

**LANE REGIONAL AIR PROTECTION AGENCY**  
FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH  
INDEPENDENT AUDITOR'S REPORT

**LANE REGIONAL AIR PROTECTION AGENCY**

For the Year Ended June 30, 2020

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LANE REGIONAL AIR PROTECTION AGENCY

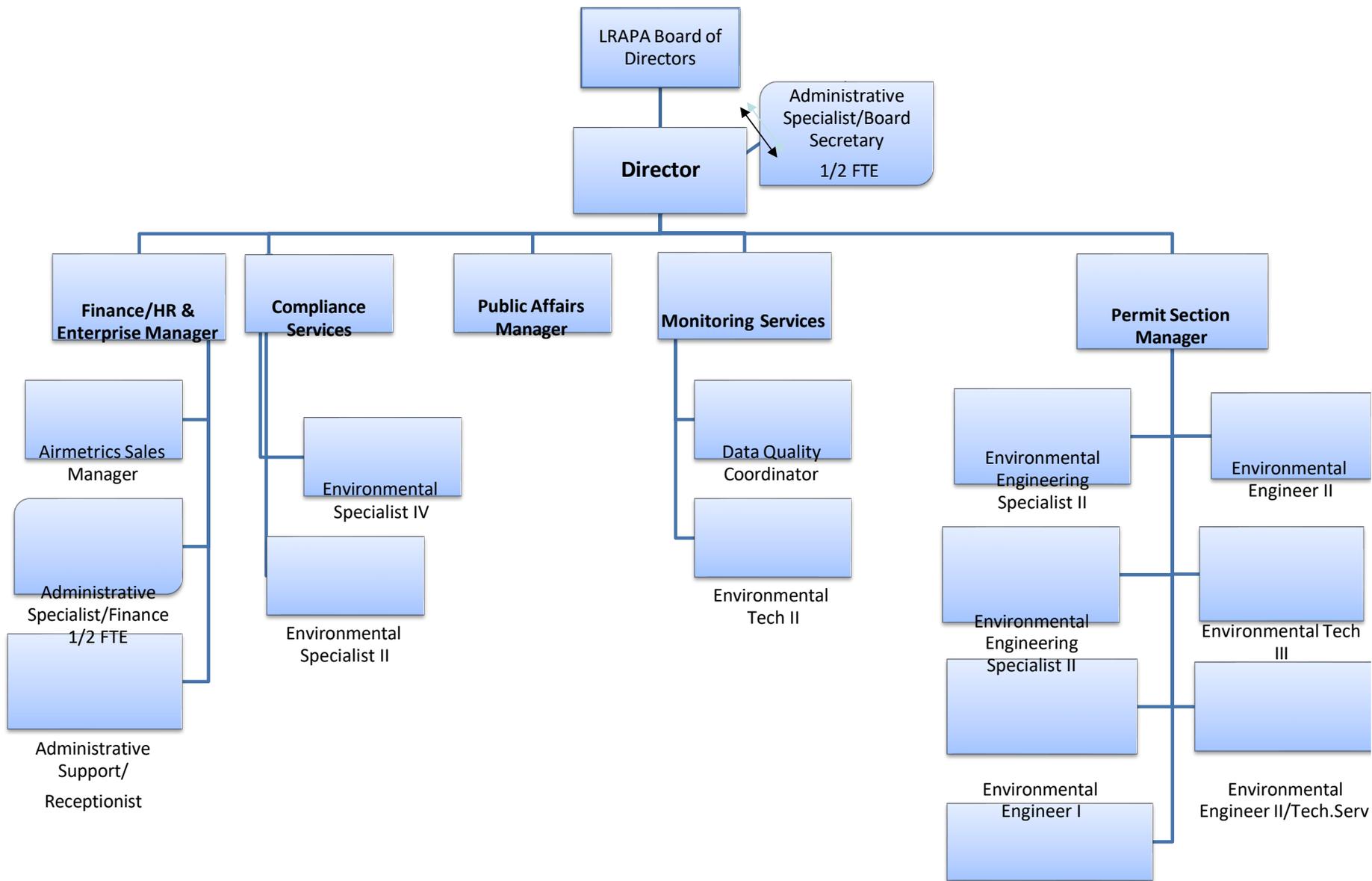
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INTRODUCTORY SECTION

## Lane Regional Air Protection Agency (LRAPA) Organization Chart



Environmental Tech III

**LANE REGIONAL AIR PROTECTION AGENCY**

List of Appointed Officials

As of June 30, 2020

**APPOINTED OFFICIALS**

|                        |            |
|------------------------|------------|
| Joe Pishioner          | Chair      |
| iKathy Nichols Holston | Vice Chair |
| Jeannine Parisi        | Director   |
| Mike Fleck             | Director   |
| Mysti Frost            | Director   |
| Charlie Hanna          | Director   |
| Betty Taylor           | Director   |
| Gabrielle Guidero      | Director   |
| Joe Berney             | Director   |

FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Lane Regional Air Protection Agency  
Springfield, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activity, and each major fund of Lane Regional Air Protection Agency ("LRAPA") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of LRAPA as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity and each major fund of LRAPA as of June 30, 2020, 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.

## Other Matters

### *Required Supplementary Information*

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

We have applied certain limited procedures to the management's 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.

The budgetary comparison schedules for the General Fund and Title V fund have been subjected to the auditing procedures applied to the audit of the basic financial statements and, in our opinion, are fairly stated in relation to the basic financial statements taken as a whole.

### *Other Information*

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

The Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) Airmetrics Fund 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. Such 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 Airmetrics Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### *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 July 8, 2021 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  
July 8, 2021

## 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, 2020. 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; \$3.0 million (*unrestricted* net position) may be used to meet LRAPA's ongoing obligations to citizens and creditors.
- LRAPA's total net position increased by \$171 thousand. This increase is attributable to governmental activities increasing net position by \$190 thousand and business-type activities decreasing net position by \$(19) thousand.
- As of close of the fiscal year, LRAPA's governmental funds reported a combined ending fund balance of \$2.1 million, an increase of \$212 thousand. Of this total, \$1.8 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 \$1.8 million, or approximately 84% 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 two 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.

A substantial portion of LRAPA's net position (17%) 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<br>Activities |                 | Business-Type<br>Activities |                 | Total           |                 |
|-------------------------------------|----------------------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|
|                                     | 2020                       | 2019            | 2020                        | 2019            | 2020            | 2019            |
| Current and other assets            | \$ 2,243                   | \$ 1,999        | \$ 1,310                    | \$ 1,355        | \$ 3,553        | \$ 3,354        |
| Capital assets                      | 604                        | 616             | 38                          | 44              | 642             | 660             |
| Total assets                        | <u>2,847</u>               | <u>2,615</u>    | <u>1,348</u>                | <u>1,399</u>    | <u>1,105</u>    | <u>4,014</u>    |
| Long-term liabilities outstanding   | 126                        | 129             | 22                          | 54              | 148             | 183             |
| Other liabilities                   | 168                        | 124             | -                           | -               | 168             | 124             |
| Total liabilities                   | <u>294</u>                 | <u>253</u>      | <u>22</u>                   | <u>54</u>       | <u>21</u>       | <u>307</u>      |
| Net position                        |                            |                 |                             |                 |                 |                 |
| Net investment in capital<br>assets | 604                        | 616             | 38                          | 44              | 642             | 660             |
| Restricted                          | 273                        | 295             | -                           | -               | 273             | 295             |
| Unrestricted                        | <u>1,675</u>               | <u>1,451</u>    | <u>1,288</u>                | <u>1,301</u>    | <u>2,963</u>    | <u>2,752</u>    |
| Total net position                  | <u>\$ 2,552</u>            | <u>\$ 2,362</u> | <u>\$ 1,326</u>             | <u>\$ 1,345</u> | <u>\$ 3,878</u> | <u>\$ 3,707</u> |

An additional portion of LRAPA's net position (7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$3.0 million and may be used to meet LRAPA's ongoing obligations to citizens and creditors.

LRAPA's net position increased by \$171 thousand during the current fiscal year; this increase is due primarily to an increase of revenue in the business-type activity and the related expenses with a smaller increase.

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

|   | Governmental Activities |                 | Business-Type Activities |                 | Total           |                 |
|---|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|   | 2020                    | 2019            | 2020                     | 2019            | 2020            | 2019            |
| Revenues:                                 |                         |                 |                          |                 |                 |                 |
| Program revenues:                         |                         |                 |                          |                 |                 |                 |
| Charges for services                      | \$ 1,690                | \$ 1,632        | \$ 628                   | \$ 1,167        | \$ 2,318        | \$ 2,799        |
| Operating grants and contributions        | 1,423                   | 1,055           | -                        | -               | 1,423           | 1,055           |
| Total revenues                            | <u>3,113</u>            | <u>2,687</u>    | <u>628</u>               | <u>1,167</u>    | <u>886</u>      | <u>3,854</u>    |
| Expenses:                                 |                         |                 |                          |                 |                 |                 |
| Air quality control                       | 2,949                   | 2,537           | -                        | -               | -               | 2,537           |
| Portable sampler sales                    | -                       | -               | 621                      | 880             | 747             | 880             |
| Total expenses                            | <u>2,949</u>            | <u>2,537</u>    | <u>621</u>               | <u>880</u>      | <u>747</u>      | <u>3,417</u>    |
| Increase in net position before transfers | 164                     | 150             | 7                        | 287             | 139             | 437             |
| Transfers                                 | 26                      | 26              | (26)                     | (26)            | -               | -               |
| Increase in net position                  | 190                     | 176             | (19)                     | 261             | 171             | 437             |
| Net position beginning of the year        | <u>2,362</u>            | <u>2,186</u>    | <u>1,345</u>             | <u>1,084</u>    | <u>3,707</u>    | <u>3,270</u>    |
| Net position end of the year              | <u>\$ 2,552</u>         | <u>\$ 2,362</u> | <u>\$ 1,326</u>          | <u>\$ 1,345</u> | <u>\$ 3,878</u> | <u>\$ 3,707</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 \$2.1 million, an increase of \$212 thousand over the prior year; \$1.8 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 \$1.8 million, the majority of which is unassigned, the fund balance of LRAPA's General Fund increased by \$234 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, 2020 amounts to \$642 thousand (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, and equipment.

Capital assets at June 30, 2020 included the following:

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

|                            | Governmental Activities |               | Business-Type Activities |              | Total         |               |
|----------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|                            | 2020                    | 2019          | 2020                     | 2019         | 2020          | 2019          |
| Land                       | \$ 100                  | \$ 100        | \$ -                     | \$ -         | \$ 100        | \$ 100        |
| Buildings and improvements | 293                     | 310           | -                        | -            | 293           | 310           |
| Vehicles                   | 19                      | 23            | -                        | -            | 19            | 23            |
| Equipment                  | 192                     | 183           | 38                       | 44           | 230           | 227           |
|                            | <u>\$ 604</u>           | <u>\$ 616</u> | <u>\$ 38</u>             | <u>\$ 44</u> | <u>\$ 642</u> | <u>\$ 660</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 2020-2021. In the 2020-2029 budget, there is a significant increase for the Airshed grant 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, Nasser Mirhosseyni, nmirhosseyni@lrpa.org.

BASIC FINANCIAL STATEMENTS

**LANE REGIONAL AIR PROTECTION AGENCY**

Balance Sheet

June 30, 2020

|   | Governmental<br>Activities | Business-Type<br>Activity |    | Total     |
|---|----------------------------|---------------------------|----|-----------|
| <b>ASSETS</b>   |                            |                           |    |           |
| Current Assets  |                            |                           |    |           |
| Cash and cash equivalents                                       | \$ 1,854,158               | \$ 1,119,450              | \$ | 2,973,608 |
| Accounts receivables  | 161,181                    | 73,104                    |    | 234,285   |
| Grants and contracts receivable                                 | 205,065                    | -                         |    | 205,065   |
| Inventories   | -                          | 117,805                   |    | 117,805   |
| Prepays   | 22,159                     | -                         |    | 22,159    |
| Internal balances   | (532)                      | 532                       |    | -         |
| Noncurrent Assets   |                            |                           |    |           |
| Non-depreciable capital assets                                  | 100,000                    | -                         |    | 100,000   |
| Depreciable capital assets (net of<br>accumulated depreciation) | 504,480                    | 37,667                    |    | 542,147   |
| Total assets  | \$ 2,846,511               | \$ 1,348,558              | \$ | 4,195,069 |
| <br><b>LIABILITIES</b>  |                            |                           |    |           |
| Current Liabilities   |                            |                           |    |           |
| Accounts payable and other current<br>liabilities               | \$ 67,923                  | \$ 6,593                  | \$ | 74,516    |
| Unearned revenue  | 76,570                     | 1,230                     |    | 77,800    |
| Due to Lane County  | 9,615                      | -                         |    | 9,615     |
| Noncurrent liabilities:   |                            |                           |    |           |
| Due within one year:  |                            |                           |    |           |
| Compensated absences  | 126,170                    | 14,294                    |    | 140,464   |
| Due in more than one year:                                      | 14,019                     | -                         |    | 14,019    |
| Total liabilities   | 294,297                    | 22,117                    | \$ | 316,414   |
| <br><b>NET POSITION</b>   |                            |                           |    |           |
| Investment in capital assets                                    | 604,480                    | 37,667                    |    | 642,147   |
| Restricted for Title V  | 272,998                    | -                         |    | 272,998   |
| Unrestricted  | 1,674,736                  | 1,288,774                 |    | 2,963,510 |
| Total net position  | 2,552,214                  | 1,326,441                 |    | 3,878,655 |
| Total liabilities and net position                              | \$ 2,846,511               | \$ 1,348,558              | \$ | 4,195,069 |

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, 2020

| Functions / Programs                       | Expenses            | Program Revenues     |                          | Net (Expense) Revenue and Changes in Net Position |                        |                     |
|--|---------------------|----------------------|--------------------------|---|------------------------|---------------------|
|  |                     | Charges for Services | Grants and Contributions | Governmental Activities                           | Business-Type Activity | Total               |
| Governmental activities:                   |                     |                      |                          |   |                        |                     |
| Air quality control                        | \$ 2,949,381        | \$1,690,607          | \$ 1,423,619             | \$ 164,845  | \$ -                   | \$ 164,845          |
| Business-type activities:                  |                     |                      |                          |   |                        |                     |
| Portable air-sampling devices and services | 621,046             | 627,660              | -                        | -   | 6,614                  | 6,614               |
| Total activities                           | <u>\$ 3,570,427</u> | <u>\$2,318,267</u>   | <u>\$ 1,423,619</u>      | 164,845   | 6,614                  | 171,459             |
| Transfers                                  |                     |                      |                          | 25,500  | (25,500)               | -                   |
| Change in net position                     |                     |                      |                          | 190,345   | (18,886)               | 171,459             |
| Net position - beginning                   |                     |                      |                          | 2,361,869   | 1,345,327              | 3,707,196           |
| Net position - ending                      |                     |                      |                          | <u>\$ 2,552,214</u>                               | <u>\$ 1,326,441</u>    | <u>\$ 3,878,655</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, 2020

|  | General             | Title V           | TAG              | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------|------------------|--------------------------------|
| <b>ASSETS</b>                                  |                     |                   |                  |                                |
| Cash and cash equivalents                      | \$ 1,854,158        | \$ -              | \$ -             | \$ 1,854,158                   |
| Accounts receivable                            | 86,276              | -                 | 74,905           | 161,181                        |
| Grant and contract receivables                 | 205,065             | -                 | -                | 205,065                        |
| Due from other funds                           | 74,905              | 272,998           | -                | 347,903                        |
| Prepays  | 22,159              | -                 | -                | 22,159                         |
| Total assets                                   | <u>\$ 2,242,563</u> | <u>\$ 272,998</u> | <u>\$ 74,905</u> | <u>\$ 2,590,466</u>            |
| <br><b>LIABILITIES AND FUND BALANCES</b>       |                     |                   |                  |                                |
| Liabilities:                                   |                     |                   |                  |                                |
| Accounts payable and other current liabilities | \$ 67,924           | \$ -              | \$ -             | \$ 67,924                      |
| Due to other funds                             | 273,530             | -                 | 74,905           | 348,435                        |
| Unearned revenue & fees                        | 76,570              | -                 | -                | 76,570                         |
| Due to Lane County                             | 9,615               | -                 | -                | 9,615                          |
| Total liabilities                              | <u>427,639</u>      | <u>-</u>          | <u>74,905</u>    | <u>502,544</u>                 |
| Fund balances:                                 |                     |                   |                  |                                |
| Nonspendable prepaids                          | 22,159              | -                 | -                | 22,159                         |
| Restricted by Title V                          | -                   | 272,998           | -                | 272,998                        |
| Unassigned                                     | 1,792,765           | -                 | -                | 1,792,765                      |
| Total fund balances                            | <u>1,814,924</u>    | <u>272,998</u>    | <u>-</u>         | <u>2,087,922</u>               |
| Total liabilities and fund balances            | <u>\$ 2,242,563</u> | <u>\$ 272,998</u> | <u>\$ 74,905</u> | <u>\$ 2,590,466</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, 2020

Fund Balances - Governmental Funds \$ 2,087,922

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   | 1,816,060          |         |
| Less accumulated depreciation | <u>(1,211,580)</u> |         |
|                               |                    | 604,480 |

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

Compensated absences (140,188)

Net position of governmental activities \$ 2,552,214

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, 2020

|  | General             | Title V           | TAG            | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------|----------------|--------------------------------|
| <b>REVENUES</b>  |                     |                   |                |                                |
| Grants and contracts   | \$ 955,843          | \$ -              | \$ 293,616     | \$ 1,249,459                   |
| Permit fees  | 1,166,515           | 481,725           | -              | 1,648,240                      |
| Local dues   | 174,160             | -                 | -              | 174,160                        |
| Miscellaneous revenue  | 42,367              | -                 | -              | 42,367                         |
|  | <u>2,338,885</u>    | <u>481,725</u>    | <u>293,616</u> | <u>3,114,226</u>               |
| Total revenues   |                     |                   |                |                                |
| <br><b>EXPENDITURES</b>                                      |                     |                   |                |                                |
| Current:   |                     |                   |                |                                |
| Air quality control  | 2,112,488           | 488,403           | 293,616        | 2,894,507                      |
| Capital outlay   | 32,779              | -                 | -              | 32,779                         |
|  | <u>2,145,267</u>    | <u>488,403</u>    | <u>293,616</u> | <u>2,927,286</u>               |
| Total expenditures   |                     |                   |                |                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>193,618</u>      | <u>(6,678)</u>    | <u>-</u>       | <u>186,940</u>                 |
| <br><b>OTHER FINANCING SOURCES (USES)</b>                    |                     |                   |                |                                |
| Transfers in   | 40,500              | -                 | -              | 40,500                         |
| Transfers out  | -                   | (15,000)          | -              | (15,000)                       |
|  | <u>40,500</u>       | <u>(15,000)</u>   | <u>-</u>       | <u>25,500</u>                  |
| Total other financing sources (uses)                         |                     |                   |                |                                |
| Net change in fund balances                                  | 234,118             | (21,678)          | -              | 212,440                        |
| Fund balances - beginning                                    | <u>1,580,806</u>    | <u>294,676</u>    | <u>-</u>       | <u>1,875,482</u>               |
| Fund balances - ending                                       | <u>\$ 1,814,924</u> | <u>\$ 272,998</u> | <u>\$ -</u>    | <u>\$ 2,087,922</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, 2020

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

|   |    |            |
|---|----|------------|
| Net change in fund balances - total governmental funds  | \$ | 212,440    |
| <p>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 and reported as depreciation expense:</p> |    |            |
| Capital outlay  |    | 51,177     |
| Depreciation  |    | (62,473)   |
|   |    | (11,296)   |
| <p>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:</p>                           |    |            |
| Change in Compensated absences  |    | (10,799)   |
| Change in net position of governmental activities   |    | \$ 190,345 |

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

**LANE REGIONAL AIR PROTECTION AGENCY**

Balance Sheet  
Proprietary Funds  
June 30, 2020

|  |    | Business-Type<br>Activity -<br>Enterprise Fund<br>Airmetrics |
|--|----|--|
| <b>ASSETS</b>                                  |    |  |
| Current assets:                                |    |  |
| Cash and cash equivalents                      | \$ | 1,119,450  |
| Receivables, net                               |    | 73,104   |
| Due from other funds                           |    | 532  |
| Inventories                                    |    | 117,805  |
| Total current assets                           |    | 1,310,891  |
| Noncurrent assets:                             |    |  |
| Capital assets:                                |    |  |
| Depreciable assets                             |    | 128,653  |
| Less accumulated depreciation                  |    | (90,986)   |
| Total noncurrent assets                        |    | 37,667   |
| Total assets                                   | \$ | 1,348,558  |
| <br><b>LIABILITIES</b>                         |    |  |
| Current liabilities:                           |    |  |
| Accounts payable and other current liabilities | \$ | 6,593  |
| Unearned revenue                               |    | 1,230  |
| Total current assets                           |    | 7,823  |
| Noncurrent liabilities:                        |    |  |
| Compensated absences due in one year           |    | 12,865   |
| Compensated absences due in more than one year |    | 1,429  |
| Total noncurrent liabilities                   |    | 14,294   |
| Total liabilities                              |    | 22,117   |
| <br><b>NET POSITION</b>                        |    |  |
| Invested in capital assets                     |    | 37,667   |
| Unrestricted                                   |    | 1,288,774  |
| Total net position                             |    | 1,326,441  |
| Total liabilities and net position             | \$ | 1,348,558  |

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, 2020

|                                | Business-Type<br>Activity -<br>Enterprise Fund<br><u>Airmetrics</u> |
|--------------------------------|---|
| Operating revenues:            |   |
| Charges for sales and services | \$ 614,801  |
| Miscellaneous revenue          | <u>12,859</u>   |
| Total operating revenues       | <u>627,660</u>  |
| Operating expenses:            |   |
| Personal services              | 149,800   |
| Materials and services         | 465,190   |
| Depreciation                   | <u>6,056</u>  |
| Total operating expenses       | <u>621,046</u>  |
| Operating income (loss)        | 6,614   |
| Transfers in (out)             | <u>(25,500)</u>   |
| Change in net position         | (18,886)  |
| Net position - beginning       | <u>1,345,327</u>  |
| Net position - ending          | <u><u>\$ 1,326,441</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, 2020

|  | Business-Type<br>Activity -<br><u>Enterprise Funds</u><br><u>Airmetrics</u> |
|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |
| Receipts from customers and users  | \$ 755,233  |
| Payments to suppliers  | (501,542)   |
| Payments to employees  | <u>(148,896)</u>  |
| Net cash provided (used) by operating activities   | <u>104,795</u>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |   |
| Transfer (to) from other funds   | (25,500)  |
| Change in due to/from other funds  | <u>(24,768)</u>   |
| Net cash used by noncapital financing activities   | <u>(50,268)</u>   |
| Net change in cash and cash equivalents  | 54,527  |
| Cash and cash equivalents - beginning  | <u>1,064,923</u>  |
| Cash and cash equivalents - ending   | <u>\$ 1,119,450</u>   |
| <b>Reconciliation of operating income to net cash provided (used) by operating activities</b>  |   |
| Operating income (loss)  | <u>\$ 6,614</u>   |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |   |
| Depreciation expense   | 6,056   |
| Changes in:  |   |
| Accounts receivable  | 127,003   |
| Inventories  | (3,017)   |
| Unearned revenue   | 570   |
| Accounts payable and other current liabilities   | (33,336)  |
| Compensated absences   | <u>905</u>  |
| Total adjustments  | <u>98,181</u>   |
| Net cash provided (used) by operating activities   | <u>\$ 104,795</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, 2020

#### **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.

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.

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.

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2020

**Note I - Summary of significant accounting policies, continued**

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

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.

When restricted, committed, assigned, and unassigned resources are available for use, it is LRAPA's policy to use restricted resources first, followed by committed, assigned, and unassigned fund balance.

**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 at the lower of average cost or market 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, 2020

**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 estimated fair market value at the date of the donation.

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.

All three of the funds have been used to liquidate compensated absences in prior years.

**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, 2020

**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, 2020

**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, 2020, LRAPA had expenditures in excess of appropriations in the TAG fund Personal services line in the amount of \$1,865.

**Note III - Detailed notes on all funds**

**A. Cash and cash equivalents**

As of June 30, 2020, LRAPA's cash and cash equivalents was reported as follows:

|                                    |    |                  |
|------------------------------------|----|------------------|
| Cash on hand                       | \$ | 100              |
| Deposits in financial institutions |    | 732,287          |
| Investment in LGIP                 |    | <u>2,241,221</u> |
| Total                              | \$ | <u>2,973,608</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](http://www.ost.state.or.us) and [www.oregon.gov/treasury](http://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 it. 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, 2020, LRAPA's total deposits in financial institutions, per the bank statements, was \$786,630.

**LANE REGIONAL AIR PROTECTION AGENCY**

Notes to the Financial Statements

June 30, 2020

**Note III - Detailed notes on all funds. continued**

**B. Receivables**

At June 30, 2020, 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, 2020 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>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                                     | 156,628                      | -                  | -                | 156,628                   |
| Equipment                                    | <u>884,507</u>               | <u>51,177</u>      | <u>-</u>         | <u>935,684</u>            |
| Total capital assets being depreciated       | <u>1,664,883</u>             | <u>51,177</u>      | <u>-</u>         | <u>1,716,060</u>          |
| Less accumulated depreciation for:           |                              |                    |                  |                           |
| Building and improvements                    | (313,568)                    | (16,710)           | -                | (330,278)                 |
| Vehicles                                     | (133,961)                    | (3,730)            | -                | (137,691)                 |
| Equipment and vehicles                       | <u>(701,578)</u>             | <u>(42,033)</u>    | <u>-</u>         | <u>(743,611)</u>          |
| Total accumulated depreciation               | <u>(1,149,107)</u>           | <u>(62,473)</u>    | <u>-</u>         | <u>(1,211,580)</u>        |
| Total capital assets, being depreciated, net | <u>515,776</u>               | <u>(11,296)</u>    | <u>-</u>         | <u>504,480</u>            |
| Governmental activities capital assets, net  | <u>\$ 615,776</u>            | <u>\$ (11,296)</u> | <u>\$ -</u>      | <u>\$ 604,480</u>         |
|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
| Business-type activities:                    |                              |                    |                  |                           |
| Capital assets, being depreciated:           |                              |                    |                  |                           |
| Equipment and vehicles                       | \$ 128,653                   | \$ -               | \$ -             | \$ 128,653                |
| Less accumulated depreciation for:           |                              |                    |                  |                           |
| Equipment and vehicles                       | <u>(84,930)</u>              | <u>(6,056)</u>     | <u>-</u>         | <u>(90,986)</u>           |
| Business-type activities capital assets, net | <u>\$ 43,723</u>             | <u>\$ (6,056)</u>  | <u>\$ -</u>      | <u>\$ 37,667</u>          |

**LANE REGIONAL AIR PROTECTION AGENCY**

Notes to the Financial Statements

June 30, 2020

**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>62,473</u> |
| Business-type activities:                  |                  |
| Portable air sampling devices and services | \$ <u>6,056</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, 2020, the interfund receivables and payables were as follows:

| Due from     | Due to            |               | Total             |
|--------------|-------------------|---------------|-------------------|
|              | Title V Fund      | Airmetrics    |                   |
| General Fund | \$ <u>272,998</u> | \$ <u>532</u> | \$ <u>273,530</u> |
| Total        | \$ <u>272,998</u> | \$ <u>532</u> | \$ <u>273,530</u> |

Transfers to/from other funds:

During the year ending June 30, 2020 LRAPA made the following transfers:

| Transfers out   | Transfers in     |
|-----------------|------------------|
|                 | General Fund     |
| Title V Fund    | \$ 15,000        |
| Airmetrics Fund | <u>25,500</u>    |
| Total           | \$ <u>40,500</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. Compensated absences**

Changes in compensated absences

Activity for the year ended June 30, 2020, was as follows:

|                           | Beginning<br>Balance | Additions         | Reductions         | Ending<br>Balance | Due Within<br>One Year |
|---------------------------|----------------------|-------------------|--------------------|-------------------|------------------------|
| Governmental activities:  |                      |                   |                    |                   |                        |
| Compensated absences      | \$ <u>129,390</u>    | \$ <u>105,751</u> | \$ <u>(94,952)</u> | \$ <u>140,189</u> | \$ <u>126,170</u>      |
| Business-type activities: |                      |                   |                    |                   |                        |
| Compensated absences      | \$ <u>13,389</u>     | \$ <u>10,619</u>  | \$ <u>(9,714)</u>  | \$ <u>14,294</u>  | \$ <u>12,865</u>       |

LANE REGIONAL AIR PROTECTION AGENCY

Notes to the Financial Statements

June 30, 2020

**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 \$110,733 for the year. Employees are required to contribute an additional 6%, subject to certain limitations. Total employee contributions for the year were \$83,050. Total payroll for all employees was \$1,577,821 for the year ended June 30, 2020. 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.

**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.

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2020

|  | <u>Original<br/>Budget</u> | <u>Final Budget</u> | <u>Actual</u>       | <u>Variance with<br/>Final Budget</u> |
|--|----------------------------|---------------------|---------------------|---------------------------------------|
| Revenues:  |                            |                     |                     |                                       |
| Grants   | \$ 910,790                 | \$ 910,790          | \$ 955,843          | \$ 45,053                             |
| Permits and fees   | 1,149,820                  | 1,149,820           | 1,166,515           | 16,695                                |
| Local dues   | 174,160                    | 174,160             | 174,160             | -                                     |
| Miscellaneous revenue  | <u>42,640</u>              | <u>42,640</u>       | <u>42,367</u>       | <u>(273)</u>                          |
| Total revenues   | <u>2,277,410</u>           | <u>2,277,410</u>    | <u>2,338,885</u>    | <u>61,475</u>                         |
| Expenditures:  |                            |                     |                     |                                       |
| Current:   |                            |                     |                     |                                       |
| Personal services  | 1,604,220                  | 1,604,220           | 1,450,957           | 153,263                               |
| Materials and services                                       | 789,500                    | 789,500             | 661,531             | 127,969                               |
| Capital outlay   | 64,570                     | 64,570              | 32,779              | 31,791                                |
| Contingency  | <u>100,000</u>             | <u>100,000</u>      | <u>-</u>            | <u>100,000</u>                        |
| Total expenditures   | <u>2,558,290</u>           | <u>2,558,290</u>    | <u>2,145,267</u>    | <u>413,023</u>                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (280,880)                  | (280,880)           | 193,618             | 474,498                               |
| Other financing sources (uses):                              |                            |                     |                     |                                       |
| Transfers in   | <u>40,500</u>              | <u>40,500</u>       | <u>40,500</u>       | <u>-</u>                              |
| Net change in fund balances                                  | (240,380)                  | (240,380)           | 234,118             | 474,498                               |
| Fund Balances:   |                            |                     |                     |                                       |
| Beginning of year  | <u>1,356,120</u>           | <u>1,356,120</u>    | <u>1,580,806</u>    | <u>224,686</u>                        |
| End of year  | <u>\$ 1,115,740</u>        | <u>\$ 1,115,740</u> | <u>\$ 1,814,924</u> | <u>\$ 699,184</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, 2020

|   | <u>Original<br/>Budget</u> | <u>Final Budget</u> | <u>Actual</u>     | <u>Variance with<br/>Final Budget</u> |
|---|----------------------------|---------------------|-------------------|---------------------------------------|
| Revenues:   |                            |                     |                   |                                       |
| Permits and fees                                      | \$ 469,000                 | \$ 469,000          | \$ 481,725        | \$ 12,725                             |
| Expenditures:   |                            |                     |                   |                                       |
| Current:  |                            |                     |                   |                                       |
| Personal services                                     | 477,850                    | 477,850             | 452,554           | 25,296                                |
| Materials and services                                | <u>75,560</u>              | <u>75,560</u>       | <u>35,849</u>     | <u>39,711</u>                         |
| Total expenditures                                    | <u>553,410</u>             | <u>553,410</u>      | <u>488,403</u>    | <u>65,007</u>                         |
| Excess (deficiency) of revenues<br>under expenditures | (84,410)                   | (84,410)            | (6,678)           | 77,732                                |
| Other financing sources (uses):                       |                            |                     |                   |                                       |
| Transfers   | <u>(15,000)</u>            | <u>(15,000)</u>     | <u>(15,000)</u>   | <u>-</u>                              |
| Net change in fund balances                           | (99,410)                   | (99,410)            | (21,678)          | 77,732                                |
| Fund Balances:  |                            |                     |                   |                                       |
| Beginning of year                                     | <u>301,370</u>             | <u>301,370</u>      | <u>294,676</u>    | <u>(6,694)</u>                        |
| End of year   | <u>\$ 201,960</u>          | <u>\$ 201,960</u>   | <u>\$ 272,998</u> | <u>\$ 71,038</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, 2020

|                                    | Original<br>Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------------|--------------------|--------------|------------|---|
| Revenues:                          |                    |              |            |   |
| Federal grants                     | \$ -               | \$ 1,234,560 | \$ 293,616 | \$ (940,944)  |
| Expenditures:                      |                    |              |            |   |
| Personal services                  | -                  | 42,800       | 44,665     | (1,865)   |
| Materials and services             | -                  | 1,170,560    | 248,951    | 921,609   |
| Capital outlay                     | -                  | 21,200       | -          | 21,200  |
| Total expenditures                 | -                  | 1,234,560    | 293,616    | 940,944   |
| Other financing sources<br>(uses): |                    |              |            |   |
| Fund Balance:                      |                    |              |            |   |
| Beginning of year                  | -                  | -            | -          | -   |
| End of year                        | \$ -               | \$ -         | \$ -       | \$ -  |

OTHER SUPPLEMENTARY INFORMATION

**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, 2020

|  | Original<br>Budget | Final Budget      | Actual              | Variance          |
|--|--------------------|-------------------|---------------------|-------------------|
| Revenues:                                    |                    |                   |                     |                   |
| Charges for services                         | \$ 869,190         | \$ 869,190        | \$ 614,801          | \$ (254,389)      |
| Miscellaneous revenue                        | <u>32,500</u>      | <u>32,500</u>     | <u>12,859</u>       | <u>(19,641)</u>   |
| Total revenues                               | <u>901,690</u>     | <u>901,690</u>    | <u>627,660</u>      | <u>(274,030)</u>  |
| Expenditures:                                |                    |                   |                     |                   |
| Personal services                            | 151,500            | 151,500           | 148,895             | 2,605             |
| Materials and services                       | 740,750            | 740,750           | 465,190             | 275,560           |
| Capital outlay                               | 57,500             | 57,500            | -                   | 57,500            |
| Contingency                                  | <u>10,000</u>      | <u>10,000</u>     | <u>-</u>            | <u>10,000</u>     |
| Total expenditures                           | <u>959,750</u>     | <u>959,750</u>    | <u>614,085</u>      | <u>345,665</u>    |
| Excess revenues over (under)<br>expenditures | <u>(58,060)</u>    | <u>(58,060)</u>   | <u>13,575</u>       | <u>71,635</u>     |
| Other financing sources (uses):              |                    |                   |                     |                   |
| Transfers                                    | <u>(25,500)</u>    | <u>(25,500)</u>   | <u>(25,500)</u>     | <u>-</u>          |
| Net change in fund balances                  | <u>(83,560)</u>    | <u>(83,560)</u>   | <u>(11,925)</u>     | <u>71,635</u>     |
| Fund Balance:                                |                    |                   |                     |                   |
| Beginning of year                            | <u>1,061,990</u>   | <u>1,061,990</u>  | <u>1,314,993</u>    | <u>253,003</u>    |
| End of year                                  | <u>\$ 978,430</u>  | <u>\$ 978,430</u> | <u>1,303,068</u>    | <u>\$ 324,638</u> |
| Reconciliation to full accrual Basis:        |                    |                   |                     |                   |
| Capital assets                               |                    |                   | 37,667              |                   |
| Compensated absences                         |                    |                   | <u>(14,294)</u>     |                   |
| GAAP Net Position - end of year              |                    |                   | <u>\$ 1,326,441</u> |                   |

COMPLIANCE SECTION

## **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, 2020, and have issued our report thereon dated July 8, 2021. 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.

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



by: Paul Nielson, CPA, a member of the firm  
July 8, 2021

**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, 2020, 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 July 8, 2021.

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.

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 style with a long, sweeping tail on the letter "n".

By: Paul Nielson, CPA, a member of the firm  
Eugene, Oregon  
July 8, 2021

**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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lane Regional Air Protection Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lane Regional Air Protection Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lane Regional Air Protection Agency's compliance.

Opinion on Each Major Federal Program

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, 2020.

## Report on Internal Control Over Compliance

Management of Lane Regional Air Protection Agency, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lane Regional Air Protection Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lane Regional Air Protection Agency's 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 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.

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

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.

## Schedule of Expenditures of Federal Awards

We have audited of the governmental activities, the business-type activities, and the aggregate remaining fund information of Lane Regional Air Protection Agency as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Lane Regional Air Protection Agency's basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We issued our report thereon dated July 8, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Isler CPA



By: Paul Nielson, CPA, a member of the firm  
Eugene, Oregon  
July 8, 2021

**LANE REGIONAL AIR PROTECTION AGENCY**

Schedule of Findings and Questioned Costs

Year Ended June 30, June 30, 2020

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? | No         |
| • 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?                                       | No         |
| 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 510(a) of OMB Circular A-133? | No         |

Identification of Major Federal Award Programs:

| <u>Name of Federal Program or Cluster</u> | <u>CFDA Number</u> |
|---|--------------------|
| Air Pollution Control Program Support     | 66.001             |

|  |           |
|--|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee?                                   | No        |

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

None

**LANE REGIONAL AIR PROTECTION AGENCY**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

| <u>Federal Grantor / Pass-Through Grantor / Program Title</u>   | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-Through<br/>Number</u> | <u>Expenditures</u> |
|---|------------------------|--|---------------------|
| <b>Environmental Protection Agency:</b>   |                        |  |                     |
| Direct programs:  |                        |  |                     |
| Air Pollution Control Program Support   | 66.001                 | 98055710                                     | \$ 651,082          |
| Surveys, Studies, Investigations, Demonstrations<br>and Special Purpose Activities Relating to the<br>Clean Air Act | 66.034                 | 014-20                                       | 40,513              |
| Targeted Airshed Grant Programt   | 66.956                 | 01J66101                                     | <u>293,616</u>      |
| Total Environmental Protection Agency   |                        |  | <u>\$ 985,211</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, 2020. 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.