Gettysburg Avenue
Fresno, CA 93726
(559) 230-6000
Fax (559) 230-6061
www.valleyair.org

*Legal: Catherine T. Redmond
Financial: Cindi Hamm, C.P.A.*

San Joaquin Valleywide Air Pollution Study Agency

GOVERNING BOARD MEETING

Central Region Office, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA.

AGENDA

Thursday, January 16, 2014

9:00 a.m.

Meeting held via video teleconference (VTC) system with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield). Governing Board meetings are webcast.

All meeting attendees are advised that all pagers, cellular telephones and any other communication devices should be placed in silent mode to prevent interruptions in our Public Meeting proceedings.

Any member of the public may address the Governing Board during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of three minutes per speaker unless, for good cause, the Chair grants a longer period of time.

- The San Joaquin Valley Unified Air Pollution Control District Governing Board will meet **AFTER** this meeting.
- Please provide 15 copies of any information intended for use at Governing Board Meetings to the Clerk to the Board prior to the Meeting.
- To request special accommodations for those persons with disabilities please contact the Clerk to the Board at (559) 230-6000 at least 7 days prior to the meeting date.
- The Governing Board relies on the credibility of witnesses and the veracity of testimony on matters brought before this Board for action.
- Please print your name clearly on the Sign-in Sheet at the entrance.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF CONSENT CALENDAR – Item Numbers 7-9
These matters are routine in nature and are usually approved by a single vote. Prior to action by the Governing Board, the public will be given the opportunity to comment on any consent item.
4. PUBLIC COMMENT – *This time is made available for comments from the public on matters within the Board’s jurisdiction that are not on the Agenda. It is requested that no comments be made during this period on items on the Agenda. The public may make comments on each Board Agenda Item during the time allowed for public comment. Attention is called to the fact that the Board is prohibited by law from taking action on matters discussed that are not on the Agenda.*
5. GOVERNING BOARD MEMBER COMMENTS
6. OTHER BUSINESS

ADJOURN

CONSENT CALENDAR: ITEM NUMBERS (7 –9)

7. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY GOVERNING BOARD MEETING OF THURSDAY, DECEMBER 19, 2013
8. RECEIVE AND FILE FINANCIAL REPORTS FOR THE PERIOD ENDING DECEMBER 31, 2013
9. RECEIVE AND FILE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

San Joaquin Valleywide Air Pollution STUDY AGENCY

Funding air quality research in Central California

Judith G. Case

Chair
Supervisor, Fresno County

DATE: January 16, 2014

Hub Walsh

Vice Chair
Supervisor, Merced County

TO: SJVAPSA Governing Board

FROM: Michelle Franco, Deputy Clerk of the Boards

Tony Barba

Supervisor, Kings County

RE: **APPROVE ACTION SUMMARY MINUTES FOR THE
SAN JOAQUIN VALLEYWIDE AIR POLLUTION
STUDY AGENCY GOVERNING BOARD MEETING
OF THURSDAY, DECEMBER 19, 2013**

David Couch

Supervisor, Kern County

Bob Elliott

Supervisor, San Joaquin County

RECOMMENDATION:

William O'Brien

Supervisor, Stanislaus County

Approve the attached Action Summary Minutes for the San Joaquin Valleywide Air Pollution Study Agency Governing Board meeting of Thursday, December 19, 2013.

Tom Wheeler

Supervisor, Madera County

J. Steven Worthley

Supervisor, Tulare County

Administrative services

provided by:

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Pollution Control District**

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Attachments:

Action Summary Minutes for Thursday, December 19, 2013 (2 pages)

Action Summary Minutes
San Joaquin Valleywide Air Pollution Study Agency

GOVERNING BOARD MEETING

Central Region Office, Governing Board Room
1990 E. Gettysburg Avenue, Fresno, CA

Thursday, December 19, 2013
9:00 a.m.

Meeting held via teleconferencing (VTC) with the Central Region Office (Fresno), the Northern Region Office (Modesto) and the Southern Region Office (Bakersfield). This meeting was webcast.

1. CALL MEETING TO ORDER
The Chair, Supervisor Tony Barba, called the meeting to order at 9:02 a.m.
2. ROLL CALL was taken and a quorum was present.

Present:

Tony Barba, Supervisor, Chair	Kings County
William O'Brien, Supervisor	Stanislaus County
Tom Wheeler, Supervisor	Madera County
Hub Walsh, Supervisor, Vice Chair	Merced County
David Couch, Supervisor	Kern County
Judith Case, Supervisor	Fresno County
Bob Elliott, Supervisor,	San Joaquin County
J. Steven Worthley, Supervisor	Tulare County

3. ELECTION OF OFFICERS FOR 2014 – Seyed Sadredin, Executive Director/APCO stated in accordance with the Governing Board Officer Rotation Schedule the next Chairperson should be the representative from Merced County, Supervisor Walsh and the Vice Chairperson should be the representative from Fresno County, Supervisor Case.

Supervisor Case suggested reversing the roles due to the fact that she is leaving office at the end of 2014. Supervisor Walsh expressed support for this change to the rotation.

Public Comment: None

Moved: Wheeler
Seconded: Worthley
Ayes: Couch, Elliott, O'Brien, Walsh, Wheeler
Worthley, Barba
Nays: None
Abstentions: Case

Motion unanimously carried to approve Election of Officers for 2014 as Chair, Supervisor Case and Vice Chair, Supervisor Walsh.

4. APPROVAL OF CONSENT CALENDAR - Item numbers 8 - 9. *These matters are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public is given the opportunity to comment on any consent item.*
8. APPROVE ACTION SUMMARY MINUTES FOR THE SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY GOVERNING BOARD MEETING OF THURSDAY, JUNE 20, 2013
9. RECEIVE AND FILE FINANCIAL REPORTS FOR THE PERIOD ENDING NOVEMBER 30, 2013

Public Comment: None

Moved: Walsh
Seconded: Wheeler
Ayes: Case, Couch, Elliott, O'Brien, Walsh, Wheeler,
Worthley, Barba
Nays: None

Motion unanimously carried to approve Items 8 – 9 as recommended.

5. PUBLIC COMMENT – None
6. GOVERNING BOARD MEMBER COMMENTS – None
7. OTHER BUSINESS – None

Meeting adjourned at 9:07 a.m.

San Joaquin Valleywide Air Pollution STUDY AGENCY

Funding air quality research in Central California

Judith G. Case

Chair

Supervisor, Fresno County

DATE: January 16, 2014

Hub Walsh

Vice Chair

Supervisor, Merced County

TO: SJVAPSA Governing Board

FROM: Mehri Barati, Director of Administrative Services

Tony Barba

Supervisor, Kings County

RE: **RECEIVE AND FILE FINANCIAL REPORTS FOR
THE PERIOD ENDING DECEMBER 31, 2013**

David Couch

Supervisor, Kern County

RECOMMENDATION:

Bob Elliott

Supervisor, San Joaquin County

Receive and file financial reports for the period ending
December 31, 2013.

William O'Brien

Supervisor, Stanislaus County

Tom Wheeler

Supervisor, Madera County

DISCUSSION:

J. Steven Worthley

Supervisor, Tulare County

The following reports summarize the financial status of the Study
Agency funds for the period ending December 31, 2013.

Administrative services

provided by:

San Joaquin Valley Air

Pollution Control District

1990 E. Gettysburg Avenue

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(559) 230-6000

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Legal: Annette Ballatore-

Williamson

Financial: Mehri Barati, C.P.A.

Attachments:

Attachment A: Financial Reports (12 pages)

**SAN JOAQUIN VALLEY WIDE AIR POLLUTION STUDY AGENCY
BUDGET STATUS REPORT - FISCAL YEAR 2013/14**

PM STUDY FUND

Month Ending December 31, 2013

(50% of the Year Completed)

	Adopted	Adjusted	Actuals	Encumbrances	(Over) /Under	% Collected /Used
REVENUE / FUNDING SOURCES						
Fund Balance Available	\$ 393,996	\$ 393,996	\$ 414,457		\$ (20,461)	105%
Projected Revenue:						
Contributions	82,504	82,504	-		82,504	0%
Interest	5,000	5,000	1,466		3,534	29%
Total Revenue	<u>87,504</u>	<u>87,504</u>	<u>1,466</u>		<u>86,038</u>	<u>2%</u>
TOTAL REVENUE/ FUNDING SOURCES	<u>\$ 481,500</u>	<u>\$ 481,500</u>	<u>\$ 415,922</u>		<u>\$ 65,578</u>	<u>86%</u>
APPROPRIATIONS						
Operating Costs:						
Services and Supplies						
Professional and Specialized Services	362,713	362,713	\$ 37,672	\$ 299,962	\$ 25,079	93%
Equipment Maintenance	-	-	-	-	-	0%
Auditing Services	-	-	-	-	-	0%
Insurance	-	-	-	-	-	0%
Special Agency Expense	26,071	26,071	-	26,071	-	100%
Total Services and Supplies	<u>388,784</u>	<u>388,784</u>	<u>37,672</u>	<u>326,033</u>	<u>25,079</u>	<u>94%</u>
Equipment						
Computer Equipment	25,000	25,000	-	-	25,000	0%
Office Furniture & Equipment	-	-	-	-	-	0%
Total Equipment	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>0%</u>
Total Operating Costs	413,784	413,784	37,672	326,033	50,079	88%
TOTAL APPROPRIATIONS	<u>\$ 413,784</u>	<u>\$ 413,784</u>	<u>\$ 37,672</u>	<u>\$ 326,033</u>	<u>\$ 50,079</u>	<u>88%</u>
Ending Fund Balance	\$ 67,716	\$ 67,716	\$ 378,250			
Reserve for Future Audits and Administrative Expenditures	20,000	20,000	-	-	-	0%
Ending Unreserved Fund Balance	<u>\$ 47,716</u>	<u>\$ 47,716</u>	<u>\$ 378,250</u>			

PM Study Fund
Financial Report
For the Period Ending December 31, 2013

Cash Balance at 11/30/13 **\$ 378,250.04**

Plus:	Revenue deposited during month:	
	Interest	-
	Contributions	-
	Total Interest and Contributions	

Less:	Expenditures paid during month:	
	Contracts	-
	Total Expenditures	

Cash Balance at 12/31/13 **\$ 378,250.04**

Plus:	Binding Commitments	
	CDFA Agreement No. 09-0829	37,915.61

Less:	Outstanding Encumbrances	(326,032.87)
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CASH AND COMMITMENTS AVAILABLE AT 12/31/13	\$ 90,132.78
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PM Study Fund Financial Recap

From Inception Through the Period Ending December 31, 2013

REVENUES:

Contributions	\$ 23,358,663.65
Interest Allocated	3,579,777.65
EPA 105 interest payments	(858,922.93)
Total Revenues to Date	<u>\$ 26,079,518.37</u>

EXPENDITURES:

Contract Expenditures	\$ 25,624,163.00
Insurance	18,480.00
Software license	9,681.35
Transfer funds to SJVUAPCD	48,471.49
Other Expenditures	472.49
Total Expenditures to Date	<u>\$ 25,701,268.33</u>

Cash Balance at Month End	<u><u>\$ 378,250.04</u></u>
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PM Study Fund
Expenditure Summary by Contract
For the Period Ending December 31, 2013

<u>Contract Number/Name</u>		<u>Total Invoice</u>	<u>10% Retention</u>	<u>Amount Paid</u>	<u>Encumbrances</u>	<u>Outstanding Encumbrances</u>
Summary of Outstanding Encumbrances:						
00-5	The Regents of the University of California	\$ 1,250,541.89	\$ (74,465.51)	\$ 1,176,076.38	\$ 1,260,973.00	\$ 84,896.62
09-1	US Dept of Agriculture, AG Research Service	81,000.00	(8,100.00)	72,900.00	81,000.00	8,100.00
09-2	The Regents of the Univ of Ca at Los Angeles	212,908.19	(21,290.82)	191,617.37	250,000.00	58,382.63
11-1	Texas A&M University, Texas Agrilife Research	33,782.60		33,782.60	37,500.00	3,717.40
11-2	Winegar Air Sciences	192,902.22	(12,164.78)	180,737.44	222,200.00	41,462.56
11-22	Science Applications International Corporation	162,760.21	(16,276.03)	146,484.18	249,887.00	103,402.82
12-1	UC Regents - Lawrence Berkeley National Lab Publications and Symposium	79,366.85	20,633.15	100,000.00	100,000.00	
		11,929.16		11,929.16	38,000.00	26,070.84
Subtotals - Outstanding Encumbrances		<u>\$ 2,025,191.12</u>	<u>\$ (111,663.99)</u>	<u>\$ 1,913,527.13</u>	<u>\$ 2,239,560.00</u>	<u>\$ 326,032.87</u>
Summary of Closed Contracts:						
92-1	Philip Roth	1,057,956.64		1,057,956.64	1,057,956.64	
93-2	Alpine Geophysics	545,954.29		545,954.29	545,954.29	
94-1	Sonoma Technology, Inc.	199,895.17		199,895.17	199,895.17	
95-1	Sonoma Technology, Inc.	388,781.08		388,781.08	388,781.08	
95-2	Sonoma Technology, Inc.	423,058.18		423,058.18	423,058.18	
95-3	John Ondov	14,230.00		14,230.00	14,230.00	
95-4	Florida International University	14,541.37		14,541.37	14,541.37	
95-6	Desert Research Institute	11,164.76		11,164.76	11,164.76	
95-7	ICF Kaiser Systems Applications Int.	305,613.07		305,613.07	305,613.07	
95-8	Desert Research Institute	915,843.00		915,843.00	915,843.00	
95-9	Sonoma Technology, Inc.	476,448.78		476,448.78	476,448.78	
95-10	Sonoma Technology, Inc.	134,995.98		134,995.98	134,995.98	
95-11	Sonoma Technology, Inc.	249,999.99		249,999.99	249,999.99	
95-12	Aerovironment, Inc.	101,861.84		101,861.84	101,861.84	
96-1	Dr. Spyros Pandis	5,000.00		5,000.00	5,000.00	
97-1	Dr. Charles Blanchard	59,853.03		59,853.03	59,853.03	
97-2	Regents of the UC, Riverside	19,442.01		19,442.01	19,442.01	
97-3	Technical & Business Systems, Inc.	48,450.00		48,450.00	48,450.00	
97-4	Sonoma Technology, Inc.	222,870.00		222,870.00	222,870.00	
97-5	ICF Kaiser, Systems Application, Inc.	39,927.84		39,927.84	39,927.84	
97-6	California Institute of Technology	35,215.60		35,215.60	35,215.60	
97-7	ENSR Consulting and Engineering	55,359.72		55,359.72	55,359.72	
97-8	Philip M. Roth	10,325.90		10,325.90	10,325.90	
98-1	RJ Lee Group	150,000.00		150,000.00	150,000.00	
98-2	ENSR Consulting and Engineering	1,744,217.00		1,744,217.00	1,744,217.00	
98-3	Florida International University	49,208.79		49,208.79	49,208.79	
98-4	Board of Regents & Community College	54,000.00		54,000.00	54,000.00	
98-5	The Regents of the University of California	50,007.00		50,007.00	50,007.00	
98-6	AVES, an Affiliate of ATC Associates, Inc.	139,548.50		139,548.50	139,548.50	
98-7	Ag. Research Service, U.S. Dept of Ag.	50,000.00		50,000.00	50,000.00	
98-9	Brd of Regents & Comm. College of Nevada	14,997.65		14,997.65	14,997.65	
99-1	Brd of Regents & Comm. College of Nevada	2,110,478.01		2,110,478.01	2,110,478.01	
99-2	Sonoma Technology, Inc.	3,213,972.28		3,213,972.28	3,213,972.28	
99-4	National Oceanic and Atmospheric Admin	1,714,800.00		1,714,800.00	1,714,800.00	
99-3	Technical & Business Systems, Inc.	1,418,525.79		1,418,525.79	1,418,525.79	
99-5	Rohn Industries, Inc.	294,955.00		294,955.00	294,955.00	
99-6	Oregon Health and Science University	233,137.00		233,137.00	233,137.00	
99-7	Brd of Regents & Comm. College of Nevada	511,803.14		511,803.14	511,803.14	
99-8	Sonoma Technology, Inc.	299,060.99		299,060.99	299,060.99	
99-9	The Regents of the UC, Riverside	349,098.32		349,098.32	349,098.32	
99-10	Brd of Regents & Comm. College of Nevada	80,568.00		80,568.00	80,568.00	
99-11	Technical & Business Systems, Inc.	38,388.00		38,388.00	38,388.00	
99-12	Parsons Engineering Science	224,468.11		224,468.11	224,468.11	
99-13	Northwest Research Associates	17,188.08		17,188.08	17,188.08	
00-2	Capital Dataworks	470,137.68		470,137.68	470,137.68	
00-4	The Regents of the UC, Davis	599,998.62		599,998.62	599,998.62	
00-6	Colorado State University	370,066.00		370,066.00	370,066.00	
00-7	ENVIRON International Corporation	95,613.76		95,613.76	95,613.76	
00-8	The Regents of the University of California	46,750.00		46,750.00	46,750.00	
00-9	The Regents of the University of Ca, Riverside	106,783.00		106,783.00	106,783.00	
02-1	Tracer Env. Science & Technologies, Inc.	58,829.74		58,829.74	58,829.74	
02-2	Aerosol Dynamics, Inc.	66,682.00		66,682.00	66,682.00	
02-3	Atmospheric and Env. Research, Inc.	24,416.00		24,416.00	24,416.00	
02-4	ENSR International	73,556.72		73,556.72	73,556.72	
02-5	Sonoma Technology, Inc.	568,747.99		568,747.99	568,747.99	
02-6	Technical & Business Systems, Inc.	112,570.00		112,570.00	112,570.00	
02-7	The Regents of the University of California	37,078.00		37,078.00	37,078.00	
04-1	Steven D. Reynolds					
04-2	Sonoma Technology, Inc.	124,948.00	(12,494.83)	112,453.17	112,453.17	
04-3	Atmospheric and Env. Research, Inc.	174,138.00		174,138.00	174,138.00	
11-3	Transystems Corporation	65,962.97		65,962.97	65,962.97	
11-4	Providence Engineering Group, LLC	170,372.06		170,372.06	170,372.06	
11-10	Desert Research Institute, NSHE	99,999.00		99,999.00	99,999.00	
13-1	California State University, Fresno	20,000.00		20,000.00	20,000.00	
	97 McGuiness & Williams	76,961.40		76,961.40	76,961.40	
	98 McGuiness & Williams	75,293.75		75,293.75	75,293.75	
	99 McGuiness & Williams	60,005.41		60,005.41	60,005.41	
	Winter Methods Evaluation Study	31,249.01		31,249.01	31,249.01	
	Workshop Expenses (Airborne PM)	20,522.98		20,522.98	20,522.98	
	Deloitte & Touche, LLP	20,700.00		20,700.00	20,700.00	
	White Ranch Land Company, LLC	25,000.00		25,000.00	25,000.00	
	CalAve Partners	27,667.18		27,667.18	27,667.18	
	Emergency Purchases for CRPMAQS	50,874.00		50,874.00	50,874.00	
	AAAR Symposium funding from PM Study	5,000.00		5,000.00	5,000.00	
	Brown and Armstrong, CPA's	31,795.00		31,795.00	31,795.00	
	ARB Computer Equipment	478,437.78		478,437.78	478,437.78	
	Sites, Leases and Equipment for CRPMAQS	1,437,764.74		1,437,764.74	1,437,764.74	
Subtotals - Closed Contracts		<u>\$ 23,723,130.70</u>	<u>\$ (12,494.83)</u>	<u>\$ 23,710,635.87</u>	<u>\$ 23,710,635.87</u>	<u>\$ -</u>
Totals - PM Study Fund		<u>\$ 25,748,321.82</u>	<u>\$ (124,158.82)</u>	<u>\$ 25,624,163.00</u>	<u>\$ 25,950,195.87</u>	<u>\$ 326,032.87</u>

**SAN JOAQUIN VALLEY WIDE AIR POLLUTION STUDY AGENCY
BUDGET STATUS REPORT - FISCAL YEAR 2013/14**

CCOS FUND

Month Ending December 31, 2013

(50% of the Year Completed)

	Adopted	Adjusted	Actuals	Encumbrances	(Over) /Under	% Collected /Used
REVENUE / FUNDING SOURCES						
Fund Balance Available	\$ 313,594	\$ 313,594	\$ 314,595		\$ (1,001)	100%
Projected Revenue:						
Contributions	10,000	10,000	-		10,000	0%
Interest	4,000	4,000	1,150		2,850	29%
Total Revenue	<u>14,000</u>	<u>14,000</u>	<u>1,150</u>		<u>12,850</u>	<u>8%</u>
TOTAL REVENUE/ FUNDING SOURCES	<u>\$ 327,594</u>	<u>\$ 327,594</u>	<u>\$ 315,745</u>		<u>\$ 11,849</u>	<u>96%</u>
APPROPRIATIONS						
Operating Costs:						
Services and Supplies						
Professional and Specialized Services	\$ 191,049	\$ 191,049	\$ 36,534	\$ 64,513	\$ 90,002	53%
Equipment Maintenance	38,837	38,837	-	38,836	1	100%
Auditing Services	14,664	14,664	1,467	13,197	0	100%
Insurance	5,000	5,000	-	-	5,000	0%
Special Agency Expense	-	-	-	-	-	0%
Total Services and Supplies	<u>249,550</u>	<u>249,550</u>	<u>38,001</u>	<u>116,546</u>	<u>95,003</u>	<u>62%</u>
Equipment						
Computer Equipment	58,982	58,982	8,127	855	50,000	15%
Office Furniture & Equipment	203	203	-	203	0	100%
Total Equipment	<u>59,185</u>	<u>59,185</u>	<u>8,127</u>	<u>1,058</u>	<u>50,000</u>	<u>16%</u>
Total Operating Costs	308,735	308,735	46,128	117,604	145,003	53%
TOTAL APPROPRIATIONS	<u>\$ 308,735</u>	<u>\$ 308,735</u>	<u>\$ 46,128</u>	<u>\$ 117,604</u>	<u>\$ 145,003</u>	<u>53%</u>
Ending Fund Balance	\$ 18,859	\$ 18,859	\$ 269,617			
Reserve for Future Audits and Administrative Expenditures	15,000	15,000	-	-	-	0%
Ending Unreserved Fund Balance	<u>\$ 3,859</u>	<u>\$ 3,859</u>	<u>\$ 269,617</u>			

CCOS Fund
Financial Report
For the Period Ending December 31, 2013

Cash Balance at 11/30/13		\$ 271,084.06
Plus: Revenue deposited during month		
Interest	-	
Contributions	-	
Total Interest and Contributions	-	-
Less: Expenditures paid during month:		
Contracts	(1,467.00)	
Total Expenditures	(1,467.00)	(1,467.00)
Cash Balance at 12/31/13		\$ 269,617.06
Plus: Binding Commitments		-
Less: Outstanding Encumbrances		(117,603.89)
CASH AND COMMITMENTS AVAILABLE AT 12/31/13		\$ 152,013.17

CCOS Fund Financial Recap

From Inception Through the Period Ending December 31, 2013

REVENUES:

Contributions *	\$ 15,409,884.84
Interest Allocated	1,130,575.58
Total Revenues to Date	16,540,460.42

EXPENDITURES:

Contract Expenditures	15,938,843.36
Transfer to PM Study	332,000.00
Total Expenditures to Date	16,270,843.36

Cash Balance at Month End	\$ 269,617.06
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Schedule of Contributors

<u>Contributors</u>	<u>Amount</u>
Alameda County Waste Management Authority	\$ 15,000.00
Bay Area Air Quality Management District	1,245,000.00
California Air Resources Board	6,364,800.00
California Apple Commission	500.00
California Cotton Ginners And Growers Association	4,000.00
California Department of Food & Agriculture	60,744.26
California Energy Commission (through ARB)	2,573,864.00
California Farm Bureau Federation	15,500.00
California Grape & Tree Fruit League	500.00
California Independent Petroleum Association	1,000.00
Community Alliance for Responsible Env. Stewardship	142,524.00
County of San Luis Obispo	16,000.00
Environmental Protection Agency (through ARB)	1,378,000.00
Greater Madera County Industrial Association	1,000.00
Guardian Industries Corporation	1,000.00
GWF Energy LLC	5,000.00
Insight Environmental Consultants	1,000.00
Kern County Farm Bureau	500.00
Kern Oil & Refining Company	1,000.00
Mendocino County Air Quality Management District	30,000.00
Merced County Regional Waste Management Authority	5,000.00
Miscellaneous Refunds	83.38
Nisei Farmers League	16,200.00
Sacramento Metropolitan Air Quality Management District	229,833.00
San Joaquin Valley Unified Air Pollution Control District	2,181,081.00
San Luis Obispo County Air Pollution Control District	30,000.00
Southern California Gas Company	5,000.00
Transfer from SARMAP Fund	660,755.20
- Pacific Gas and Electric Company Share - \$ 266,905.11	
- Electric Power Research Institute Share - \$ 168,492.59	
Western States Petroleum Association	415,000.00
Yolo-Solano Air Quality Management District	10,000.00
Total Contributions	\$ 15,409,884.84

CCOS Fund
Expenditure Summary by Contract
For the Period Ending December 31, 2013

<u>Contract Number/Name</u>	<u>Total Invoice</u>	<u>10% Retention</u>	<u>Amount Paid</u>	<u>Encumbrances</u>	<u>Outstanding Encumbrances</u>
Summary of Outstanding Encumbrances:					
04-5 Steven D. Reynolds	241,680.73		241,680.73	252,425.00	10,744.27
10-2 Steven D. Reynolds	260,337.54		260,337.54	312,500.00	52,162.46
11-2 Sierra Research, Inc.	335,476.64		335,476.64	337,083.00	1,606.36
Computer Equipment Purchases	529,144.89		529,144.89	530,000.00	855.11
Equipment Account	1,413,163.98		1,413,163.98	1,452,000.00	38,836.02
Facilities & Equipment	134,797.20		134,797.20	135,000.00	202.80
PEER Review Account	57,586.13		57,586.13	65,000.00	7,413.87
Price Paige & Company Accountancy Corp	19,080.00	(163.00)	18,917.00	24,700.00	5,783.00
Subtotals - Outstanding Encumbrances	\$ 2,991,267.11	\$ (163.00)	\$ 2,991,104.11	\$ 3,108,708.00	\$ 117,603.89
Summary of Closed Contracts:					
99-2 Philip M. Roth	\$ 49,163.15		\$ 49,163.15	\$ 49,163.15	
00-1 National Oceanic and Atmospheric Admin	564,147.03		564,147.03	564,147.03	
00-2 National Oceanic and Atmospheric Admin	122,592.34		122,592.34	122,592.34	
00-3 Sonoma Technology, Inc.	425,000.00		425,000.00	425,000.00	
00-4 Technical & Business Systems, Inc.	195,092.79		195,092.79	195,092.79	
00-5 Sonoma Technology, Inc.	483,149.99		483,149.99	483,149.99	
00-6 The Regents of the UC, Riverside	288,000.00		288,000.00	288,000.00	
00-7 Biospherics Research Corporation	266,783.25		266,783.25	266,783.25	
00-8 ENSR Consulting and Engineering, Inc.	256,658.55		256,658.55	256,658.55	
00-9 Brd of Regents & Comm. College of NV, DRI	419,187.00		419,187.00	419,187.00	
00-10 Brd of Regents & Comm. College of NV, DRI	323,517.48		323,517.48	323,517.48	
00-11 Brd of Regents & Comm. College of NV, DRI	600,747.45		600,747.45	600,747.45	
00-12 Technical & Business Systems, Inc.	77,438.13		77,438.13	77,438.13	
00-13 The Regents of the UC, Riverside	62,916.00		62,916.00	62,916.00	
00-14 The Regents of the UC, Berkeley	127,000.00		127,000.00	127,000.00	
00-15 Pacific Gas & Electric	19,800.00		19,800.00	19,800.00	
00-16 The Regents of the University of California	80,000.00		80,000.00	80,000.00	
00-17 Tennessee Valley Authority	253,279.83		253,279.83	253,279.83	
00-18 Atmospheric & Environmental Research, Inc.	19,800.00		19,800.00	19,800.00	
00-19 Parsons Engineering Science, Inc.	199,963.70		199,963.70	199,963.70	
00-20 AtmAA, Inc.	284,695.76		284,695.76	284,695.76	
00-21 Brd of Regents & Comm. College of NV, DRI	175,857.67		175,857.67	175,857.67	
00-22 The Regents of the UC, Davis	36,491.08		36,491.08	36,491.08	
00-23 Twin Otter International	54,756.84		54,756.84	54,756.84	
00-24 Sonoma Technology, Inc.	229,833.00		229,833.00	229,833.00	
00-27 Technical & Business Systems, Inc.	254,396.75		254,396.75	254,396.75	
00-28 The Regents of the UC, Riverside	29,212.43		29,212.43	29,212.43	
00-29 Lewis Potter	750.00		750.00	750.00	
00-30 Eight Laser Systems GmbH	11,000.00		11,000.00	11,000.00	
00-31 The Regents of the UC, Davis	7,700.00		7,700.00	7,700.00	
01-1 Electric Power Research Institute	143,000.00		143,000.00	143,000.00	
01-2 Technical & Business Systems, Inc.	269,878.29		269,878.29	269,878.29	
01-3 The Regents of the University of California	122,714.27		122,714.27	122,714.27	
02-1 Atmospheric, Met. and Environmental Tech., LLC.				-	
02-2 The Regents of the UC, Riverside	140,000.00	(14,000.00)	126,000.00	126,000.00	
02-3 Capital Dataworks	529,293.09		529,293.09	529,293.09	
02-4 The Regents of the UC, Davis	7,938.27		7,938.27	7,938.27	
02-5 Environ International Corporation	15,000.00		15,000.00	15,000.00	
03-1 Alpine Geophysics, LLC	139,988.64		139,988.64	139,988.64	
04-1 The Regents of the UC, Berkeley	305,105.12	(6,526.37)	298,578.75	298,578.75	
04-2 Alpine Geophysics, LLC	39,989.24		39,989.24	39,989.24	
04-3 The Regents of the UC, Davis	55,995.11		55,995.11	55,995.11	
04-4 U.S. Department of Commerce, NOAA (8/19/2005)	249,392.91		249,392.91	249,392.91	
04-6 Innovative Solutions, Inc.				-	
05-1 Sonoma Technologies, Inc.	195,319.00		195,319.00	195,319.00	
05-2 Sonoma Technologies, Inc.	148,910.00	(14,891.00)	134,019.00	134,019.00	
05-3 Sonoma Technologies, Inc.	224,999.95		224,999.95	224,999.95	
05-4 The Georgia Tech Research Corp	276,755.53		276,755.53	276,755.53	
05-5 CE Schmidt	252,524.00		252,524.00	252,524.00	
05-6 Charles L. Blanchard	210,074.51		210,074.51	210,074.51	
06-1 The Regents of the UC, Davis	149,984.60		149,984.60	149,984.60	
06-2 Sonoma Technologies, Inc.	144,127.57		144,127.57	144,127.57	
08-1 CE Schmidt, PH.D.	158,406.04		158,406.04	158,406.04	
09-1 San Diego University Research Foundation	198,315.77		198,315.77	198,315.77	
09-2 Technical and Business Systems, Inc.	299,846.22	(0.37)	299,845.85	299,845.85	
09-3 The Regents of the UC, Davis	120,000.00		120,000.00	120,000.00	
10-1 The University of Miami	236,922.83		236,922.83	236,922.83	
11-1 Providence Engineering Group, LLC	149,510.00	(0.01)	149,509.99	149,509.99	
11-3 URS Corporation	215,400.99		215,400.99	215,400.99	
11-4 Regents of the University of California	48,569.33		48,569.33	48,569.33	
11-6 Providence Engineering Group, LLC	99,860.00		99,860.00	99,860.00	
11-8 Charles L. Blanchard, Ph.D.	111,613.80		111,613.80	111,613.80	
11-15 Select Group, Inc.	57,120.00		57,120.00	57,120.00	
12-01 Association of Compost Producers	92,000.00		92,000.00	92,000.00	
12-02 Leva Energy, Inc.	107,951.45		107,951.45	107,951.45	
2000 - 2007 McGuinness, Norris & Williams	576,051.75		576,051.75	576,051.75	
2007 Stiff, Cerda & Lake	12,551.13		12,551.13	12,551.13	
ARB funding from CCOS				-	
Audit FY05 - FY08 Brown & Armstrong Accountancy	28,620.00		28,620.00	28,620.00	
CCOS Computer Account	281,043.42		281,043.42	281,043.42	
Macias, Gini & Company, LLP	6,258.00		6,258.00	6,258.00	
National Aeronautics & Space Administration, NASA	93,906.00		93,906.00	93,906.00	
Publications and Conference Account	10,000.00		10,000.00	10,000.00	
Publicity Event	5,289.95		5,289.95	5,289.95	
U.S. Department of Commerce, NOAA	534,000.00		534,000.00	534,000.00	
Subtotals - Closed Contracts	\$12,983,157.00	(\$35,417.75)	\$12,947,739.25	\$12,947,739.25	\$ -
Totals - CCOS Fund	\$ 15,974,424.11	\$ (35,580.75)	\$ 15,938,843.36	\$ 16,056,447.25	\$ 117,603.89

**SAN JOAQUIN VALLEY WIDE AIR POLLUTION STUDY AGENCY
BUDGET STATUS REPORT - FISCAL YEAR 2013/14**

AG RESEARCH FUND

Month Ending December 31, 2013

(50% of the Year Completed)

	Adopted	Adjusted	Actuals	Encumbrances	(Over) /Under	% Collected /Used
REVENUE / FUNDING SOURCES						
Fund Balance Available	\$ 47,596	\$ 47,596	\$ 47,704		\$ (108)	100%
Projected Revenue:						
Contributions	-	-	-		-	0%
Interest	700	700	170		530	24%
Total Revenue	<u>700</u>	<u>700</u>	<u>170</u>		<u>530</u>	<u>24%</u>
TOTAL REVENUE/ FUNDING SOURCES	<u>\$ 48,296</u>	<u>\$ 48,296</u>	<u>\$ 47,875</u>		<u>\$ 421</u>	<u>99%</u>
APPROPRIATIONS						
Operating Costs:						
Services and Supplies						
Professional and Specialized Services	14,140	14,140	\$ 11,301	\$ 2,838	\$ 1	100%
Equipment Maintenance	-	-	-	-	-	0%
Auditing Services	-	-	-	-	-	0%
Insurance	-	-	-	-	-	0%
Special Agency Expense	-	-	-	-	-	0%
Total Services and Supplies	<u>14,140</u>	<u>14,140</u>	<u>11,301</u>	<u>2,838</u>	<u>1</u>	<u>100%</u>
Equipment						
Computer Equipment	-	-	-	-	-	0%
Office Furniture & Equipment	-	-	-	-	-	0%
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total Operating Costs	14,140	14,140	11,301	2,838	1	100%
TOTAL APPROPRIATIONS	<u>\$ 14,140</u>	<u>\$ 14,140</u>	<u>\$ 11,301</u>	<u>\$ 2,838</u>	<u>\$ 1</u>	<u>100%</u>
Ending Fund Balance	\$ 34,156	\$ 34,156	\$ 36,573			
Reserve for Future Audits and Administrative Expenditures	-	-	-	-	-	0%
Ending Unreserved Fund Balance	<u>\$ 34,156</u>	<u>\$ 34,156</u>	<u>\$ 36,573</u>			

Agricultural Research Fund

Financial Report

For the Period Ending December 31, 2013

Cash Balance at 11/30/13		\$	36,573.32
Plus:	Revenue deposited during month		
	Interest	-	
	Contributions	-	
	Total Interest and Contributions	-	
Less:	Expenditures paid during month:		
	Contracts	-	
	Total Expenditures	-	
Cash Balance at 12/31/13		\$	36,573.32
Plus:	Binding Commitments		-
Less:	Outstanding Encumbrances		(2,837.72)
CASH AND COMMITMENTS AVAILABLE AT 12/31/13		\$	33,735.60

Agricultural Research Fund Financial Recap

From Inception Through the Period Ending December 31, 2013

REVENUES:

Contributions	\$	323,600.00
Interest Allocated		23,629.51
Total Revenues to Date		<u>347,229.51</u>

EXPENDITURES:

Contract Expenditures		310,656.19
Total Expenditures to Date		<u>310,656.19</u>

Cash Balance at Month End	\$	<u><u>36,573.32</u></u>
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Schedule of Contributors

<u>Contributors</u>		<u>Amount</u>
San Joaquin Valley Unified Air Pollution Control District	\$	250,000.00
California Department of Food & Agriculture		73,600.00

<u>Total Contributions</u>	<u>\$</u>	<u><u>323,600.00</u></u>
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Agricultural Research Fund
Expenditure Summary by Contract
For the Period Ending December 31, 2013

<u>Contract Number/Name</u>	<u>Total Invoice</u>	<u>10% Retention</u>	<u>Amount Paid</u>	<u>Encumbrances</u>	<u>Outstanding Encumbrances</u>
<u>Summary of Outstanding Encumbrances:</u>					
07-1 Utah State University Research Foundation	\$ 97,060.28	\$	\$ 97,060.28	\$ 99,898.00	\$ 2,837.72
<hr/>					
Subtotals - Outstanding Encumbrances	\$ 97,060.28	\$ 0.00	\$ 97,060.28	\$ 99,898.00	\$ 2,837.72
<u>Summary of Closed Contracts:</u>					
04-1 CE Schmidt, PH.D.	\$ 49,995.91	\$	\$ 49,995.91	\$ 49,995.91	
08-2 CE Schmidt, PH.D.	80,000.00		80,000.00	80,000.00	
09-1 CE Schmidt, PH.D.	73,600.00		73,600.00	73,600.00	
11-1 California Cattlemen's Association (CCA)	10,000.00		10,000.00	10,000.00	
<hr/>					
Subtotals - Closed Contracts	\$ 213,595.91	\$ -	\$ 213,595.91	\$ 213,595.91	\$ -
<hr/>					
Totals - AG Research Fund	\$ 310,656.19	\$ 0.00	\$ 310,656.19	\$ 313,493.91	\$ 2,837.72

San Joaquin Valleywide Air Pollution STUDY AGENCY

Funding air quality research in Central California

Judith G. Case

Chair

Supervisor, Fresno County

DATE: January 16, 2014

Hub Walsh

Vice Chair

Supervisor, Merced County

TO: SJVAPSA Governing Board

FROM: Mehri Barati, Director of Administrative Services

Tony Barba

Supervisor, Kings County

RE: **RECEIVE AND FILE COMPREHENSIVE ANNUAL
FINANCIAL REPORT FOR THE FISCAL YEAR
ENDED JUNE 30, 2013**

David Couch

Supervisor, Kern County

Bob Elliott

Supervisor, San Joaquin County

RECOMMENDATION:

Receive and file the Study Agency's Comprehensive Annual Financial Report and Single Audit Report for the fiscal year ended June 30, 2013.

William O'Brien

Supervisor, Stanislaus County

Tom Wheeler

Supervisor, Madera County

J. Steven Worthley

Supervisor, Tulare County

DISCUSSION:

The Study Agency has an agreement with the accounting firm Price Paige & Company Accountancy Corporation (Price Paige) to provide an annual audit of the Study Agency's Comprehensive Annual Financial Report and any federally funded grant programs in accordance with the Federal Single Audit Act of 1984. Price Paige has completed their annual audit and the Study Agency's audited Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013 is attached.

Administrative services
provided by:

**San Joaquin Valley Air
Pollution Control District**

1990 E. Gettysburg Avenue

Fresno, CA 93726

(559) 230-6000

Fax (559) 230-6061

www.valleyair.org

*Legal: Annette Ballatore-
Williamson*

Financial: Mehri Barati, C.P.A.

The auditors determined that the Study Agency's financial statements present fairly, in all material respects, the financial position and the respective changes in financial position, for the fiscal year ended June 30, 2013. This determination represents a "clean report", or a positive audit outcome.

In accordance with OMB circular A-133, Single Audits must be conducted and a Single Audit Report must be prepared if federal expenditures exceed \$500,000 during the reporting period. Federal expenditures for the Study Agency during the 2012-13 fiscal year did not exceed \$500,000. Therefore, no Single Audit was conducted and no Single Audit Report was prepared by Price Paige.

*SJVAPSA Governing Board
RECEIVE AND FILE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR
ENDED JUNE 30, 2013.
January 16, 2014*

Also included for your information is a copy of the Communication Letter addressed to your Board from Price Paige. Price Paige did not provide recommendations regarding the Study Agency's internal control structure because their audit did not disclose any material weaknesses.

FISCAL IMPACT:

There is no fiscal impact as a result of receiving the audited Comprehensive Annual Financial Report.

Attachments:

Attachment A: Comprehensive Annual Financial Report (60 pages)

Attachment B: Communication Letter to the Board (2 pages)

San Joaquin Valley Wide Air Pollution Study Agency
Meeting of the Governing Board
January 16, 2014

**RECEIVE AND FILE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2013**

Attachment A:

Comprehensive Annual Financial Report
(60 pages)

San Joaquin Valleywide Air Pollution Study Agency

Fresno, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2013



Prepared By
San Joaquin Valley Unified Air Pollution Control District

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Comprehensive Annual Financial Report Year Ended June 30, 2013

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INTRODUCTORY SECTION

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San Joaquin Valleywide Air Pollution STUDY AGENCY

Funding air quality research in Central California

December 20, 2013

Governing Board
San Joaquin Valleywide Air Pollution Study Agency

This Comprehensive Annual Financial Report (CAFR) of the San Joaquin Valleywide Air Pollution Study Agency (Study Agency) is for the fiscal year which ended June 30, 2013 and was prepared for the Study Agency by the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) Finance Office. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Study Agency. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to fairly present the financial position, changes in financial position, and all disclosures necessary to enable the reader to gain an understanding of the Study Agency's financial activities.

This report is divided into three major sections: the Introductory Section, Financial Section and Statistical Section. The Introductory Section includes the Study Agency's organizational structure and a list of principal officials as well as this Letter of Transmittal, which provides general comments on activities of interest to the reader. The Financial Section is comprised of the Independent Auditor's Report, Management's Discussion and Analysis, and the Basic Financial Statements, which include the notes to Basic Financial Statements. The Statistical Section provides important historical and trend information about the Study Agency.

ABOUT THE SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

Origin

A cooperative research effort to provide an unbiased assessment of air quality to guide regulatory decisions was developed as an outcome of meetings during 1985 and 1986 between local elected officials, air pollution control officials and representatives of industry associations and their members. The common goal established from these meetings was the development of a research agency, under the mutual guidance of regulatory agencies and private sector stakeholders, for the purpose of designing, funding, planning and directing scientifically sound air quality studies on ozone and other air pollutants. The primary objectives of the studies were to improve the understanding of the contributing factors and conditions that result in poor air quality and to develop

technical tools for use by decision makers to develop equitable and effective regional emission control plans to meet state and federal ambient air quality standards.

Joint Powers Agency – Study Agency

The studies were to be funded by commingled public and private sector contributions, requiring establishment of a Joint Powers Agency (JPA) for fund administration. The JPA set up to commission and administer the research effort was named the San Joaquin Valleywide Air Pollution Study Agency (Study Agency). The Study Agency formed in 1986 with member counties: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare, with Mariposa being added in 1989. In January of 2007 Mariposa County withdrew from the Study Agency, bringing the number of total member counties back to the original eight.

Under joint powers law, the Study Agency is an agency distinct from the counties and the SJVUAPCD. The Governing Board of the Study Agency consists of one supervisor from each of the eight member counties, appointed by the Board of Supervisors of the member counties. The Supervisors are also on the Governing Board of the SJVUAPCD. Study Agency meetings are usually held at the SJVUAPCD headquarters in Fresno, prior to the SJVUAPCD District Governing Board meeting. As the Study Agency employs no staff, the SJVUAPCD provides legal counsel, accounting and general administrative support for the Study Agency as an in-kind contribution. Per a 1993 agreement between SJVUAPCD and the Study Agency, the Executive Director/Air Pollution Control Officer of the SJVUAPCD is designated as the Auditor-Controller of the Study Agency.

Policy Committee

The Study Agency was formed for the purpose of obtaining funding and managing the finances for research studies on ozone and particulate matter air pollution affecting the San Joaquin Valley and adjacent air basins. The design and conduct of the studies is managed through outreach committees with broad stakeholder and regulatory representation. The Study Agency established and commissioned the Policy Committee to bring together federal, state and local government agencies and private-sector stakeholders to design and oversee the research programs. The California Air Resources Board (ARB) appoints the Chair of the Policy Committee. The Policy Committee establishes the priorities and scope of research projects, helps identify funding and submits the project funding commitments to the Study Agency Governing Board for project approval. The Policy Committee authorizes Requests for Proposals, approves contractor selection and coordinates review and release of final products. The representatives of agencies and stakeholders provide their Policy Committee meeting participation as an in-kind service. Administrative, contract, technical and general support for the Policy Committee is provided as an in-kind contribution by ARB and SJVUAPCD staff.

Preliminary studies revealed that regional influences affecting movement of air, precursors, and air pollutants between air basins required expansion of the area of study beyond the boundaries of the eight counties to a larger geographic area. The expansion of the study area to include adjacent air basins resulted in the cooperative participation in the Policy Committee of adjacent air districts including the Bay Area Air Quality Management District, Sacramento Metropolitan Air Quality Management District, Monterey Bay Air Pollution Control District and San Luis Obispo County Air Pollution Control District.

Federal agencies also participate in the Policy Committee direction and funding of projects. The United States Environmental Protection Agency (EPA) became a participant because the purpose of the studies included developing tools that would assist in designing control strategies for inclusion in the State Implementation Plan (SIP) to meet federal air quality standards. The Department of Defense and the United States Department of Agriculture (USDA) are also active participants and funding-providers.

Technical Committees

The Policy Committee established a Technical Committee (TC) to design and evaluate research proposals for ozone and particulate matter research, and to supervise and coordinate those research projects. The TC is composed of ARB and air district staff, technical representatives provided by the Policy Committee participants, principal investigators and other scientific advisors. ARB provides program management and chairs the TC.

The TC considers research needs, develops technical outlines of appropriate studies, revises work programs to comply with Policy Committee directives, prepares Requests for Proposals for release, reviews submittals, recommends selection of contractors and coordinates contract preparation. During this process the TC Chair provides technical oversight for projects and reports progress to the Policy Committee. ARB staff, SJVUAPCD staff and technical representatives of members of the Policy Committee provide TC support as an in-kind contribution.

With an advisory capacity similar to the TC's function for ozone and particulate matter research, the Agricultural Technical Advisory Committee (Ag Tech) provides a forum for the planning and review of agricultural-air quality research, including emissions and control techniques. Ag Tech is coordinated by SJVUAPCD staff and includes representatives of SJVUAPCD, ARB, US Department of Agriculture (USDA) Natural Resources Conservation Service, US EPA, agricultural operators and trade associations, and farm bureaus. Ag Tech has advisory responsibility for projects conducted with resources from the Study Agency's Agricultural Research fund.

PROGRESS AND OUTLOOK FOR THE FUTURE

Research commissioned by the Study Agency has provided valuable information for attainment planning efforts and has improved ongoing programs including the daily forecasting of air quality and smoke management. The information has been used by SJVUAPCD, Bay Area Air Quality Management District, and Sacramento Metropolitan Air Quality Management District for their ozone and/or particulate matter attainment plans.

The *San Joaquin Valley Air Quality Study* (SJVAQS) was the first major field study conducted by the Study Agency for evaluation of ozone and ozone precursors. This study was expanded by externally funded companion studies to collect information from adjacent air districts. The study included preparatory technical studies, a major field program, data analysis and modeling. A special fund and research program named SARMAP was established for model development. This initial program is complete and the related funds have been closed.

Particulate research project development began in 1993. The project was named the *California Regional Particulate Air Quality Study* (CRPAQS) to reflect that the study region had expanded beyond the San Joaquin Valley. As with the ozone study, initial efforts included technical support studies to plan for a major field effort. CRPAQS also included extensive research funded by direct grants from the United States Department of Agriculture to the University of California at Davis to assess particulate emissions related to agriculture. The first major CRPAQS field effort was a mini-study called the *Integrated Monitoring Study* (IMS95) to test measurement methods, improve preliminary conceptual models of particulate formation and evaluate regional homogeneity prior to final field study planning. The CRPAQS main field program began in December of 1999 and extended through February of 2001. CRPAQS data analysis projects are complete. Results from CRPAQS proved valuable for modeling analysis of controls proposed for the state implementation plan (SIP) submitted by SJVUAPCD for compliance with federal particulate standards. Preliminary modeling of 1995 CRPAQS data was used for the *2003 PM10 Plan* and improved models were used with 2001 data from the main CRPAQS field program to update the SIP in the *2006 PM10 Plan* and for the *2007 PM10 Maintenance Plan and Request for Redesignation*. Advanced modeling of PM2.5 using CRPAQS data was conducted for the *2008 PM2.5 Plan* using a combination of sophisticated receptor and regional models and special speciation calculations per guidance issued by EPA. Further research on advanced particulate modeling methods for PM2.5 is nearing completion.

A second ozone study named the *Central California Ozone Study* (CCOS) was conducted as a companion effort with the major CRPAQS field study. The CCOS field study was conducted during the summer of 2000, while the CRPAQS field program was in progress, to allow dual use of the added sites and

measurements. Development of a combined data management system shared cost between the two projects. CCOS data analysis and modeling analysis has already been completed for many of the observed episodes using techniques focused on the federal 1-hour standard. Results provided valuable information for development of the SJVUAPCD's *2004 Extreme Ozone Attainment Demonstration Plan* and the *2007 Ozone Plan* to comply with the 1-hour and 8-hour ozone air quality standard, respectively. Additional modeling and technical evaluations for ozone formation for the entire 2000 season and for examination of ozone episodes in relation to the federal 8-hour ozone standard are currently in progress. Emission inventory development projects such as improvement of the temporal and spatial distribution of on-road motor vehicles are expected to commence in the upcoming year.

Because CRPAQS and CCOS share information, databases and modeling tools, another name, Central California Air Quality Studies (CCAQS), has arisen to provide an organizational name for the combined emission inventory and database systems. Funds are established as the "CCOS Study Fund" and the "PM Study Fund" with no separate fund established for CCAQS.

The "Ag Research Fund" was established to focus on air quality research for agricultural sources. Several projects have been commissioned through the Ag Research Fund, or directly by ARB and the SJVUAPCD, with additional financial support for research provided by stakeholders. Agricultural research project results have provided measurement of dairy and poultry Volatile Organic Compounds (VOC) emission rates, which provided sound scientific basis for determination of baseline emissions and Best Available Control Technology (BACT) determinations to support permit evaluations for large facilities. Current projects include evaluation of emission reductions associated with Conservation Management Practices (CMPs) implemented by agricultural operations to reduce particulate emissions and the evaluation of emissions from cotton gins.

Since its establishment, the Study Agency's work has produced the foundational knowledge on the causes and impacts of air pollution in the San Joaquin Valley. As such, the Study Agency and its participating agencies, researchers, and stakeholders have provided critical contributions to the effectiveness and efficiency of Central California's attainment strategies, and helped to improve the respiratory health and quality of life of Valley residents while assuring the strength of the regional economy. As of June 2013, Study Agency-sponsored projects have utilized more than 98% of the Agency's total revenue and funding commitments to date. Most of the current fund balance, approximately \$780 thousand, is scheduled for expenditure over the next year, and will be dedicated to syntheses of numerous prior studies as well as new research that will provide insight into recently-identified issues. While major Study Agency fundraising efforts are not currently planned, it is anticipated that the need for additional public-private air quality research in the San Joaquin Valley will continue as health-based air quality standards evolve.

FINANCIAL CONTROLS

Annual and Independent Audit

It is the policy of the Study Agency to have an annual audit performed by an independent certified public accounting firm appointed by the Study Agency's Governing Board. Price Paige & Company Accountancy Corporation conducted the independent audit of the Study Agency's financial statements for the fiscal year ended June 30, 2013. The auditor's unqualified opinion on the basic financial statements is included in the Financial Section of this report.

As part of the Study Agency's annual audit engagement, the auditors review the Study Agency's internal control structure, as well as compliance with applicable laws and regulations. The results of the Study Agency's annual audit for the fiscal year ended June 30, 2013, provided no instances of material weaknesses in connection with the internal control structure or significant violations of applicable laws and regulations.

As recipients of federal and state financial resources, the Study Agency is required to undergo an annual single audit if it expends more than \$500,000 of Federal funds during a fiscal year. The information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, auditor's reports on the internal control structure, and compliance with applicable laws and regulations are included in a separately issued report.

Internal Accounting Controls

The Finance Department of the SJVUAPCD is responsible for establishing, maintaining and evaluating the Study Agency'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 government are protected against loss, theft or misuse; ensure the reliability of adequate accounting data for the preparation of financial statements in conformity with generally accepted accounting principles; and to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the costs of control should not exceed the benefits likely to be derived from it and that the evaluation of costs and benefits require estimates and judgments be made by the Finance Department of the SJVUAPCD.

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

OTHER INFORMATION

Cash Management

The County of Fresno provides treasury management services to the Study Agency. Cash resources of Study Agency funds are invested as part of Fresno County's common investment pool. California Statutes and the County's Investment Policy authorize investments in obligations of the U.S. Treasury, agencies and instrumentalities, medium term notes, commercial paper, bankers' acceptances, repurchase agreements and the State Treasurer's Investment Pool. The Agency's deposits in the Fresno County investment pool at June 30, 2013 are \$776,756.

The primary objective of the Study Agency's investment policy is to ensure money in the Treasury not required for the immediate needs of the Study Agency is prudently invested to preserve principal and provide necessary liquidity, while earning a market average rate of return.

Acknowledgments

The dedicated services of the accountants and staff of the Finance Department of the SJVUAPCD made the preparation of the Study Agency's comprehensive annual financial report possible.

Recognition is also given to the Governing Board for their leadership and support and to all employees of the SJVUAPCD and ARB that serve on the Study Agency's Technical and Policy committees.

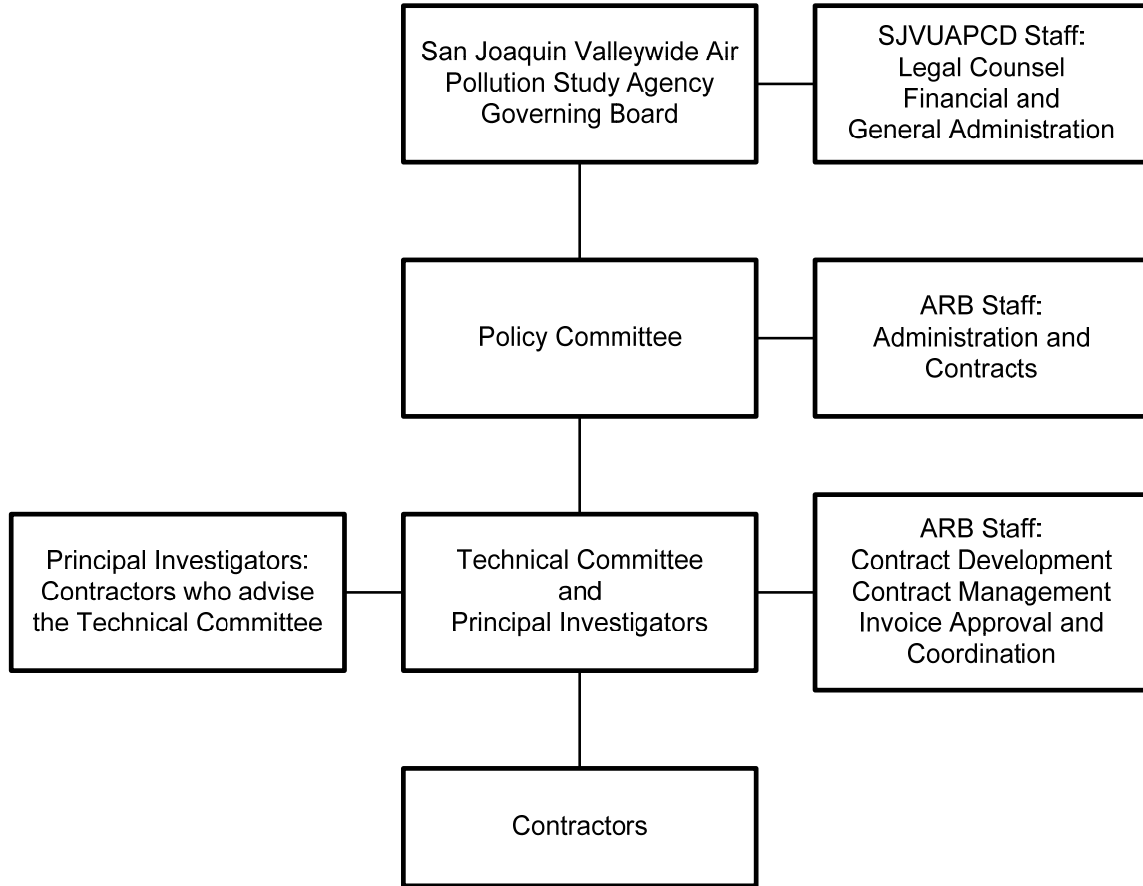
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mehri Barati".

Mehri Barati, C.P.A., Director of Administrative Services
San Joaquin Valley Unified Air Pollution Control District

San Joaquin Valleywide Air Pollution Study Agency

June 30, 2013



LIST OF PRINCIPAL OFFICIALS

Policy Committee Chair Lynn Terry, ARB
 Legal Annette Ballatore-Williamson, SJVUAPCD
 Finance Mehri Barati, C.P.A., SJVUAPCD

San Joaquin Valleywide Air Pollution STUDY AGENCY

Funding air quality research in Central California

Governing Board

Tony Barba, Chair
Supervisor, Kings County

Hub Walsh, Vice-Chair
Supervisor, Merced County

Tom Wheeler
Supervisor, Madera County

Judith G. Case
Supervisor, Fresno County

J. Steven Worthley
Supervisor, Tulare County

David Couch
Supervisor, Kern County

William O'Brien
Supervisor, Stanislaus County

Bob Elliott
Supervisor, San Joaquin County

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board
San Joaquin Valleywide Air Pollution Study Agency
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund the of San Joaquin Valleywide Air Pollution Study Agency (the Agency) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the San Joaquin Valleywide Study Agency, as of June 30, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
December 20, 2013

San Joaquin Valleywide Air Pollution Study Agency

Management's Discussion and Analysis June 30, 2013

Our discussion and analysis of the Agency's financial performance provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter and the basic financial statements.

A. Financial Highlights

- The Agency's total Net Position was \$1,015,440, a decrease of \$926,395, or 47.7%, as compared to the prior fiscal year. This reduction is related to the successful completion of many outstanding research projects during the 2012-13 fiscal year. Many of these projects were funded by grant funds paid to the Central California Ozone Study and the California Regional PM Air Quality Study funds.
- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$1,015,440 (*net position*). Of this amount \$239,497 is invested in capital assets and \$775,943 is unrestricted and can be used for the Agency's research projects.
- The Agency reported a total Fund Balance of \$775,943 at year-end, a \$879,540 decrease as compared to the prior year-end balance. The entire Fund Balance is encumbered for research and study contracts. Most of the remaining funds are planned for expenditure over the next two years.
- During the year, the Agency's revenues decreased \$1,420,760 or 92.7%. Expenses also decreased \$1,539,873 or 60.8%. Since the EPA pass-through grant from ARB came to a close last fiscal year, FY 2011-12, there were far fewer open contracts and projects in FY 2012-13 and likewise fewer expenditures and revenue through reimbursement by ARB.

B. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements have three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes 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

Management's Discussion and Analysis

reasonably possible, the Agency, 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 Agency. The government-wide financial statements are designed to provide readers with a broad overview of the Agency'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 reports all assets held and liabilities owed by the Agency on a full accrual basis. The difference between the two is 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 on whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities reports the net cost of the Agency's activities by program and is prepared on the full accrual basis. 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 Agency. The statement begins with a column that identifies the cost of each of the Agency'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 activities. This determines the amount, if any, drawn from general revenues by each program activity.

The Agency's government-wide financial statements are presented on pages 10 and 11 of this report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Agency rather than the Agency as a whole.

Governmental Funds

The fund financial statements consist of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. These are prepared on the modified accrual basis of accounting. The government-wide financial statements are prepared on the full accrual basis. See Note 1, section (B), which explains measurement focus and basis of accounting.

Management's Discussion and Analysis

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

The Agency's Balance Sheet is presented on page 12 and the Statement of Revenues, Expenditures, and Changes in Fund Balance is presented on page 14 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, reconciliation is required to facilitate the comparison between the fund statements and the government-wide statements. The reconciliation between fund balance and net position can be found on page 13 of this report.

The reconciliation of changes in fund balance for all governmental funds to the change in net position can be found on page 15 of this report.

The Agency maintains three individual major special revenue funds. The information for the three funds is displayed separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Basic Financial Statements can be found in pages 16 through 24 of this report.

Management's Discussion and Analysis

C. Government-wide Financial Analysis

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

The following schedule is a condensed Statement of Net Position as of the year ended June 30, 2013, as compared to the prior fiscal year.

Statement of Net Position				
(In Thousands)				
	<u>Fiscal Year</u> <u>2012-13</u>	<u>Fiscal Year</u> <u>2011-12</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Current and Other Assets	\$779	\$2,556	(\$1,777)	-69.5%
Capital Assets	239	286	(47)	-16.4%
Total Assets	1,018	2,842	(1,824)	-64.2%
Current and Other Liabilities	3	900	(897)	-99.7%
Total Liabilities	3	900	(897)	-99.7%
Net Position:				
Invested in Capital Assets	239	286	(47)	-16.4%
Unrestricted	776	1,656	(880)	-53.1%
Total Net Position	\$1,015	\$1,942	(\$927)	-47.7%

At the close of the most recent fiscal year, the Agency's assets exceeded liabilities by \$1,015,440.

The Agency's total assets decreased \$1,823,364 from the prior fiscal year. This reduction is related to having lower cash balances in the bank at the end of the fiscal year.

In contrast, the Agency's total liabilities decreased \$896,969 as compared to the prior fiscal year. The decrease is related to decrease in payables from contracts and projects from last year's grant projects.

Unrestricted net position account for 76.4% of the Agency's net position. These funds may be used to meet the Agency's ongoing obligations in carrying out day-to-day operations. Capital assets at 23.6% of the Agency's net position reflect the Agency's investment in air monitoring station equipment, office equipment, and computers.

Management's Discussion and Analysis

The following schedule is a condensed Statement of Changes in Net Position for the fiscal year ended June 30, 2013, as compared to the prior year.

Changes in Net Position				
(In Thousands)				
	Fiscal Year <u>2012-13</u>	Fiscal Year <u>2011-12</u>	Increase <u>(Decrease)</u>	Percent <u>Change</u>
Revenues:				
Program Revenues:				
Operating Grants	\$100	\$1,214	(\$1,114)	-91.8%
Contributions	-	-	-	0.0%
Interest	12	33	(21)	-63.6%
Total Revenues	<u>\$112</u>	<u>\$1,247</u>	<u>(\$1,135)</u>	<u>-91.0%</u>
Current Expenses:				
PM Study	\$336	\$620	(\$284)	-45.8%
Central California Ozone Study	702	1,632	(930)	-57.0%
Agricultural Research Study	-	10	(10)	-100.0%
Total Expenses	<u>\$1,038</u>	<u>\$2,262</u>	<u>(\$1,224)</u>	<u>-54.1%</u>
Decrease in Net Position, June 30	<u>(\$926)</u>	<u>(\$1,015)</u>	<u>\$89</u>	<u>-8.8%</u>

Revenues

Total revenues for FY 2012-13 decreased \$1,135,924 as compared to the prior fiscal year. The primary component of this change was a \$1,114,271 decrease in grant revenue received. As mentioned in the Financial Highlights section, the Agency saw a spike in grant revenue during FY 2011-12 as the \$1.5 million dollar ARB pass-through grant reached the final stages and came to a close. With the close of this large grant in the previous year, revenues specifically from grants decreased during FY 2012-13. In addition, there were no contributions provided to the Study Agency during FY 2012-13. Interest earnings were reduced \$21,653 due to a declining cash balance.

Expenses

Total expenses decreased \$1,224,290 as compared to the prior fiscal year. This is due primarily to fewer grant project expenditures. During FY 2012-13, the Study Agency was successful in completing twelve CCOS contracts and two PM Study contracts.

Management's Discussion and Analysis

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 Agency.

The Statement of Activities presents information showing how the Agency's net position changed during FY 2012-13. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

Operating grants, contributions, and interest support the governmental programs of the Agency. The primary governmental activities of the Agency are the PM Study, the Central California Ozone Study and the Agricultural Research Study.

D. Financial Analysis of the Agency's Funds

Governmental Funds

As of the end of the fiscal year, the Agency's governmental funds reported ending fund balances totaling \$775,943, a decrease of \$879,540 as compared with the prior fiscal year. The total amount of this balance is assigned for contracts and projects encumbered. Most of the remaining funds are planned for expenditure over the next two years, and will be dedicated to syntheses of numerous prior studies, as well as new field measurements, laboratory research and analysis that will provide insight into issues that were identified more recently.

E. Capital Assets

The Agency's investment in capital assets is used for its governmental activities. The book value was \$239,497 (net of accumulated depreciation of \$2,282,247) as of June 30, 2013. This investment in capital assets includes air monitoring station equipment, computers and office equipment.

Additional information on the capital assets can be found in the "Notes to the Basic Financial Statements," page 22 of this report.

Management's Discussion and Analysis

F. Requests for Information

This financial report is designed to provide a general overview of the Agency'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 Valleywide Air Pollution Study Agency
Statement of Net Position
June 30, 2013

	Governmental Activities
<u>Assets</u>	
Current Assets:	
Cash and Investments	\$776,756
Accrued Revenues	2,384
Total Current Assets	779,140
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	239,497
Total Assets	1,018,637
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	3,197
Total Current Liabilities	3,197
Total Liabilities	3,197
<u>Net Position</u>	
Invested in capital assets	239,497
Unrestricted	775,943
Total net position	\$1,015,440

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

San Joaquin Valleywide Air Pollution Study Agency

Statement of Activities For the Year Ended June 30, 2013

Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contributions			Governmental
		Grants	Contributions	Interest	Activities
Governmental Activities:					
PM Study	\$ 335,613	\$ 99,589	\$ -	\$ 5,748	\$ (230,276)
Central California Ozone Study	702,339	-	-	5,646	(696,693)
Agricultural Research Study	-	-	-	574	574
Total Governmental Activities	\$ 1,037,952	\$ 99,589	\$ -	\$ 11,968	\$ (926,395)
				Change in net position	(926,395)
				Net position - beginning	1,941,835
				Net position - ending	\$ 1,015,440

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

San Joaquin Valleywide Air Pollution Study Agency

Balance Sheet - Governmental Funds June 30, 2013

	PM Study Fund	CCOS Fund	Ag Fund	Total
Assets:				
Cash and Investments	\$ 414,457	\$ 314,595	\$ 47,704	\$ 776,756
Accrued Revenues	1,294	947	143	2,384
Total Assets	\$ 415,751	\$ 315,542	\$ 47,847	\$ 779,140
Liabilities:				
Accounts Payable	\$ 2,932	\$ 265	\$ -	\$ 3,197
Total Liabilities	2,932	265	-	3,197
Fund Balances:				
Assigned	412,819	315,277	47,847	775,943
Total Fund Balances	412,819	315,277	47,847	775,943
Total Liabilities and Fund Balances	\$ 415,751	\$ 315,542	\$ 47,847	\$ 779,140

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

San Joaquin Valleywide Air Pollution Study Agency

Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position

June 30, 2013

Fund Balances - Total Governmental Funds \$ 775,943

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation are not included as financial resources in governmental fund.

These capital assets are reported in the Statement of Net Position as capital assets of the Agency as a whole.

239,497

Net Position of Governmental Activities

\$ 1,015,440

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

San Joaquin Valleywide Air Pollution Study Agency

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Year Ended June 30, 2013

	PM Study Fund	CCOS Fund	Ag Fund	Total
Revenues:				
Interest	\$ 5,748	\$ 5,647	\$ 573	\$ 11,968
Operating Contributions	-	-	-	-
Intergovernmental	99,589	-	-	99,589
Total Revenues	<u>105,337</u>	<u>5,647</u>	<u>573</u>	<u>111,557</u>
Expenditures:				
Services and Supplies	335,613	494,048	-	829,661
Capital Outlays	-	161,436	-	161,436
Total Expenditures	<u>335,613</u>	<u>655,484</u>	<u>-</u>	<u>991,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,276)	(649,837)	573	(879,540)
Fund Balances, June 30, 2012	<u>643,095</u>	<u>965,114</u>	<u>47,274</u>	<u>1,655,483</u>
Fund Balances, June 30, 2013	<u>\$ 412,819</u>	<u>\$ 315,277</u>	<u>\$ 47,847</u>	<u>\$ 775,943</u>

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

San Joaquin Valleywide Air Pollution Study Agency

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities

For the Year Ended June 30, 2013

Net Changes in Fund Balances - Total Governmental Funds	\$ (879,540)
Governmental funds report capital outlays as expenditures. However, in the Government-wide Statement of Activities the cost of assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of the capital outlay recorded in the current period.	3,077
Depreciation expense on capital assets is reported in the Government-wide Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	<u>(49,932)</u>
Change in Net Position of Governmental Activities	<u>\$ (926,395)</u>

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

SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare have joined together to form a Joint Powers Agreement (JPA), the San Joaquin Valleywide Air Pollution Study Agency (Agency), for the purpose of designing, planning, programming and implementing air pollution studies in the geographical territory encompassed by the member counties.

The Governing Board of the Agency consists of eight Supervisors appointed by the Board of Supervisors of each member county. These Supervisors are also members of the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) Governing Board. The San Joaquin Valley Unified Air Pollution Control District maintains the financial records of the Agency and provides all services to the Agency at no cost. The Agency does not have any employees.

The Agency is deemed not to be a component financial unit of any of the above Counties or the SJVUAPCD, under generally accepted accounting principles. As such, the results are not included in the basic financial statements of any member county or the SJVUAPCD.

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 Agency considers accrued revenue to be available if it is collected within 90

days of the end of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

Grants, contributions and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenue of the current period.

Government-wide Financial Statements

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

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities including capital assets are included in the accompanying Statement of Net Position.

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 specific functional activity.

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

- PM Study
- Central California Ozone Study
- Agricultural Research Study

The types of transactions reported as program revenues are reported in Operating Grants and Contributions with three sub-categories: 1) Grants; 2) Contributions; and 3) Interest. Program revenues are netted with program expenses to present the net cost of each functional activity.

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 Balances.

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 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 Classification

The Agency reports the following major special revenue governmental funds:

- **California Regional PM10/PM2.5 Air Quality Study Fund (PM Study Fund)** – The Agency identified a need to do research into airborne particulates in response to the Federal Clean Air Act Amendments of 1990. The PM Study Fund was established for contributions specifically identified for this research program. The program encompasses an extensive geographic area and a wide range of research related to airborne particulates.
- **Central California Ozone Study Fund (CCOS Fund)** – The Agency identified a need to do research into ozone due to the difficulties in attaining and maintaining the federal 1-hour ozone standard, the requirement to evaluate attainment of the State 1-hour ozone standard, and the pending requirement to meet a new federal 8-hour ozone standard. The CCOS fund was established for contributions specifically identified for this research program.
- **Agricultural Research Study Fund (AG Fund)** - The Agency identified a need to address particulate and particulate precursor emissions, such as ammonia, and investigate techniques to reduce particulate emissions or enhance airborne particulate removal processes. Accurate assessment of pollution levels, and prediction of response to emission reduction measures, requires understanding of both the emission and removal processes. This research addresses ozone precursors and ozone removal associated with agriculture. Results of the research will enhance efforts to improve emission inventories and assist in the development of practical emission reduction recommendations that may be implemented through Conservation Management Plans (CMPs). Additional agricultural research is a natural continuation and outgrowth of the California Regional PM10/PM2.5 Air Quality Study (CRPAQS) program that included preliminary efforts to quantify emissions from agricultural sources.

D. Capital Assets and Depreciation

Equipment is valued at cost unless obtained by donation in which case the assets are recorded at the appraised 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.

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 Agency are depreciated using the straight-line method over the following useful lives:

Air Monitoring Equipment	10 Years
Computer Equipment	5 Years
Furniture and Equipment	5 Years
Software	3 Years

E. Use of Estimates

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

F. Related Entity Transactions

The Agency, its Policy Committee, and its Technical Committee receive legal counsel, accounting, and general administrative support from the SJVUAPCD as an in-kind contribution. In addition, the Agency, its Policy Committee, and its Technical Committee receive administrative, contract, technical and general support from the ARB Planning and Technical Support Division as an in-kind contribution. The value of in-kind contribution is not accounted for and is not determinable for fiscal year ended June 30, 2013.

G. Budgetary Comparison

Under Governmental Accounting Standard Board (GASB) Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Agency is not legally required to adopt a budget. Therefore, budget comparison information is not included in the Agency's financial statements.

H. New Pronouncements

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

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement are effective for the Agency's fiscal year ending June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Agency has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the Agency's fiscal year ended June 30, 2014.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. GASB Statement 67 replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The Agency has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the Agency's fiscal year ended June 30, 2014.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local government for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The Agency will be required to recognize a liability equal to the net pension liability in its financial statements prepared using the economic resources measurement focus and accrual basis of accounting. The Agency has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the Agency's fiscal year ended June 30, 2015.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	<u>\$ 776,756</u>
Total Cash and Investments	<u>\$ 776,756</u>

Cash and investments as of June 30, 2013 consist of the following:

Deposits with County of Fresno Treasury	<u>\$ 776,756</u>
Total Cash and Investments	<u>\$ 776,756</u>

Investments Authorized by the Agency's Investment Policy

The Agency's investment policy only authorizes investments in the local government pool administered by the County of Fresno. The Agency's investment policy does not contain any specific provisions intended to limit the Agency's exposure to interest rate risk and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in the 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 market value of an investment. Generally, the longer the maturity of an investment, the greater is its sensitivity to fair value and to changes in market interest rates.

As of June 30, 2013, none of the Agency's investments are required to disclose interest rate risk.

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, the Agency'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:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	AA	Not Rated
County Investment Pool	<u>\$776,756</u>	N/A	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$776,756</u>

County of Fresno Treasurer's Investment Pool

The Agency is a voluntary participant in the County of Fresno Treasurer's Investment Pool that is regulated by the California Government Code. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the Investment Pool 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.

3. CAPITAL ASSETS AND DEPRECIATION

Capital Assets activity of the Agency for the year ended June 30, 2013 consisted of the following:

	Capital Assets - Governmental Activities			
	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Equipment	\$2,518,667	\$ 3,077	\$ -	\$2,521,744
Less:				
Accumulated Depreciation	<u>(2,232,315)</u>	<u>(49,932)</u>	-	<u>(2,282,247)</u>
Net book value of Capital Assets	<u>\$ 286,352</u>	<u>\$ (46,855)</u>	<u>\$ -</u>	<u>\$ 239,497</u>

For the fiscal year ended June 30, 2013, depreciation expense of \$49,932 on capital assets was charged to the Agency's activities as follows:

Central California Ozone Study	<u>\$ 49,932</u>
Total Depreciation Expense	<u>\$ 49,932</u>

4. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is employed in all three funds. 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 Agency has entered into an agreement. Total encumbrances for the Study Agency as of June 30, 2013 were \$531,129. Encumbrances are categorized as Assigned Fund Balance.

5. FUND BALANCE

Beginning with fiscal year 2011, the Agency 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 Agency itself, using its highest level of decision-making authority (i.e. Agency Governing Board). To be reported as committed, amounts cannot be used for any other purpose unless the Agency takes the same level of action to remove or change the constraint.
- Assigned fund balance—amounts the Agency intends to use for a specific purpose. Intent can be expressed by the Agency Governing Board (the Board) or by an official or body to which the Board delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Only positive amounts are reported in the General Fund.

Beginning fund balances for the Agency's governmental funds have been restated to reflect the above classifications.

The Agency's Governing Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or 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 Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance is available, the Agency considers amounts to have spent first out of committed funds, then assigned funds, and finally unassigned funds.

The amounts of various fund balance required by GASB 54 are as follows:

Assigned Fund Balance:	
Encumbrances	
PM Study	\$ 360,773
CCOS	156,217
AG Research	14,139
Total Encumbrances	<u>531,129</u>
Appropriated FY 2013-14 Budgetary Deficit:	
PM Study	52,046
CCOS	159,060
AG Research	33,708
Total Budgetary Deficit	<u>244,814</u>
Total Assigned Fund Balance	<u><u>\$ 775,943</u></u>

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SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

STATEMENT OF NET POSITION

Last Six Fiscal Years

(accrual basis of accounting)

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 4,507,859	\$ 4,091,980	\$ 3,118,869	\$ 2,677,644	\$ 1,862,532	\$ 776,756
Accrued Revenue	38,250	24,706	17,648	294,368	693,117	2,384
Total Current Assets	<u>4,546,109</u>	<u>4,116,686</u>	<u>3,136,517</u>	<u>2,972,012</u>	<u>2,555,649</u>	<u>779,140</u>
Noncurrent Assets:						
Capital Assets, Net of Accumulated Depreciation	549,471	340,330	175,849	17,625	286,352	239,497
Total Noncurrent Assets	<u>549,471</u>	<u>340,330</u>	<u>175,849</u>	<u>17,625</u>	<u>286,352</u>	<u>239,497</u>
Total Assets	<u>5,095,580</u>	<u>4,457,016</u>	<u>3,312,366</u>	<u>2,989,637</u>	<u>2,842,001</u>	<u>1,018,637</u>
Liabilities						
Current Liabilities:						
Accounts Payable	40,000	36,549	85,673	33,041	900,166	3,197
Total Current Liabilities	<u>40,000</u>	<u>36,549</u>	<u>85,673</u>	<u>33,041</u>	<u>900,166</u>	<u>3,197</u>
Total Liabilities	<u>40,000</u>	<u>36,549</u>	<u>85,673</u>	<u>33,041</u>	<u>900,166</u>	<u>3,197</u>
Net Position:						
Invested in Capital Assets, net of related debt	549,471	340,330	175,849	17,625	286,352	239,497
Unrestricted	4,506,109	4,080,137	3,050,844	2,938,971	1,655,483	775,943
Total Net Position	<u>\$ 5,055,580</u>	<u>\$ 4,420,467</u>	<u>\$ 3,226,693</u>	<u>\$ 2,956,596</u>	<u>\$ 1,941,835</u>	<u>\$ 1,015,440</u>

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Statement of Net Position

SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

CHANGES IN NET POSITION

Last Six Fiscal Years

(accrual basis of accounting)

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Revenue						
Program Revenue:						
Operating Grants	\$ 369,500	\$ 90,000	\$ 134,344	\$ 284,835	\$ 1,213,860	\$ 99,589
Contributions	149,700	50,000	-	115,500	-	-
Interest	216,489	137,897	75,415	53,446	33,621	11,968
Total Revenue	<u>735,689</u>	<u>277,897</u>	<u>209,759</u>	<u>453,781</u>	<u>1,247,481</u>	<u>111,557</u>
Expenses						
PM Study	356,285	202,690	90,574	228,438	620,334	335,613
Central California Ozone Study	709,377	544,560	1,239,359	495,440	1,631,908	702,339
Agricultural Research Study	-	165,759	73,600	-	10,000	-
Total Expenses	<u>1,065,662</u>	<u>913,009</u>	<u>1,403,533</u>	<u>723,878</u>	<u>2,262,242</u>	<u>1,037,952</u>
Total Change Net Position	<u><u>\$ (329,973)</u></u>	<u><u>\$ (635,112)</u></u>	<u><u>\$ (1,193,774)</u></u>	<u><u>\$ (270,097)</u></u>	<u><u>\$ (1,014,761)</u></u>	<u><u>\$ (926,395)</u></u>

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Statement of Activities

SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2012-13</u>
PM Study Fund										
Reserved	\$ 2,192,011	\$ 1,835,226	\$ 1,305,222	\$ 886,564	\$ 643,104	\$ 560,010	\$ 653,060	\$ -	\$ -	\$ -
Unreserved	619,623	362,743	381,302	677,077	781,054	744,848	619,394	-	-	-
Assigned	-	-	-	-	-	-	-	1,129,216	643,095	412,819
Total PM Study Fund	<u>2,811,634</u>	<u>2,197,969</u>	<u>1,686,524</u>	<u>1,563,641</u>	<u>1,424,158</u>	<u>1,304,858</u>	<u>1,272,454</u>	<u>1,129,216</u>	<u>643,095</u>	<u>412,819</u>
CCOS Fund										
Reserved	1,250,512	1,670,938	1,829,234	1,353,216	1,735,143	1,803,017	1,050,331	-	-	-
Unreserved	822,862	903,674	801,192	1,494,518	1,130,463	918,020	672,647	-	-	-
Assigned	-	-	-	-	-	-	-	1,468,465	965,114	315,277
Total CCOS Study Fund	<u>2,073,374</u>	<u>2,574,612</u>	<u>2,630,426</u>	<u>2,847,734</u>	<u>2,865,606</u>	<u>2,721,037</u>	<u>1,722,978</u>	<u>1,468,465</u>	<u>965,114</u>	<u>315,277</u>
Ag Research Fund										
Reserved	50,000	4	4	4	189,902	24,143	24,143	-	-	-
Unreserved	195	867	101,321	206,335	26,443	30,099	31,269	-	-	-
Assigned	-	-	-	-	-	-	-	56,455	47,274	47,847
Total Ag Study Fund	<u>50,195</u>	<u>871</u>	<u>101,325</u>	<u>206,339</u>	<u>216,345</u>	<u>54,242</u>	<u>55,412</u>	<u>56,455</u>	<u>47,274</u>	<u>47,847</u>
Total Governmental Funds										
Reserved	3,492,523	3,506,168	3,134,460	2,239,784	2,568,149	2,387,170	1,727,534	-	-	-
Unreserved	1,442,680	1,267,284	1,283,815	2,377,930	1,937,960	1,692,967	1,323,310	-	-	-
Assigned	-	-	-	-	-	-	-	2,654,136	1,655,483	775,943
Total Governmental Funds	<u>\$ 4,935,203</u>	<u>\$ 4,773,452</u>	<u>\$ 4,418,275</u>	<u>\$ 4,617,714</u>	<u>\$ 4,506,109</u>	<u>\$ 4,080,137</u>	<u>\$ 3,050,844</u>	<u>\$ 2,654,136</u>	<u>\$ 1,655,483</u>	<u>\$ 775,943</u>

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Balance Sheet - Government Funds

Note: The Agency 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 VALLEYWIDE AIR POLLUTION STUDY AGENCY

**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
Last Ten Fiscal Years**

(modified accrual basis of accounting)

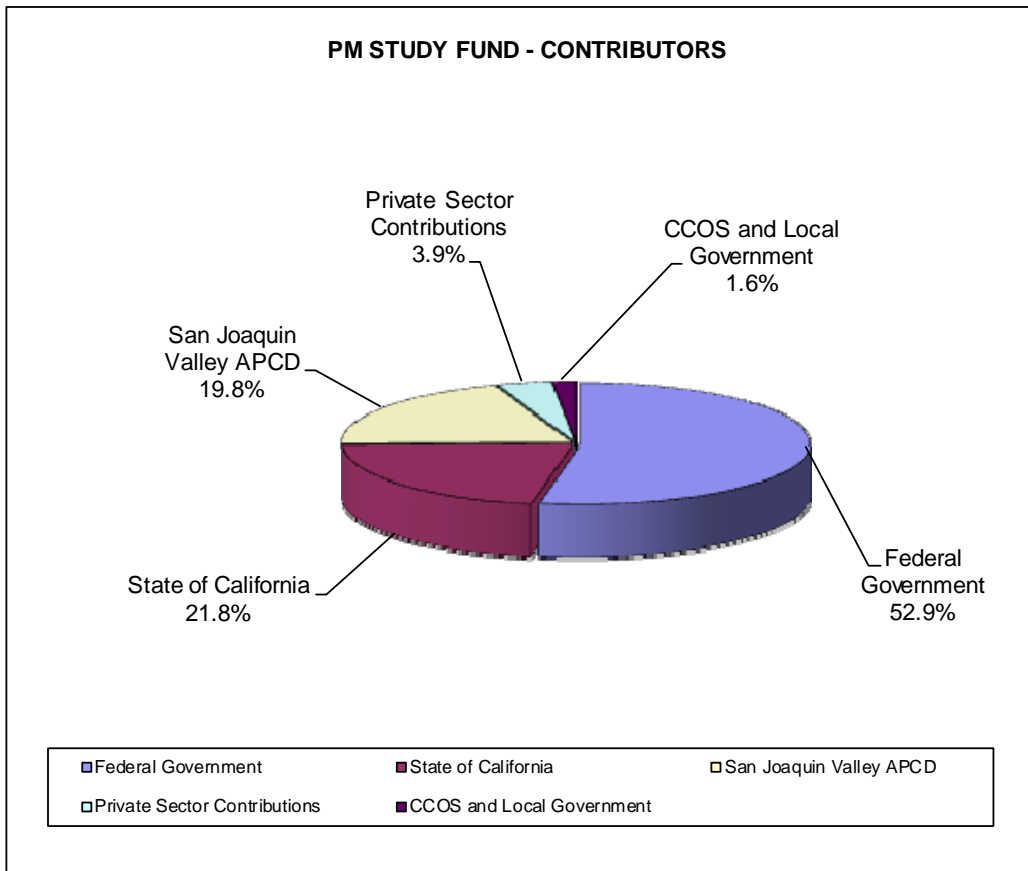
	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2011-12</u>	<u>2012-13</u>
Revenues:										
Interest	\$ 109,989	\$ 107,492	\$ 139,487	\$ 220,032	\$ 216,489	\$ 137,897	\$ 75,414	\$ 53,445	\$ 33,621	\$ 11,968
Operating Contributions	497,081	340,000	486,107	250,000	149,700	90,000	-	115,500	-	-
Intergovernmental	557,334	766,837	1,094,858	774,271	369,500	50,000	134,344	-	1,498,696	99,589
Total Revenue	<u>1,164,404</u>	<u>1,214,329</u>	<u>1,720,452</u>	<u>1,244,303</u>	<u>735,689</u>	<u>277,897</u>	<u>209,758</u>	<u>168,945</u>	<u>1,532,317</u>	<u>111,557</u>
Expenditures:										
Services and Supplies	2,572,535	1,370,220	2,036,217	952,613	847,294	703,869	1,239,051	336,615	1,972,016	829,661
Capital Outlay	188,595	5,860	39,412	92,251	-	-	-	229,038	558,954	161,436
Total Expenditures	<u>2,761,130</u>	<u>1,376,080</u>	<u>2,075,629</u>	<u>1,044,864</u>	<u>847,294</u>	<u>703,869</u>	<u>1,239,051</u>	<u>565,653</u>	<u>2,530,970</u>	<u>991,097</u>
Net Changes in Fund Balance - Prior to Adjustment	<u>(1,596,726)</u>	<u>(161,751)</u>	<u>(355,177)</u>	<u>199,439</u>	<u>(111,605)</u>	<u>(425,972)</u>	<u>(1,029,293)</u>	<u>(396,708)</u>	<u>(998,653)</u>	<u>(879,540)</u>
Adjustment to Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$(1,596,726)</u>	<u>\$(161,751)</u>	<u>\$(355,177)</u>	<u>\$199,439</u>	<u>\$(111,605)</u>	<u>\$(425,972)</u>	<u>\$(1,029,293)</u>	<u>\$(396,708)</u>	<u>\$(998,653)</u>	<u>\$(879,540)</u>

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Income Statement - Government Funds

**SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY
PM STUDY FUND - CONTRIBUTORS
From Inception to June 30, 2013**

Fund Contributors	Contributions	Percentage
Federal Government	\$ 12,362,550	52.9%
State of California	5,101,237	21.8%
San Joaquin Valley APCD	4,629,640	19.8%
Private Sector Contributions	900,104	3.9%
CCOS and Local Government	365,133	1.6%
Total Contributions	\$ 23,358,664	100.0%

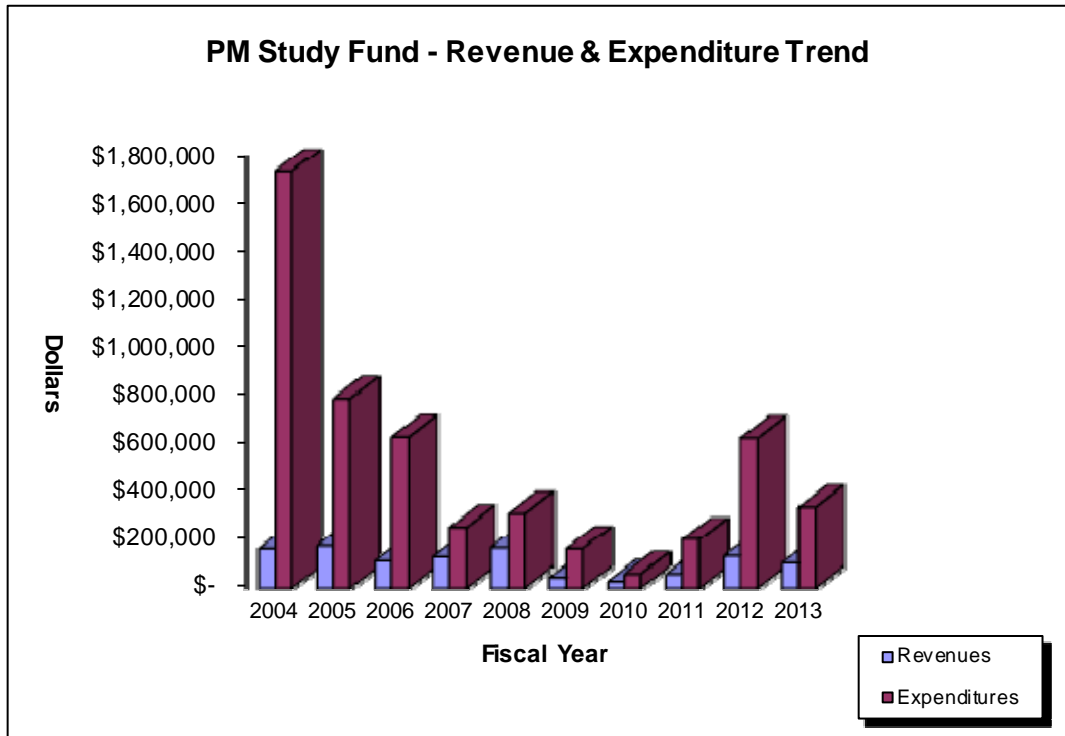


Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Schedule of Contributors

SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

PM STUDY FUND - REVENUE AND EXPENDITURE TREND Last Ten Fiscal Years



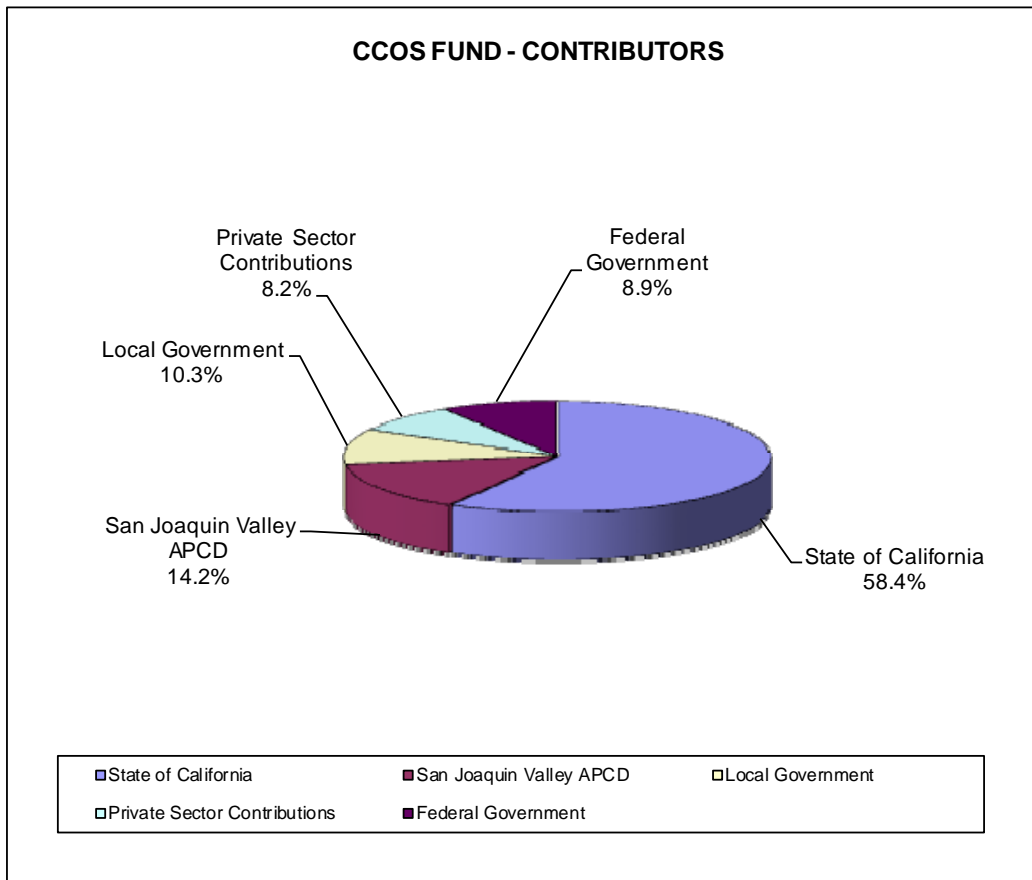
June 30,	Revenues	Expenditures
2004	\$ 164,314	\$ 1,733,022
2005	176,675	790,340
2006	113,004	624,450
2007	130,775	253,658
2008	168,978	308,461
2009	44,794	164,094
2010	27,546	59,950
2011	58,274	201,512
2012	134,214	620,334
2013	105,337	335,613
Total	\$ 1,123,911	\$ 5,091,434

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Income Statement - Government Funds

**SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY
CCOS FUND - CONTRIBUTORS
From Inception to June 30, 2013**

Fund Contributors	Contributions	Percentage
State of California	\$ 8,999,408	58.4%
San Joaquin Valley APCD	2,181,081	14.2%
Local Government	1,580,833	10.3%
Private Sector Contributions	1,270,563	8.2%
Federal Government	1,378,000	8.9%
Total Contributions	\$ 15,409,885	100.0%

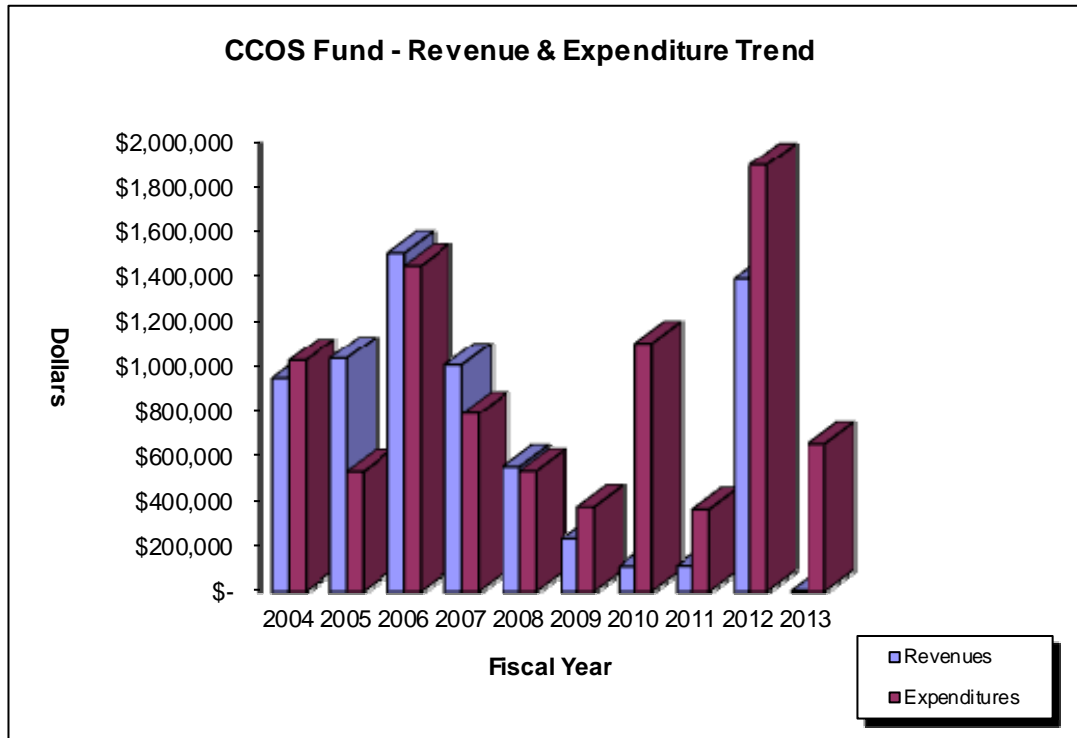


Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Schedule of Contributors

SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

CCOS FUND - REVENUE AND EXPENDITURE TREND Last Ten Fiscal Years



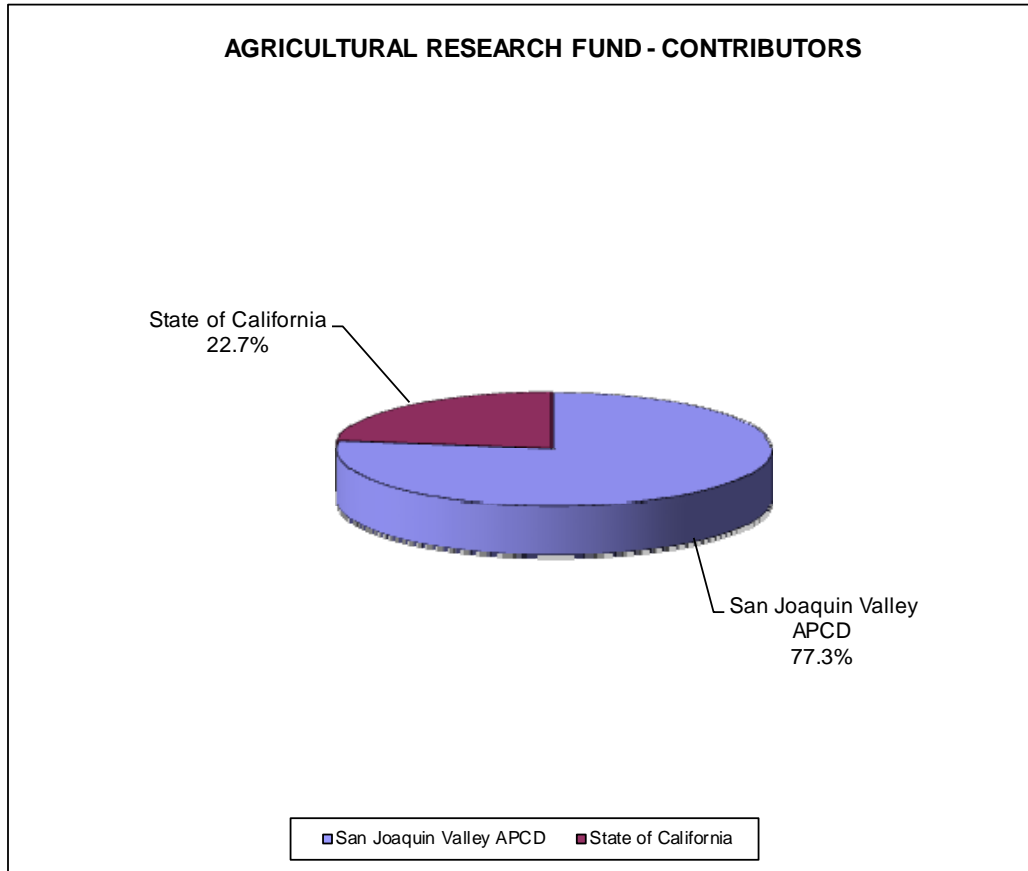
June 30,	Revenues	Expenditures
2004	\$ 949,895	\$ 1,028,108
2005	1,036,982	535,744
2006	1,506,994	1,451,180
2007	1,008,514	791,206
2008	556,706	538,833
2009	229,446	374,016
2010	107,442	1,105,501
2011	109,628	364,141
2012	1,397,285	1,900,636
2013	5,646	655,484
Total	\$ 6,908,538	\$ 8,744,849

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Income Statement - Government Funds

**SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY
 AGRICULTURAL RESEARCH FUND - CONTRIBUTORS
 From Inception to June 30, 2013**

Fund Contributors	Contributions	Percentage
San Joaquin Valley APCD	\$ 250,000	77.3%
State of California	73,600	22.7%
Total Contributions	\$ 323,600	100.0%

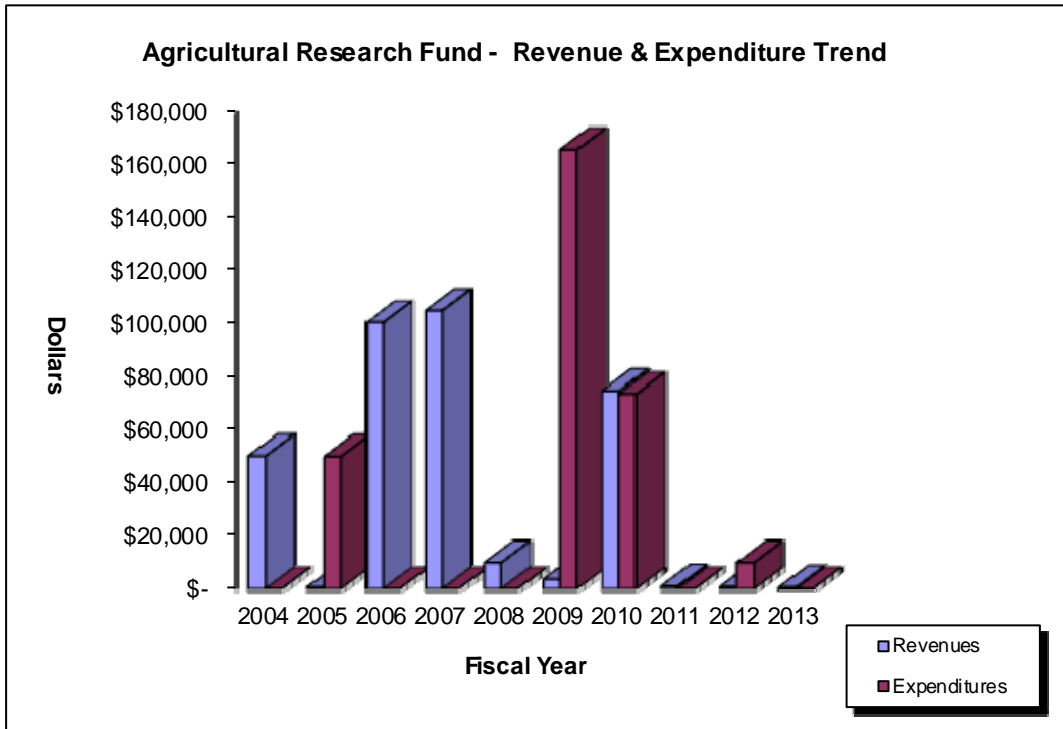


Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
 Schedule of Contributors

SAN JOAQUIN VALLEYWIDE AIR POLLUTION STUDY AGENCY

AGRICULTURAL RESEARCH FUND - REVENUE AND EXPENDITURE TREND Last Ten Fiscal Years



June 30,	Revenues	Expenditures
2004	\$ 50,195	\$ -
2005	672	49,996
2006	100,454	-
2007	105,014	-
2008	10,005	-
2009	3,657	165,759
2010	74,770	73,600
2011	1,043	-
2012	818	10,000
2013	574	-
Total	\$ 347,202	\$ 299,355

Source:

San Joaquin Valleywide Air Pollution Study Agency Audited Financial Statements
Income Statement - Government Funds

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Governing Board
San Joaquin Valleywide Air Pollution Study Agency
Fresno, California

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the San Joaquin Valleywide Air Pollution Study Agency (the Agency), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Page & Company

Clovis, California
December 20, 2013

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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

www.valleyair.org

San Joaquin Valley Wide Air Pollution Study Agency
Meeting of the Governing Board
January 16, 2014

**RECEIVE AND FILE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE FISCAL YEAR ENDED JUNE 30, 2013**

Attachment B:

Communication Letter to the Board
(2 pages)

The above attachment has been included with the agenda packets distributed to members of the Governing Board. It has not been included with other agenda packets. A copy of this document is available upon request by contacting the Deputy Clerk of the Boards at (559) 230-6000.