



AGENDA

LANE REGIONAL AIR PROTECTION AGENCY
MONTHLY BOARD OF DIRECTORS MEETING
THURSDAY MAY 11, 2023
12:15 P.M.

Virtual Participation

By Video: <https://us02web.zoom.us/j/82551664224>
By Audio: +1 253 215 8782
Meeting ID: 825 5166 4224

In-Person Participation

LRAPA
1010 Main Street
Springfield, OR 97477

[Note: Start times for agenda items are approximate.]

CALL TO ORDER:

1. **Call to Order** (12:15 p.m.)
2. **Adjustments to Agenda** (12:15 p.m.)
3. **Public Participation (time limited to three minutes per speaker)** (12:20 p.m.)
 - A. **Comments on an Item on Today's Agenda**
 - B. **Comments on a Topic Not Included on Today's Agenda**
(Note: This is an opportunity for the public to bring up unscheduled items. The board may not act at this time but, if it is deemed necessary, place such items on future agendas. Issues brought up under this agenda item are to be limited to three minutes' speaking time by the person raising the issue. If additional time is necessary, the item may be placed on a future agenda.)
4. **Comments from Board Members** *(Note: This is an opportunity for Board Members to bring up unscheduled items regarding today's public comments, and/or written/electronic comments they have received. The board may not act at this time but if it deems necessary place such items on future agendas.)*
5. **Consent Calendar** (12:25 p.m.)
 - A. Approval of Minutes for April 13, 2023, Board of Directors Meeting
 - B. Approval of Minutes for the April 13, 2023, Budget Committee Meeting
 - C. Approval of Expense Reports March 2023

REPORTS / ACTION ITEMS:

6. **Public Hearing for Adoption of the Proposed FY 2024 Budget** (12:30 p.m.)
7. **Resolution #23-1 to Adopting budget, Making Appropriations for fiscal Yr. 2023-24** (12:40pm)
8. **Presentation Audit Report Fiscal Year 2021-22** (12:45 p.m.)
 - A. By Paul Nielson, CPA with Isler CPA
9. **Resolution #23-2 To Approve Audit Finding Corrections Action** (1:00pm)
 - A. Audit findings from Audit ending June 30, 2022, of internal controls
10. **Citizens Advisory Committee** (1:10 p.m.)
11. **Dashboard Report** (1:15 p.m.)
12. **Discuss Process for Director's Performance Review** (1:25 p.m.)
13. **Director's Report of Agency Activities for April 2023** (1:35 p.m.)

DISCUSSION:

14. **Old Business** (1:40 p.m.)
15. **New Business** (1:42 p.m.)
16. **Adjournment of LRAPA Board Meeting** (1:45 p.m.)

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MINUTES
LANE REGIONAL AIR PROTECTION AGENCY
BOARD OF DIRECTORS MEETING
THURSDAY MAY 11, 2023
MEETING VIA ZOOM / LRAPA BUILDING, SPRINGFIELD OREGON

ATTENDANCE

Present: Bryan Cutchen, Chair; Howard Saxion, Vice Chair; Mike Fleck; Joe Pishioneri; Jeannine Parisi; Matt Keating; David Loveall; Susannah Sbragia; Steve Dietrich; Travis Knudsen; Lance Giles; Trinidad Cardenas; Colleen Wagstaff; Max Hueftle; Chris Coulter; Amanda Atkins; Cassandra Jackson; Chantal Green; Beth Erickson; Robbye Robinson; Katie Eagleson; Mary Bridget Smith; Paul Neilson, Isler Company; Jim Daniels, CAC; Michael Johnston; James Hugo and Diana Pamir Tisdale, LCOG Minutes Recorder.

Absent: None.

1. Call to Order

Chair Cutchen called the meeting of the Lane Regional Air Protection Agency (LRAPA) Board of Director's (BOD) to order at 12:15 PM.

2. Adjustments to Agenda

There were no adjustments to the agenda.

3. Public Participation

A. Comments on an Item on Today's Agenda

There were no public comments.

B. Comments on a Topic Not Included on Today's Agenda

There were no public comments.

4. Comments from Board Members

Vice Chair Saxion acknowledged that LRAPA staff did a great job during the public hearing regarding the Baxter permit.

ACTION ITEMS:

5. Consent Calendar

A. Approval of Minutes from April 13, 2023, Board of Director's Meeting

B. Approval of Minutes from April 13, 2023, Budget Committee Meeting

C. Approval of Expense Reports March 2023

MOTION: Mr. Pishioneri moved, and **Mr. Fleck** seconded to approve the Consent Calendar. **The motion passed unanimously.**

REPORTS:

6. Public Hearing for Adoption of Proposed FY 2024 Budget

Ms. Sbragia said the budget committee approved the budget on April 13, 2023. She highlighted sections of the budget for board approval. The budget was 8.6-million-dollars, with 5.2 million dollars in appropriations. The only changes that occurred since the April 13, 2023, meeting was the partner fees were updated. The appropriation format also changed, but no changes were made to the appropriation amounts. The Oregon Department of Revenue suggested the change in format a few years ago. The total expenditures for the general Fund were 2.6 million dollars. Transfer funds and contingencies were listed separately because they were non-allocated.

Mr. Fleck asked if that would impact transfers between categories and if they were still the same fund despite being delineated amounts. He noted that typically, you could move up to 10 percent within the same fund.

Ms. Sbragia answered no, it would not impact transfers. She said the grand total of personnel, materials and services, and capital outlay ensured that the spending authority of 2.6-million-dollar would not be exceeded. Those amounts were only separated in the budget report. She then directed the board's attention to the Title V fund. The total combined expenditures were 508,147 dollars.

Chair Cutchen asked if any changes to the appropriation amounts occurred, would the budget committee and board be required to approve that.

Ms. Sbragia answered yes. If the amount were less than 15 percent, it would only require board approval.

Mr. Pishioneri asked if the board would be advised if transfers between payroll and materials and services occurred.

Ms. Sbragia said that a transfer between those two funds would never occur.

Chair Cutchen said that would show up on a finance report, which would go into more detail than the budget report.

Mr. Fleck asked **Mr. Neilson** if contingency was the only thing that would require board approval.

Mr. Neilson answered yes. He said the state recommended the change in the appropriation format, which made it a lot easier for the auditor, who only looked at appropriation amounts.

Ms. Sbragia said if personnel were over budget, a conversation would occur to help the board understand why, but it would not require a budget adjustment if the amount did not exceed the combined total for materials and services, and capital outlay. She then directed the board's

attention to the grant fund. The total expenditures were 1,403,000 dollars. The total AirMetrics expenditures were 583,639 dollars, and it had a 10,000-dollar contingency. The total ending fund balance matched the total unappropriated reserve amount of 3,354,935 dollars. The spending authority was 5,247,869 dollars. The total amount of the budget was 8,602,804 dollars.

Mr. Pishioneri said during the budget meeting there was a conversation regarding how much money to hold in reserves, the common standard was a percentage of the budget as opposed to a number of days. He had not heard anything more about that.

Ms. Sbragia said that change would be presented in the FY 2025 budget. She needed time to go through each fund and determine the appropriate percentage, and to analyze the economic factors that affected the past.

Mr. Fleck noted the amount would stay the same, it would just be a different way of articulating the information.

Chair Cutchen opened the public hearing at 12:38 PM. There were no comments made by members of the public in attendance. Chair Cutchen closed the public hearing at 12:39 PM.

Mr. Fleck asked if the public hearing was advertised.

Mr. Knudsen said the public hearing was advertised in the Register Guard. It was also posted on the LRAPA website after the April 13, 2023, budget committee meeting occurred.

7. Resolution #23–1 to Adopting Budget, Making Appropriations for FY 2023 – 2024

MOTION: Mr. Fleck moved, and **Mr. Pishioneri** seconded to adopt Resolution 23–1, appropriations for FY 2023 – 2024.

Chair Cutchen asked if there was any discussion.

There was no discussion.

Chair Cutchen called for a vote. **The motion passed unanimously.**

8. Audit Report FY 2021 – 2022

Presenter: Paul Neilson, CPA with Isler CPA

Mr. Neilson said if someone were to read the audit report and make a decision, there would be no errors big enough to require a change in that decision. He noted auditors did not guarantee that the report was error free. Regarding the planning, scope, and timing of the audit, it was better than last year, by quite a bit. He said there was a great plan in place for next year. He noted that he was impressed with **Ms. Sbragia** and said she was the best person he had worked with sitting in the Financial Director's chair in all the years he had been doing auditing. This year, when they did the single audit testing, they selected a sample of 40 items to test. In 19 expenses, they found no evidence of a signature to indicate expenses had been reviewed by anyone. That was referred to as a significant deficiency in the auditing industry. The definition of a significant deficiency was anything, in the auditor's opinion, that a governing board needed to know about.

Ms. Parisi asked what percentage of the expenditures made up the 40 random items evaluated. She asked if there was a standard.

Mr. Neilson said he could not give her the percentage but said there was a standard.

Vice Chair Saxion asked if one of the test cases was the Environmental Protection Agency (EPA) Technical Assistance Grant (TAG).

Mr. Neilson said all the test cases were related to the EPA TAG Grant.

Chair Cutchen asked if the single audit trigger was a single source or two federal sources that went over 750,000 dollars.

Mr. Neilson confirmed it was all federal expenditures that exceed 750,000 dollars.

Mr. Fleck asked if the audit report would be posted on the Federal Audit Clearinghouse Website.

Mr. Neilson replied yes. He continued the report presentation and said regarding difficulties encountered during the audit, it was better than last year.

Ms. Sbragia said the process for the FY 2023 audit would begin by the 18th of September 2023. **Mr. Neilson** would be onsite the week of September 25, 2023, to begin testing internal controls.

Mr. Neilson said regarding corrected / uncorrected errors, there were multiple trial balances, i.e., bank reconciliation did not match the trial balance. No significant disagreements with management were detected, and to his knowledge, no other auditors were contacted regarding management of audit issues. Oregon had specific auditing standards related to governments. He said you could put your money in any bank or credit union, if the balance did not exceed 250,000 dollars. If the balance did exceed that amount, the financial institution was required to add the organization to a specified list.

Mr. Fleck asked if they guaranteed the funds.

Mr. Neilson replied yes. Auditors ensure that governing organizations publish an affidavit to notify the public about their budget. State law also requires auditors to look at insurance certificates. As a local governing body, there were laws limiting investments. Regarding public contract bidding, a sample was selected and analyzed to ensure due processes were followed.

Vice Chair Saxion asked what the threshold was for LRAPA's public contract bidding on sole-source procurement.

Mr. Neilson said he did not have that information at this time.

Ms. Sbragia said if LRAPA wanted to hire a sole-source contractor to perform a job, and the cost was estimated under 35,000 dollars, they were not required to release a formal Request for Proposal (RFP).

Mr. Neilson noted the board was required to have a formal justification to do that. In closing, he said LRAPA's budget was assessed for appropriation levels, and violations were detected in the TAG fund and the Title V fund in the categories of personnel, and materials and services. He

noted it had been five years since LRAPA had a violation. He said **Ms. Sbragia** wrote a corrective active plan, which would be submitted to the state.

Ms. Parisi said the Title V fund was unstable, and asked if the appropriation amount exceeded the appropriate level in the future, how could a budget violation be prevented.

Ms. Sbragia said changing the whole budget methodology and increasing the salaries would help prevent that from happening. When an employee leaves, they take their buyouts, which tanks a personnel budget. Increasing the salary amounts would prevent that from occurring. She would also be meeting with each department manager monthly to analyze budget actuals.

Vice Chair Saxion said Title V was a stand-alone fund. Revenue collected for that fund was coming from permit holders. Title V goes over budget because sometimes staff time took longer than usual in the permitting process. He asked if it was appropriate to transfer general revenue funds to the Title V program.

Mr. Fleck said the general fund dollars were not restricted.

Mr. Dietrich said under the Clean Air Act, Title V had to be a self-funded program. Funds could not come from other sources.

Mr. Fleck asked if there were no reserve dollars, how could you make the fund balance.

Ms. Sbragia said she would have to change the revenue amounts and the expenditures.

Vice Chair Saxion said you cannot change the revenue on Title V because permit fees were dictated by the state.

Ms. Sbragia said if she made a budget revision to Title V, the contingency dollars would be utilized to make that change. The contingency would be reduced, and the expenses would be increased, which would balance the Title V budget. The contingency allows for additional expenses that were unforeseen.

Vice Chair Saxion said if there were inadequate contingencies in the Title V fund, and it goes over budget, you would not get anymore revenue. He asked if there was a plan of action for that scenario.

Ms. Sbragia said she would evaluate and reduce the materials and services amount if necessary. Her plan was to present the budget to the board again in June 2023 after some evaluation had been done.

Vice Chair Saxion asked what would happen if there was not enough money in the Title V budget.

Ms. Sbragia said a budget violation would occur.

Mr. Dietrich said everybody knew that the Department of Environmental Quality (DEQ) did not have enough money for their Title V budget. They moved staff to other departments, which changed allocations for their Title V funds. Legislators set amounts for permissible permit fees. Changing that legislation took a lot of time. Discussions regarding that were in progress. If

LRAPA found themselves in a similar situation, they would have to make allocation decisions, and Title V work would be limited.

Ms. Parisi asked why there was no contingency listed in the Title V fund.

Ms. Sbragia said she did not write the budget. She would have put the contingency in there and did not know why the previous Financial Director did not include it. She would bring the budget back for budget change approval from the board. The budget was due shortly after she took over the position and there was not enough time to make huge changes.

Chair Cutchen acknowledged that **Ms. Sbragia** had done a great job in getting the LRAPA budget on track.

There were no other comments or questions.

9. Resolution to #23–2 to Approve Audit Finding Corrective Actions

A. Audit Findings from Audit Ending June 30, 2022, of Internal Controls

MOTION: Vice Chair Saxion moved, and **Mr. Pishioneri** seconded to adopt Resolution 23–2, to approve the audit finding corrective actions.

Chair Cutchen asked if there was any discussion.

There was no discussion.

Chair Cutchen called for a vote. **The motion passed unanimously.**

10. Citizen Advisory Committee (CAC)

Mr. Daniels said the CAC discussed recruitment for the committee. The bylaws required committee membership to be between seven to fifteen members, with specific seats. Currently, the committee lacks an agricultural representative and a member of the public. **Mr. Knudsen** had reached out to KLCC to see if they would do a public service announcement. Discussions also took place about the public survey that would be posted on the website.

Ms. Parisi asked who the public member was.

Mr. Daniels said it was **Terry Richardson**.

There were no comments or questions.

11. Dashboard Report

Mr. Dietrich said the dashboard report was normally presented in April. He discussed the highlights of the report.

Clean Air Act Goals

- Maintain Compliance with EPA Ozone Standards
- Maintain Compliance with the Annual PM2.5 Air Quality Standard

- Maintain Compliance with the Hourly PM2.5 Air Quality Standard
- Complete Application for the TAG (Completed)
- Continued Development of TAG (Slight Delays Due to COVID)

Air Toxics / Cleaner Air Oregon

- Continued Development and Implementation of Programs, Rules, and Fee Structures
- Perform Long-Term Trend Air Toxics Monitoring

Mr. Knudsen noted that the Air Toxics data from 2022 confirmed that benzene amounts were at higher levels due to the wildfire smoke.

Mr. Pishioneri asked if there was a preferred geographical area to put the monitor in Springfield.

Mr. Dietrich said yes. Hopefully, it would be put somewhere in the Thurston area or the Gateway area. He continued with the presentation.

- Continue to Perform Long-term Trend Air Toxics Monitoring at the West Eugene Site

Ms. Parisi asked what was changing in terms of regulatory requirements for this program.

Mr. Dietrich said understanding the risk and developing the strategy was most of the work required for compliance in this program.

Ms. Parisi said it would be good to know the benefits of the program, since it took so much administrative time and money.

Mr. Dietrich continued the presentation.

AirMetrics Program

- Maintain Self-supporting Operation
- Marketing Initiatives
- Licensing of Existing Air Samplers

Vice Chair Saxion suggested an AirMetrics update sometime soon.

Mr. Dietrich confirmed there was a plan to do that this year.

Agency Goals and Initiatives

- Update LRAPA Strategic Priorities Annually
- Provide Timely Permits, Inspections, and Construction Reviews
- Expand Development of Customized Data Base
- Improve Compliance, Reporting, Inspection, and Tracking
- Maintain Industrial Source LRAPA Rules
- Maintain Financial Stability and Viability of LRAPA
- Maintain a Full Staffing Complement for LRAPA Program Stability

Mr. Dietrich said LRAPA was in a solid financial position.

Mr. Fleck asked about House Bill 32-29.

Mr. Dietrich said the sub-committee was deciding what the percentage increase could be.

12. Discuss Process for Director's Performance Review

Ms. Smith discussed the development of an annual performance evaluation for **Mr. Dietrich**. Annual performance evaluations were a common part of employment. **Mr. Dietrich** had a performance evaluation in July of 2022. **Mr. Dietrich's** next evaluation could take place again in July of 2023. She asked board members to think about when they would like the next evaluation to occur during this discussion. Regarding getting feedback about **Mr. Dietrich** from fellow employees, the previous questionnaire had seven questions, and it was administered throughout LRAPA with Survey Monkey and email. The board needed to decide if they wanted to do that again this year.

Chair Cutchen asked if there were any concerns about that.

There were no concerns.

Ms. Smith said the employee survey could be released within one week, and it could remain open for two weeks. A report could be prepared for an upcoming LRAPA BOD Executive Session. She asked if July 2023 was a good time for the evaluation.

Mr. Pishioneri said it was important to get input before board members ended their term on the board.

Ms. Parisi said if that were to happen, **Mr. Dietrich** would need to have his self-evaluation ready by June 2023. She asked if she would be allowed to attend the executive session in July if she were no longer a board member.

Ms. Smith said yes.

Vice Chair Saxion asked who would implement and manage the survey.

Ms. Smith said she would.

Mr. Fleck asked **Ms. Smith** if the board evaluation form needed to be approved by the board.

Ms. Smith said a board evaluation should get board approval.

The board agreed that the same template for the self-evaluation form could be used. An executive summary of accomplishments could be included since the last evaluation, and goals that were still pending could be notated.

Ms. Parisi said the metrics for the board evaluation form and the self-evaluation form needed to be the same. **Mr. Dietrich** should be clear about what the basis of the board's evaluation of him was based on.

Ms. Smith clarified responsibilities for this task with the following:

- **Ms. Smith** Would Send 360 evaluation to LRAPA Staff
- **Mr. Dietrich** Will Work His Self-evaluation

- **Ms. Smith** Would Send **Mr. Dietrich's** Evaluation to LRAPA Board
- **Ms. Smith** Would Compile a Report of all Evaluations
- Executive Session Would Take Place in July 2023

There were no other comments or questions.

13. Director's Report of Agency Activities for April 2023

Mr. Dietrich asked if the board had questions about the Director's Report. He noted that there was a lot of public engagement going on behalf of LRAPA. He would like to discuss that later, but acknowledged the extraordinary work being done by LRAPA staff.

Mr. Fleck said he noticed a lot of asbestos and asked why it was showing up so frequently.

Mr. Dietrich said it was in part due to the prudent inspector, the nature of the industries, and complaints brought to the attention of LRAPA.

There were no other comments or questions.

DISCUSSION:

14. Old Business

Ms. Parisi asked where the sub-committee was regarding the work being done on the LRAPA bylaws.

Chair Cutchen said the sub-committee was meeting when this meeting adjourned to work on that.

There were no other comments or questions.

15. New Business

Mr. Knudsen said **he had created** a list of action items during this meeting, which included the following:

- Publish Air Toxics Data on Website
- Send a List of Sites for Air Toxics Locations to Mr. Pishioneri for Springfield Monitoring
- Add Clean Air Oregon Discussion to Upcoming Agenda
- Having Mr. Dietrich's Self-evaluation Ready for BOD by June 2023

There were no other comments or questions.

16. Adjournment

Chair Cutchen adjourned the meeting at 2:04 PM.

(Minutes recorded by Diana Pamir Tisdale)

LRAPA Financials

Board Report

FY23 YEAR-TO-DATE

ALL FUNDS

FY23: JULY 1, 2022 - MARCH 31, 2023

% of year used: 75%

GENERAL FUND				TOTAL				PROJECTED
				BUDGET	ACTUAL	REMAINING	% RECEIVED OR USED	YEAR END
REVENUES								
GRANTS:				\$1,078,514	\$789,500	\$289,014	73%	\$1,100,354
	Federal Base	640,000			428,600			640,000
	State	263,514			212,100			275,554
	Others	175,000			148,800			184,800
LOCAL DUES:				195,111	195,100	11	100%	195,100
	City of Eugene	87,643			87,600			87,600
	Lane County	61,876			61,900			61,900
	City of Springfield	31,806			31,800			31,800
	City of Oakridge	3,358			3,400			3,400
	City of Cottage Grove	10,428			10,400			10,400
PERMIT FEES:				1,245,964	1,275,500	(29,536)	102%	1,372,499
	Point Source	616,398			668,700			668,700
	GDF & GHG & Other Fees	80,000			92,500			92,500
	Asbestos Fees	186,855			167,200			259,199
	Cleaner Air Oregon	339,711			307,400			307,400
	Misc Fees & Others	23,000			39,700			44,700
TRANSFERS FROM OTHER FUNDS				40,500	0	40,500	0%	0
TOTAL REVENUES				\$2,560,089	\$2,260,100	\$299,989	88%	\$2,667,952
EXPENDITURES								
PERSONNEL:				\$1,786,980	\$1,257,200	\$529,780	70%	\$1,703,300
MATERIAL & SERVICES:				756,730				
	SUPPLIES & SERVICES	367,340			279,800	87,540	76%	\$373,100
	OTHER GRANTS PASS-THRU	340,000			196,000	144,000	58%	\$261,400
	TRAVEL & TRAINING	24,900			11,000	13,900	44%	\$29,700
	VEHICLE OPERATING EXPENSES	10,000			8,700	1,300	87%	\$11,600
	REPAIRS	14,490			11,000	3,490	76%	\$14,700
CONTINGENCY:				100,000	0	100,000	0%	0
CAPITAL/DEBT SERVICE:				160,000	0	160,000	0%	80,000
TOTAL EXPENDITURES				\$2,803,710	\$1,763,700	\$1,040,010	63%	\$2,473,800
BEGINNING FUND BALANCE (unaudited)				2,221,896	0			
Revenue Over Expenditures INCREASE/(DECREASE)				(243,621)	496,400			194,152
ENDING FUND BALANCE				\$1,978,275				\$2,416,048
TITLE V								
				BUDGET	TOTAL ACTUAL	REMAINING	% RECEIVED OR USED	PROJECTED YEAR END
REVENUES								
PERMIT FEES:				\$424,207	\$424,200	\$7	100%	\$424,200
TOTAL REVENUES				\$424,207	\$424,200	\$7	100%	\$424,200
EXPENDITURES								
PERSONNEL:				457,639	402,500	55,139	88%	536,700
MATERIAL & SERVICES:				16,870				0
	SUPPLIES & SERVICES	16,370			300	16,070	2%	400
	TRAVEL & TRAINING	500			0	500	0%	0
	CONTRACT SERVICES	0			0	0	0%	0
TRANSFER TO GENERAL FUND:				15,000	0	15,000	0%	0
CAPITAL/DEBT SERVICE:				0	0	0	0%	0
TOTAL EXPENDITURES				\$489,509	\$402,800	\$86,709	82%	\$537,100
BEGINNING FUND BALANCE				206,819	0			
Revenue Over Expenditures INCREASE/(DECREASE)				(65,302)	21,400			(112,900)
ENDING FUND BALANCE				\$141,517				\$93,919

LRAPA Financials

Board Report

FY23 YEAR-TO-DATE

ALL FUNDS

FY23: JULY 1, 2022 - MARCH 31, 2023

			% of year used: 75%		
TAG GRANT (Oakridge)	BUDGET	TOTAL ACTUAL	REMAINING	% RECEIVED OR USED	PROJECTED YEAR END
REVENUES					
EPA Funds TAG 1 (Total Grant Reimbursement is budgeted):	1,224,568	617,100	607,468	50%	1,047,414
EPA Funds TAG 2 (Total Grant Reimbursement is budgeted):					
ARP Grant - NOT Received	175,000	0	0	0%	
TOTAL REVENUES	\$1,399,568	\$617,100	\$782,468	44%	\$1,047,414
EXPENDITURES					
PERSONNEL:	72,360				
PERSONNEL TAG 1	45,560	41,300	4,260	91%	41,300
PERSONNEL ARP (not received)	26,800				
MATERIAL & SERVICES:	1,327,208				
SUPPLIES & SERVICES TAG 1	113,950	179,600	(65,650)	158%	307,885
SUPPLIES & SERVICES TAG 2	50,000		50,000	0%	0
ARP (Not Received)	148,200	0	148,200	0%	0
CONTRACT SERVICES TAG 1	562,720	338,600	224,120	60%	580,457
CONTRACT SERVICES TAG 2	50,000	68,700	(18,700)	137%	117,771
OTHER GRANTS PASS-THRU TAG 1	402,338	29,000	373,338	7%	
OTHER GRANTS PASS-THRU TAG 2		0	0	0%	0
TOTAL EXPENDITURES	\$1,399,568	\$657,200	\$715,568	47%	\$1,047,414
BEGINNING FUND BALANCE	0	0			
Revenue Over Expenditures INCREASE/(DECREASE)	0	(40,100)			0
ENDING FUND BALANCE	\$0	\$0			\$0
AIRMETRICS ENTERPRISE FUND					
	BUDGET	TOTAL ACTUAL	REMAINING	% RECEIVED OR USED	PROJECTED YEAR END
REVENUE					
SAMPLER SALES:	\$460,812	\$209,400	251,412	45%	279,200
SAMPLER CALLIBRATION FEE:	7,280	2,900	4,380	40%	3,900
FILTER WEIGHING SERVICES:	0	0	0	0%	0
INTEREST & FREIGHT INCOME:	23,289	24,300	(1,011)	104%	32,400
SAMPLER RENTAL INCOME:	6,500	1,400	5,100	22%	1,900
SALES OF PARTS & ACCESSORIES:	97,000	68,100	28,900	70%	90,800
TOTAL REVENUE	\$594,881	\$306,100	\$288,781	51%	\$408,200
EXPENSES					
PERSONNEL:	160,870	119,300	41,570	74%	167,100
MATERIAL PURCHASE/COGS:	414,731	210,300	204,431	51%	288,400
EQUIPMENT:	20,000	0	20,000	0%	8,000
CONSULTANTS/RESEARCH & DEVELOPMENT:	15,000	0	15,000	0%	8,000
GENERAL EXPENSE & OTHERS:	20,764	12,200	8,564	59%	24,300
CONTINGENCY:	10,000	0	10,000	0%	0
TRANSFER TO GENERAL FUND:	25,500	0	25,500	0%	0
TOTAL EXPENDITURES	\$666,865	\$341,800	\$325,065	51%	\$495,800
BEGINNING FUND BALANCE	1,364,024	0			
Revenue Over Expenditures INCREASE/(DECREASE)	(71,984)	(35,700)			(87,600)
ENDING FUND BALANCE	\$1,292,040				\$1,276,424

Keep financial reserves at 120 days minimum (LRAPA Board Adopted Target)



LANE REGIONAL AIR PROTECTION AGENCY MEMORANDUM

To: Bryan Cutchen, Chair and LRAPA Board Members

Department: Administration

From: Susannah Sbragia, Finance and Human Resource Director

Subject: Resolution No. 23-1

Resolution #23-1 Adopting The 2023-24 Budget And Making Appropriations.

ISSUE STATEMENT

Resolution No. 23-1, a resolution adopting the 2023-24 budget, and appropriation.

BACKGROUND

On April 13, 2023, the Lane Regional Air Protection Agency's (LRAPA) budget committee approved an LRAPA budget for fiscal year 2023-24.

FACTS AND FINDINGS

Lane Regional Air Protection Agency (LRAPA) budget must be adopted, and appropriations made, prior to June 30th for LRAPA to avoid interruption of services.

FISCAL IMPACT

The total LRAPA budget is \$8,602,804, including total appropriations of \$5,247,869, and the General Fund appropriation amount of \$2,753,084.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 23-1 as present.

SUGGESTED MOTION

Offer a motion to approve Resolution No. 23-1, adopting the 2023-24 fiscal year budget, and making appropriations for the 2023-24 fiscal year.

RESOLUTION 23-1

A RESOLUTION ADOPTING THE 2023-24 BUDGET AND MAKING APPROPRIATIONS

BE IT RESOLVED that the Board of Directors of Lane Regional Air Protection Agency (LRAPA) hereby adopts the budget approved by the LRAPA Budget committee for fiscal year 2023-2024 in the total sum of \$8,602,804, now on file at the Lane Regional Air Protection Agency office at 1010 Main Street, Springfield, Oregon 97477, or at www.lrapa.org.

BE IT FURTHER RESOLVED that the above total amount for fiscal year beginning on July 1, 2023, and ending on June 30, 2024, are hereby appropriated as follows:

Fund/Program/Organization Unit/Object Classification	Approved Budget
General Fund	
Administration	2,653,084
Not Allocated to Org Unit.	
Transfers	-
Contingency	100,000
Total	2,753,084
Special Revenue Fund (Title V)	
Administration	
Title V	493,147
Not Allocated to Org Unit.	
Transfers	15,000
Contingency	-
Total	508,147
Grant Fund	
Administration	
Grants Tag 1 & Tag 2	1,403,000
Not Allocated to Org Unit.	
Transfers	-
Contingency	-
Total	1,403,000
Enterprise Fund (AirMetrics)	
Administration	
AirMetrics	548,139
Not Allocated to Org Unit.	
Transfers	25,500
Contingency	10,000
Total	583,639
Total appropriations, All Funds	5,247,869
Total unappropriated and reserve amounts, All Funds	3,354,935
Total Budget	8,602,804

The foregoing resolution is adopted on the 11th day of May 2023.

ATTEST:

Steve Dietrich,
Director

Bryan Cutchen,
Chairperson of the Board of Directors

LANE REGIONAL AIR PROTECTION AGENCY
FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

WITH

INDEPENDENT AUDITOR'S REPORT

LANE REGIONAL AIR PROTECTION AGENCY

For the Year Ended June 30, 2022

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LANE REGIONAL AIR PROTECTION AGENCY

For The Year Ended June 30, 2022

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INTRODUCTORY SECTION

LANE REGIONAL AIR PROTECTION AGENCY

List of Appointed Officials

As of June 30, 2022

APPOINTED OFFICIALS

Joe Pishioner	Chair
Jeannine Parisi	Vice Chair
Chrissy Hollett	Director
Mike Fleck	Director
Joe Berney	Director
Howard Saxton	Director
Matt Keating	Director
Jenna Knee	Director
Terry Fitzpatrick	Director

FINANCIAL SECTION



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Eugene, OR 97403
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lane Regional Air Protection Agency
Springfield, OR

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Lane Regional Air Protection Agency ("LRAPA") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of LRAPA as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of LRAPA of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LRAPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LRAPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LRAPA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison for the General, Title V, and TAG funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management discussion and analysis 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise LRAPA's basic financial statements. The information contained in the budgetary schedules referred to above is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LRAPA's basic financial statements. The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual for the Airmetrics fund and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual for the Airmetrics fund and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2023, on our consideration of LRAPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LRAPA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering LRAPA's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated May 5, 2023 on our consideration of LRAPA's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

ISLER CPA



by: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
May 5, 2023



Management's Discussion and Analysis

As management of Lane Regional Air Protection Agency ("LRAPA"), we offer readers of LRAPA's financial statements this narrative overview and analysis of the financial activities of LRAPA for the fiscal year ended June 30, 2022. All amounts are stated in thousands unless otherwise indicated.

Financial Highlights

- Assets exceeded liabilities at the close of the fiscal year by \$3.9 million and of this amount; \$3.2 million (*unrestricted* net position) may be used to meet LRAPA's ongoing obligations to citizens and creditors.
- LRAPA's total net position increased by \$85 thousand. This increase is attributable to governmental activities increasing net position by \$174 thousand and business-type activities decreasing net position by \$89 thousand.
- As of close of the fiscal year, LRAPA's governmental funds reported a combined ending fund balance of \$2.3 million, an increase of \$219 thousand. Of this total, \$2.2 million is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$2.2 million, or approximately 96% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to LRAPA's basic financial statements. LRAPA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements The *government-wide financial statements* are designed to provide readers with a broad view of LRAPA's finances, in a manner similar to a private-sector business.

The *balance sheet* presents information on all of LRAPA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of LRAPA is improving or deteriorating.

The *statement of activities* presents information showing how LRAPA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of LRAPA that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of LRAPA are related to air pollution control. Business-type activity of LRAPA include the sale of portable air quality sampling units.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. LRAPA, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of LRAPA can be divided into two categories: governmental funds and proprietary funds.

Governmental funds *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

LRAPA maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for both of these funds.

LRAPA adopts an annual budget for its governmental funds. Budgetary comparisons have been provided for the governmental funds to demonstrate compliance with the budget.

Proprietary funds LRAPA has one proprietary fund, an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. LRAPA uses the Airmetrics enterprise fund to account for the sales of air quality sampling units.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. LRAPA's assets exceeded liabilities by \$3.9 million at the close of the most recent fiscal year.

Of LRAPA's net position, 14% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) net of depreciation; less any related debt used to acquire those assets that is still outstanding. LRAPA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Lane Regional Air Protection Agency's Net Position, in thousands

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 2,307	\$ 2,239	\$ 1,213	\$ 1,295	\$ 3,520	\$ 3,534
Capital assets	499	542	54	64	553	606
Total assets	<u>2,806</u>	<u>2,781</u>	<u>1,267</u>	<u>1,359</u>	<u>4,073</u>	<u>4,140</u>
Current liabilities	23	175	2	4	25	179
Long-term liabilities outstanding	157	154	12	15	169	169
Total liabilities	<u>180</u>	<u>329</u>	<u>14</u>	<u>19</u>	<u>194</u>	<u>348</u>
Net position						
Net investment in capital assets	499	542	54	64	553	606
Restricted	104	206	-	-	104	206
Unrestricted	<u>2,023</u>	<u>1,704</u>	<u>1,198</u>	<u>1,277</u>	<u>3,221</u>	<u>2,981</u>
Total net position	<u>\$ 2,626</u>	<u>\$ 2,452</u>	<u>\$ 1,252</u>	<u>\$ 1,341</u>	<u>\$ 3,878</u>	<u>\$ 3,793</u>

An additional portion of LRAPA's net position, 3%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$3.2 million and may be used to meet LRAPA's ongoing obligations to citizens and creditors.

LRAPA's net position increased by \$85 thousand during the current fiscal year; this increase is due primarily to fees and grants related to air quality management exceeding related expenditures.

Lane Regional Air Protection Agency's Changes in Net Position, in thousands

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1,677	\$ 1,690	\$ 446	\$ 589	\$ 2,123	\$ 2,279
Operating grants and contributions	1,901	1,423	-	-	1,901	1,423
Total revenues	3,578	3,113	446	589	4,024	3,702
Expenses:						
Air quality control	3,430	2,949	-	-	3,430	2,949
Portable sampler sales	-	-	509	549	509	549
Total expenses	3,430	2,949	509	549	3,939	3,498
Change in net position before transfers	148	164	(63)	40	85	204
Transfers	26	26	(26)	(26)	-	-
Increase (decrease) in net position	174	190	(89)	14	85	204
Net position beginning of the year	2,452	2,262	1,341	1,327	3,793	3,589
Net position end of the year	<u>\$ 2,626</u>	<u>\$ 2,452</u>	<u>\$ 1,252</u>	<u>\$ 1,341</u>	<u>\$ 3,878</u>	<u>\$ 3,793</u>

Financial Analysis of the Government's Funds

As noted earlier, LRAPA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of LRAPA's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing LRAPAs financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, LRAPA's governmental funds reported combined ending fund balances of \$2.3 million, an increase of \$219 thousand over the prior year; \$2.2 million of the total amount constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of LRAPA. At the end of the current fiscal year, total fund balance was \$2.2 million, the majority of which is unassigned, the fund balance of LRAPA's General Fund increased by \$322 thousand during the current fiscal year.

General Fund Budgetary Highlights

There were no significant differences between the original budget and the final budget and the differentials were within the acceptable target numbers.

Capital Assets and Debt Administration

Capital assets LRAPA's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$554 thousand (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, and equipment.

Capital assets at June 30, 2022 included the following:

Lane Regional Air Protection Agency Capital Assets, in thousands (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 100	\$ 100	\$ -	\$ -	\$ 100	\$ 100
Buildings and improvements	260	277	-	-	260	277
Vehicles	11	14	-	-	11	14
Equipment	129	151	54	64	183	215
	<u>\$ 500</u>	<u>\$ 542</u>	<u>\$ 54</u>	<u>\$ 64</u>	<u>\$ 554</u>	<u>\$ 606</u>

Additional information on LRAPA's capital assets can be found in Note III C of this report.

Economic Factors and Next Year's Budgets and Rates

Sales in LRAPA's Airmetrics enterprise program are projected to remain stable during fiscal year 2022-2023. In the 2022-2023 budget, there is a significant increase for the Targeted Airshed Grant (TAG) revenues and expenditures.

Request for Information

This financial report is designed to provide a general overview of LRAPA's finances for all or those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance/HR Manager at Lane Regional Air Protection Agency, Susannah Sbragia, ssbragia@lrpa.org.

LANE REGIONAL AIR PROTECTION AGENCY

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activity	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,893,674	\$ 1,348,022	\$ 3,241,696
Accounts receivable	127,426	48,052	175,478
Inventories	-	101,189	101,189
Prepays	52	-	52
Internal balances	285,000	(285,000)	-
Noncurrent assets:			
Non-depreciable capital assets	100,000	-	100,000
Depreciable capital assets (net of accumulated depreciation)	399,340	54,434	453,774
Total assets	<u>\$ 2,805,492</u>	<u>\$ 1,266,697</u>	<u>\$ 4,072,189</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	\$ 11,893	\$ 796	\$ 12,689
Other current liabilities	10,826	1,350	12,176
Noncurrent liabilities:			
Due within one year:			
Compensated absences	141,440	11,075	152,515
Due in more than one year:			
Compensated absences	15,715	1,231	16,946
Total liabilities	<u>179,874</u>	<u>14,452</u>	<u>194,326</u>
NET POSITION			
Investment in capital assets	499,340	54,434	553,774
Restricted for Title V	103,787	-	103,787
Unrestricted	2,022,491	1,197,811	3,220,302
Total net position	<u>2,625,618</u>	<u>1,252,245</u>	<u>3,877,863</u>
Total liabilities and net position	<u>\$ 2,805,492</u>	<u>\$ 1,266,697</u>	<u>\$ 4,072,189</u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Statement of Activities

For the Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activity	Total
Governmental activities:						
Air quality control	\$ 3,429,432	\$ 1,676,733	\$ 1,901,292	\$ 148,593	\$ -	\$ 148,593
Business-type activities:						
Portable air-sampling devices and services	<u>508,673</u>	<u>445,706</u>	<u>-</u>	<u>-</u>	<u>(62,967)</u>	<u>(62,967)</u>
Total activities	<u>\$ 3,938,105</u>	<u>\$ 2,122,439</u>	<u>\$ 1,901,292</u>	148,593	(62,967)	85,626
Transfers				<u>25,500</u>	<u>(25,500)</u>	<u>-</u>
Change in net position				174,093	(88,467)	85,626
Net position - beginning				<u>2,451,525</u>	<u>1,340,712</u>	<u>3,792,237</u>
Net position - ending				<u>\$ 2,625,618</u>	<u>\$ 1,252,245</u>	<u>\$ 3,877,863</u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Balance Sheet

Governmental Funds

June 30, 2022

	General	Title V	TAG	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,893,674	\$ -	\$ -	\$ 1,893,674
Accounts receivable	127,426	-	-	127,426
Due from other funds	285,000	103,787	-	388,787
Prepaid expenses	52	-	-	52
Total assets	<u>\$ 2,306,152</u>	<u>\$ 103,787</u>	<u>\$ -</u>	<u>\$ 2,409,939</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	\$ 11,894	\$ -	\$ -	\$ 11,894
Due to other funds	103,787	-	-	103,787
Other current liabilities	<u>10,826</u>	<u>-</u>	<u>-</u>	<u>10,826</u>
Total liabilities	<u>126,507</u>	<u>-</u>	<u>-</u>	<u>126,507</u>
Fund balances:				
Nonspendable prepaids	52	-	-	52
Restricted by Title V	-	103,787	-	103,787
Unassigned	<u>2,179,593</u>	<u>-</u>	<u>-</u>	<u>2,179,593</u>
Total fund balances	<u>2,179,645</u>	<u>103,787</u>	<u>-</u>	<u>2,283,432</u>
Total liabilities and fund balances	<u>\$ 2,306,152</u>	<u>\$ 103,787</u>	<u>\$ -</u>	<u>\$ 2,409,939</u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide Balance Sheet

June 30, 2022

Fund Balances - Governmental Funds	\$	2,283,432
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

Governmental capital assets	1,437,310	
Less accumulated depreciation	<u>(937,970)</u>	
		499,340

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	(157,155)
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Net position of governmental activities	<u>\$</u>	<u>2,625,617</u>
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The notes to the financial statements are an integral part of this statement.

LANE REGIONAL AIR PROTECTION AGENCY

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	<u>General</u>	<u>Title V</u>	<u>TAG</u>	<u>Total Governmental Funds</u>
REVENUES				
Grants	\$ 1,110,995	\$ -	\$ 604,573	\$ 1,715,568
Fees	1,240,987	416,511	-	1,657,498
Local dues	185,724	-	-	185,724
Miscellaneous revenue	<u>24,366</u>	<u>-</u>	<u>-</u>	<u>24,366</u>
Total revenues	<u>2,562,072</u>	<u>416,511</u>	<u>604,573</u>	<u>3,583,156</u>
EXPENDITURES				
Air quality control	<u>2,266,049</u>	<u>518,615</u>	<u>604,573</u>	<u>3,389,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>296,023</u>	<u>(102,104)</u>	<u>-</u>	<u>193,919</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,500	-	-	25,500
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>25,500</u>
Net change in fund balances	321,523	(102,104)	-	219,419
Fund balances - beginning	<u>1,858,122</u>	<u>205,891</u>	<u>-</u>	<u>2,064,013</u>
Fund balances - ending	<u><u>\$ 2,179,645</u></u>	<u><u>\$ 103,787</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,283,432</u></u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$	219,419
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated, over their estimated useful lives reported as depreciation expense

Capital outlay	11,901	
Depreciation	<u>(54,209)</u>	
		(42,308)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:

Change in Compensated absences		(3,019)
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Change in net position of governmental activities	<u>\$</u>	<u>174,092</u>
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The notes to the financial statements are an integral part of this statement.

LANE REGIONAL AIR PROTECTION AGENCY

Statement of Net Position

Proprietary Funds

June 30, 2022

	Business-Type Activity - Enterprise Fund <u>Airmetrics</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,348,022
Receivables, net	48,052
Inventories	<u>101,189</u>
Total current assets	<u>1,497,263</u>
Noncurrent assets:	
Capital assets:	
Depreciable assets	107,631
Less accumulated depreciation	<u>(53,198)</u>
Total noncurrent assets	<u>54,433</u>
Total assets	<u><u>\$ 1,551,696</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 795
Other current liabilities	1,350
Due to other funds	<u>285,000</u>
Total current assets	<u>287,145</u>
Noncurrent liabilities:	
Compensated absences due within one year	11,075
Compensated absences due in more than one year	<u>1,231</u>
Total noncurrent liabilities	<u>12,306</u>
Total liabilities	<u>299,451</u>
NET POSITION	
Invested in capital assets	54,433
Unrestricted	<u>1,197,812</u>
Total net position	<u>1,252,245</u>
Total liabilities and net position	<u><u>\$ 1,551,696</u></u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2022

	<u>Business-Type Activity - Enterprise Fund Airmetrics</u>
Operating revenues:	
Charges for services	\$ 442,625
Other revenue	<u>3,081</u>
Total operating revenues	<u>445,706</u>
Operating expenses:	
Personal services	147,719
Materials and services	351,500
Depreciation	<u>9,454</u>
Total operating expenses	<u>508,673</u>
Operating income (loss)	(62,967)
Transfers Out	<u>(25,500)</u>
Change in net position	(88,467)
Net position - beginning	<u>1,340,712</u>
Net position - ending	<u><u>\$ 1,252,245</u></u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2022

	<u>Airmetrics</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 506,078
Payments to suppliers	(340,635)
Payments to employees	<u>(150,869)</u>
Net cash provided (used) by operating activities	<u>14,574</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer (to) from other funds	(25,500)
Change in due to/from other funds	<u>124,992</u>
Net cash used by noncapital financing activities	<u>99,492</u>
Net change in cash and cash equivalents	114,066
Cash and cash equivalents - beginning	<u>1,233,956</u>
Cash and cash equivalents - ending	<u><u>\$ 1,348,022</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	\$ (62,967)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	9,454
Changes in:	
Accounts receivable	60,372
Inventories	11,922
Accounts payable and other current liabilities	(1,057)
Compensated absences	<u>(3,150)</u>
Total adjustments	<u>77,541</u>
Net cash provided (used) by operating activities	<u><u>\$ 14,574</u></u>

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

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note I - Summary of significant accounting policies

A. Nature of business

The Lane Regional Air Protection Agency ("LRAPA") was formed under the predecessor sections to Oregon Revised Statutes (ORS) 468A.100 through 468A.180. Its purpose is to control air quality by establishing standards for the promotion of the purity of air and to promulgate and enforce uniform ordinances and regulations in Lane County, Oregon.

B. Reporting entity

LRAPA is a municipal corporation governed by a nine-member board of directors. The board members are appointed by their respective city mayors and the Lane County Board of Commissioners. Board membership includes four representatives from the City of Eugene, two from the City of Springfield and one each from Lane County, the City of Cottage Grove and the City of Oakridge.

LRAPA is considered a primary government and is not a component unit of another entity, nor are there any component units for which LRAPA is financially accountable.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, LRAPA considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

LRAPA reports the following major governmental funds:

The *General Fund* is LRAPA's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenue are grants, permit fees, and local dues. Primary expenditures are for air quality control.

The *Title V Fund* accounts for the costs associated with issuing federally-required air pollution permits to large facilities operating within Lane County, Oregon. The primary source of revenue is from permit fees. The use of the permit fees is restricted by the United States Code.

The *TAG Fund* accounts for The Targeted Airshed Grant Funds contracts.

LRAPA reports the following major proprietary funds:

LRAPA reports the following major proprietary funds:

The *Airmetrics Fund* accounts for LRAPA's costs to manufacture and market portable air-sampling devices and services. Sales of the equipment are the fund's primary revenue source.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note I - Summary of significant accounting policies, continued

C. Measurement focus, basis of accounting, and financial statement presentation, continued

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

LRAPA's policy is to use restricted net position first when both restricted and unrestricted net position are available. For fund balance, it is LRAPA's policy to use restricted resources first, followed by committed, assigned, and unassigned resources, in that order.

D. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

E. Assets, liabilities, and net position or equity

1. Cash and cash equivalents

LRAPA's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the State of Oregon Treasury Department's Local Government Investment Pool (LGIP).

State statutes authorize LRAPA to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances, repurchase agreements and the LGIP.

2. Receivables and payables

Receivables that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide and proprietary fund financial statements are accrued as revenue when earned. In governmental funds any revenues not meeting the revenue recognition criteria are offset by unearned revenue accounts. Receivables are stated net of any allowance for uncollectibles.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

3. Inventories and prepaid items

Inventories in the proprietary fund are valued average cost and are charged to operating expense when sold or used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note I - Summary of significant accounting policies, continued

E. Assets, liabilities, and net position or equity, continued

4. Capital assets

Capital assets, which include land, buildings and improvements, vehicles, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by LRAPA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the donor's cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of LRAPA are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10 - 40
Vehicles	10
Equipment	5 - 10

5. Compensated absences

It is LRAPA's policy to permit employees to accumulate earned but unused paid time off. All paid time off is accrued when incurred in the government-wide and proprietary financial statements up to the maximum hours allowed based on number of years of service. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Compensated absences are liquidated by the funds which incur the liability, such funds include the General, Title V, TAG and Airmetrics funds.

6. Retirement plan

LRAPA sponsors a defined contribution pension plan. Contributions are based on a percentage of eligible employee's wages, and it is the policy of LRAPA to fund contributions by monthly deposits. Plan assets, which are held by an insurance company under a policy providing for individual participant accounts, are not a part of the reporting entity of LRAPA.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note I - Summary of significant accounting policies, continued

E. Assets, liabilities, and net position or equity, continued

7. Fund balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the Board passes an ordinance that places specific constraints on how the resources may be used. The Board can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the Board's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the board of directors approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

8. Grants

Grants are recognized as revenue in the accounting period in which they become both measurable and available and in which all eligibility requirements have been met. When expenditure is the primary factor for determining eligibility, the revenue is recognized when the expenditure is made. Cash received from grantor agencies in excess of related grant expenditures is recorded as unearned revenue on the balance sheet.

Note II - Stewardship, compliance, and accountability

A. Budgetary information

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. LRAPA is required by law to budget all funds. The budgetary level of control is by total personal services, materials and services, capital outlay, debt service, and contingency for each fund. Expenditures may not legally exceed the adopted level of detail and all annual appropriations lapse at year end.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publications in newspapers, and adoption by the Board of Directors. The Board of Directors can also authorize transfers of appropriations between existing expenditure categories. Budget amounts shown in the financial statements represent the budget as finally revised by the Board of Directors.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note II - Stewardship, compliance, and accountability, continued

A. Budgetary information, continued

Budgets are also prepared for the proprietary fund on the same basis of accounting as used by the governmental funds; this differs from the accrual basis required by generally accepted accounting principles as follows:

- Land, building, and equipment purchases are budgeted as an expenditure in the year of acquisition.
- No depreciation is budgeted.
- Loan proceeds are budgeted as a resource.
- Principal paid on loans is budgeted as an expenditure in the year paid.
- Interest is not budgeted as an expenditure until the debt payment becomes due.

B. Excess of expenditures over appropriations

For the year ended June 30, 2022, LRAPA had expenditures in excess of appropriations in the Title V and TAG funds Personnel services line in the amount of \$41,773 and \$2,090 respectively.

Note III - Detailed notes on all funds

A. Cash and cash equivalents

As of June 30, 2022, LRAPA's cash and cash equivalents was reported as follows:

Cash on hand	\$	100
Deposits in financial institutions		969,713
Investment in LGIP		<u>2,271,883</u>
Total	\$	<u>3,241,696</u>

State statutes govern LRAPA's cash management policies, because LRAPA does not have an official investment policy. State statutes authorize LRAPA to invest in the Oregon State Treasurer's Local Government Investment Pool, time certificates of deposit, U.S. Government Treasury Obligations, and obligations of the United States and its agencies and instrumentalities.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at www.ost.state.or.us and www.oregon.gov/treasury. The weighted-average maturity of LGIP is less than one year.

Custodial Credit Risk Deposits Custodial credit risk is the risk that in the event of a bank failure, LRAPA's deposits may not be returned to LRAPA. Deposits with financial institutions include bank demand deposits. Cash, except for cash held at LRAPA, is covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool called the Public Funds Collateralization Program (PFCP) administered by the Office of the State Treasurer for the State of Oregon.

At June 30, 2022, LRAPA's total deposits in financial institutions, per the bank statements, was \$1,164,233.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note III - Detailed notes on all funds, continued

B. Receivables

At June 30, 2022, receivables in the General Fund consisted of due from other governmental agencies and permit fees receivable. These receivables have historically been fully collected, thus no allowance for doubtful accounts has been established.

Receivables in the proprietary fund consisted of portable sampler sales and part sales for portable samplers. Portable samplers are sold to other governments and private industry throughout the United States and internationally. Receivables from such sales are unsecured. Management believes that the amount of uncollectible receivables is immaterial. Therefore, no provision for uncollectible receivables has been recorded.

C. Capital assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Capital assets, being depreciated:				
Building and improvements	623,748	-	-	623,748
Vehicles	48,688	-	-	48,688
Equipment	675,339	11,900	(22,365)	664,874
Total capital assets being depreciated	1,347,775	11,900	(22,365)	1,337,310
Less accumulated depreciation for:				
Building and improvements	(346,988)	(16,710)	-	(363,698)
Vehicles	(34,342)	(2,869)	-	(37,211)
Equipment and vehicles	(524,796)	(34,630)	22,365	(537,061)
Total accumulated depreciation	(906,126)	(54,209)	22,365	(937,970)
Total capital assets, being depreciated, net	441,649	(42,309)	-	399,340
Governmental activities capital assets, net	<u>\$ 541,649</u>	<u>\$ (42,309)</u>	<u>\$ -</u>	<u>\$ 499,340</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated:				
Equipment and vehicles	\$ 134,755	\$ -	\$ (27,123)	\$ 107,632
Less accumulated depreciation for:				
Equipment and vehicles	(70,867)	(9,454)	27,123	(53,198)
Business-type activities capital assets, net	<u>\$ 63,888</u>	<u>\$ (9,454)</u>	<u>\$ -</u>	<u>\$ 54,434</u>

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note III - Detailed notes on all funds, continued

C. Capital assets, continued

Depreciation expense was charged to functions/programs of LRAPA as follows:

Governmental activities:	
Air quality control	<u>\$ 54,209</u>
Business-type activities:	
Portable air sampling devices and services	<u>\$ 9,454</u>

D. Interfund receivables, payables, and transfers

Due to/from other funds:

Interfund receivables and payables are part of ongoing operations and track expenditures made by one fund on behalf of another and the amount due to the fund for reimbursement of these expenditures. Interfund receivables for Title V represents pooled cash held and payable by the General Fund. As of June 30, 2022, the interfund receivables and payables were as follows:

<u>Due from</u>	<u>Due to</u>		<u>Total</u>
	<u>General Fund</u>	<u>Title V Fund</u>	
General Fund	\$ -	\$ 103,787	\$ 103,787
Airmetrics Fund	<u>285,000</u>	<u>-</u>	<u>285,000</u>
Total	<u>\$ 285,000</u>	<u>\$ 103,787</u>	<u>\$ 388,787</u>

Transfers to/from other funds:

During the year ending June 30, 2022 LRAPA made the following transfers:

<u>Transfers out</u>	<u>Transfers in</u>
	<u>General Fund</u>
Airmetrics Fund	<u>\$ 25,500</u>
Total	<u>\$ 25,500</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and from various funds to the General Fund to reimburse for administrative expenditures.

E. Leases

The government leases building and office facilities. The five year lease expired in October 2020 and converted to a month to month. Total rent expense for 2022 was \$11,145.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note III - Detailed notes on all funds, continued

F. Compensated absences

Changes in compensated absences

Activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	<u>\$ 154,136</u>	<u>\$ 157,155</u>	<u>\$ (154,136)</u>	<u>\$ 157,155</u>	<u>\$ 141,440</u>
Business-type activities:					
Compensated absences	<u>\$ 15,456</u>	<u>\$ 12,306</u>	<u>\$ (15,456)</u>	<u>\$ 12,306</u>	<u>\$ 11,075</u>

Note IV - Other information

A. Employee benefit plans

Deferred Compensation Plan

LRAPA offers a deferred compensation plan to all of its employees, in accordance with Internal Revenue Code Section 457. Employees may elect to defer a portion of their compensation until future years. The deferred compensation is not available to individuals until termination, death, or unforeseeable emergency.

Defined Contribution Pension Plan

LRAPA sponsors a money purchase (401k) pension plan for substantially all employees who have completed at least 1,000 hours and one year of service are eligible for plan participation per year.. The plan requirements are established or may be amended by LRAPA. LRAPA's required contribution to the plan is 8% of eligible wages of \$1,384,165. LRAPA's contribution to the plan was \$111,612 for the year. Employees are required to contribute an additional 6%, subject to certain limitations. Total employee contributions for the year were \$81,347. Total payroll for all employees was \$1,733,041 for the year ended June 30, 2022. Retirement contributions are invested by VOYA Financial.

LRAPA is required to make monthly contributions under the plan. Retirement benefits are provided from the individual participants' accounts, in which employees vest at various annual percentages for five years until they are fully vested.

B. Risk management

LRAPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. LRAPA is a member of the City-County Insurance Services Trust ("Trust"), and pays an annual premium to the Trust. Under the membership agreement with the Trust, the Trust is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years. There has been no reduction of coverage from the prior year.

LRAPA purchases workers' compensation insurance from a commercial carrier. Premiums are determined based on payroll paid at various employment classification rates.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2022

Note IV - Other information, continued

C. Contingent liabilities

LRAPA receives revenues from other governmental agencies. Amounts, if any, determined to be overpaid or disallowed must be refunded or credited to the paying agencies. Management believes that such amounts, if any, would be insignificant.

D. Subsequent Event

In October 2022 LRAPA joined the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. Due to this change LRAPA will be reporting a deferred outflow of resources, a net pension liability, and a deferred inflow of resources on its statement of Net Position for the year ended June 30, 2023. The 401(k) plan remains for employees who elected not to join OPERS.

LANE REGIONAL AIR PROTECTION AGENCY

GENERAL FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Grants	\$ 913,620	\$ 913,620	\$ 1,110,995	\$ 197,375
Permits and fees	1,255,960	1,255,960	1,240,987	(14,973)
Local dues	187,100	187,100	185,724	(1,376)
Miscellaneous revenue	<u>63,550</u>	<u>63,550</u>	<u>24,366</u>	<u>(39,184)</u>
Total revenues	<u>2,420,230</u>	<u>2,420,230</u>	<u>2,562,072</u>	<u>141,842</u>
Expenditures:				
Current:				
Personal services	1,734,570	1,734,570	1,519,073	215,497
Materials and services	786,710	786,710	712,189	74,521
Capital outlay	67,470	67,470	34,787	32,683
Contingency	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>2,688,750</u>	<u>2,688,750</u>	<u>2,266,049</u>	<u>422,701</u>
Excess (deficiency) of revenues over expenditures	(268,520)	(268,520)	296,023	(564,543)
Other financing sources (uses):				
Transfers in	<u>40,500</u>	<u>40,500</u>	<u>25,500</u>	<u>(15,000)</u>
Net change in fund balances	(228,020)	(228,020)	321,523	549,543
Fund Balances:				
Beginning of year	<u>2,012,160</u>	<u>2,012,160</u>	<u>1,858,122</u>	<u>(154,038)</u>
End of year	<u>\$ 1,784,140</u>	<u>\$ 1,784,140</u>	<u>\$ 2,179,645</u>	<u>\$ 395,505</u>

LANE REGIONAL AIR PROTECTION AGENCY

TITLE V

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Fees	<u>\$ 396,720</u>	<u>\$ 396,720</u>	<u>\$ 416,511</u>	<u>\$ 19,791</u>
Expenditures:				
Current:				
Personal services	461,540	461,540	503,313	(41,773)
Materials and services	<u>42,390</u>	<u>42,390</u>	<u>15,302</u>	<u>27,088</u>
Total expenditures	<u>503,930</u>	<u>503,930</u>	<u>518,615</u>	<u>(14,685)</u>
Excess (deficiency) of revenues under expenditures	(107,210)	(107,210)	(102,104)	34,476
Other financing sources (uses):				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Net change in fund balances	(122,210)	(122,210)	(102,104)	(20,106)
Fund Balances:				
Beginning of year	<u>194,090</u>	<u>194,090</u>	<u>205,891</u>	<u>11,801</u>
End of year	<u>\$ 71,880</u>	<u>\$ 71,880</u>	<u>\$ 103,787</u>	<u>\$ 31,907</u>

LANE REGIONAL AIR PROTECTION AGENCY

TAG

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants	\$ 3,922,160	\$ 3,922,160	\$ 604,573	\$ (3,317,587)
Expenditures:				
Personal services	53,720	53,720	55,810	(2,090)
Materials and services	3,862,300	3,862,300	548,763	3,313,537
Total expenditures	<u>3,916,020</u>	<u>3,916,020</u>	<u>604,573</u>	<u>3,311,447</u>
Excess revenues over expenditures	<u>6,140</u>	<u>6,140</u>	<u>-</u>	<u>6,140</u>
Other financing sources (uses):				
Transfers out	<u>(6,140)</u>	<u>(6,140)</u>	<u>-</u>	<u>6,140</u>
Total other financing sources (uses)	<u>(6,140)</u>	<u>(6,140)</u>	<u>-</u>	<u>(6,140)</u>
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LANE REGIONAL AIR PROTECTION AGENCY

AIRMETRICS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 894,850	\$ 894,850	\$ 442,625	\$ (452,225)
Other revenue	<u>26,600</u>	<u>26,600</u>	<u>3,081</u>	<u>(23,519)</u>
Total revenues	<u>921,450</u>	<u>921,450</u>	<u>445,706</u>	<u>(475,744)</u>
Expenditures:				
Personal services	160,870	160,870	150,869	10,001
Materials and services	762,480	762,480	351,500	410,980
Capital outlay	41,050	41,050	-	41,050
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>974,400</u>	<u>974,400</u>	<u>502,369</u>	<u>472,031</u>
Excess revenues expenditures	<u>(52,950)</u>	<u>(52,950)</u>	<u>(56,663)</u>	<u>(3,713)</u>
Other financing sources (uses):				
Transfers Out	<u>(25,500)</u>	<u>(25,500)</u>	<u>(25,500)</u>	<u>-</u>
Net change in fund balances	<u>(78,450)</u>	<u>(78,450)</u>	<u>(82,163)</u>	<u>(3,713)</u>
Fund Balance:				
Beginning of year	<u>1,327,550</u>	<u>1,327,550</u>	<u>1,292,281</u>	<u>(35,269)</u>
End of year	<u>\$ 1,249,100</u>	<u>\$ 1,249,100</u>	<u>1,210,118</u>	<u>\$ 1,249,100</u>
Reconciliation to full accrual basis:				
Capital assets			54,433	
Compensated absences			<u>(12,306)</u>	
GAAP net position - end of year			<u>\$ 1,252,245</u>	



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Lane Regional Air Protection Agency
Springfield, Oregon

We have audited the basic financial statements of the Lane Regional Air Protection Agency ("LRAPA") as of and for the year ended June 30, 2022, and have issued our report thereon dated May 5, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether LRAPA's basic financial statements are free from material misstatement, we performed tests of LRAPA's compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320, of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Budgets legally required (ORS Chapter 294)**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Authorized investment of surplus funds (ORS Chapter 294)**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**

In connection with our testing nothing came to our attention that caused us to believe LRAPA was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporation except as follows:

1. Excess of expenditures over appropriations as described in Note 2. B.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered LRAPA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LRAPA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LRAPA's internal control over financial reporting.

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 entity'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. We identified deficiencies in internal control over financial reporting that we consider to be a significant deficiencies, as described in the AU Section 325 written communication.

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.

This report is intended solely for the information of the board of directors, management, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

ISLER CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

by: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
May 5, 2023



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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**

Board of Directors
Lane Regional Air Protection Agency

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, the business-type activities, each major fund, and the aggregate remaining fund information of Lane Regional Air Protection Agency as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lane Regional Air Protection Agency's basic financial statements, and have issued our report thereon dated .

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lane Regional Air Protection 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 Lane Regional Air Protection Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Lane Regional Air Protection 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 entity'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lane Regional Air Protection Agency's financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
May 5, 2023



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Lane Regional Air Protection Agency

Report on Compliance for Each Major Federal Program

We have audited the compliance of Lane Regional Air Protection Agency with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lane Regional Air Protection Agency's major federal programs for the year ended June 30, 2022. Lane Regional Air Protection Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. major federal programs for the year ended.

In our opinion, Lane Regional Air Protection Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lane Regional Air Protection Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lane Regional Air Protection Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lane Regional Air Protection Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lane Regional Air Protection Agency's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lane Regional Air Protection Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lane Regional Air Protection Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lane Regional Air Protection Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Lane Regional Air Protection Agency's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lane Regional Air Protection Agency's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as described above. However, material weaknesses or additional significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Lane Regional Air Protection Agency's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lane Regional Air Protection Agency's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
May 5, 2023

LANE REGIONAL AIR PROTECTION AGENCY

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	Yes
• Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance	No

Identification of Major Federal Award Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Targeted Airshed Grant Program	66.956
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

LANE REGIONAL AIR PROTECTION AGENCY
Schedule of Findings and Questioned Costs, continued

Year Ended June 30, 2022

Section II – Financial Statement Findings

Finding: 2022-002

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Internal control over compliance

Severity: Significant deficiency

Criteria: Internal controls should be designed and implemented to prevent or detect and correct potential material misstatements in recorded expenditures and expenses. Section 200.303 of the Uniform Guidance also requires that internal controls be established to provide reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: Evidence of internal controls being performed related to the review and approval of expenditures/expenses was not present in the support provided for 19 out of 40 expenditure/expense items selected for testing by the auditor.

Cause: Due to the retirement of the previous finance director shortly after year end, evidence of the operation of the tested internal controls could not be located.

Effect: Potential noncompliance or misstatements in reported expenditures/expenses could have occurred without being prevented or detected and corrected.

Recommendation: Documentation for expenditures/expenses should be sufficient to demonstrate the performance of internal controls over to those transactions and balances.

Response: Management concurs with the finding.

Section III – Federal Award Findings and Questioned Costs

Finding: 2022-002

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Internal control over compliance

Severity: Significant deficiency

Federal Agency: Environmental Protection Agency

Program: 66.956 Targeted Airshed Grant Program

Award Number and Year: 01J66101 and 02J04301, 2022

Criteria: Internal controls should be designed and implemented to prevent or detect and correct potential material misstatements in recorded expenditures and expenses. Section 200.303 of the Uniform Guidance also requires that internal controls be established to provide reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: Evidence of internal controls being performed related to the review and approval of expenditures/expenses was not present in the support provided for 19 out of 40 expenditure/expense items selected for testing by the auditor.

Cause: Due to the retirement of the previous finance director shortly after year end, evidence of the operation of the tested internal controls could not be located.

Effect: Potential noncompliance or misstatements in reported expenditures/expenses could have occurred without being prevented or detected and corrected.

Recommendation: Documentation for expenditures/expenses should be sufficient to demonstrate the performance of internal controls over to those transactions and balances.

Response: Management concurs with the finding.

Section IV – Summary Schedule of Prior Audit Findings

None



Corrective Action Plan

Management of Lane Regional Air Protection Agency has prepared this Corrective Action Plan in order to provide our views and planned response to the findings noted in the FY 2022 Schedule of Findings and Questioned Costs.

Corrective Action Plan

Finding 2022-01/2022-002, Internal Control over Compliance

Name of Contact Person Responsible for Corrective Action: Susannah Sbragia, Finance and HR Director

Management believes the transactions were reviewed, but the review was not properly documented. With the change in finance director there will be a stronger emphasis on documenting internal controls and has implemented procedures to ensure adequate documentation of the performance of internal controls is maintained.

Anticipate Completion Date: This corrective action has been implemented as of the date of this letter.

Sincerely,

Susannah Sbragia, Finance and HR Director

LANE REGIONAL AIR PROTECTION AGENCY

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
Environmental Protection Agency:			
Direct programs:			
Air Pollution Control Program Support	66.001	98055710	\$ 651,744
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	014-20 01J66101	43,979
Targeted Airshed Grant Program	66.956	02J04301	<u>588,943</u>
Total Environmental Protection Agency			<u>\$ 1,284,666</u>

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lane Regional Air Protection Agency under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operation of Lane Regional Air Protection Agency, it is not intended to and does not present the financial position, changes in financial position, or cash flow for Lane Regional Air Protection Agency.

2. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles. Expenditures reported on this schedule are recognized following the cost principles in Title 2 US Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Lane Regional Air Protection Agency has not elected to use the 10% *de minimis* cost rate.



LANE REGIONAL AIR PROTECTION AGENCY MEMORANDUM

To: Bryan Cutchen, Chair and LRAPA Board Members

Department: Administration

From: Susannah Sbragia, Finance and Human Resource Director

Subject: Resolution No. 23-2

RESOLUTION #23-2 ADOPTING CORRECTIVE ACTION PLAN FOR FY 2021-22 AUDIT FINDINGS

ISSUE STATEMENT: The Auditor from Isler CPA issued its independent audit report for the Annual Financial Report for the Year Ended June 30, 2022. As part of the audit, the Auditor issued a finding that LRAPA has a significant deficiency that is not considered to be a material weakness of internal controls over financial reporting. The State now requires that Lane Regional Air Protection Agency (LRAPA) adopt a corrective action plan to address the finding to try to prevent it from occurring in future years. Staff has developed a corrective action plan to address the finding and has prepared a resolution for the Board to adopt the plan.

BACKGROUND: The finding is detailed on pages 38-39 of the audit report and is focused on internal controls of financial reporting in relation to review of expenditures. At the time of the audit there was a changeover in the finance director's position resulting in invoices not getting the full approval process.

The corrective action plan: The Finance and Human Resources Director has met with management and accounting staff to review the audit finding, explain the importance of internal controls, and update the procedures for approving invoices, along with adding additional staff to review and approve invoices.

STAFF RECOMMENDATION: Staff recommends the Board approve the attached resolutions to adopt the Corrective Action Plan for the FY2021-22 audit finding.

ATTACHMENT(s): Resolution Adopting Corrective Action Plan to FY 2021-22 Audit Findings
Resolution

RESOLUTION #23-2

RESOLUTION ADOPTING CORRECTIVE ACTION PLAN FOR FY 2021-22 AUDIT FINDINGS

WHEREAS Lane Regional Air Protection Agency's (LRAPA) auditors, Isler CPA, has issued the auditor's reports on the Annual Financial Report for the Year Ended June 30, 2022; and

WHEREAS the auditor issued a finding that LRAPA has a significant deficiency that is not considered to be material weakness of internal control over financial reporting and excess of expenditures over appropriations.

WHEREAS it is required by the Oregon Secretary of State's Office to issue a Corrective Action Plan to address the finding within 30 days of the issuance of the auditor's report; and

WHEREAS LRAPA staff have prepared a Corrective Action Plan to address the finding.

NOW, THEREFORE, BE IT RESOLVED BY LANE REGIONAL AIR PROTECTION AGENCY AS FOLLOWS:

Section 1. The LRAPA Board adopts the Corrective Action Plan for the audit findings for the Annual Financial Report for the Year Ended June 30, 2022, marked Exhibit A.

Section 2. This resolution is effective immediately upon its enactment by the Board.

PRESENTED AND PASSED this 11th day of May 2023.

Bryan Cutchen
Chairperson of the Board of Directors

Signature

Steve Dietrich, Director

Signature

RESOLUTION #23-2

Exhibit A, Resolution No. 23-2

CORRECTIVE ACTION PLAN FOR FY 2021-22 AUDIT FINDINGS

The deficiencies are listed below, including the adopted plan of action and timeframe.

1. Deficiency #1 Financial Statements & Federal Awards

- a. **Significant deficiency of internal control over financial reporting**
- b. **Criteria:** Internal controls should be designed and implemented to prevent or detect and correct potential material misstatements in recorded expenditures and expenses. Section 200.303 of the Uniform Guidance also requires that internal controls be established to provide reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- c. **Condition:** Evidence of internal controls being performed related to the review and approval of expenditures/expenses was not present in the support provided for 19 out of 40 expenditure/expense items selected for testing by the auditor.
- d. **Cause:** Due to the retirement of the previous finance director shortly after year end, evidence of the operation of the tested internal controls could not be located.
- e. **Effect:** Potential noncompliance or misstatements in reported expenditures/expenses could have occurred without being prevented or detected and corrected.
- f. **Recommendation:** Documentation for expenditures/expenses should be sufficient to demonstrate the performance of internal controls over those transactions and balances.

2. Excess of expenditures over appropriations

- a. For the year ended June 30, 2022, LRAPA had expenditures in excess of appropriations in the Title V and TAG funds Personnel services line in the amount of \$41,773 and \$2,090 respectively.

RESOLUTION #23-2

3. **Document the plan of action:** LRAPA was going through staffing changes of their Finance Director at the time of this finding. The new process is to review internal controls with all staff and training to understand why we have internal controls and their role in reviewing and approving invoices, along with adding additional staff to review and approve invoices.

The plan of action for the excess of expenditures over appropriations the Finance and Human Resource Director will be meeting with department managers on a monthly basis to discuss their expenditures and year end estimates, then as needed can submit budget changes to the board.

4. **Time limit for implementation** is immediate.

**LRAPA CITIZENS ADVISORY COMMITTEE
(CAC) Meeting
Minutes VIA ZOOM/In
Person**



April 25, 2023

Attending: Kelly Wood-Vice Chair, Jim Daniels-Chair,
ZOOM – Peter Dragovich, Mysti Frost, Chris Cline, Jeffrey Carman

Absent: Eric Burdette, Terry Richardson, Paul Metzler
Evelina Davidova-Kamis

Staff: Steve Dietrich, Travis Knudsen, Donna Delaney, Susannah Sbragia
ZOOM - Max Hueftle

I. Call to Order/Agenda Review

Chair Jim Daniels called the meeting to order at 12:00 p.m.

II. Public Participation

There was no public participation or public statements made.

III. Board Meeting Overview

Chair Jim Daniels overview at the meeting.

Jim Daniels asked if the budget has been approved. **Steve Dietrich** said that the Boards' approval is obtainable. **Travis Knudsen** elaborated that that entails a public hearing for adoption of the budget, then it would be approved by the Board. **Jim Daniels** stated that the issue of open burning has been settled, as it was dragging on.

IV: Citizen Advisory Committee Recruitment:

Matt Keating proposed evening meetings or rotating the schedule to enable more public participation. He noted that many people have a difficult schedule. **Jim Daniels** addressed the fact that the sub-committee has a delay in getting started; possibly getting help from a facilitator. He mentioned that there are two Board vacancies, and 2 Eugene seats are coming to the end of their term. **Steve Dietrich** stated that there are 4 positions at play. Three on the table to be filled. The city of Eugene can't be finalized until June. **Travis Knudsen** stated that there are 9 seats on the Board. One in Springfield; The city of Eugene is based on population size. Eugene's process is to let them know that they are interested in being on the Board, then they are interviewed by the Mayor of Eugene. The mayor will make a recommendation to the council about who is the best suited for it. Then the council will vote to make that appointment. **Travis** added that the city of Springfield isn't quite so community driven. They like to identify who they think would be a good fit. **Jim Daniels** thinks it's a good segue to the discussion of our committee membership.

V: Public Survey Discussion and Question Review:

Jim Daniels indicated that we have had some members leave. He noted that we are currently at 8. The by-laws call for a membership of 7-15, with at least one for each categorical position. We have 3 members that represent industry and **Jeffrey Carman** for community health. **Jim** asked **Jeffrey** if he would need to bow out before they are ready, and Jeffrey said not at all; he doesn't feel that the person in the supervisory role will be taking over. He also isn't sure that it's going to happen.

Question 1. How should we proceed with getting more public representation? Involving neighborhood groups was mentioned.

Question 2. In what way can we become more engaged with Oakridge?

Question 3. Should we be approaching organizations to bring more activity in public interest?

Question 4. What time of day is best to meet, and should it be on a weekend?

Survey Title. Was changed to "LRAPA Satisfaction & Feedback Survey".

Question 5. **Jeffrey** asked if we should be implementing messages on public radio? **Travis** that we could get a Public Service Announcement on KLCC, and he feels that it is newsworthy. **Peter** made the motion to approve of this idea.

Question 6. **Mysti** inquired about posting on social media? **Travis** responded and stated that he doesn't have the time to get involved with that aspect.

Question 7. The question was raised whether the Board would need to approve this prior to advertising and **Susannah** doesn't believe that we would need to.

Question 8. Should question B2 on the survey be the same as A2? This is to target industries, Beyond Toxics, etc.

The committee moved onto the roundtable and agreed to continue the process at next month's meeting as well as each member reviewing **Kelly's and Travis'** drafted survey, then forwarding their input to **Travis** before the next CAC meeting.

VI: Round Table:

- **Kelly Wood** – Nothing
- **Peter Dragovich** – Mentioned that Saturday was Earth Day & it was celebrated downtown. He was happy to see community involvement on environmental issues.


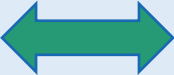



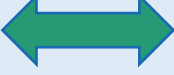
- **Mysti Frost** – Thanked everyone for their efforts and thinks that the survey is great. She also mentioned that the meeting times aren't always easy or convenient for her to attend.
- **Steve Dietrich** – Believes that we are on a good path to see results.
- **Chris Cline** – Stated that fire season has begun; people are already burning with the nice weather.
- **Jim Daniels** – Nothing
- **Jeffrey Carman** – Mentioned to Travis that he would recommend Travis' thought that an Environmental Justice group onboarding with Lane County Public Health, having an EJ Coordinator would make sense for a CAC role.
- **Travis Knudsen** – Suggested that CAC members provide any notes or issues that they find with the survey for him to finalize it.
- **Susannah Sbragia** - Nothing

VII: Adjournment:

Chair Jim Daniels adjourned the meeting at 1:00 p.m.

Next Meeting May 30, 2023

(Minutes recorded by Donna Delaney)

National Ambient Air Quality Health Standards				
Clean Air Act Goal	Status	Trend	Expected Completion	Comments
Review revised national ambient air quality standards for ozone; assess the status of airsheds in Lane County, identify next steps as needed.	 Green		Revised ozone standard (70 ppb) adopted by EPA on 10/1/2015.	Current ozone levels, at both Saginaw and Amazon Park, are well below the 70 ppb EPA ozone standard.
Maintain compliance with the annual PM _{2.5} air quality health standard in Eugene/Springfield, Cottage Grove, and Oakridge.	 Yellow		Ongoing	<p>Non-wildfire influenced annual levels remain below the NAAQS for Eugene/Springfield, Cottage Grove, and Oakridge.</p> <p>EPA proposed tightening the annual PM_{2.5} standard on January 6, 2023, to a range between 9-10 micrograms per cubic meter (µg/m³). The proposal includes a request for comment on a range of other levels between 8-11 µg/m³. If the standard is lowered, it's anticipated 2021-2023 data would be used to determine compliance with new PM_{2.5} NAAQS. The anticipated standards may place Eugene/Springfield and Oakridge are at risk of violating the NAAQS and may require new Exceptional Event requests to stay below the new standard.</p>
Maintain compliance with the 24-hour PM _{2.5} and PM ₁₀ air quality health standard in Eugene/Springfield, Cottage Grove and Oakridge.	 Yellow		Ongoing	<p>Non-wildfire influenced annual levels remain below the NAAQS for Eugene/Springfield, Cottage Grove and Oakridge.</p> <p>On January 6, 2023 the EPA proposed leaving the current daily PM_{2.5} standard as is at 35 µg/m³. The proposal also includes a request for comments on levels as low as 25 µg/m³, but it is expected that the daily standard will remain at 35 µg/m³.</p> <p>The Oakridge PM_{2.5} and PM₁₀ Redesignation & Maintenance Plans were published in the Federal Register on August 22, 2022. The redesignation from nonattainment to attainment for the Oakridge-Westfir airshed took effect on September 22nd, 2022. Oakridge and Westfir are now</p>



On Track
Requires No Extra
Attention



Concern
Requires Continued
Attention



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Requires Priority
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Improving
Positive Trend



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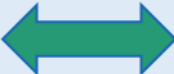


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Negative Trend

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Dashboard Report

May 2023

National Ambient Air Quality Health Standards				
Clean Air Act Goal	Status	Trend	Expected Completion	Comments
				considered in attainment of NAAQS!
Complete application for Targeted Airshed Grant. Complete work on State Implementation Plan (SIP) Maintenance Plan for continued Oakridge PM _{2.5} improvement and maintenance.	 Green		Ongoing	Targeted Airshed Grant to LRAPA announced by EPA on September 30, 2019. TAG 2.0 (\$2.73M) awarded by the EPA in 2022. The Oakridge PM _{2.5} and PM ₁₀ Redesignation & Maintenance Plans (SIP) were published in the Federal Register on August 22, 2022. The redesignation from nonattainment to attainment for the Oakridge-Westfir airshed took effect on September 22nd, 2022. Oakridge and Westfir are now considered in attainment of NAAQS.
Continue development and implementation of "Oakridge Air" (Targeted Airshed Grant).	 Green		Ongoing	Work is being done on homes in Oakridge and Westfir. The Oakridge Air program enrolled a fifth cohort of homes in the program. Vendors willing to work in Oakridge are lower than desired due to demand of work in the more-local Eugene Springfield area. LRAPA, Good Company / Parametrix, and other Oakridge Air partners are coordinating efforts and modifying policies to maintain and garner interest in working with the Program. Qualification Questionnaire: 375 homes Homes currently enrolled: 61 Initial Home Energy Audits: 55 Wood Stoves installed: 29 Ductless heat pumps Installed: 30 Homes weatherized: 31 Completed Homes: 25 Oakridge Air has been fully funded and awarded an additional \$2.73M in 2022 to continue this work for an additional two years.



On Track
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Attention



Concern
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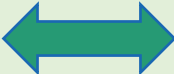






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Air Toxics and Cleaner Air Oregon				
Priority	Status	Trend	Expected Completion	Comments
Continue to develop and implement programs, rules, and fee structures for area source National Emission Standards for Hazardous Air Pollutants (NESHAPs).	 Green		Ongoing as EPA finalizes new and revised NESHAP standards	Revised NESHAPs are included in permits at renewal or sooner if necessary.
Continue to perform long term trend air toxics monitoring at the West Eugene site and use current state funding to operate a rotating site.	 Green		West Eugene site monitoring ongoing Rotating site currently in Oakridge, until Fall of 2023	In 2017 the Oregon Legislature approved funding for air toxics monitoring in Eugene area and five other areas of Oregon. LRAPA negotiated a cooperative agreement that currently allows for the operation of two air toxics monitoring sites in Lane County. Summary data was added to the LRAPA website and is current through 2021. It will be updated yearly when complete yearly data receives final QA approval. Expecting to move the rotating site to Springfield in 2024.
Implement the Cleaner Air Oregon program.	 Green		Ongoing	In November 2019, staff publicized the ranking to prioritize the call-in of existing sources and announced the first 10 facilities to call-in. Five facilities have been called in: JH Baxter (JHB), Seneca Sustainable Energy (SSE), Willamette Valley Company (WVCO), Hexion Inc., and Emerald Forest Products #1 (EFP1), and work is ongoing. Arcimoto was a new source applying for a new permit that went through CAO as part of the initial permit issuance; their permit was issued on 7/1/22. LRAPA conducted a Level 1 Risk Assessment for JHB's remaining emissions, and a public hearing occurred on May 9, 2023. SSE and WVCO completed their CAO Risk Assessments in 2022. EFP1's CAO emissions inventory has been approved by LRAPA in April 2023 and a modeling protocol is due soon.



On Track
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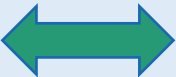


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AirMetrics				
Priority	Status	Trend	Expected Completion	Comments
Maintain self-supporting operation, at break-even or better production levels	 Yellow		Ongoing	<p>The AirMetrics operation is working to stabilize its position by reducing costs wherever possible. This is being done by keeping inventory levels at a minimum, seeking new vendors, and researching the feasibility of substitute materials and supplies.</p> <p>Global economic growth has been slow to recover to pre-pandemic levels and sampler sales are still feeling the effects. While distributors in some countries are facing recessions, distributors in other countries are experiencing growth. Sales efforts will be focused on countries with strong economic forecasts and AirMetrics will work to build its distribution network.</p> <p>The new Airmetrics website is now live. This may help attract new customers. In addition, long-term goals being considered include: licensing existing air samplers to expand the product line and working with designers to create new equipment.</p>



On Track
Requires No Extra
Attention



Concern
Requires Continued
Attention



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Requires Priority
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Positive Trend









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Agency Administration				
Goal or Initiative	Status	Trend	Expected Completion	Comments
Update LRAPA strategic priorities annually	 Green		During October of each year as part of the review of this Dashboard report.	Reported recent successes and future priorities. Incorporated into dashboard and reported to the Board of Directors every six months.
Provide timely permits, inspections, and construction reviews	 Green		Ongoing permitting. Inspections to be completed in the next federal fiscal year.	<p>LRAPA is on track to meet our current permitted source inspection commitments to EPA by September 30, 2023.</p> <p>Permitting backlog of expired permits that are extended administratively is decreasing: 24% overall in the October 2022 dashboard, and 16% now (14% of 14 Title Vs, 19% of 27 Standard ACDPs, and 15% of 26 Simple ACDPs).</p> <p>LRAPA reduced the administratively extended Title V permits to no more than 20% by the end of 2022 as planned.</p>
Improve compliance inspection, reporting and tracking	 Green		Ongoing	Working with LCOG to expand the development of a customized database for LRAPA called "LINFO". The first phase of LINFO has been put into action (i.e., now "live") in May 2020. LINFO now accommodates tracking data and information related to permitted sources. Staff worked with LCOG to successfully add Facility Inspections into LINFO in 2021, and now have a Phase 1 to test for the new Complaints Module. As of May 2023, LRAPA has a Complaints Report to pull data from LINFO and is working to migrate historic complaint records into the new LINFO Complaints Module. Phase II to include RLID functionality once Phase 1 has been tested and installed.



On Track
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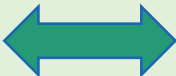


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Negative Trend

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Dashboard Report

May 2023

Agency Administration				
Goal or Initiative	Status	Trend	Expected Completion	Comments
Maintain industrial source LRAPA rules	 Green		Ongoing	<p>LRAPA is drafting comprehensive industrial source rule changes to adopt the more stringent rules proposed by DEQ that were adopted by the EQC in November 2022, as well as other changes identified by staff. LRAPA will request authorization from the Board later this year to hold a public hearing and request adoption.</p> <p>LRAPA is also working to update asbestos rules to make them more clear and other improvements.</p>
Maintain financial stability and viability of LRAPA: develop a multi-year budget projection annually	 Green		Report to LRAPA Board in March of each year.	The 5-year financial forecast is being redeveloped and will be presented to the Board during the FY25 budget process.
Maintain a full staffing complement for LRAPA program stability	 Green		Ongoing	LRAPA is at full staff and is ensuring fiscal staff attend regular training to stay updated on fiscal changes.
Current financial reserves are at 120 calendar days minimum	 Yellow		Reserve policies are under review	<p>LRAPA is in solid financial position. However, staff is monitoring funding for the Title V program due to reduced sources and the current fee structure not keeping up with the increased costs of the program. The responsibility to correct this imbalance falls on the Oregon Legislature who are currently assessing this issue in the ongoing Long Session. The outcome of their decisions and impact on LRAPA's Title V fund will not be known until the end of the legislative session in June 2023.</p> <p>Our reserve policies are under review and plan to be updated by FY25 budget adoption.</p>



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Director's Report for May 2023

Meeting Date: May 11, 2023
Department: Director's Office
www.lrapa.org

Agenda Item No. 13
Staff Contact: Steven A. Dietrich
Contact Telephone: 541-736-1056 x 216

April 2023 AQI charts and stats

04/01/2023 to 04/30/2023

April

Site	Date	Max AQI	Pollutant
Eug/Spfld	28-Apr-23	44	O3
Oak	3-Apr-23	44	PM
CottGrv	28-Apr-23	41	O3

AQI	Eug/Spfld	Oak	CottGrv	AQI Range
Good	30	30	30	0-50
Moderate	0	0	0	51-100
USG	0	0	0	101-150
Unhealthy	0	0	0	151-200
Very Unhealthy	0	0	0	201-300
Hazardous	0	0	0	301-500

Attachment No. 1: Air Quality Index (AQI) charts for Lane County (April 2023)

Attachment No. 2: PM_{2.5} index charts for Lane County (April 2023)

COMPLAINTS: 04/01/2023 TO 04/30/2023 [TOTAL 24]**Smoke complaints: 13**

10 – Outdoor burning
3 – Home wood hearing

Industry: 4

3 – IP
1 – Emerald Forest Products #3

Miscellaneous complaints: 6

2- General AQ
3 – Unknown Odor
1 - Asbestos

Slash Burning: 1

1 – Slash burning

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	*2023
Dust	30	14	25	32	25	26	15	17	26	12	1
Ag Burning / Spraying	17	4	12	9	1	0	6	2	7	2	2
General Air Quality	26	30	15	20	14	6	12	4	8	1	8
Home Wood Heating	219	121	342	130	197	126	128	74	57	67	25
Industry	122	127	52	58	74	50	170	100	336	198	36
Outdoor Burning	321	279	251	266	281	351	402	423	243	292	86
Slash Burning	5	7	11	26	13	24	16	12	10	6	9
Miscellaneous	52	57	85	164	138	66	67	59	40	102	10
Unknown	14	35	46	56	63	29	39	74	71	45	22
Total	806	674	839	761	806	678	855	765	798	725	199

*** Year-To-Date**

ENFORCEMENT: 04/01/2023 to 04/30/2023

Category of Violation	New	Follow-Up Action	Pending	Closed	Total
Asbestos	1	-	2	-	3
Industrial	4	-	3	-	7
Outdoor Burning	-	-	2	-	2
Fugitive Dust	-	-	-	-	-
Home Wood Heating	-	-	-	-	-
Totals	5	-	7	-	12

NEW/OPEN ENFORCEMENT ACTIONS STATUS REPORT

4/1/2023 -- 4/30/2023

Report of open and actions initiated since last report

NEW: 4/1/2023 -- 4/30/2023

1. **KYLE MCLENNAN, BRUCE R MCLENNAN (VENETA) 88680 LYNETTE LANE**
 - A. Violation: Failure to obtain an asbestos survey from an accredited asbestos inspector prior to conducting the demolition of a facility; Burning construction/demolition waste without first obtaining an LRAPA letter permit.
 - B. Initial Action Taken: NON #3880 issued 4/11/2023
 - C. Subsequent Action: NCP #2023-3880 (\$3,650) issued 4/11/2023:
 - D. Resolution: PENDING
2. **THABET MANAGEMENT INC. (SPRINGFIELD) 316 42ND STREET**
 - A. Violation: The permittee failed to submit in a timely manner performance testing records to LRAPA which demonstrate compliance with triennial vapor testing requirements outlined in permit conditions 5.1.a and 5.1.b. Prior test results relative to conditions 5.1.a and 5.1.b were submitted to LRAPA for testing conducted on January 12, 2020. Permittee submitted test results relative to conditions 5.1.a and 5.1.b for testing conducted on February 15, 2023, however, testing was required to have been conducted no later than January 12, 2023.
 - B. Initial Action Taken: NON #3881 issued 4/11/2023
 - C. Subsequent Action: NCP #2023-3881 (\$2,250) issued 4/11/2023: request for reduction approved and reduced to \$1,126 on 4/19/2023
 - D. Resolution: CASE CLOSED on 4/24/2023
3. **APRO LLC DBA UNITED PACIFIC (SPRINGFIELD) 1795 5TH STREET**
 - A. Violation: The permittee failed to submit performance testing records to LRAPA which demonstrate compliance with triennial vapor testing requirements outlined in permit conditions 5.0. Permittee last submitted testing results relative to conditions 5.1.a and 5.1.b on March 11th, 2020, and therefore is required to have testing conducted by March 11th, 2023. Condition 7.1.c of the permit requires notification of upcoming testing be submitted to LRAPA and condition 7.2 requires test results be submitted to LRAPA no later than 30 after testing has occurred.
 - B. Initial Action Taken: NON #3883 issued 4/25/2023
 - C. Subsequent Action: PENDING
 - D. Resolution: PENDING
4. **ATKORE PLASTIC PIPE DBA RIDGELINE (EUGENE) 2220 NUGGET WAY**

- A. Violation: Respondent failed to notify and obtain approval from LRAPA prior to construction or modification of any new or existing stationary source in accordance with condition G20. of Respondent's ACDP and LRAPA 34-034.
 - B. Initial Action Taken: NON #3885 issued 4/26/2023
 - C. Subsequent Action: PENDING
 - D. Resolution: PENDING
5. **APRO LLC DBA UNITED PACIFIC ROCKET (SPRINGFIELD) 5720 MAIN STREET**
- A. Violation: The permittee failed to submit performance testing records to LRAPA which demonstrate compliance with triennial vapor testing requirements outlined in permit conditions 5.0. Permittee last submitted testing results relative to conditions 5.1.a and 5.1.b on February 4th, 2020, and therefore is required to have testing conducted by February 4th, 2023. Condition 7.1.c of the permit requires notification of upcoming testing be submitted to LRAPA and condition 7.2 requires test results be submitted to LRAPA no later than 30 after testing has occurred.
 - B. Initial Action Taken: NON #3886 issued 4/25/2023
 - C. Subsequent Action: PENDING
 - D. Resolution: PENDING

PENDING (Enforcement actions issued prior to 4/1/2023 with no subsequent action in reporting period):

1. **FORREST PAINT COMPANY (EUGENE) 1011 MCKINLEY STREET**
- A. Violation: Failure to operate and maintain the air contaminant collection unit, biofilter, in a manner which minimizes air contaminant discharges, and failure to update the biofilter Operation and Maintenance (O&M) Plan once knowledge was acquired of insufficient maintenance and parametric data monitoring was discovered to ensure the biofilter is operated at the highest reasonable efficiency and effectiveness.
 - B. Initial Action Taken: NON #3860 issued 6/22/2022
 - C. Subsequent Action: On schedule with submitting status reports biweekly.
 - D. Resolution: PENDING
2. **PETROCARD INC. (GOSHEN) 85947 FRANKLIN BLVD**
- A. Violation: The permittee failed to submit in a timely manner performance testing records to LRAPA which demonstrate compliance with vapor testing requirements outlined in permit conditions 5.1.a and 5.1.b. On 2/25/2022 the permittee was notified by LRAPA that they had exceeded the annual throughput threshold of 480,000 gallons of gasoline in 2019 and were therefore subject to the vapor recovery testing requirements outlined in the permit. On 4/8/2022 LRAPA was advised that vapor recovery testing could not be completed since the lines were manifolded and the issue was escalated to construction to isolate the lines. On 7/7/2022 LRAPA called and emailed the permittee requesting an update. On 8/2/2022 LRAPA called and emailed the permittee requesting an update. The permittee responded advising that they were still working to fix the issue. On 10/5/2022 LRAPA emailed the permittee requesting an update. On 10/26/2022 LRAPA called and emailed the permittee requesting an update.

- B. Initial Action Taken: NON #3872 issued 11/3/2022
 - C. Subsequent Action: NCP #2022-3872 (\$3,000) issued 12/8/2022: request for reduction under review
 - D. Resolution: PENDING
3. **MEYER, TAYLOR (VENETA) 87061 GREENRIDGE DRIVE**
- A. Violation: Outdoor burning of any materials which normally emits dense smoke, noxious odors, and hazardous air contaminants and for not promptly extinguishing any burning that is in violation of LRAPA's Title 47-015(e).
 - B. Initial Action Taken: NON #3873 issued 11/16/2022
 - C. Subsequent Action: NCP #2022-3873 (\$3,496) issued 11/16/2022: returned by USPS; reissued by Legal Server; request for reduction approved and reduced to \$3,196 on 04/19/2023
 - D. Resolution: PENDING
4. **ANDERSON-MORTENSEN, ELLEN (SPRINGFIELD) 85 NEPTUNE AVENUE**
- A. Violation: Outdoor burning of any materials which normally emits dense smoke, noxious odors and hazardous air contaminants.
 - B. Initial Action Taken: NON #3875 issued 2/22/2023
 - C. Subsequent Action: NCP #2022-3875 (\$250) issued 2/22/2023: no response, default order judgment in process for a lien on the property.
 - D. Resolution: PENDING
5. **VENIAMIN TODORIKO (EUGENE) 5039/5041 BARGER DRIVE**
- A. Violation: 43-015(7) - Failure to obtain an asbestos survey from an accredited asbestos inspector prior to conducting the demolition of a facility.
 - B. Initial Action Taken: NON #3876 issued 1/13/2023
 - C. Subsequent Action: NCP #2022-3876 (\$2,200) issued 1/13/2023: no response, default order judgment in process for a lien on the property
 - D. Resolution: PENDING
6. **JOHN A. RANKIN AND STEVE FOWLKES (SPRINGFIELD) 2035/2041 MAIN STREET**
- A. Violation: 43-015(10)- ASBESTOS ABATEMENT NOTIFICATION REQUIREMENTS. Except as provided for in 43-015-8, written notification of any asbestos abatement project must be provided to the Agency on a form prepared by and available from the Agency, accompanied by the appropriate fee; 43-015(11)(C)- Enclose the area of the asbestos-containing materials to be abated, in a negative pressure enclosure prior to abatement unless prior approval has been granted by the agency; 43-015(11)(G)- The asbestos abatement project area shall be adequately cleaned at the conclusion of the project to assure removal of all asbestos debris; 43-015(11)(N)- Open storage or open accumulation of friable asbestos-containing

material or asbestos containing waste material is prohibited; 43-015(11)(P)- No person shall conduct an asbestos abatement project unless they possess a current asbestos abatement Contractors license or worker's certification, issued by the Department under OAR 340-248-040 or OAR 340-248-0120 and OAR 340-248-0130, respectively, unless exempted by 43-015-8 and/or 43-015-9; 43-015(11)(S)- A certified supervisor is required to be present on each asbestos abatement project other than a small-scale short-duration activity; 43-015(11)(T)- An owner or operator of a facility shall not allow any persons other than those employees of the facility owner or operator who are appropriately certified or a licensed asbestos abatement contractor to perform an asbestos abatement project in or on that facility unless exempted by 43-015-8 or 43-015-9; 43-015-19(B)- Persons disposing of asbestos-containing waste material must notify the landfill operator of the type and volume of the asbestos-containing waste material; 43-015(19)(B)(1)- All asbestos-containing waste materials must be adequately wetted to ensure that they remain wet until delivered to an authorized landfill, and either: (a) processed into non-friable pellets or other shapes; or (b) packaged in leak-tight containers such as two plastic bags with a minimum thickness of 6 mil., or fiber or metal drum. Containers must be labeled as follows: (i) the name of the asbestos waste generator and the location where the asbestos waste was generated; and (ii) a warning label that states: DANGER Contains Asbestos Fibers Avoid Creating Dust Cancer and Lung Disease Hazard Avoid Breathing Airborne Asbestos Fibers Alternatively, warning labels specified by 29 CFR 1926.1101(k)(7)(8/19/94) may be used; 43-105(19)(E)- All asbestos-containing waste material must be deposited as soon as possible by the waste generator at: (1) An asbestos-containing waste disposal site authorized by the Department and operated in accordance with the provisions of this rule.

- B. Initial Action Taken: NON #3877 issued 3/6/2023
- C. Subsequent Action: NCP #2023-3877 (\$10,400) issued 3/6/2023: request for reduction approved and reduced to \$5,200 on 04/19/2023 with a payment schedule of \$400 per month
- D. Resolution: PENDING

7. **FOX LUMBER (COTTAGE GROVE) 77676 HW 99**

- A. Violation: Conducted outdoor burning in violation and prohibited by General Air Contaminant Discharge Permit #202836 (ACDP 202836) in Condition 10.6.
- B. Initial Action Taken: NON #3879 issued 3/6/2023
- C. Subsequent Action: NCP #2023-3879 (\$2,600) issued 3/6/2023: request for reduction approved and reduced to \$1,800 on 04/19/2023
- D. Resolution: PENDING

For a perspective of the total number of enforcement actions for calendar year 2023 compared to previous years

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	*2023
Notices of Non-compliance and Warnings	51	36	38	41	39	41	55	15	21	24	9
Notices of Violation with Civil Penalties	23	28	37	37	28	43	37	26	17	24	6

OUTDOOR BURNING LETTER PERMITS: 04/01/2023 to 04/30/2023

There was one Outdoor Burning Letter Permit (OBLP) issued in April.

1. Issued Special Letter Permit 20B23-04-01 on April 18 to Eric Niederhieser, 88012 Woodlands Drive, Florence, to burn 20 cubic yards of Land Clearing debris located at the same address.

ASBESTOS ABATEMENT: 04/01/2023 to 04/30/2023

During April, LRAPA received 34 notices of asbestos removal projects, none of which were schools.

For perspective, here is how the total number of asbestos abatement notices filed, how many were schools and the number of notices inspected for calendar year 2023 compares to previous years:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	*2023
Total Asbestos Abatement Notices	351	352	426	444	543	428	488	439	408	465	152
School Asbestos Abatement Notices (NESHAP)	24	21	24	27	28	24	16	25	20	16	2
Number of Asbestos Abatements Inspected	96	67	89	82	120	770	94	93	104	115	35

* Year-To-Date.

PERMITTING (TITLE V AND ACDP): 04/01/2023 to 04/30/2023

LRAPA currently permits 14 Title V sources and approximately 275 Air Contaminant Discharge Permit (ACDP) sources. Below are the total numbers of permit activities that are new, renewals, modifications, construction approvals, registration applications, terminated and/or total issued permits the Operations staff currently have in process.

Category of Permit Activity	Title V	ACDP	Registration	Total Active
New	-	5	-	5
Renewals	2	15	-	17
Modifications	2	6	-	8
Constructions	1	-	-	1
Registrations	-	-	-	-
Terminated Permits	-	-	-	-
Total Issued Permits Year-to-date	1	19	-	20

April 2023 Public Affairs, Monthly Summary

Smoke management from wood stoves, outdoor burning, and wildfires

During April, smoke management efforts shifted from limiting residential wood heating during extended air stagnation periods to overseeing outdoor burning and preparing for the upcoming wildfire season. The relatively active weather pattern has eliminated the need for restrictions on home wood heating or outdoor burning. Extended forecasts do not predict any lengthy periods of air stagnation, so LRAPA does not anticipate the need for home wood heating curtailment or outdoor burning restrictions through early May.

The home wood heating season lasts until May 31, and LRAPA continues to publish daily advisories for Eugene/Springfield and Oakridge. In this period, LRAPA prioritizes staff resources to evaluate potential air stagnation episodes and determine the necessity for yellow/red advisory days.

The spring outdoor burning season began on March 1 and extends until June 15, unless the Oregon Department of Forestry or Lane Fire Defense Board decides to curtail it based on fire danger conditions. LRAPA provides daily burning status advisories on their website throughout the season.

In early April, LRAPA participated in a Rivers to Ridges (R2R) ecological prescribed fire planning work session. This collaboration precedes an outdoor burn permit application from R2R for ecologically prescribed burning in 2023. LRAPA's responsibility is to issue burn letter permits with specific ignition conditions designed to prevent smoke from deteriorating air quality and affecting individuals.

Public outreach efforts

LRAPA staff physically attended and presented at the Environmental Protection Agency's (EPA) National Residential Wood Smoke Training Workshop in Denver Colorado, which is a comprehensive event focusing on residential wood combustion, discussing regulatory and voluntary programs, emerging technologies, funding opportunities, and various initiatives aimed at reducing wood smoke emissions and improving air quality. LRAPA's presentation was centered on the Agency's work in the Oakridge-Westfir airshed funded by two EPA Targeted Airshed Grants.

LRAPA staff virtually attended and presented at the EPA's Smoke Management in the Northwest Conference aims to review the landscape of smoke management, expand collaboration, and identify a shared vision for successful smoke management involving ecological and human health protection. LRAPA's presentation was centered on communicating Air Quality Index information during wildfires as well as the collaborative resource sharing group called Northwest Air Quality Communicators (NWAQC) of which LRAPA is a member.

LRAPA staff virtually attended a DEQ Clean-Up update meeting Trainsong Park in Eugene. This meeting informed interested Core Team members about recent soil sampling results taken at the park, discussed next steps, and addressed questions and comments from attendees.

LRAPA staff physically attended and presented at an Active Bethel Community general meeting which provided a platform for discussing J.H. Baxter updates from regulatory agencies, as well as featuring a presentation on a health assessment report from the Oregon Health Authority. This meeting included a Q&A session, and an opportunity for attendees to meet cross-agency representatives working on pollution reduction in West Eugene.

Public Meetings, Hearings, and Events

Public affairs were present or participated in the following events:

- DEQ Trainsong Park Update – Tuesday April 18, 2023, | 6:00 pm – 7:30 PM
- Active Bethel Community General Meeting – Saturday April 22, 2023, | 12:00 pm – 5:00 pm
- LRAPA asbestos presentation to Building Deconstruction Institute – Friday April 27, 2023

Media Contacts	DATE		MEDIA	REPORTER	TOPIC
	04/07/2023		KEZI	Robert Desaulniers	JHB Permit Renewal
	04/21/2023		KEZI	Robert Desaulniers	ABC General Meeting on JHB
Press Releases					
	N/A	N/A			

UPCOMING LRAPA BOARD AGENDA ITEMS

This schedule outline is a preview of upcoming agenda items, and we will update it as the time frames for additional issues become firmer.

May 2023:

- Final Budget meeting.
- Dashboard Report.
- Status report on Oakridge Air Project.
- Discuss process for Director's Performance Review.

June 2023:

- Director's Performance Review (Executive Session).
- Oakridge Air Report
- Bylaws motion
- Budget adjustment FY23
- Board meeting time discussion.

July 2023:

- Audit Report.
- Rivers 2 Ridges Presentation

August 2023 – No Meeting

September 2023:

- Status report on Oakridge Air Project.

October 2023:

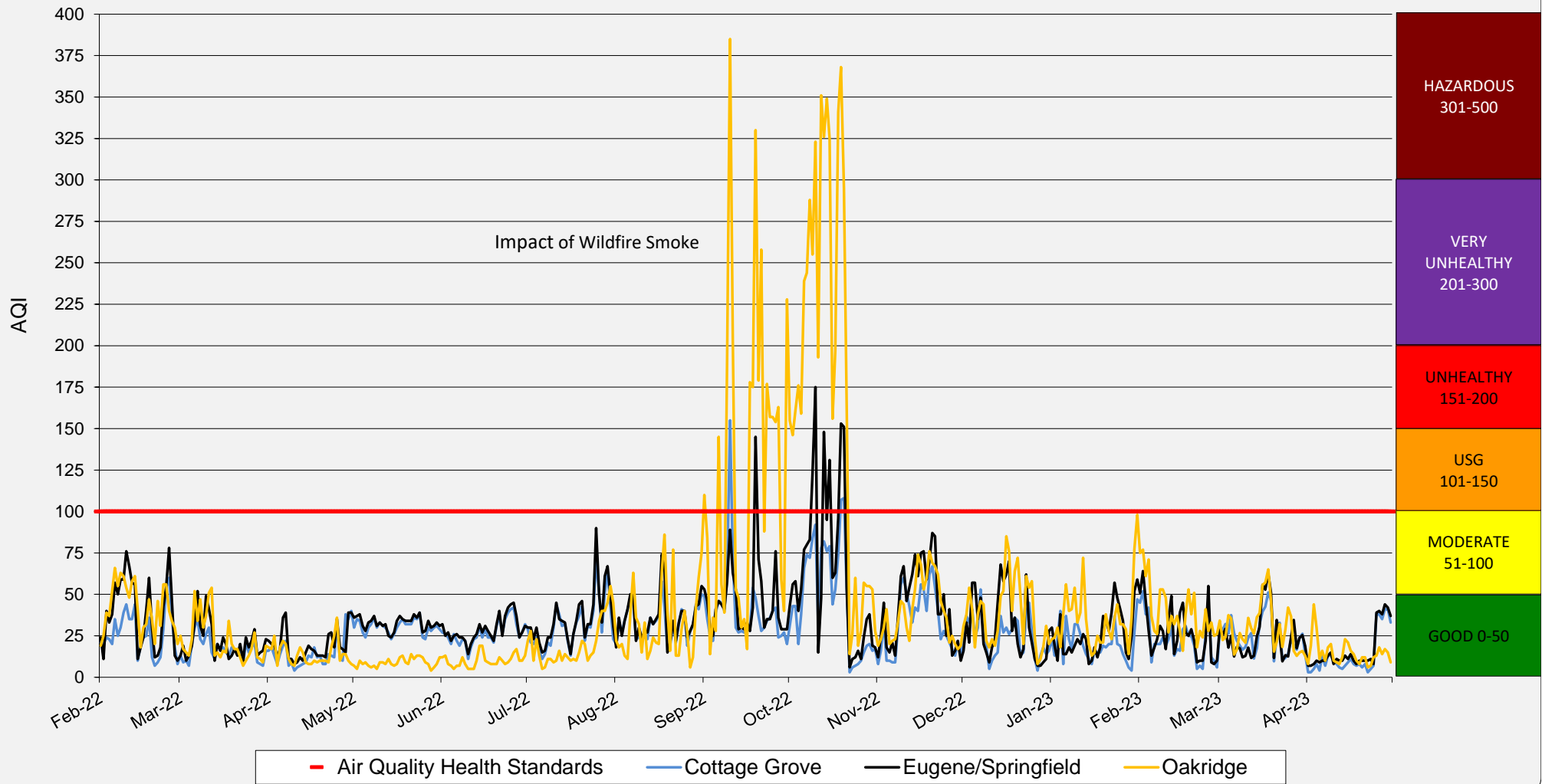
- Dashboard Report

November 2023:

- Budget up-date

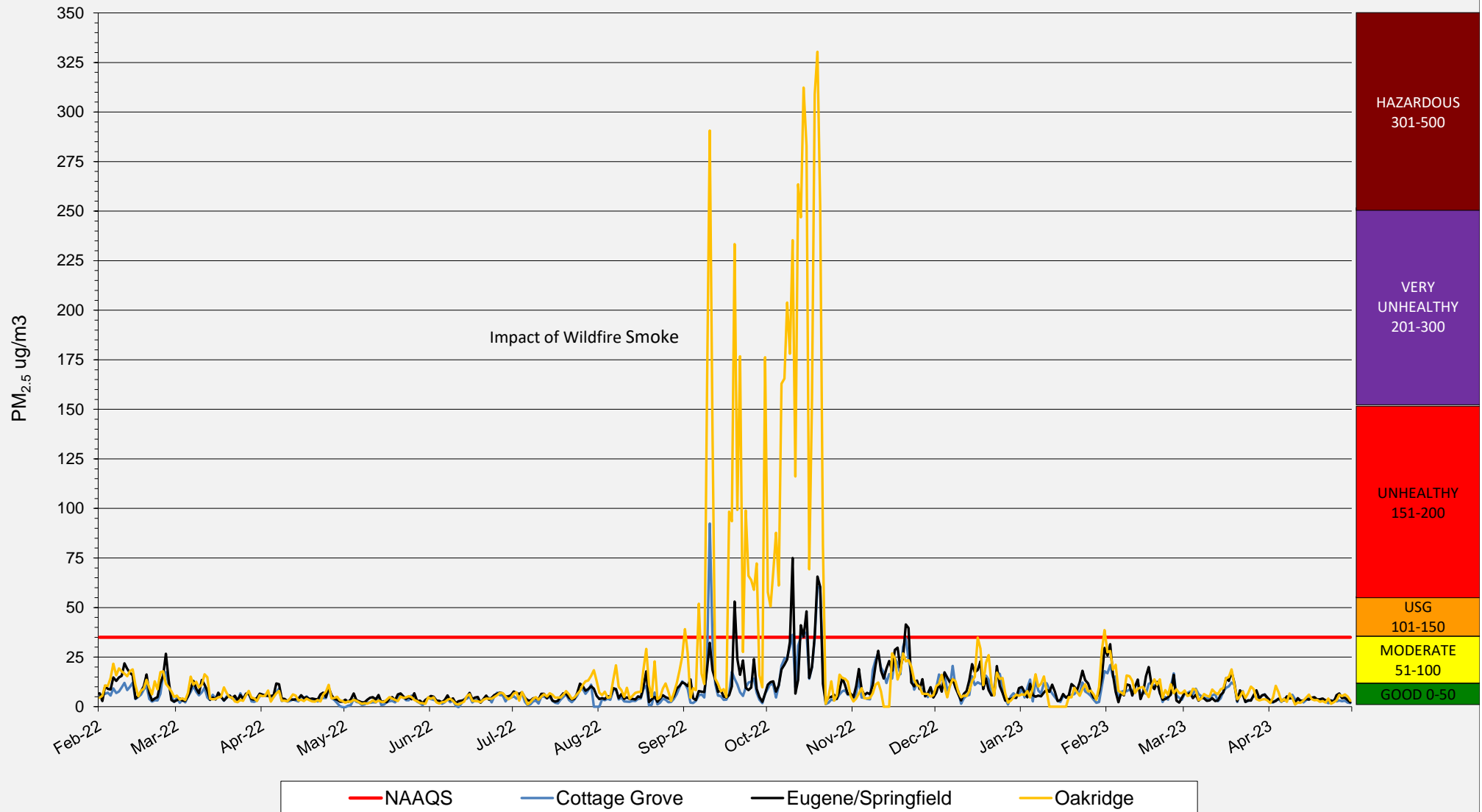
Daily Air Quality Index Chart

This 15-month chart demonstrates the seasonality of the pollutants.



Daily PM2.5 Levels

Daily Sampling, NAAQS Exceedance is Triggered on the 8th High





LRAPA

Lane Regional Air Protection Agency

Annual Budget

EQUITY



INVOLVEMENT



PARTNERS

FY 2023-2024

APPROVED



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LANE REGIONAL AIR PROTECTION AGENCY
FY2023-24 PROPOSED BUDGET
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Lane Regional Air Protection Agency (LRAPA)
FY24 Proposed Budget
For the fiscal year ending June 30, 2024

BUDGET COMMITTEE

Board of Directors:

Joe Pishioneri, Springfield
Jeannine Parisi, Eugene
Bryan Cutchen, Oakridge
David Loveall, Lane County
Matt Keating, Eugene
Vacant, Eugene
Vacant, Springfield
Howard Saxion, Eugene
Mike Fleck, Cottage Grove

Appointees:

Steve Schmunk, Springfield, Chair
Adam Rue, Eugene
Dawn Kinyon, Oakridge
Paul Metzler, Lane County
Lisa Arkin, Eugene
Vacant, Eugene
Ruth Linoz, Springfield, Vice-Chair
Vacant, Eugene
Robert Ball, Cottage Grove

LRAPA Executive Director

Steve Dietrich

Budget Officer

Steve Dietrich

Management Team

Max Hueftle, Operations Manager
Lance Giles, Technical Services Manager
Susannah Sbragia, Finance & Human Resource Director
Travis Knudsen, Public Affairs Manager
Colleen Wagstaff, Sr. Admin Analyst

Administrative Assistant / Board Clerk

Debby Wineinger

How You Can Get Involved

All budget meetings are open to the public. The Budget Committee will hold a public comment period beginning 5 to 30 days prior to the May 11, 2023, Board meeting. A public hearing will take place at the May 11, 2023, meeting, prior to final adoption of the budget. The public comment period and hearing will be advertised in the Register Guard. Members of the public are encouraged to express their views at this meeting.

The Proposed Budget document can be viewed on the Agency's website found at: <https://www.lrapa.org/air-quality-protection/about-lrapa/public-oversight/agendas-minutes/>

How to Provide Comments or Testify

1. Send a written statement to:

LRAPA Budget Committee
1010 Main Street
Springfield, OR 97477

2. Send your testimony via email: Budget@lrapa.org

3. Speak to the Budget Committee during the public comment period.

All Budget committee meetings to review and adopt LRAPA's budget for Fiscal Year 2023–2024 will take place on Zoom and in-person. All meetings will be accessible:

- In-Person Meeting Details:
Jesse Maine meeting room
Springfield City Hall
225 5th St, Springfield, OR 97477
- Zoom Meeting Details:
<https://us02web.zoom.us/j/82551664224>
+1 253 215 8782
Meeting ID: 825 5166 4224

Meeting Schedule:

11:00 am. | March 9, 2023

Agency Director FY24 Proposed Budget Presentation (no public comment)

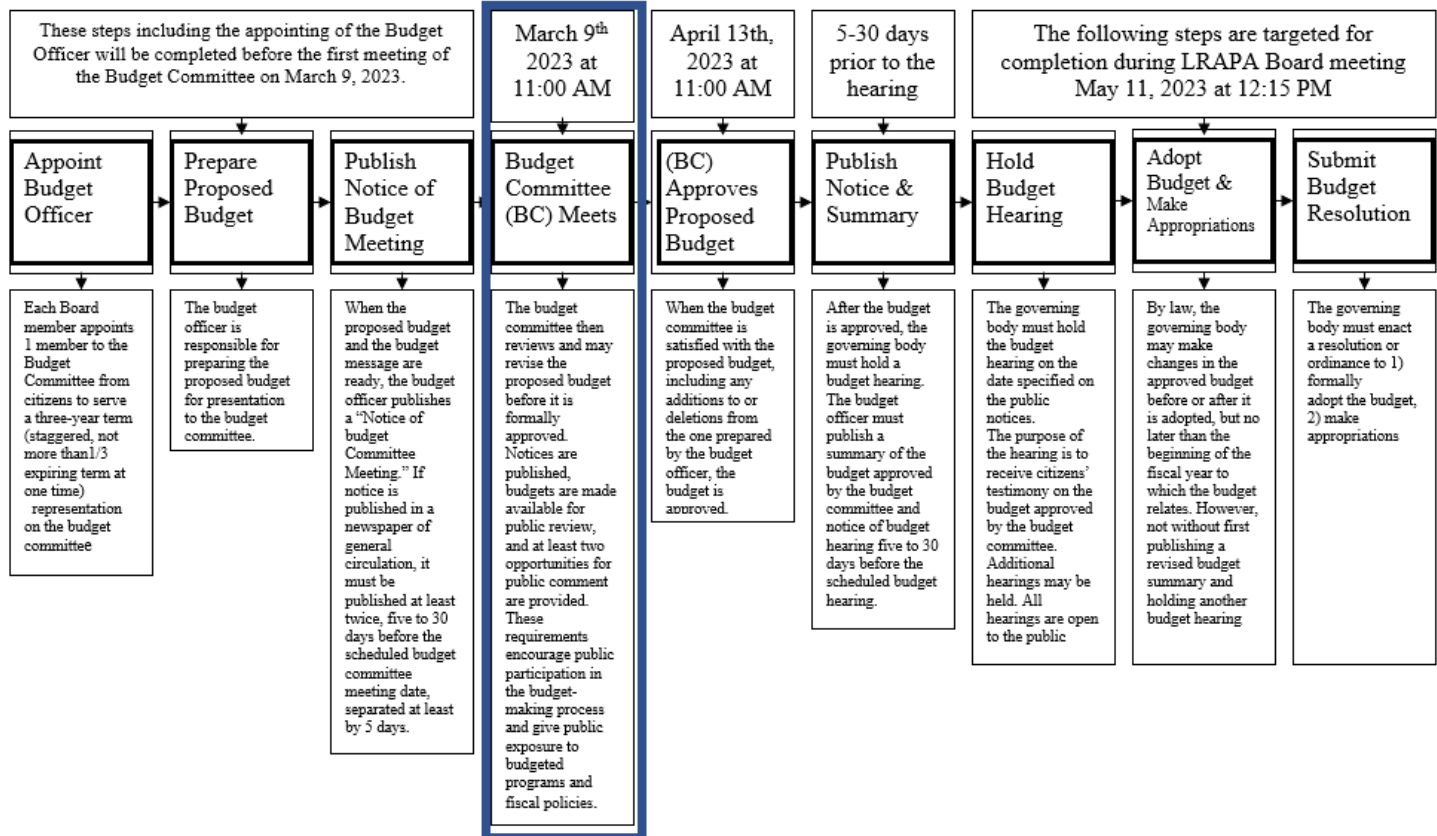
11:00 am. | April 13, 2023

Budget Deliberation (accepting public comment)

12:15 pm. | May 11, 2023

Public Hearing, Budget Deliberation and Board of Directors Recommendation (accepting public comment)

THE 9 STEPS OF BUDGET PROCESS



The following are the primary steps each local government must consider:

- The budget officer prepares a proposed budget.
- Notice of the budget committee meeting is published.
- The budget document is made available at or before the budget committee meeting at which the budget is presented.
- The budget committee conducts at least one public meeting for receiving the budget message and the budget document as well as providing opportunity for public questions or comments.
- The budget committee approves the budget.
- Notice of the public hearing and a summary of the approved budget are published.
- The governing body conducts a public hearing on the approved budget.
- The governing body, after public comment and deliberations, adopts the budget and enacts resolutions or ordinances accordingly by June 30.

LRAPA BUDGET COMMITTEE RESPONSIBILITIES

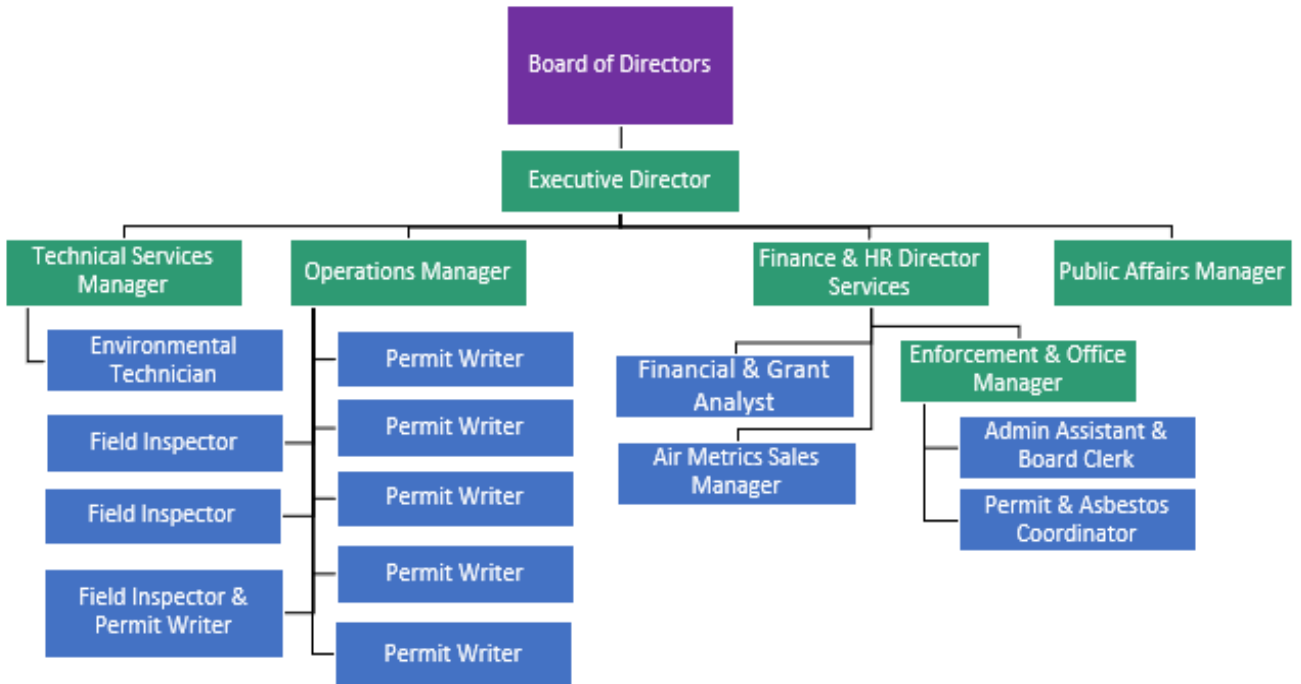
The State of Oregon mandates that all local governments establish Budget Committees made up of citizen members and elected officials. The purpose of the Budget Committee in Oregon is to promote efficiency and economy in the expenditure of public funds. Consistent with state policy, the Lane Regional Air Protection Agency defines the respective roles of the Budget Committee in its annual budget process. As the air quality regulating body for Lane County, LRAPA's role in this process is to establish general fiscal priorities and policies. More specifically, LRAPA develops long-term strategic plans and establishes specific goals and priorities for the organization. The Budget Committee's role is to help assure that LRAPA's budget document and fiscal practices address these priorities that LRAPA Board approves.

LRAPA Budget Committee Will:

1. Accept and review the proposed fiscal year budget.
2. Review the proposed budget to determine if it meets the policy and strategic goals set by LRAPA Board.
3. Review the performance of the agency to determine if they are meeting the policy and strategic goals of the agency in any effective way.
4. Through objective measures of LRAPA performance, determine if the agency is efficiently managing and allocating its resources.
5. Recommend an approved budget to the LRAPA Board no later than May of each year.

Except the staff, the committee members are volunteers working on behalf of our community and should only be contacted on matters related to their particular assignment as committee members.

LRAPA ORGANIZATION CHART



INTRODUCTION

The Lane Regional Air Protection Agency (LRAPA) was created in 1968 to improve and maintain air quality in Lane County, reflecting local priorities and goals while meeting federal and state air pollution control requirements and health-based standards. With the support of its member jurisdictions, Lane County and the Cities of Eugene, Springfield, Cottage Grove, and Oakridge LRAPA carries out its mission to protect and enhance air quality through a combination of regulatory and non-regulatory programs and activities.

The nine-member Board of Directors is the policy-making component of the agency. Membership includes four representatives from the City of Eugene, two representatives from the City of Springfield, and one each from Lane County, the City of Cottage Grove, and the City of Oakridge.

The agency relies on public input from its Citizens Advisory Committee, which is comprised of representatives from industry, environmental concerns, public health, fire suppression, agriculture, community planning, and the general public.

LRAPA's MISSION:

*To protect public health, quality of life, and the environment
as a leader and advocate for the continuous improvement
of air quality in Lane County.*

LRAPA VALUES:

- *Honesty, integrity & trust*
 - *Open communication*
- *Accessible, accurate, and understandable information and data*
 - *Timeliness*
 - *Cost effectiveness*

AGENCY FUNCTIONS

The Board of Directors appoint the agency director, who hires and directs LRAPA's professional and technical staff to work in the following areas:

Operations:

Operations include permitting, compliance, and enforcement. Permitting, establishes conditions under which regulated industrial sources may operate to minimize air pollution. Compliance is assured through inspections and enforcement actions as needed. Special programs include Cleaner Air Oregon, asbestos abatement regulations, enforcement of burning rules and regulations, and enforcement of home wood heating rules and municipal ordinances.

Monitoring and Data Management:

Monitoring provides air quality data via a network of equipment that operates 24 hours/day, seven days/week. Monitoring and meteorological equipment is located at key sites throughout Lane County. Air quality data are reported daily by the news media, are available continuously on LRAPA's website, and made available to additional online sources of Air Quality information. Data are used to evaluate progress in improving air quality and to determine whether National Ambient Air Quality Standards (NAAQS) federal air quality standards are being met.

Public Affairs, Planning and Administration:

Public affairs explains the causes of air pollution, compliance with regulations, and methods of pollution prevention through various educational strategies. Air quality planning identifies present and potential future air quality problems and develops management and control strategies to improve and maintain air quality. Administration provides management oversight, enforcement activities, financial management, grant management, contract management, human resources functions, and agencies partnerships.

AGENCY GOALS

Air Quality

Our goal is to ensure healthy air quality for all Lane County.

Involvement

Our goal is to inform and involve community members and businesses in improving air quality.

Service

Our goal is to serve the community and other stakeholders fairly, courteously, and in a timely manner.

Partnerships

Our goal is to work with our partners to leverage resources to protect and improve local air quality.

Lane Regional Air Protection Agency (LRAPA)

FY24 Proposed Budget
For the fiscal year ending June 30, 2024

DIRECTOR'S BUDGET MESSAGE

This Executive Summary is submitted for review and consideration of the Lane Regional Air Protection Agency (LRAPA) Budget Committee for the Fiscal Year (FY) 2023-2024 budget cycle. LRAPA complies with the State of Oregon's budget law requirements for local governments. A copy of the 9-step budget process is included as part of this budget. Budget administration and management is the process of regulating expenditures during the fiscal year to ensure expenditures do not exceed authorized amounts and are used for intended, proper, and legal purposes.

SOURCES OF REVENUE:

LRAPA's budget is comprised of the following Revenue sources:

General Fund Sources:

- Permit fees for Air Contaminant Discharge Permits (ACDP) include greenhouse gases and gas dispensing facilities.
 - Permit fees for Cleaner Air Oregon, a State of Oregon DEQ & LRAPA Program.
 - Federal Environmental Protection Agency (EPA) Clean Air Act (CAA)105 base grant. This funding requires a local maintenance of effort (MOE) contribution and that the agency maintains its level of service. Additionally, as part of the Oregon/Idaho/Washington consortium, pass-through funding to support the Northwest AirQuest program is included in the grant for FY24;
 - EPA special funding for PM-2.5 monitoring (CAA 103) through contract with DEQ;
 - Local intergovernmental partner funding through a long-standing Intergovernmental Agreement (IGA) between LRAPA and the Cities of Cottage Grove, Eugene, Oakridge, and Springfield; as well as Lane County.
 - State general fund support through contracts with DEQ.
 - Interest income; and
 - Other miscellaneous fees and revenues
-
- **Areas of Concern:** For the FY2023-24 fiscal year, there were modest increases in the funding amounts including a 4% increase to ACDP permit fees, a 3.3% increase in local partner fees, and a project increase in federal funding. However, inflation and workload continue to be a concern for the general fund. Over the past years, the agency has decreased FTE to a level that is considered critical as mandated rules and regulations increase the daily responsibilities of staff. Further, price increases of supplies including monitoring supplies are outpacing increases in revenue sources.
 - **Areas of Opportunity:** In response to the above discussion, LRAPA management is working closely with Oregon's DEQ to review funding opportunities including increasing service fees. Additionally, LRAPA recently hired an analyst by re-allocating a vacant FTE that will focus on increasing grant opportunities for the agency.

Special Revenue Fund:

LRAPA issues Title V operational air permits. Title V is regulated by the EPA. LRAPA sets local fees associated with this program to ensure fees remain consistent across the state. LRAPA aligns the fees associated with this program with the State of Oregon's Department of Environmental Quality (DEQ) fee schedule. Revenues from this program are required to be accounted for under a Special Purpose Fund. The Special Revenue Fund accounts for revenues and expenditures related to this program. The Fund contains a beginning balance that is maintained as a reserve.

- **Areas of Concern:** Due to the closure of Title V facilities revenues have decreased for this program. This trend is also reflected at the state level and anticipated economic issues may result if this trend continues. For FY24, it is projected that three facilities will join the program, resulting in an increase in revenue. However, the increase in revenue is not enough to sustain the program.
- **Areas of Opportunity:** In future fiscal years, it is anticipated that additional facilities will apply to become a Title V source. Additionally, LRAPA is partnering with DEQ to analyze opportunities to increase fee categories to ensure the program's revenues cover expected expenditures. On February 27, 2023, a public hearing took testimony by the Oregon House Committee on Climate, Energy, & Environment for HB 3229. This bill proposes a Title V fee increase for the base and air emission fees totaling 83% over a two-year period. The outcome of this bill is pending the end of the 2023 Oregon legislative session.

Targeted Airshed Grant Fund:

In FY20, LRAPA was awarded an EPA sponsored 2018 Targeted Airshed Grant (TAG 1) totaling \$4,938,190. This grant is a five-year, reimbursable grant that focuses on reducing emissions from woodsmoke. All of the work for this grant is happening in the Oakridge-Westfir airshed. FY24 is the fourth year of the grant. Additionally, in FY22, LRAPA received a second TAG grant (TAG 2) in the amount of \$2,739,425 to further the initiatives of the TAG 1 grant as well as add community outreach and education. The budgeted amount is based on forecasted expenditures of both of these TAG grants.

- **Areas of Concern:** Expenditures continue to increase above the original projected amounts due to economic factors, including reduced availability of vendors, slowing supply chain, and increased costs of material and supplies. Staff are working with EPA to ensure previously agreed upon grant activities are funded and that there are options in place if the grant timeline needs to be extended to complete the projected work in order to utilize the balance of the grant funding.
- **Areas of Opportunity:** The Oakridge-Westfir airshed was redesignated from "nonattainment" to "maintenance" in 2022 due to an improvement in wintertime air quality. As a result of this redesignation, the airshed is no longer eligible for future Targeted Airshed Grants. However, the current grant funds will continue to support the program until they are exhausted. LRAPA is now seeking alternative grant opportunities in FY 2023-2024 to reduce Particulate Matter emissions in Lane County, as well as support community-led efforts to reduce forest fuel loads. Furthermore, LRAPA is committed to advancing equity and environmental justice by seeking additional grant opportunities to support air quality improvement initiatives within the county.

Enterprise Funds:

LRAPA operates AirMetrics as an enterprise fund. AirMetrics assembles, markets, and sells Minivol portable air samplers and accessories. In addition, staff provides calibration and refurbishing services.

- **Areas of Concern:** Over the past several years, sales of the Minivol have been reduced for several reasons including changes in the market, increased competition, and technology. Continuous innovation, upgrades, and market penetration are needed to ensure the Minivol remains competitive in its niche market.
- **Areas of Opportunity:** In Fall of 2022, AirMetrics' Management presented an updated business plan outlining several options to ensure viability of the fund. Research and development investment is needed to sustain this business enterprise.

Budget Basis Description

LRAPA's fund budgets are prepared using a modified accrual basis of accounting. Under a modified accrual basis of accounting, revenues are recognized when they are made available, and expenditures are recognized when incurred. LRAPA uses encumbrance accounting, which means purchase orders for goods and services are recorded in order to restrict applicable appropriations.

LRAPA considers all revenues available if they are collected within 180 days after year-end. Expenditures are recorded when the related fund liability is incurred. Exceptions include; unmatured interest on general long-term debt, which is recognized when due; and certain compensated absences which are recognized when these obligations are liquidated with available financial resources. At this time, LRAPA does not have any long-term debt.

Expenditure Classifications:

- **Salaries.** Salaries constitute the major portion of expenditures in LRAPA's Budget. The salary line items in the budget reflect an increase of 2% for the upcoming fiscal year in recognition of local inflation. However, there continues to be concern of a growing gap between the salaries of LRAPA as compared to other similar agencies.
- **Fringe Benefits.** Benefits are comprised of payments made to the LRAPA's 401k retirement plan, PERS retirement system, social security, Medicare, unemployment insurance, and Oregon's paid leave. The fringe benefits line item also includes the agency's Benefit Plan that covers health, dental, long-term disability (LTD) and life insurance.
- **Materials & Services.** Materials & services are comprised of: 1) payments for those services that are provided by persons or entities not employed by LRAPA, 2) repair and maintenance of assets, 3) telephone, copying, and postage expenses, 4) travel and training cost, 5) the cost of day-to-day office and lab supplies. Major expense items that may be recorded in this category are grant contracts or special projects (pass-thru) for programs such as Northwest Air Quest, which is funded through EPA's base grant.
- **Capital & Building Improvements.** LRAPA records expenditures for building improvements, furniture, vehicles, and other major equipment purchases, such as building improvements and equipment replacements are in this category. During FY24, LRAPA will continue to upgrade its monitoring infrastructure, including hardware and software as well as continue capital improvement projects including remodel of the building, replacing the HVAC system, and repaving the parking lot. The agency began these projects in FY23.

Revenue Classifications:

Due to grants, the overall amount of revenues LRAPA currently receives has increased noticeably over the past few years. LRAPA is committed to analyzing funding opportunities that enhance the core services, therefore any new or additional resources that may become available are reflected as a corresponding increase to revenues for FY24.

For FY24, LRAPA will receive operating funds from EPA (105 base grant). The amount of this funding is determined based on the agency meeting its MOE (Maintenance of Effort) requirement that ensures the level of effort covered by LRAPA's general fund is to equal or more than those of the previous year. LRAPA receives funding support from the local governments in Lane County as well as from the State's general program funding to ensure this MOE requirement is met. Additionally, LRAPA collects permit fees, revenues from the business activity, and earns interest on funds invested in the Local Government Investment Pool (LGIP) that is managed by the State of Oregon Treasury. Interest earnings are credited to each fund monthly.

Budget Development and Administration Policies

Under Oregon Budget Law, LRAPA's General Fund budget is required to be presented as a balanced budget. For FY24, the Agency's budget provides for adequate maintenance of capital assets and equipment, as well as for orderly replacement of its equipment. LRAPA will continue to budget an indirect cost within each applicable program to ensure that full cost recovery is reflected in every program LRAPA administers.

LRAPA continues to develop and administer a multi-year plan, for its General Operating and the Enterprise Fund Program (Airmetrics) that is updated annually. LRAPA budgets for major capital projects in accordance with the priorities of the agency. LRAPA coordinates development of a capital improvement plan and appropriate budget within the operating budget. Future costs associated with new capital improvements are and will be projected and included in the operating budgets. LRAPA will identify the estimated costs and potential funding sources for each major capital project proposal before it is submitted to the Board for approval.

LRAPA budgets known revenues and applies an analytical process to estimate other projected revenues. LRAPA will not budget any revenues that cannot be verified with assurance of its availability, source, or amount. LRAPA will set fees in its Enterprise and Special Purpose Funds at a level that fully supports the total direct and indirect costs of the activity.

Fund Balance and Reserve Policy

In 2013, the LRAPA Board adopted a policy to maintain a goal of 120 days in each fund balance. However, in order to maintain and protect the long-term financial sustainability of the agency, the fund balance and reserves in the General Fund and the Special Purpose Funds are maintained above the goal, which represents the limits recommended by the agency's auditors (i.e., balance equivalent to between 90 to 180 days of expenditures). Maintaining a higher fund balance ensures the agency has time to adjust to economic changes.

Budget Highlights and Major Budget Objectives

Compensation Issues. In consideration of the current budget constraints, every effort was made by the LRAPA's financial management team to avoid deterioration in the current LRAPA's employee compensation package. For FY24, a 2% cost of living adjustment has been applied to all salary ranges.

Insurance Premiums. The insurance premiums for health and dental are projected to increase by an average of 4-5%. Consequently, LRAPA's benefit plan is increased commensurate to the actual premium increases to offset this additional cost. Insurance premiums are a shared cost between employer and employee. For FY24, LRAPA has not received final costing from the insurance agency so the health insurance cost is an estimate and assumes the rate employees pay for monthly premiums will remain at the FY23 level.

Staff Positions. The number of staff positions and full-time equivalents (FTEs) has steadily declined since FY08, which the agency had 23.36 FTE. The proposed budget for FY24 funds 19.0 FTE and 8 part-time employees that are reimbursed through a contract with DEQ.

Other Assumptions. Title V fees for FY24 are inclusive of the projected number of sources and fees equal to DEQ's fee schedule. These fees are implemented by reference in accordance with the State Department of Environmental Quality (DEQ). Permit fees for the ACDP are increased by 4%.

Cleaner Air Oregon (CAO)

Cleaner Air Oregon (CAO) is a statewide program launched by Governor Kate Brown in 2016. The goal of CAO is to better understand emissions of toxic air contaminants and evaluate potential health risks to people near commercial and industrial facilities that emit regulated toxic air contaminants, communicate those results to affected communities, and if needed, reduce those risks to below health-based standards. LRAPA is required by state law to implement the Cleaner Air Oregon (OAR 340 division 245) program in Lane County.

During FY24, LRAPA will continue to implement the program by working on the ranking to prioritize the call-in for certain existing sources. The list of approximately 65 sources includes all permittees with Title V Operating Permits, Standard and Simple Air Contaminant Discharge Permits (ACDPs), along with two chrome plating sources assigned to General ACDPs. The LRAPA prioritization procedure follows the same process DEQ follows, which includes a method that considers numerical prioritization values, as well as certain qualitative factors. Based on these factors, facilities will be placed in priority groups or tiers. As facilities are called in, they will perform air toxics risk assessments that will determine the actual estimated risks associated with facility emissions.

2018/2021 Targeted Airshed Program - TAG

In 2019, LRAPA was awarded an EPA Targeted Airshed Grant (TAG 1) in the total amount of \$4,938,190 that continues for 5 years. LRAPA, the City of Oakridge and a broad coalition of stakeholders are delivering a full program to ensure permanent reductions in emissions from woodsmoke. As well as provide air filtration for when vulnerable populations cannot escape. The primary strategies include: weatherization and repair to reduce the need for heat; installing ductless heat pumps to provide local emission-free heat; certified woodstoves for resiliency, for a community that frequently loses power; clean and dry wood through a community firewood program; air filters for smoke refuge; health and air quality tracking; and a suite of education and enforcement actions to ensure health standards are met.

In FY22, LRAPA received an additional \$2.7 million (TAG 2) grant that extends the work being completed in the 2018 TAG grant. The FY24 proposed budget has proposed expected revenues and expenditures for both TAG grants.

Lane Regional Air Protection Agency

2023-2024

ALL FUNDS PROPOSED BUDGET

Summarized

Lane Regional Air Protection Agency 2023-2024 ALL FUNDS SUMMARIZED PROPOSED BUDGET								
			Unaudited			2023-2024	2023-2024	2023-2024
Fund Name	2019-2020	2020-2021	2021-2022	2022-2023	2022-2023	Budget	Budget	Budget
	Actual	Actual	Actual	Budget	Projected	Proposed	Approved	Adopted
General Fund								
General Fund								
Revenues	2,355,898	2,233,546	2,582,441	2,560,089	2,569,390	2,624,864	2,631,303	2,631,303
Expenditures	2,138,724	2,190,346	2,254,149	2,803,710	2,803,245	2,753,084	2,753,084	2,753,084
<i>Revenue/over/(under) expenditures</i>	217,174	43,200	328,291	(243,621)	(233,855)	(128,219)	(121,780)	(121,780)
Special Revenue Funds								
Title V								
Revenues	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Expenditures	499,202	517,431	518,615	489,509	489,509	508,147	508,147	508,147
<i>Revenue/over/(under) expenditures</i>	(17,477)	(67,107)	(102,104)	(65,302)	(65,302)	7,271	7,271	7,271
Grant Funds								
2018/2021 Targeted Airshed Grant								
Revenues	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Expenditures	293,036	480,809	599,442	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
<i>Revenue/over/(under) expenditures</i>	580	-	5,131	-	-	-	-	-
Enterprise Funds								
Airmetrics								
Revenues	627,660	588,995	445,706	594,881	571,948	583,639	583,639	583,639
Expenditures	600,857	599,782	501,948	666,865	631,866	583,639	583,639	583,639
<i>Revenue/over/(under) expenditures</i>	26,803	(10,787)	(56,242)	(71,984)	(59,918)	-	-	-
TOTAL ALL FUNDS SUMMARY:								
Beginning Fund Balance	3,660,506	3,895,909	3,967,095	3,792,739	4,210,039	3,934,904	3,469,444	3,469,444
<i>Revenue/over/(under) expenditures</i>	227,080	(34,694)	175,076	(380,907)	(359,075)	(120,948)	(114,509)	(114,509)
Ending Fund Balance	3,887,586	3,861,215	4,142,172	3,411,832	3,850,964	3,813,955	3,354,935	3,354,935

Lane Regional Air Protection Agency
2023-2024
GENERAL FUND PROPOSED BUDGET
Summarized

Lane Regional Air Protection Agency 2023-2024 GENERAL FUND SUMMARIZED PROPOSED BUDGET									
FUND SUMMARIZED	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues	2,206,732	2,315,398	2,193,046	2,556,941	2,519,589	2,543,890	2,584,364	2,590,803	2,590,803
Interfund Transfers	40,500	40,500	40,500	25,500	40,500	25,500	40,500	40,500	40,500
Total Revenue	2,247,232	2,355,898	2,233,546	2,582,441	2,560,089	2,569,390	2,624,864	2,631,303	2,631,303
Expenditures	1,877,834	2,099,541	2,190,346	2,202,035	2,543,710	2,543,245	2,523,084	2,523,084	2,523,084
Capital Outlay	52,877	39,183	-	52,115	160,000	160,000	130,000	130,000	130,000
Contingency	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Total Expenditures	1,930,711	2,138,724	2,190,346	2,254,149	2,803,710	2,803,245	2,753,084	2,753,084	2,753,084
FUND BALANCE									
Beginning Fund Balance	1,467,901	1,784,422	2,001,596	2,044,796	2,221,896	2,373,087	2,139,232	2,139,232	2,139,232
Revenue/over/(under) expenditures	-	217,174	43,200	328,291	(243,621)	(233,855)	(128,219)	(121,780)	(121,780)
Ending Fund Balance	1,467,901	2,001,596	2,044,796	2,373,087	1,978,275	2,139,232	2,011,013	2,017,452	2,017,452
Months Reserve	9.1	11.2	11.2	12.6	8.5	9.2	8.8	9	9

Lane Regional Air Protection Agency

2023-2024

GENERAL FUND PROPOSED BUDGET

Summary

Lane Regional Air Protection Agency 2023-2024 GENERAL FUND SUMMARY									
FUND SUMMARY	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues									
Federal & State Revenues	893,224	932,356	835,806	1,110,995	1,078,514	1,078,514	1,078,514	1,078,514	1,078,514
Local Dues	162,150	174,160	177,894	185,724	195,111	195,111	195,111	201,550	201,550
Permit Fees	1,101,574	1,166,515	1,156,755	1,240,987	1,227,964	1,224,265	1,260,739	1,260,739	1,260,739
Other Revenues	49,784	42,367	22,591	19,235	18,000	46,000	50,000	50,000	50,000
Transfers	40,500	40,500	40,500	25,500	40,500	25,500	40,500	40,500	40,500
TOTAL REVENUE	2,247,232	2,355,898	2,233,546	2,582,441	2,560,089	2,569,390	2,624,864	2,631,303	2,631,303
Expenditures									
Personnel Services	1,277,106	1,450,957	1,599,172	1,519,073	1,786,980	1,805,529	1,761,213	1,761,213	1,761,213
Materials & Services	600,728	648,584	591,174	682,962	756,730	737,716	761,871	761,871	761,871
Capital Improvements	52,877	39,183	-	52,115	160,000	160,000	130,000	130,000	130,000
Contingency	-	-	-	-	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	1,930,711	2,138,724	2,190,346	2,254,149	2,803,710	2,803,245	2,753,084	2,753,084	2,753,084
FUND BALANCING									
Beginning Fund Balance	1,467,901	1,784,422	2,001,596	2,044,796	2,221,896	2,373,087	2,139,232	2,139,232	2,139,232
Revenue/over/(under) expenditures	316,521	217,174	43,200	328,291	(243,621)	(233,855)	(128,219)	(121,780)	(121,780)
Ending Fund Balance	1,784,422	2,001,596	2,044,796	2,373,087	1,978,275	2,139,232	2,011,013	2,017,452	2,017,452
Months Reserve	11.1	11.2	11.2	12.6	8.5	9.2	8.8	9	9

Lane Regional Air Protection Agency

2023-2024

GENERAL FUND PROPOSED BUDGET

Revenue Detail

Lane Regional Air Protection Agency 2023-2024 GENERAL FUND - REVENUE DETAIL									
FUND DETAILS	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Federal Grants & State									
Federal Base Grant (includes Oregon General Fund	573,133	651,082	530,591	691,719	640,000	640,000	640,000	640,000	640,000
PM2.5 Monitoring 103 Grant	133,442	138,514	138,514	263,514	263,514	263,514	263,514	263,514	263,514
	186,650	142,760	166,701	155,762	175,000	175,000	175,000	175,000	175,000
Total	893,225	932,356	835,806	1,110,995	1,078,514	1,078,514	1,078,514	1,078,514	1,078,514
Local Partner Dues									
City of Eugene	68,270	73,870	76,570	80,440	87,643	87,643	87,643	93,573	93,573
City of Springfield	26,870	28,960	27,584	27,604	31,806	31,806	31,806	32,645	32,645
City of Cottage Grove	10,250	10,640	11,030	11,590	10,428	10,428	10,428	5,665	5,665
City of Oakridge	3,960	4,080	4,030	4,440	3,358	3,358	3,358	1,692	1,692
Lane County	52,800	56,610	58,680	61,650	61,876	61,876	61,876	67,975	67,975
Total	162,150	174,160	177,894	185,724	195,111	195,111	195,111	201,550	201,550
Permit Fees									
Air Contaminant Discharge	590,208	571,267	674,503	732,722	696,397	725,000	754,000	754,000	754,000
Cleaner Air Oregon	324,658	409,913	320,949	329,660	339,712	307,410	307,410	307,410	307,410
Asbestos Notification Fees	180,832	181,034	159,952	165,316	186,855	186,855	194,329	194,329	194,329
Open Burning & Misc. Permit	5,875	4,300	1,350	13,289	5,000	5,000	5,000	5,000	5,000
Total	1,101,573	1,166,514	1,156,755	1,240,987	1,227,964	1,224,265	1,260,739	1,260,739	1,260,739
Other Revenues									
Interest	43,729	36,720	13,559	9,745	8,000	40,000	40,000	40,000	40,000
Miscellaneous Revenues	6,055	5,646	9,032	9,490	10,000	6,000	10,000	10,000	10,000
Total	49,784	42,366	22,591	19,235	18,000	46,000	50,000	50,000	50,000
Transfers									
From Title V & Airmetrics	40,500	40,500	40,500	25,500	40,500	25,500	40,500	40,500	40,500
Total	40,500	40,500	40,500	25,500	40,500	25,500	40,500	40,500	40,500
TOTAL REVENUE	2,247,232	2,355,896	2,233,546	2,582,441	2,560,089	2,569,390	2,624,864	2,631,303	2,631,303

Lane Regional Air Protection Agency
2023-2024
GENERAL FUND PROPOSED BUDGET
Expenditures Detail

Lane Regional Air Protection Agency 2023-2024 GENERAL FUND - EXPENDITURES DETAIL									
FUND DETAILS	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Personnel									
Salaries	954,849	1,035,822	1,130,867	1,100,264	1,241,775	1,260,324	1,250,000	1,250,000	1,250,000
Benefits & Payroll Tax	184,232	208,241	231,254	172,655	260,205	260,205	284,088	284,088	284,088
Benefits Health Ins	73,902	154,782	169,840	173,020	180,000	180,000	122,125	122,125	122,125
PERS Contingency	-	-	-	-	30,000	30,000	30,000	30,000	30,000
DEQ Remote Operators	64,122	52,112	67,211	73,134	75,000	75,000	75,000	75,000	75,000
Total	1,277,105	1,450,957	1,599,172	1,519,073	1,786,980	1,805,529	1,761,213	1,761,213	1,761,213
Materials & Supplies									
Computer Supplies	30,134	17,220	33,214	30,661	30,000	30,233	30,837	30,837	30,837
Supplies - General	11,672	16,917	10,513	12,011	20,000	18,000	18,360	18,360	18,360
Supplies - Lab	59,844	49,729	64,117	43,652	58,000	50,000	51,000	51,000	51,000
Advertisement	-	-	-	-	500	-	-	0	-
Postage	10,314	4,464	1,691	4,483	7,000	2,596	2,648	2,648	2,648
Insurance	21,147	21,979	22,159	24,242	24,410	27,000	27,540	27,540	27,540
Printing	13,639	5,098	13,555	8,401	10,460	10,460	10,669	10,669	10,669
Public Notices	1,202	1,422	1,106	2,857	1,930	1,930	1,969	1,969	1,969
Telephones	8,762	9,203	14,022	11,722	12,000	12,080	12,322	12,322	12,322
Utilities	9,870	10,548	10,432	15,556	12,240	19,667	20,060	20,060	20,060
Publications	217	437	-	-	2,740	500	510	510	510
Training	7,078	7,732	1,605	2,832	7,900	5,000	7,100	7,100	7,100
Grant Contracts (Pass-thru)	296,786	383,214	314,089	388,290	340,000	340,000	346,800	346,800	346,800
Professional Dues	9,603	5,765	4,397	2,333	4,000	4,500	4,990	4,990	4,990
Professional Services	23,267	20,278	46,308	71,146	136,000	136,000	138,720	138,720	138,720
Bank Charges	2,129	775	4,199	3,116	5,000	3,600	3,672	3,672	3,672
Public Education	26,701	21,641	12,035	18,305	18,000	18,000	18,360	18,360	18,360
Rent	8,328	9,126	7,750	7,115	8,400	1,500	1,530	1,530	1,530
Buildings & Equip Repairs	13,097	28,020	9,011	16,585	14,490	14,490	14,780	14,780	14,780
Building Maintenance	11,607	16,020	8,817	5,379	16,660	13,660	13,933	13,933	13,933
Vehicle Operating Expense	7,055	5,727	7,344	10,358	10,000	10,000	10,200	10,200	10,200
Fares/Transportation	7,007	5,240	789	107	1,500	1,500	6,030	6,030	6,030
Miscellaneous Expense	2,036	110	3,424	3,810	2,000	3,500	3,570	3,570	3,570
Food & Lodging	19,234	7,918	598	-	13,500	13,500	16,270	16,270	16,270
Total	600,729	648,583	591,174	682,962	756,730	737,716	761,871	761,871	761,871

Lane Regional Air Protection Agency
2023-2024
GENERAL FUND PROPOSED BUDGET
Expenditures Detail

<p style="text-align: center;">Lane Regional Air Protection Agency 2023-2024 GENERAL FUND - EXPENDITURES DETAIL</p>									
FUND DETAILS	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Capital Outlay									
Capital Building Improv.	-	-	-	29,230	120,000	120,000	90,000	90,000	90,000
Capital Equipment	52,877	39,183	-	22,885	40,000	40,000	40,000	40,000	40,000
Total	52,877	39,183	-	52,115	160,000	160,000	130,000	130,000	130,000
Contingency									
Contingency	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Total	-	-	-	-	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	1,930,711	2,138,723	2,190,346	2,254,149	2,803,710	2,803,245	2,753,084	2,753,084	2,753,084

Lane Regional Air Protection Agency
2023-2024
SPECIAL REVENUE FUND PROPOSED BUDGET
Summarized

Lane Regional Air Protection Agency 2023-2024 SPECIAL REVENUE FUND: TITLE V SUMMARIZED PROPOSED BUDGET									
FUND SUMMARIZED	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Budget Proposed	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues	480,938	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Total Revenue	480,938	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Expenditures	585,621	484,202	502,431	518,615	474,509	474,509	493,147	493,147	493,147
Interfund Transfers Out	15,000	15,000	15,000	-	15,000	15,000	15,000	15,000	15,000
Total Expenditures	600,621	499,202	517,431	518,615	489,509	489,509	508,147	508,147	508,147
FUND BALANCE									
Beginning Fund Balance	414,359	294,676	277,199	210,092	206,819	107,989	42,687	42,687	42,687
Revenue/over/(under) expenditures	(119,683)	(17,477)	(67,107)	(102,104)	(65,302)	(65,302)	7,271	7,271	7,271
Ending Fund Balance	294,676	277,199	210,092	107,989	141,517	42,687	49,958	49,958	49,958
Months Reserve	5.9	6.7	4.9	2.5	3.5	1.0	1.2	1	1.2

Lane Regional Air Protection Agency

2023-2024

SPECIAL REVENUE FUND PROPOSED BUDGET

Summary

Lane Regional Air Protection Agency 2023-2024 TITLE V PROPOSED BUDGET SUMMARY									
FUND SUMMARY	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
BEGINNING FUND BALANCE	414,359	294,676	294,676	277,199	206,819	107,989	42,687	0	-
Revenues									
Permit Fees	480,938	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Total	480,938	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Expenditures									
Personnel Services	550,242	452,554	482,429	503,313	457,639	457,639	475,939	475,939	475,939
Materials & Services	35,379	31,648	20,003	15,301	16,870	16,870	17,207	17,207	17,207
Total	585,621	484,202	502,431	518,615	474,509	474,509	493,147	493,147	493,147
Transfers									
Transfers to GF	15,000	15,000	15,000	-	15,000	15,000	15,000	15,000	15,000
Total	15,000	15,000	15,000	-	15,000	15,000	15,000	15,000	15,000
Contingency									
Contingency	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	600,621	499,202	517,431	518,615	489,509	489,509	508,147	508,147	508,147
FUND BALANCE									
Beginning Fund Balance	414,359	294,676	277,199	210,092	206,819	107,989	42,687	42,687	42,687
Revenue/over/(under) expenditures	(119,683)	(17,477)	(67,107)	(102,104)	(65,302)	(65,302)	7,271	7,271	7,271
Ending Fund Balance	294,676	277,199	210,092	107,989	141,517	42,687	49,958	49,958	49,958
Months Reserve	5.9	6.7	4.9	2.5	3.5	1.0	1.2	1	1

Lane Regional Air Protection Agency

2023-2024

SPECIAL REVENUE FUND PROPOSED BUDGET

Details

Lane Regional Air Protection Agency 2023-2024 TITLE V PROPOSED BUDGET DETAIL									
Fund Detail	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Permit Fees									
Title V Permit Fees	480,938	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Total	480,938	481,725	450,325	416,511	424,207	424,207	515,417	515,417	515,417
Personnel									
Salaries	430,615	345,852	378,177	394,393	344,638	344,638	360,147	360,147	360,147
Benefit Plan	52,235	54,811	59,084	61,649	62,035	62,035	64,826	64,826	64,826
Other Fringe Benefits	67,391	51,891	45,168	47,271	50,966	50,966	50,966	50,966	50,966
Total	550,241	452,554	482,429	503,313	457,639	457,639	475,939	475,939	475,939
Materials & Supplies									
Computer Supplies	348	355	714	426	670	670	683	683	683
Office/Lab Supplies	9,027	4,512	10,119	2,453	3,200	3,200	3,264	3,264	3,264
Postage	1,370	957	-	-	200	200	204	204	204
Printing	1,053	473	-	-	200	200	204	204	204
Public Notices	-	-	-	-	-	-	-	0	-
Telephones	664	624	373	41	1,200	1,200	1,224	1,224	1,224
Utilities	3,302	3,625	2,889	4,302	2,400	2,400	2,448	2,448	2,448
Training	555	598	-	-	500	500	510	510	510
Professional Dues	290	721	94	-	1,500	1,500	1,530	1,530	1,530
Contractual Services	4,850	6,735	3,400	7,000	4,000	4,000	4,080	4,080	4,080
Buildings & Equip Repairs	3,667	682	89	-	-	-	-	0	-
Building Maintenance	2,130	1,824	1,428	743	1,700	1,700	1,734	1,734	1,734
Vehicle Expense	1,051	755	896	337	800	800	816	816	816
Miscellaneous Expense	80	108	-	-	500	500	510	510	510
Total	28,387	21,969	20,003	15,301	16,870	16,870	17,207	17,207	17,207
Transfers									
Transfers to GF	15,000	15,000	15,000	-	15,000	15,000	15,000	15,000	15,000
Total	15,000	15,000	15,000	-	15,000	15,000	15,000	15,000	15,000
Contingency									
General Contingency	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	593,629	489,524	517,432	518,616	489,510	489,510	508,148	508,147	508,147

Lane Regional Air Protection Agency
2023-2024
GRANT FUND PROPOSED BUDGET
Summarized

Lane Regional Air Protection Agency 2023-2024 GRANT FUND: 2018/2021 TARGETED AIRSHED SUMMARIZED PROPOSED BUDGET									
FUND SUMARIZED	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues	-	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Total Revenue	-	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Expenditures	-	293,036	480,809	599,442	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Total Expenditures	-	293,036	480,809	599,442	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
FUND BALANCE									
Beginning Fund Balance	-	-	580	-	-	5,131	-	-	-
Revenue/over/(under) expenditures	-	580	-	5,131	-	-	-	-	-
Ending Fund Balance	-	580	-	5,131	-	-	-	-	-

Lane Regional Air Protection Agency
2023-2024
GRANT FUND PROPOSED BUDGET
Summary

Lane Regional Air Protection Agency 2023-2024 2018/2021 TARGETED AIRSHED GRANT (TAG 1 & 2) PROPOSED BUDGET SUMMARY									
FUND SUMMARY	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
BEGINNING FUND BALANCE	-	-	-	580	-	5,131	-	0	-
Revenues									
EPA Grant Funds	-	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Total	-	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Expenditures									
Personnel Services	-	44,665	56,082	55,810	72,360	72,360	75,616	75,616	75,616
Materials & Services	-	248,371	424,726	543,632	1,327,208	1,152,208	1,327,384	1,327,384	1,327,384
Total	-	293,036	480,809	599,442	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
FUND BALANCE									
Beginning Fund Balance	-	-	-	-	-	5,131	-	-	-
Revenue/over/(under) expenditures	-	580	-	5,131	-	-	-	-	-
Ending Fund Balance	-	580	-	5,131	-	-	-	-	-

Lane Regional Air Protection Agency
2023-2024
GRANT FUND PROPOSED BUDGET
Details

Lane Regional Air Protection Agency 2023-2024 2018/2021 TARGETED AIRSHED GRANT (TAG 1 & 2) PROPOSED BUDGET DETAIL									
FUND DETAILS	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues									
EPA Grant Funds	-	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Total	-	293,616	480,809	604,573	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000
Personnel									
Salaries	-	33,689	41,279	41,963	54,000	54,000	56,430	56,430	56,430
LRAPA Benefit Plan	-	2,695	7,640	7,280	9,720	9,720	10,157	10,157	10,157
Other Fringe Benefits	-	8,281	7,164	6,567	8,640	8,640	9,029	9,029	9,029
Total	-	44,665	56,082	55,810	72,360	72,360	75,616	75,616	75,616
Materials & Supplies									
Office/Lab Supplies	-	103,218	19,895	152,338	5,000	5,000	5,000	5,000	5,000
Public Notices	-	1,112	130	-	3,200	3,200	3,200	3,200	3,200
Contractual Services	-	117,977	196,145	332,283	612,720	512,720	687,896	687,896	687,896
Grant Contracts (Pass-thru)	-	6,810	82,520	-	402,338	327,338	327,338	327,338	327,338
Program	-	18,688	126,036	59,011	148,200	148,200	148,200	148,200	148,200
Fares/Transportation	-	566	-	-	155,750	155,750	155,750	155,750	155,750
Total	-	248,371	424,726	543,632	1,327,208	1,152,208	1,327,384	1,327,384	1,327,384
Total Expenditures		293,036	480,809	599,442	1,399,568	1,224,568	1,403,000	1,403,000	1,403,000

Lane Regional Air Protection Agency
2023-2024
ENTERPRISED FUND PROPOSED BUDGET
Summarized

Lane Regional Air Protection Agency 2023-2024 ENTERPRISE FUND: AIRMETRICS PROPOSED BUDGET SUMMARIZED									
FUND SUMMARIZED	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues	1,166,755	627,660	588,995	445,706	594,881	571,948	583,639	583,639	583,639
Total Revenue	1,166,755	627,660	588,995	445,706	594,881	571,948	583,639	583,639	583,639
Expenditures	874,179	575,357	574,282	476,448	641,365	606,366	558,139	558,139	558,139
Transfers To GF	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Total Expenditures	899,679	600,857	599,782	501,948	666,865	631,866	583,639	583,639	583,639
FUND BALANCE									
Beginning Fund Balance	1,109,806	1,376,882	1,376,882	1,403,685	1,364,024	1,347,443	1,287,525	1,287,525	1,287,525
Revenue/over/(under) expenditures	267,076	26,803	(10,787)	(56,242)	(71,984)	(59,918)	-	-	-
Ending Fund Balance	1,376,882	1,403,685	1,366,095	1,347,443	1,292,040	1,287,525	1,287,525	1,287,525	1,287,525
Months Reserve	18.4	28.0	27.3	32.2	23.2	24.5	26.5	26	26

Lane Regional Air Protection Agency
2023-2024
ENTERPRISED FUND PROPOSED BUDGET
Summary

Lane Regional Air Protection Agency 2023-2024 ENTERPRISE FUND: AIRMETRICS PROPOSED BUDGET SUMMARY									
FUND SUMMARY	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
BEGINNING FUND BALANCE	1,109,806	1,376,882	1,376,882	1,403,685	1,327,550	1,336,656	1,276,738	1,276,738	1,276,738
Revenues									
Sales Revenues	1,166,755	627,660	588,995	445,706	594,881	571,948	583,639	583,639	583,639
Total	1,166,755	627,660	588,995	445,706	594,881	571,948	583,639	583,639	583,639
Expenditures									
Personnel Services	145,985	148,894	150,581	150,868	160,870	160,870	160,870	160,870	160,870
Materials & Services	728,194	426,463	423,701	325,580	480,495	445,496	397,269	397,269	397,269
Transfers to GF	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Total	899,679	600,857	599,782	501,948	666,865	631,866	583,639	583,639	583,639
FUND BALANCE									
Beginning Fund Balance	1,109,806	1,376,882	1,403,685	1,392,898	1,364,024	1,336,656	1,287,525	1,287,525	1,287,525
Revenue/over/(under) expenditures	267,076	26,803	(10,787)	(56,242)	(71,984)	(59,918)	-	-	-
Ending Fund Balance	1,376,882	1,403,685	1,392,898	1,336,656	1,292,040	1,276,738	1,287,525	1,287,525	1,287,525
Months Reserve	18.4	28.0	27.9	32.0	23.2	24.2	26.5	26	26

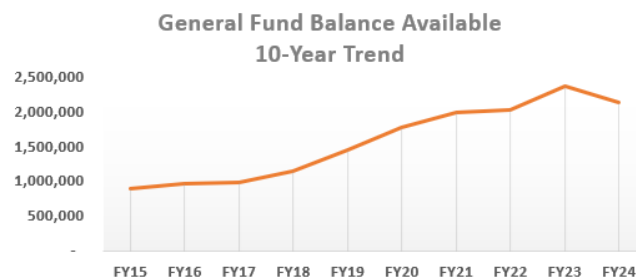
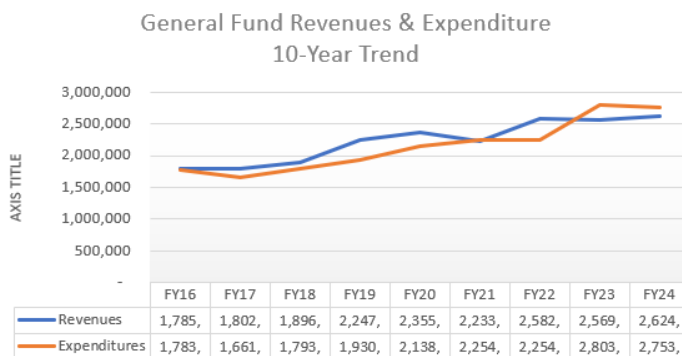
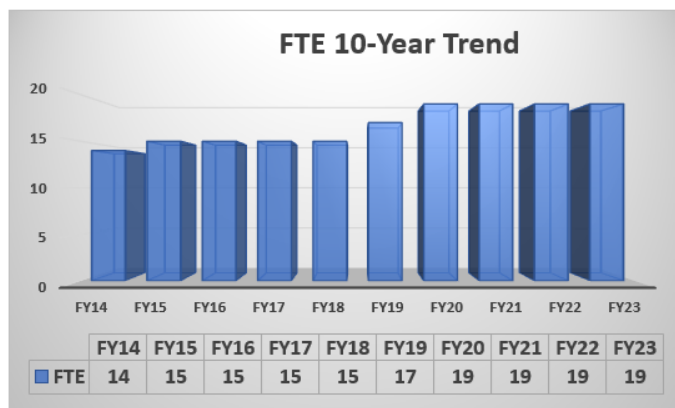
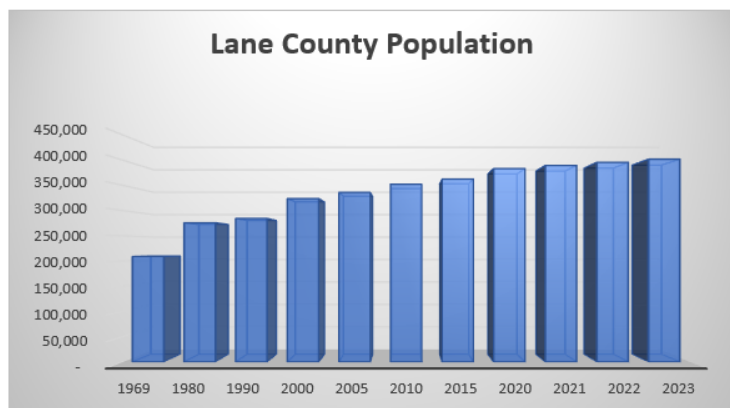
Lane Regional Air Protection Agency
2023-2024
ENTERPRISED FUND PROPOSED BUDGET
Detail

Lane Regional Air Protection Agency 2023-2024 AIRMETRICS FUND BUDGET DETAIL									
FUND DETAIL	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	Unaudited 2021-2022 Actual	2022-2023 Budget	2022-2023 Projected	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues									
Sampler Sales	982,666	497,850	483,359	320,144	460,812	460,812	443,000	443,000	443,000
Filter/Calibration Service	-	-	-	8,300	7,280	7,280	8,050	8,050	8,050
Sampler Rental	-	-	4,750	1,150	6,500	1,971	6,300	6,300	6,300
Sales of Parts/Accessories	147,215	116,951	74,547	97,881	97,000	87,829	103,000	103,000	103,000
Interest, Misc. & Freight	36,874	12,859	26,338	18,230	23,289	14,056	23,289	23,289	23,289
Total	1,166,755	627,660	588,995	445,706	594,881	571,948	583,639	583,639	583,639
Expenditures									
Personnel Services	145,985	148,894	150,581	150,868	160,870	160,870	160,870	160,870	160,870
Materials & Services	701,580	399,034	378,292	297,438	414,731	414,731	330,859	330,859	330,859
Consultants/Research & Dev	620	1,800	-	-	15,000	-	15,000	15,000	15,000
Equipment/Depreciation	6,056	-	33,975	-	20,000	-	10,000	10,000	10,000
General Administration	19,938	25,629	11,434	28,140	20,764	20,764	31,410	31,410	31,410
Contingency/Reserves	-	-	-	-	10,000	10,000	10,000	10,000	10,000
Total	874,179	575,357	574,282	476,448	641,365	606,366	558,139	558,139	558,139
Transfers To Gen Fund	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Total	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
TOTAL EXPENDITURES	899,679	600,857	599,782	501,948	666,865	631,866	583,639	583,639	583,639

Lane Regional Air Protection Agency

2023-2024

GRAPHS



Lane Regional Air Protection Agency

2023-2024

GRAPHS



Glossary and Acronyms

Appropriation: A legal authorization made by the City Council to incur obligations and make expenditures for specific purposes and shall be limited to a single fiscal year.

Balanced Budget: A budget is considered balanced when the fund's total resources of beginning fund balance or working capital, revenues and other financing sources is equal to the total of expenditures, other financing uses and ending fund balance, contingency or working capital.

Budget: A written report showing the local government's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year.

Budget Committee: A fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters.

Budget Document: The estimates of expenditures and budget resources as set forth on the estimated sheets, tax levy and the financial summary.

Capital Improvements Program (CIP): A plan for capital expenditures to be incurred each year over a period of years to meet capital needs arising from the long-term work program.

Capital Outlay Items with a value of \$5,000 or more which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings. These items are recorded in the City's fixed asset system and depreciated over their useful lives.

Capital Projects: Any major repair, renovation, or replacement of a current fixed asset that extends the use.

Chart of Accounts: All authorized General Ledger accounts. Defines Fund, Organization, Division, Program, Object, and Classification.

Contracted Services: Expense of services rendered under contract by personnel who are not on the payroll of the jurisdiction, including all related expenses covered by the contract.

Cost-benefit Analysis: An approach for comparing programs and alternatives when benefits and costs can be valued in dollars.

Current Liabilities: Liabilities due within one year.

Current Year: The fiscal year in progress.

Division Expenditures: Expenses related to personnel, material and services and capital expenditures.

Discretionary Revenue: Revenue that is not dedicated or restricted for a specific purpose. Employee Benefits. Amounts paid on behalf of employees; amounts are not included in the gross salary. They are fringe benefit payments, and, while not paid directly to employees, they

are part of total compensation. For example, health and life insurance, deferred compensation, social security taxes, workers' compensation, and unemployment insurance.

Encumbrance: An obligation chargeable to an appropriation and for which part of the appropriation is reserved.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business enterprise in that the costs of providing services to the general public on a continuing basis are recovered primarily through user charges.

Expenditure: Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis. Budget Law also defines expenditures as the categories of personnel, material and services, capital expenditures and debt service payments. Fund Expenditures. Unallocated (non-departmental) personnel, material and services and capital expenditures, along with debt service payments owed by the Fund.

Fiscal Year: A twelve-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. (July 1 through June 30 for all Oregon municipalities.)

Full Time Equivalent (FTE): Full time equivalent position is equal to a position working 40 hours per week or 2080 hours per year.

Fund Structure: A fund is a fiscal and accounting entity of self-balancing accounts to record cash and other financial resources and related liabilities all segregated for specific regulated activities and objectives to ensure compliance with state and federal laws and regulation, charters, local government resolutions, agreements, and ordinances, and the principles of good accounting.

Fund accounting allows the Agency to control the use of restricted or dedicated revenues. LRAPA adopts a balanced, annual appropriated budget for each of its funds. For the FY23 proposed budget, LRAPA presents three (3) distinct funds: General Fund, Special Revenue Fund, used for the Title V Program and the Grant Program, and an Enterprise Fund, used to account for AirMetrics.

Fund Balance: The excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period. A negative fund balance is sometimes called a deficit.

General Fund: A fund used to account for financial operations of the Agency which are not accounted for in any other fund. The primary sources of revenue are general funding from the federal, state, and local shared revenues, permitting activities, and charges for services provided to other funds.

General Ledger: Financial accounting system for recording and reporting actual expense and revenue activity.

GFOA: Government Finance Officers Association

Goal: A statement of broad direction, purpose or intent; the purpose toward which an endeavor is directed.

Governmental Funds: Funds generally used to account for program specific activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. LRAPA uses a general fund and special revenue funds to account for Title V and grants.

Governing Body: Board of Directors or other governing board of a local government unit.

Grant: A donation or contribution by one governmental unit to another unit. The donation or contribution may be made to aid in the support of a specified purpose or function or general purpose.

Liabilities: Probable future sacrifices of economic benefits, arising from present obligation to transfer assets or provide service to other entities in the future as a result of past transactions or events; does not include encumbrances.

Line-item Budget: The traditional form of budgeting where proposed expenditures are based on individual objects of expense within a department or division.

Local Budget Law: Oregon Revised Statutes dictate local government budgeting practices in

Major Fund: Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

Mandates: A requirement by a higher level of government that a lower level of government perform a task or provide a service, do so in a particular way, or meet a particular standard.

Materials & Services: Accounts which establish expenditures for the operating expenses of County departments and programs.

Modified accrual basis: A form of accrual accounting in which expenditures are recognized when the goods or services are received and revenues are recognized when measurable and available to pay expenditures in the current accounting period.

Net Working Capital: The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances.

Object: As used in expenditure classification, includes article purchased in the form of land, buildings, equipment and vehicles, or services obtained, as distinguished from the results obtained from the expenditures.

Object Class Classification of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements.

Objective: A statement of specific direction, purpose or intent based on the needs of the community and the goals established for a given program.

Obligations: The amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment during the same or a future period.

Operating Budget: The portion of the budget that pertains to daily operations providing basic governmental services. The operating budget contains appropriations for such expenditures as personal services, supplies, utilities, materials, and capital outlay.

Operational Contingency: Any operating fund may establish an appropriated contingency line item for unforeseen expenditures that may become necessary.

Ordinance: A formal legislative enactment by the governing board of a municipality.

Organizational unit: Any administrative subdivision of the local government, especially one charged with carrying on one or more specific function (such as a department, office, or division).

Payroll Expenses: Health and accident insurance premiums, Social Security and retirement contributions, workers' compensation, and unemployment taxes are examples.

PERS: The Public Employees Retirement System. A State of Oregon defined benefit pension plan to which both employees and employer contribute.

Personnel Services: Payroll expenses, such as wages, Social Security, medical and dental insurance benefits, and retirement contributions.

Program: A group of related activities aimed at accomplishing a major service or function for which the municipality is responsible.

Proposed Budget: Financial and operating plan prepared by the Budget Officer. It is submitted to the budget committee and the public for review for approval.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The Agency maintains one enterprise fund, used to account for activities related to AirMetrics, a self-supporting activity offering air monitors for purchase.

Receipts: Cash received unless otherwise qualified.

Resolution: A formal order of a governing body, lower legal status than an ordinance.

Resources: Total amount available for appropriation, consisting of estimated beginning funds on hand plus anticipated revenues.

Revenues: Funds that the government receives as income such as fees for specific services, receipts from other governments, forfeitures, grants, shared revenues, and interest income.

Risk Management: An organized attempt to protect a government's assets against accidental loss in the most economical manner.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes.

Supplemental Budget: Modifications to an Adopted Budget for the purpose of adding to or subtracting from current appropriations. Supplemental Budgets require legal notice and Budget

Committee review prior to final action by the Board of Commissioners and cannot be used to levy tax.

Transfers: Amounts distributed from one fund to finance activities in another fund. Shown as a requirement in the originating fund and a revenue in the receiving fund.

Acronyms

A

ACA	Affordable Care Act
ACDP	Air Contaminant Discharge Permit
ACW	Asbestos Containing Waste
AOC	Association of Oregon Counties
APM	Administrative Procedures Manual
AQI	Air Quality Index
AV	Assessed Value

B

BCC	Board of County Commissioners
BLM	Bureau of Land Management

C

CA	Compliance Assistance
CAA	Clean Air Act
CAAD	Clean Air Action Day Program
CAC	Citizens Advisory Committee
CAO	Cleaner Air Oregon Program
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CIP	Capital Improvement Plan
CO	Carbon Monoxide
COMS	Continuous Opacity Monitoring System

D

DEQ	State of Oregon Department of Environmental Quality (ODEQ)
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E

EPA	U.S. Environmental Protection Agency
EQC	Environmental Quality Commission

F

G

GDF	Gasoline Dispensing Facilities
GF	General Fund
GHG	Greenhouse Gas

H

HAP	Hazardous Air Pollutant
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I

K

L

LCOG	Lane Council of Governments
LRAPA	Lane Regional Air Protection Agency (AKA Lane Regional Air Pollution Authority)

M

MACT	Maximum Achievable Control Technology
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N

NAAQS	National Ambient Air Quality Standards
NACAA	National Association of Cleaner Air Agencies
NESHAP	National Emissions Standard for Hazardous Air Pollutants
NO	Nitrogen Oxide
NSR	New Source Review

O

O ₃	Ozone
ODOT	Oregon Department of Transportation
OHA	Oregon Health Authority

P

PEMS	Predictive Emissions Monitoring Systems
PM	Particulate Matter
PM ₁₀	Diameter less than or equal to a nominal 10 micrometers
PM _{2.5}	Diameter less than or equal to a nominal 2.5 micrometers
P2	Pollution Prevention
PSD	Prevention of Significant Deterioration

Q

QAPP	Quality Assurance Project Plan/Program
QA/QC	Quality Assurance/Quality Control
QC	Quality Control
QMP	Quality Management Plan

R

S

SBA	Small Business Assistance
SIP	State Implementation Plan

T

TAG	2019 Targeted Airshed Grant - EPA
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TIPs	Transportation Improvement Programs
TITLE V (TV)	Federal Title V Facility – Major source air emissions facility

U

USDA	United States Department of Agriculture
UGB	Urban growth boundary

V

VOC	Volatile Organic Compound
-----	---------------------------

W

Y



LANE REGIONAL AIR PROTECTION AGENCY
MONTHLY BOARD OF DIRECTORS MEETING
THURSDAY MAY 11, 2023
12:20PM

Budget Committee summary of Changes

1. Partner fees were updated for FY24.
 - a. The general fund budget in columns shown below reflects an increase in the amount of \$6,439 increase. Total revenue goes from \$195,111 to \$201,550. See pages 17 through 22 of budget document.

FUND SUMMARY	2023-2024 Proposed Budget	2023-2024 Budget Approved	2023-2024 Budget Adopted
Revenues			
Federal & State Revenues	1,078,514	1,078,514	1,078,514
Local Dues	195,111	201,550	201,550
Permit Fees	1,260,739	1,260,739	1,260,739
Other Revenues	50,000	50,000	50,000
Transfers	40,500	40,500	40,500
TOTAL REVENUE	2,624,864	2,631,303	2,631,303

2. Remove the number of months reserved on the summary totals of the budget on page 17 of the budget document.

Future Budget Changes

1. Review and update the fiscal policy for ending fund balance needs to be for each fund individually.
 - a. This change will be reflected in the budget for the fiscal year 2024-25.
2. Review and update the allocation method used for transfers between funds.
 - a. This change will be reflected in the budget for the fiscal year 2024-25.
 - b. Create new 5-year projection models for each fund that will reflect anticipated economic factors. This change will be part of the budget process starting with the budget for the fiscal year 2024-25.