



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

HYBRID ADMINISTRATIVE COMMITTEE MEETING

Committee Members

Chair Vanessa Delgado, Committee Chair
Vice Chair Michael Cacciotti, Committee Vice Chair
Board Member Gideon Kracov
Supervisor V. Manuel Perez

November 8, 2024 ♦ 10:00 a.m.

TELECONFERENCE LOCATIONS

County Administrative Center
4080 Lemon Street, 5th Floor
Riverside, CA 92501

Office of Senator Vanessa Delgado
944 South Greenwood Ave.
Montebello, CA 90640

California Air Resources Board
4001 Iowa Ave., Press Room
Riverside, CA 92507

A meeting of the South Coast Air Quality Management District Administrative Committee will be held at 10:00 a.m. on Friday, November 8, 2024 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop

<https://scaqmd.zoom.us/j/93760468442>

Zoom Webinar ID: 937 6046 8442 (applies to all)

Teleconference Dial In

+1 669 900 6833

One tap mobile

+16699006833,93760468442#

Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

CALL TO ORDER

- Roll Call

DISCUSSION ITEMS – Items 1 through 9:

- | | | | |
|----|---|--|--------------|
| 1. | Board Members' Concerns (<i>No Motion Required</i>)
<i>Any member of the Governing Board, on their own initiative may raise a concern to the Administrative Committee regarding any South Coast AQMD items or activities.</i> | Chair Vanessa Delgado | |
| 2. | Chair's Report of Approved Travel (<i>No Motion Required</i>) | Chair Delgado | pg. 6 |
| 3. | Report of Approved Out-of-Country Travel (<i>No Motion Required</i>) | Wayne Nastri
Executive Officer | |
| 4. | Review December 6, 2024 Governing Board Agenda | Wayne Nastri | pgs. 7-16 |
| 5. | Approval of Compensation for Board Member Assistant(s)/
Consultant(s) (Any material, if submitted, will be distributed at the meeting.) (<i>Motion Requested if Proposal Made</i>) | Chair Delgado | |
| 6. | Update on South Coast AQMD Diversity, Equity and Inclusion
Efforts (<i>No Motion Required</i>)
<i>Staff will provide an update on current and future efforts for our internal processes and programs.</i> | Cessa Heard-Johnson, PhD
Diversity, Equity and
Inclusion Officer | pgs. 17-24 |
| 7. | Annual Audited Financial Statements for FY Ended June 30, 2024
(<i>No Motion Required</i>)
<i>This item transmits the annual audited financial statements of South Coast AQMD. South Coast AQMD has received an unmodified opinion (the highest obtainable) on its financial statements.</i> | Sujata Jain
Chief Financial Officer | pgs. 25-182 |
| 8. | South Coast AQMD's FY 2024-25 First Quarter Ended September
30, 2024 Budget vs. Actual (Unaudited) (<i>No Motion Required</i>)
<i>Staff will provide a comparison of budget vs. actual results for the first quarter which ended September 30, 2024.</i> | Sujata Jain | pgs. 183-190 |
| 9. | Status Report on Major Ongoing and Upcoming Projects for
Information Management (<i>No Motion Required</i>)
<i>Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.</i> | Ron Moskowitz
Chief Information Officer,
Information Management | pgs. 191-196 |

ACTION ITEMS – Items 10 through 12:

10. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services
(Motion Requested)
South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$467,000 for AgreeYa Solutions, \$395,000 for Prelude Systems, \$742,873 for Sierra Cybernetics, and \$630,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2024-25 Budget.

Ron Moskowitz pgs. 197-200

11. Amend Contracts for Legislative Representation in Sacramento, California *(Motion Requested)*
The current contracts for legislative representation in Sacramento, California with Joe A. Gonsalves & Son and California Advisors, LLC expire on December 31, 2024. California Advisors, LLC, which is dissolving as of December 31, 2024, assigned its South Coast AQMD contract to Buckley Government Affairs. Ross Buckley, the principal for Buckley Government Affairs, has directly represented South Coast AQMD for California Advisors since 2019. South Coast AQMD continue to require their legislative lobbying services in Sacramento for Calendar Year 2025. These actions are to: 1) approve a one-year extension in the amount of \$143,836 with Joe A. Gonsalves & Son, and 2) consent to the assignment of the South Coast AQMD contract from California Advisors to Buckley Government Affairs and approve a one-year contract for \$143,836 with Buckley Government Affairs. Sufficient funding is available in the Legislative, Public Affairs & Media FY 2024-25 Budget.

Lisa Tanaka pgs. 201-203
Assistant Deputy Executive
Officer, Legislative, Public
Affairs & Media

12. Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for MATES VI *(Motion Requested)*
Since 1987, South Coast AQMD has conducted five MATES campaigns to evaluate air toxics health risks in South Coast AQMD's jurisdiction. MATES VI measurements for a wide range of air toxics are anticipated to begin in early 2025. The collected data will be used to support air toxics modeling and quantify health impacts. These actions are to transfer up to \$1,138,956 from the Clean Fuels Program Fund to the General Fund for the MATES VI program, and appropriate funding to the Monitoring & Analysis, Planning, Rule Development & Implementation, and the Technology Advancement Office Divisions' FY 2024-25 through FY 2027-28 budgets as needed, and issue solicitations and purchase orders to support the goals and objectives of MATES VI.

Scott Epstein, PhD pgs. 204-213
Manager
Planning, Rule Development &
Area Sources

WRITTEN REPORT:

None.

OTHER MATTERS:

13. Other Business Chair Delgado
Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt Code Section 54954.2)
14. Public Comment
At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes total.
15. **Next Meeting Date:** Friday, December 13, 2024 at 10:00 a.m.

ADJOURNMENT

Americans with Disabilities Act and Language Accessibility

Disabilities and language-related accommodations can be requested to allow participation in the Administrative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact Cindy Bustillos at (909) 396-2377 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cbustillos@aqmd.gov.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Cindy Bustillos at (909) 396-2377, or send the request to cbustillos@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment. Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually. After each agenda item, the Chair will announce public comment. A countdown timer will be displayed on the screen for each public comment. If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of the screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the **“Raise Hand”** button on the bottom of your screen. This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**EXECUTIVE OFFICE****MEMORANDUM**

DATE: November 1, 2024

TO: Administrative Committee

FROM: Wayne Natri, Executive Officer

SUBJECT: Report of Travel

The following is a report of travel that has been approved by the Chair:

DATE	TRAVELER	DESTINATION	PURPOSE
October 23-24, 2024	Board Member Gideon Kracov Consultants: Jordan Jihae Oh and Nasreen Johnson -	Sacramento, CA	Board Member Kracov will attend a CARB Haagen-Smit award ceremony and CARB board meeting in Sacramento 10/23-24.
November 13-16, 2024	Vice Chair Michael Cacciotti	Tampa Bay, FL	Vice Chair Cacciotti will attend the National League of Cities City Summit to discuss the City of South Pasadena's electric police vehicles.

There is no upcoming staff out-country travel.



South Coast Air Quality Management District



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11/1/24 –6:30 p.m.

DRAFT A G E N D A

HYBRID GOVERNING BOARD MEETING DECEMBER 6, 2024

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, December 6, 2024 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates, and details on how to participate at: <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

<p>Electronic Participation Information (Instructions provided at the bottom of the agenda)</p>	<p>Join Zoom Meeting - from PC, Laptop or Phone https://scaqmd.zoom.us/j/93128605044 Meeting ID: 931 2860 5044 (applies to all) Teleconference Dial In +1 669 900 6833 or +1 253 215 8782 One tap mobile +16699006833,,93128605044# or +12532158782,,93128605044#</p> <p>Spanish Language Only Audience (telephone) Número Telefónico para la Audiencia que Habla Español Teleconference Dial In/Numero para llamar: +1 669 900 6833 Meeting ID/Identificación de la reunión: 932 0955 9643 One tap mobile: +16699006833,,93209559643</p>
<p>Public Comment Will Still Be Taken</p>	<p>Audience will be allowed to provide public comment in person and through Zoom connection or telephone. Comments are limited to three (3) minutes per person for all items on the Consent and Board Calendars and may be further limited by the Chair to ensure all can be heard.</p> <p>Phone controls for participants: The following commands can be used on your phone's dial pad while in meeting: *6 (Toggle mute/unmute); *9 - Raise hand</p>
<p>Questions About an Agenda Item</p>	<ul style="list-style-type: none"> ▪ The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item. ▪ In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

Meeting Procedures

- The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at South Coast AQMD's Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765 or web page at www.aqmd.gov

Americans with Disabilities Act and Language Accessibility

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A webcast of the meeting is available for viewing at:
<http://www.aqmd.gov/home/news-events/webcast>

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Opening Comments: Vanessa Delgado, Chair
Other Board Members
Wayne Nastri, Executive Officer

Staff/Phone (909) 396-

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3) The public may comment on any subject within the South Coast AQMD’s authority that does not appear on the agenda, during the Public Comment Period. Each speaker addressing non-agenda items may be limited to a total of (3) minutes.

CONSENT AND BOARD CALENDAR (Items X through XX)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. XX.

Items 1 and 2 – Action Items/No Fiscal Impact

12265. Approve Minutes of November 1, 2024 **Thomas/3268**
12532. Set Public Hearings January 7, 2025 to Consider **Nastri/3131**
Adoption of and/or Amendments to South Coast
AQMD Rules and Regulations:
12525. Determine That Proposed Amended Rule 1179.1 – **Krause/2706**
Emission Reductions from Combustion Equipment
at Publicly Owned Treatment Works Facilities, Is
Exempt from CEQA; and Amend Rule 1179.1
- Rule 1179.1 contains requirements for boilers, turbines,
and engines located at publicly owned treatment works.
Rule 1179.1 includes rule provisions similar to relevant
source-specific rules such as Rule 1110.2 – Emissions
from Gaseous- and Liquid-Fueled Engines. Proposed
Amended Rule 1179.1 will correct erroneous cross-
references in Attachment 1 by harmonizing it with
Attachment 1 of Rule 1110.2. This action is to adopt the
Resolution: 1) Determining that Proposed Amended Rule
1179.1 – Emission Reductions from Combustion
Equipment at Publicly Owned Treatment Works
Facilities, is exempt from the requirements of the
California Environmental Quality Act; and 2) Amending
Rule 1179.1 – Emission Reductions from Combustion
Equipment at Publicly Owned Treatment Works
Facilities. (Reviewed: Stationary Source Committee,
November 15, 2024)

12512. Determine That Proposed Amended Rule 3002 – Requirements Is Exempt from CEQA; and Amend Rule 3002

Krause/2706

Rule 3002 – Requirements establishes provisions for Title V facilities including obtaining a Title V permit and complying with the conditions of the permit. To be consistent with a decision made by the U.S. Supreme Court on U.S. EPA’s Greenhouse Gas Tailoring Rule and United States Environmental Protection Agency Title V operating permit program regulations, Proposed Amended Rule 3002 will remove the emergency affirmative defense and certain greenhouse gas provisions. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 3002 – Requirements is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 3002 – Requirements. (Reviewed: Stationary Source Committee, November 15, 2024)

Items X through X – Budget/Fiscal Impact

12477. Execute Contracts to Develop and Demonstrate Class 2B/3 and Class 4/5 Medium-Duty Battery Electric Trucks

Katzenstein/2219

CARB’s Advanced Clean Trucks and Advanced Clean Fleets regulations require the transition of medium- and heavy-duty vehicles to zero-emission (ZE) technologies. The development and demonstration of faster charging and increased availability of ZE medium-duty trucks are needed. These actions are to execute contracts with: 1) Voltu Motor, Inc. to develop, demonstrate and deploy 10 Ford F350 Class 2B and 3 battery electric trucks in an amount not to exceed \$600,000 which consists of \$300,000 from the Clean Fuels Program Fund (31) and \$300,000 from the Mobile Source Air Pollution Reduction Fund (23); 2) Enevate Corporation to develop and test a fast-charging battery pack for medium-duty Class 4 and 5 battery electric vehicle applications in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23); and 3) Evolectric, Inc. to integrate the battery packs and demonstrate the fast-charging system for two Class 4 and 5 medium-duty battery electric trucks in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23). (Reviewed: Technology Committee, November 15, 2024; Recommended for Approval)

12496. Execute Contracts to Implement Zero-Emission Infrastructure Projects Under Carl Moyer and Community Air Protection Programs

Katzenstein/2219

In December 2023, Carl Moyer Program Announcement PA2024-02 was released to solicit zero-emission infrastructure project applications and closed in February 2024. The solicitation was oversubscribed and received close to \$400 million dollars in applications. These actions are to: 1) Execute contracts for the zero-emission infrastructure projects under the Carl Moyer and

Community Air Protection Programs for a total of \$109,143,066; and 2) Authorize the Executive Officer to redistribute the source of funds for the various incentive program grants to ensure program liquidation targets are met.(Reviewed; Technology Committee, November 15, 2024; Recommended for Approval)

12501. Execute Sponsorship Agreement to Support Workforce Training and Professional Development of Electric Vehicle and Battery Engineers

Katzenstein/2219

California State University, Los Angeles, has been selected as one of 12 universities nationwide to participate in the Battery Workforce Challenge. This initiative was launched by the U.S. Department of Energy and Stellantis and is aimed at advancing electric vehicle technology. This engineering competition will challenge universities and their partners to design, build, test and integrate advanced EV battery packs into a Stellantis vehicle. The design and development of advanced batteries are a key component to electrifying the transportation sector, and this program will prepare and train the next generation of engineers and technicians to handle the increased demand for EVs. This action is to execute a sponsorship agreement with California State University, Los Angeles, in an amount not to exceed \$150,000 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, November 15, 2024; Recommended for Approval)

12533. Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for MATES VI

Rees/2856

Since 1987, South Coast AQMD has conducted five MATES campaigns to evaluate air toxics health risks in South Coast AQMD's jurisdiction. MATES VI measurements for a wide range of air toxics are anticipated to begin in early 2025. The collected data will be used to support air toxics modeling and quantify health impacts. These actions are to transfer up to \$1,138,956 from the Clean Fuels Program Fund to the General Fund for the MATES VI program, and appropriate funding to the Monitoring & Analysis, Planning, Rule Development and Implementation, and Technology Advancement Office Divisions' FY 2024-25 through FY 2027-28 budgets as needed, and issue solicitations and purchase orders to support the goals and objectives of MATES VI. (Reviewed: Administrative Committee, November 8, 2024; Recommended for Approval)

12515. Execute Contract(s) for Legislative Representation in Washington, D.C.

Tanaka/3327

In June 7, 2024, the Board approved the release of an RFP to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C. for 2025. Seven separate proposals were received from Balance Public Relations & Strategic Solutions, Inc., Carmen Group, Inc., Cassidy & Associates, Inc., Ferox Strategies, LLC, Kadesh & Associates, LLC, Rojas Public Affairs, and Waxman Consulting, Inc. & Vectis DC, LLC. On November 8, 2024, the Legislative Committee recommended approval of the execution of contract(s) with

[CONTRACTOR(S)] for [\$AMOUNT] for legislative representation in Washington, DC. (Reviewed: Legislative Committee, November 8, 2024; Recommended for Approval)

12530. Amend Contracts for Legislative Representation in Sacramento, California **Tanaka/3327**

The current contracts for legislative representation in Sacramento, California with Joe A. Gonsalves & Son and California Advisors, LLC expire on December 31, 2024. California Advisors, LLC, which is dissolving as of December 31, 2024, assigned its South Coast AQMD contract to Buckley Government Affairs. Ross Buckley, the principal for Buckley Government Affairs, has directly represented South Coast AQMD for California Advisors since 2019. South Coast AQMD continue to require their legislative lobbying services in Sacramento for Calendar Year 2025. These actions are to: 1) approve a one-year extension in the amount of \$143,836 with Joe A. Gonsalves & Son, and 2) consent to the assignment of the South Coast AQMD contract from California Advisors to Buckley Government Affairs and approve a one-year contract for \$143,836 with Buckley Government Affairs. Sufficient funding is available in the Legislative, Public Affairs & Media FY. (Administrative Committee, November 8, 2024; Recommended for Approval)

12523. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services **Moskowitz/3329**

South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$467,000 for AgreeYa Solutions, \$395,000 for Prelude Systems, \$742,873 for Sierra Cybernetics, and \$630,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2024-25 Budget. (Reviewed: Administrative Committee, November 8, 2024; Recommended for Approval)

12235. Approve Contract as Approved by MSRC **McCallon**

Items X through XX – Information Only/Receive and File

12314. Legislative, Public Affairs and Media Report **Tanaka/3327**

This report highlights the October 2024 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)

12328. Hearing Board Report **Ali**
- This reports the actions taken by the Hearing Board during the period of October 1 through October 31, 2024. (No Committee Review)
12246. Civil Filings and Civil Penalties Report **Gilchrist/3459**
- This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from October 1, 2024 through October 31, 2024. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, November 15, 2024)
12410. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects **Krause /2706**
- This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between October 1, 2024 and October 31, 2024, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, November 15, 2024)
12340. Rule and Control Measure Forecast **Rees/2856**
- This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2025. (No Committee Review)
12524. Annual Audited Financial Statements for FY Ended June 30, 2024 **Jain/2804**
- This item transmits the annual audited financial statements of South Coast AQMD. South Coast AQMD has received an unmodified opinion (the highest obtainable) on its financial statements. (Reviewed: Administrative Committee, November 8, 2024)
12519. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**
- Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, November 8, 2024)

Items XX through XX -- Reports for Committees and CARB

- | | | |
|--|------------------|--------------------|
| 12292. Administrative Committee (Receive & File) | Chair: Delgado | Nastri/3131 |
| 12303. Legislative Committee (Receive & File) | Chair: Cacciotti | Tanaka/3327 |
| 12351. Mobile Source Committee (Receive & File) | Chair: Kracov | Rees/2856 |

12528. Stationary Source Committee (Receive & File)	Chair: McCallon	Aspell/2491
12529. Technology Committee (Receive & File)	Chair: Rodriguez	Katzenstein/2219
12223. Mobile Source Air Pollution Reduction Review Committee	Board Rep.: Hagman	Katzenstein/2219
12275. California Air Resources Board Monthly Report (Receive & File)	Board Rep.: Kracov	Thomas/3268

XX. Items Deferred from Consent and Board Calendar

PUBLIC HEARING

12517. Determine that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is Exempt from CEQA and Adopt Rule 1159.1 **Krause/2706**

Proposed Rule 1159.1 will establish BARCT emission limits for NOx for nitric acid tanks at RECLAIM, former RECLAIM, and non-RECLAIM facilities. The proposed rule includes requirements for installation of controls, parametric monitoring, source testing, and recordkeeping. This action is to adopt the Resolution: 1) Determining that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is exempt from the requirements of the California Environmental Quality Act, and 2) Adopting Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks. (Reviewed: Stationary Source Committee, November 15, 2024)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CONFLICT OF INTEREST DISCLOSURE – (No Written Material)

CLOSED SESSION -- (No Written Material)

Gilchrist/3459

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so in person or remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the “Raise Hand” at the bottom of the screen, or if participating via Dial-in/Telephone Press *9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and website, <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD’s authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to cob@aqmd.gov, on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NAAQS = National Ambient Air Quality Standards
AQIP = Air Quality Investment Program	NATTS =National Air Toxics Trends Station
AQMP = Air Quality Management Plan	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AVR = Average Vehicle Ridership	NGV = Natural Gas Vehicle
BACT = Best Available Control Technology	NOx = Oxides of Nitrogen
BARCT = Best Available Retrofit Control Technology	NSPS = New Source Performance Standards
Cal/EPA = California Environmental Protection Agency	NSR = New Source Review
CARB = California Air Resources Board	OEHHA = Office of Environmental Health Hazard Assessment
CEMS = Continuous Emissions Monitoring Systems	PAMS = Photochemical Assessment Monitoring Stations
CEC = California Energy Commission	PEV = Plug-In Electric Vehicle
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM10 = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM2.5 = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	RECLAIM=Regional Clean Air Incentives Market
DOE = Department of Energy	RFP = Request for Proposals
EV = Electric Vehicle	RFQ = Request for Quotations
EV/BEV = Electric Vehicle/Battery Electric Vehicle	RFQQ=Request for Qualifications and Quotations
FY = Fiscal Year	SCAG = Southern California Association of Governments
GHG = Greenhouse Gas	SIP = State Implementation Plan
HRA = Health Risk Assessment	SOx = Oxides of Sulfur
LEV = Low Emission Vehicle	SOON = Surplus Off-Road Opt-In for NOx
LNG = Liquefied Natural Gas	SULEV = Super Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	TCM = Transportation Control Measure
MOU = Memorandum of Understanding	ULEV = Ultra Low Emission Vehicle
MSERCs = Mobile Source Emission Reduction Credits	U.S. EPA = United States Environmental Protection Agency
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	VOC = Volatile Organic Compound
	ZEV = Zero Emission Vehicle

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

For language interpretation:

Click the interpretation Globe icon at the bottom of the screen

Select the language you want to hear (either English or Spanish)

Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla

Seleccione el idioma que desea escuchar (inglés o español)

Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Directions to provide public comment on ZOOM from a DESKTOP/LAPTOP or SMARTPHONE:

Click on the "Raise Hand" feature at the bottom of the screen.

This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions to provide public comment via TELEPHONE:

Dial *9 on your keypad to signal that you would like to comment.

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same (+1 669 900 6833)
- The meeting ID number is 928-3000-3925
- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:

- El número de llamada es el mismo (+1 669900 6833 o +1 93209559643)
- El número de identificación de la reunión es 928-3000-3925
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

Administrative Committee

Friday, November 8, 2024

Dr. Anissa Cessa Heard-Johnson
Deputy Executive Officer
Diversity, Equity, and Inclusion with Community Air Programs

FABULOUS FEMALE FRIDAY

Winona LaDuke

Native American Activist, Environmentalist, and Author

- **Indigenous Land Recovery**

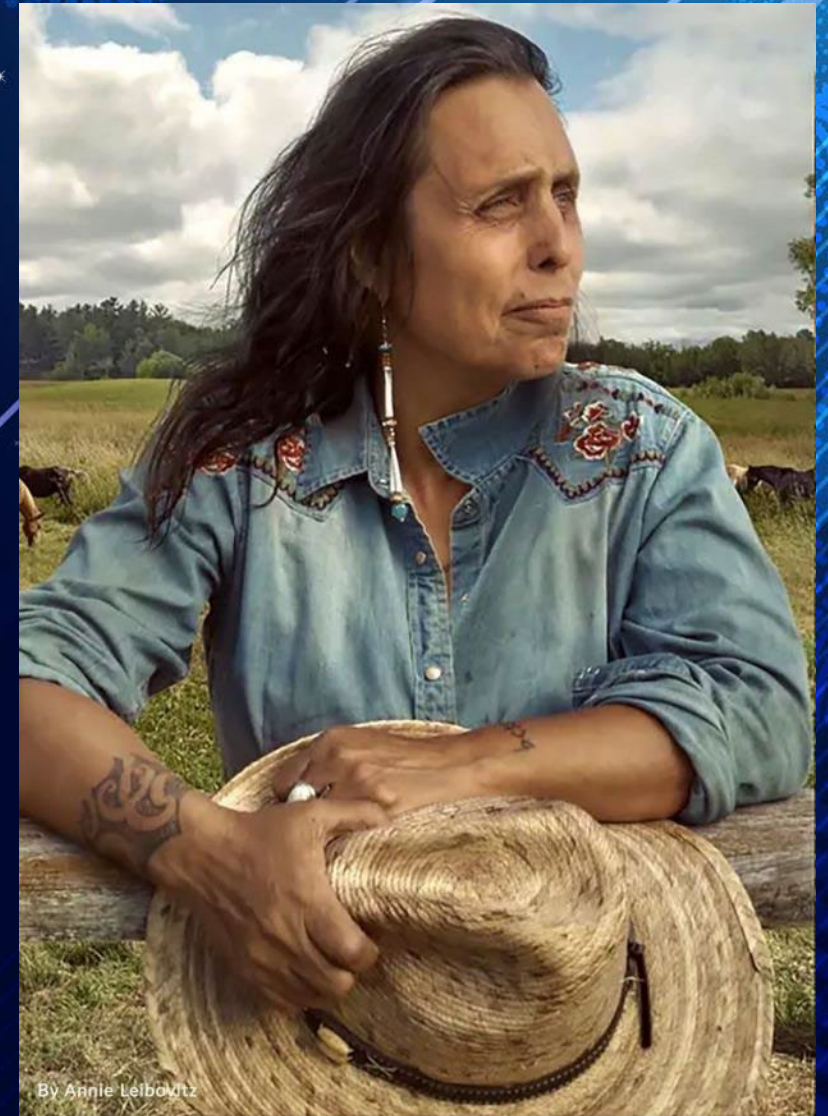
Founded the White Earth Land Recovery Project to reclaim reservation land for sustainable development and cultural preservation

- **Environmental and Economic Advocacy**

Advocates for Indigenous control of natural resources, focusing on renewable energy, traditional agriculture, and economic self-sufficiency

- **Leadership and National Recognition**

Co-founded Honor the Earth, raising awareness and funds for Native environmental issues; recognized as one of Time magazine's "Fifty Leaders for the Future" and by Ms. Magazine as Woman of the Year



August 18, 1959 – Present¹⁸

JEDI Displays - October



4th Annual Día de los Muertos Ofrenda

J.E.D.I. Infographics – October

NATIONAL COMING OUT DAY

FRIDAY, OCTOBER 11, 2024

NATIONAL COMING OUT DAY BACKGROUND

Friday, October 11th, 2024 marks the 37th National Coming Out Day since it was first observed in 1988 and acknowledged nation-wide in 1990. National Coming Out Day honors the significance of creating a world in which LGBTQIA+ people can live openly as their authentic selves.

WHAT IS COMING OUT?

Coming out is when someone shares their gender identity or sexual orientation with others. It's a personal decision—never pressure someone to come out. Respect their timing and whom they choose to tell.

"COMING OUT" VS. "INVITING IN"

Think of it as being "invited in" to a part of their life, fostering a safer space for them to share.

WHEN SOMEONE COMES OUT TO YOU

Hearing that someone you care about is LGBTQIA+ can bring up many emotions. Here's how to support them:

HAVING CONVERSATIONS

Respect Their Decision: Thank them for trusting you. Say something like, "I appreciate your honesty," to show your support.

Ask Respectful Questions: "How can I support you?" or "Would you like this to stay between us?"

Be Honest: Share if you feel new to this or need time to process.

Be Reassuring: Remind them your feelings haven't changed, and you're there for them.

RESPECT THEIR PRIVACY

Never "out" someone without their permission—it can cause harm. Respect their right to share their identity and/or sexual orientation when and how they choose.

WORK THROUGH YOUR FEELINGS

It's okay to feel unsure. Take time to process your feelings privately, and focus on offering unconditional support. Thank them for their trust and appreciate their honesty.

LEARN MORE

Understanding LGBTQIA+ experiences can make a big difference. Take time to learn more about gender identity, sexual orientation, and the challenges LGBTQIA+ individuals face. This helps you become a better ally and shows that you care about their well-being. There are many resources available, from books and articles to community events, where you can deepen your understanding. Being informed allows you to offer more meaningful support and creates a welcoming space for everyone.

Additional Online Resources:
[COMING OUT GUIDE](#) [BEING AN ALLY GUIDE](#) [LGBTQIA+ GLOSSARY](#) [PRONOUNS](#)

EMPLOYEE RESOURCE GROUPS

Our Employee Resource Groups (ERGs) contribute to fostering a more inclusive and supportive workplace environment. ERGs provide a platform for staff to connect, collaborate, and advocate for diverse communities within our organization. We invite you to explore the wide range of ERGs available. Your participation in these ERGs is invaluable as we strive to create a workplace that embraces diversity, equity, and inclusion for all. We encourage you to join us in building a stronger and more vibrant community at South Coast AQMD.

[CLICK HERE TO JOIN AN EMPLOYEE RESOURCE GROUP](#)

SOURCES

- The Human Rights Campaign
- The Trevor Project
- GLSEN



For more information on this or other events contact:
diversityequityinclusion@aqmd.gov

[Click HERE](#)

DIA DE MUERTOS

FRIDAY, NOVEMBER 1 - SATURDAY, NOVEMBER 2



PHOTO FRAME PICK-UP

Bring a photo of a loved one to the Dia de Muertos event and receive a free photo frame. The photo frame will be placed on the altar for the deceased. The photo frame will be placed on the altar for the deceased. The photo frame will be placed on the altar for the deceased.

EMPLOYEE RESOURCE GROUPS



Our Employee Resource Groups (ERGs) contribute to fostering a more inclusive and supportive workplace environment. ERGs provide a platform for staff to connect, collaborate, and advocate for diverse communities within our organization. We invite you to explore the wide range of ERGs available. Your participation in these ERGs is invaluable as we strive to create a workplace that embraces diversity, equity, and inclusion for all. We encourage you to join us in building a stronger and more vibrant community at South Coast AQMD.

[CLICK HERE TO JOIN OUR HISPANIC AND LATINO ORGANIZATION FOR SUCCESS \(HALLO\) EMPLOYEE RESOURCE GROUP](#)

Sources:
<https://www.aqmd.net/about-us/diversity-equity-inclusion>
<https://www.aqmd.net/about-us/diversity-equity-inclusion>
<https://www.aqmd.net/about-us/diversity-equity-inclusion>



For more information on this or other events contact:
diversityequityinclusion@aqmd.gov

[Click HERE](#)

Diwali

FESTIVAL OF LIGHTS

Tuesday, October 29th - Sunday, November 3rd

Diwali, also known as the Festival of Lights, is a major festival celebrated by Hindus, Jains, and Sikhs. The Diwali festival has been so far-reaching that the holiday is celebrated in India, Singapore, and several other South Asian countries as a national holiday, allowing others to celebrate outside of religion. The festival lasts between 5 and 6 days. This year, the festival begins on Tuesday, October 29th and ends on Sunday, November 3rd. Diwali, the peak of the festivities, falls in the middle of the five days on Thursday, October 31st. This year, South Coast AQMD invites you to view a Diwali display that will be located in the main lobby from Wednesday, October 30th through Wednesday, November 6th.

Diwali is highly diverse and is observed differently depending on region. One of the most widespread customs is the lighting of small earthenware oil lamps known as diyas. This lighting is symbolic of the victory of light over darkness, good over evil, and knowledge over ignorance. These lamps are placed throughout the home, in areas of worship, in streets, and even floated on lakes and rivers. The lighting of pathways with diyas relates to the name of the holiday itself. The name Diwali, also spelled Diwali, is derived from the Sanskrit term dipavali which means "row of lights."

The Days of Diwali

Day 1 – Dhanteras

Homes are cleaned, and intricate designs made of colored sands, rice, and flowers, are created on the floors of the home. These designs are known as rangoli. Rangoli are thought to bring good luck.

Day 2 – Narak Chaturdashi (Choti Diwali)

Religious, an Indian confectionery, are bought and prepared. On this day, ancestors are honored with prayer.

Day 3 – Lakshmi Pooja

Families gather and celebrate by lighting diyas. These diyas are spread throughout the home and surrounding streets. Fireworks can also light up the sky. In some regions this is thought to ward off evil. Temples are also visited on this day.


Day 4 – Govardhan Puja, Balipratipada, or Annakut

The main theme of the fourth day is the bond between spouses. Gifts are often exchanged between spouses. This day is also the start of the new year in the Vikrama (Hindu) calendar.


Day 5 – Bhai Dooj (Bhai Tika, or Bhai Ji)

This is the last day of Diwali focuses on the bond between siblings. Prayers for the success and well being of siblings are typical on this day.


Rangoli




Mithai



Diyas



Sources:
<https://www.aqmd.net/about-us/diversity-equity-inclusion>
<https://www.aqmd.net/about-us/diversity-equity-inclusion>
<https://www.aqmd.net/about-us/diversity-equity-inclusion>



For more information on this or other events contact:
diversityequityinclusion@aqmd.gov

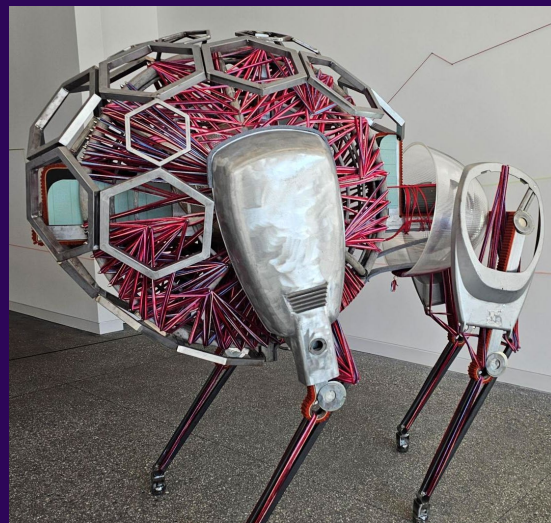
[Click HERE](#)

DEI Conferences and Events

Healthy Desert, Healthy You Environmental Summit

- DEI with CAP Staff invited to serve as Panelists
 - highlighted South Coast AQMD's focus on applying an equity lens through community air programs, such as AB 617
- Hosted by the Desert Healthcare District & Foundation
- Over 300 attendees exploring environmental challenges
 - Featured regional health experts, state environmental advocates, nonprofit leaders and concerned residents





Employee Resource Group Initiatives

Allies and Advocates ERG

- Opened and invitation to all staff to explore the Breath(e) Exhibit at University of California, Los Angeles's Hammer Museum"
- Breath(e): Toward Climate and Social Justice," is a compelling exhibition that delves into the intersection of environmental art and social equity, featuring works that address critical issues stemming from the climate crisis and advocates for indigenous rights and land use, while reexamining the political landscape surrounding climate justice in America.

SATURDAY, OCTOBER 19, 2024 | 12:00PM

THE HAMMER MUSEUM
10899 WILSHIRE BLVD.
LOS ANGELES, CA 90024

Join the Allies and Advocates ERG for an inspiring visit to Breath(e): Toward Climate and Social Justice at the Hammer Museum, where art and environmental activism intersect.

PRICING AND PARKING

Hammer Museum Price: FREE

Parking Entrances (Available under the museum):

- East side of Westwood Blvd (northbound)
- West side of Glendon Blvd (southbound)

Parking Rates (\$22 daily max):

- \$8 for the first 3 hours with validation
- \$3 for each additional 20 minutes
- \$15 Valet parking: Available on Lindbrook Dr.

Accessible parking: Provided on levels P1 and P3.



WATCH A TRAILER FOR THE EXHIBIT



REGISTRATION INFORMATION

Scan the QR Code or register online:
<https://forms.office.com/g/W9iuPgMmDz>



**ALLIES AND
ADVOCATES**
EMPLOYEE RESOURCE GROUP

IMAGE: Tiffany Chung, stored in a jar, monsoon, drowning fish, color of water, and the floating world, 2010-11



Critical Community Conversations for Purposeful Outreach (C3PO)

Eastern Coachella Valley – October 23, 2024

- "Through these conversations, we as a government entity are able to show our commitment to the residents, building trust and transparency. This engagement bridges the gap between the community and government, reinforcing our role as allies in enhancing air quality and health."
- "C3PO events have been particularly significant for me as they provide a unique opportunity to engage directly with the communities we serve. This direct engagement not only enriches my professional experience but also deepens my commitment to our mission of serving and improving these communities."



Any Questions?

BOARD MEETING DATE: December 6, 2024

AGENDA NO.

REPORT: Annual Audited Financial Statements for FY Ended June 30, 2024

SYNOPSIS: This item transmits the annual audited financial statements of South Coast AQMD. South Coast AQMD has received an unmodified opinion (the highest obtainable) on its financial statements.

COMMITTEE: Administrative, November 8, 2024, Reviewed

RECOMMENDED ACTION:

Receive and file South Coast AQMD's Annual Comprehensive Financial Report, Single Audit Report, and Audit Communication Letter for the FY 2023-24.

Wayne Nastri
Executive Officer

SJ:gp

Background

The audit of South Coast AQMD's financial statements, along with the Single Audit Report for the FY 2023-24, have been completed by Lance, Soll & Lunghard, LLP. South Coast AQMD has received an unmodified opinion on its financial statements. An unmodified opinion is the highest obtainable opinion, assuring interested parties that South Coast AQMD's financial statements fairly present the agency's financial position.

Attachments

- A. The Annual Comprehensive Financial Report, which includes the Independent Auditors' Report
- B. Single Audit Reports that include Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- C. Audit Communication Letter



Annual Comprehensive Financial Report

Year Ended June 30, 2024



South Coast Air Quality Management District
Diamond Bar, California



MISSION STATEMENT

South Coast AQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.

South Coast
Air Quality Management District
Diamond Bar, California

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Prepared by:
Finance Office
Sujata Jain, Chief Financial Officer

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Annual Comprehensive Financial Report
Year Ended June 30, 2024

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

GOVERNING BOARD

June 30, 2024

VANESSA DELGADO

Chair

Senate Rules Committee Representative

MICHAEL A. CACCIOTTI

Vice-Chair

Cities of Los Angeles County

Eastern Region Representative

ANDREW DO

County of Orange Representative

CURT HAGMAN

County of San Bernardino Representative

GIDEON KRACOV

Governor's Representative

PATRICIA LOCK DAWSON

Cities of Riverside County Representative

LARRY McCALLON

*Cities of San Bernardino County
Representative*

HOLLY J. MITCHELL

County of Los Angeles Representative

VERONICA PADILLA-CAMPOS

Speaker of the Assembly Representative

V. MANUEL PEREZ

County of Riverside Representative

NITHYA RAMAN

City of Los Angeles Representative

CARLOS RODRIGUEZ

Cities of Orange County Representative

JOSÉ LUIS SOLACHE

Cities of Los Angeles County

Western Region Representative

October 24, 2024

Chair, Member of the Governing Board and Residents
of the South Coast Air Quality Management District

State law requires that local governments publish within nine months of the close of each fiscal year a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the South Coast Air Quality Management District (South Coast AQMD), Diamond Bar, California. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

South Coast AQMD's financial statements have been audited by Lance, Soll, Lunghard, LLP, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of South Coast AQMD for the fiscal year ended June 30, 2024 are free of material misstatements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that South Coast AQMD's financial statements for the fiscal year ended June 30, 2024 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

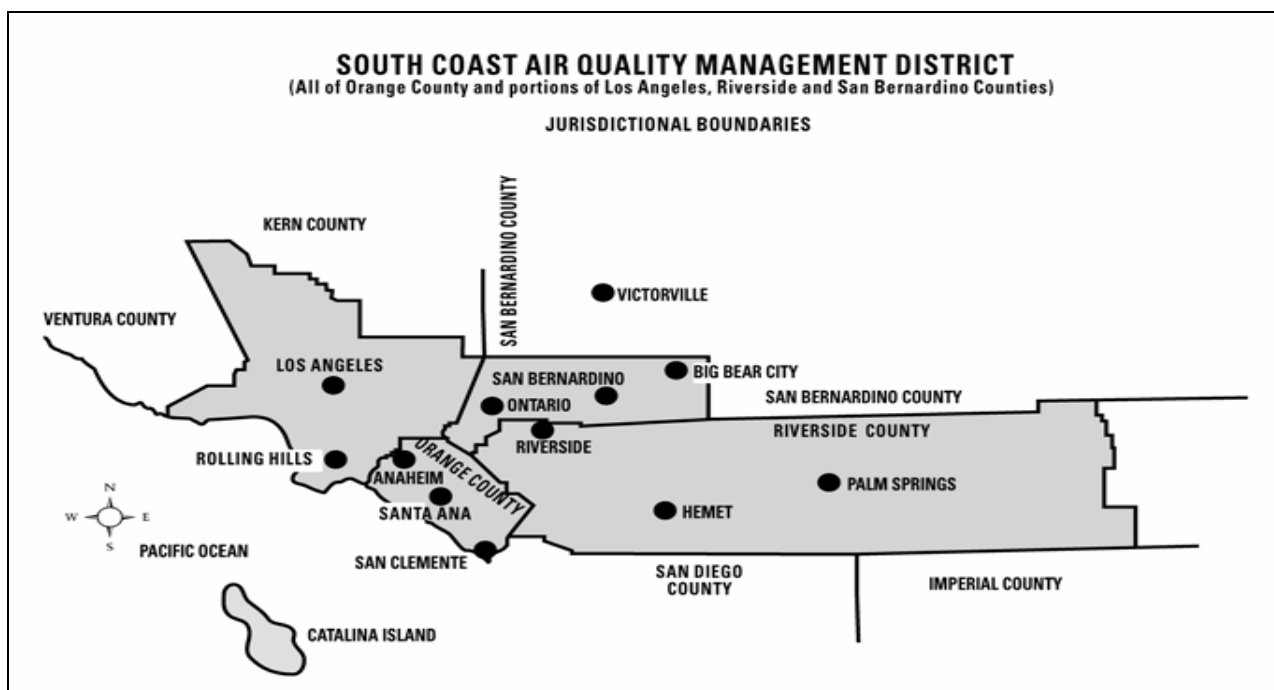
The independent audit of the financial statements of South Coast AQMD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal

grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with special emphasis on internal controls and compliance with federal statutes, regulations, and terms and conditions involving the administration of Federal awards. These reports are available in South Coast AQMD's separately issued Single Audit Report.

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

Profile of the South Coast Air Quality Management District

The South Coast Air Quality Management District began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties, representing over 17 million residents. It succeeded the Southern California Air Pollution Control District and its predecessor four county air pollution control districts, of which the Los Angeles County Air Pollution Control District was the oldest in the nation, having been formed in 1947.



South Coast AQMD's Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in South Coast AQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the various Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions of the county and one member representing the City of Los Angeles. Each Board member serves a four year term. The Board appoints the agency's Executive Officer and General Counsel. The Executive Officer in turn appoints the heads of the various agency departments.

Southern California has the most serious air quality problem in the country. A combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains and sunny days act to enhance smog formation and effectively trap pollutants in the Basin. South Coast AQMD is responsible for monitoring air pollution within the Basin and for developing and administering programs to reduce air pollution levels below the health-based standards established by the state and federal governments.

South Coast AQMD provides a full range of air pollution control activities, including permitting, site inspection, air quality attainment planning, rulemaking, air quality monitoring and technology advancement. Government Accounting Standards Board Statement No. 61 requires that certain separate but related component units be included with South Coast AQMD for reporting purposes. This report includes the South Coast Air Quality Management District Building Corporation (Corporation) as a blended component unit. South Coast AQMD may impose its will on the component unit, including the ability to appoint, hire, reassign or dismiss management. There are also financial benefit/burden relationships between South Coast AQMD and the Corporation. For additional information, see Note 1 to the financial statements.

The annual budget serves as the foundation for South Coast AQMD's financial planning and control. The Governing Board is required to adopt an annual budget by July 1 of each fiscal year. South Coast AQMD's annual appropriated budgets are adopted for the General Fund. Budgets are adopted on a budgetary basis that includes encumbrances as expenditures. All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered. Amendments to increase the budget must be approved by the Governing Board. Budgets for Special Revenue Funds are not adopted due to the narrow focus (advance technology demonstration projects/emission reduction projects) and limited life of many of these special revenues. Expenditures from the Special Revenue Funds require Governing Board approval and are primarily related to contractual obligations with vendors and grantees. Administrative expenditures related to managing

and accounting for Special Revenue Fund projects are appropriated within the General Fund budget.

South Coast AQMD maintains budgetary controls through both signature authority and automated budget checking. The objective of these controls is to ensure compliance with specific special revenue fund appropriations and the annual appropriated budget approved by the Governing Board. South Coast AQMD maintains an encumbrance accounting system of purchase orders and contracts at the fund level as a means of accomplishing budgetary control. Open encumbrances are reported as committed fund balance at the end of the fiscal year. Purchase orders and contracts are reviewed to ensure that funds are available and that requests are properly authorized prior to being released or executed.

The accounting principles applied in reporting budgetary expenditures differ in some respects from the generally accepted accounting principles applied in the reporting of the financial statements. Reconciliation of these differences is presented in the Required Supplementary Information section of this report.

As reflected in the statements and schedules included in the financial section of this report, South Coast AQMD continues to meet its responsibility for sound financial management.

Factors Affecting Financial Condition

South Coast AQMD is a fee-supported agency and does not receive sales or property tax support. Approximately 68% of its General Fund revenue is derived from permit evaluation fees, annual permit renewal fees, emission fees, Hearing Board fees, Area Sources, Air Toxic Hot Spots, penalties and settlements, interest earnings, and other revenues. The remaining 32% of its General Fund revenue is derived from federal grants, state grants, California Air Resources Board (CARB) subvention funds, transportation, motor vehicle fees and transfers-in.

To meet its program commitments, despite new federal and state mandates, increased workload complexity, and ongoing cost containment efforts, South Coast AQMD continues to streamline many of its operations. Compared to the fiscal year 1991-92 General Fund budget, the fiscal year 2023-24 General Fund budget reflects funded staffing levels that are approximately 13% below the 1991-92 level. The budgeted General Fund expenditures, when adjusted for inflation, are approximately 7% less than the 1991-92 period.

Government-wide revenues during this fiscal year increased by 67% as compared to the prior fiscal year, primarily due to an increase in revenue from special funds. General Fund revenues increased by 6.3% as compared to the prior fiscal year, primarily due to an increase in annual operating, permit fees, and interest income. Future changes in

government-wide revenue are highly dependent on the timing of receipts and continuation of state and federal grant funding, while General Fund revenues are expected to continue to remain generally stable.

Government-wide expenses increased when compared to the prior fiscal year by 2.0% primarily due to expenditures related to higher salaries, due to increase in COLA from 3% to 6% for six months of the fiscal year. General Fund expenditures increased by 8% as compared to the prior fiscal year due to an increase in salaries and benefits, insurance, communication and capital outlays, and offset by lower expenditures in contracts and special services. Future changes in government-wide expenses are highly dependent on the timing of receipts and continuation of state and federal grant funding, while General Fund expenditures for salaries and benefits are expected to increase through the next three years due to increases set forth in the four year labor contract that was effective January 1, 2024.

Long-term Financial Planning

In addressing long-term program costs, South Coast AQMD has pursued actions over the past several years including legislative changes to the employee retirement plan and setting funds aside to lower its long-term retirement costs. As part of the annual budget process, South Coast AQMD prepares a five year financial plan that demonstrates the commitment to meet future financial challenges and uncertainties while continuing to protect the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. During the current fiscal year and beyond, South Coast AQMD continues to look for operational efficiencies as a means of balancing revenues and expenditures to ensure long term financial sustainability.

Relevant Financial Policies

In recent years, South Coast AQMD's Governing Board has made several policy decisions to meet future financial challenges and uncertainties while continuing to protect the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. These policy decisions include reducing debt and reviewing and revising fee policies. In fiscal year 2012-13, debt associated with the Headquarters building was eliminated. Starting fiscal year 2017-18 employer pick-up of employee retirement plan contributions was completely phased out and the entire employee contribution portion of the pension cost is picked up by employees. This was eliminated at the direction of the Governing Board and was part of a three-year labor agreement.

In fiscal year 2010-11, South Coast AQMD's Governing Board approved a rule which provides that certain fees be automatically adjusted effective July 1 of each year by the California Consumer Price Index for the preceding calendar year unless the Governing Board by rule decides not to implement such fee increase for a given year, either for all

fees or for a specified fee or fees. In fiscal year 2023-24 budget, the Governing Board approved the fees to be increased by an amount equal to CPI of 5.6% and for annual renewal and permit fees, an additional 2% increase above CPI.

Additionally, the Governing Board adopted a fund balance policy for the General Fund so that an amount equal to at least 20% of General Fund revenues is maintained in the combination of Assigned and Unassigned General Fund Balance. The policy serves to mitigate current and future risks related to potential revenue shortfalls and/or unanticipated expenditures.

Uncertain economic issues such as high inflation create challenges for South Coast AQMD. These challenges include global economic impacts and resulting fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability. Other challenges include changes in federal and state grant revenue funding levels, the need for major information technology and building infrastructure improvement projects, and annual variations in penalties and settlement revenue. South Coast AQMD staff will monitor funding sources, the retirement plan, and actual financial results on a continuous basis and is prepared to make timely resource allocation adjustments as warranted.

Major Initiatives

South Coast AQMD's Mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies. To carry out this mission, South Coast AQMD has developed the following goals:

- I. Achieve clean air standards.
- II. Enhance public education and equitable treatment for all communities.
- III. Operate efficiently and transparently.

During fiscal year 2023-24, South Coast AQMD advanced many projects which were particularly important to achieving our mission and goals, including: emissions reductions as specified in the 2022 Air Quality Management Plan; conduct air monitoring and implementation of community emission reduction plans for 2020 designated communities and implement plans for each of the five new communities; complete all Title V facilities inspections and support development of Cleaner Advanced Technology, development of enhanced emissions/ambient monitoring capabilities, increased communication between South Coast AQMD and all stakeholders, and internal business process improvement such as reducing the number of pending permit applications in the backlog.

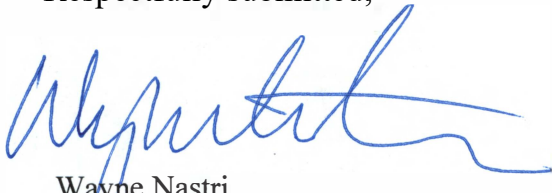
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Coast Air Quality Management District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of our annual comprehensive financial report was made possible by the dedicated services of the accounting, financial services, and management staff of the Finance Office. These members have our sincere appreciation for the contribution made in the preparation of this report.

Recognition is also given to the Governing Board for their leadership and support and to all employees of South Coast AQMD who continue their work to accomplish South Coast AQMD's mission to clean the air.

Respectfully submitted,



Wayne Natri
Executive Officer



Sujata Jain, CPA
Chief Financial Officer, Finance



Government Finance Officers Association

Certificate of
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Presented to

**South Coast Air Quality Management District
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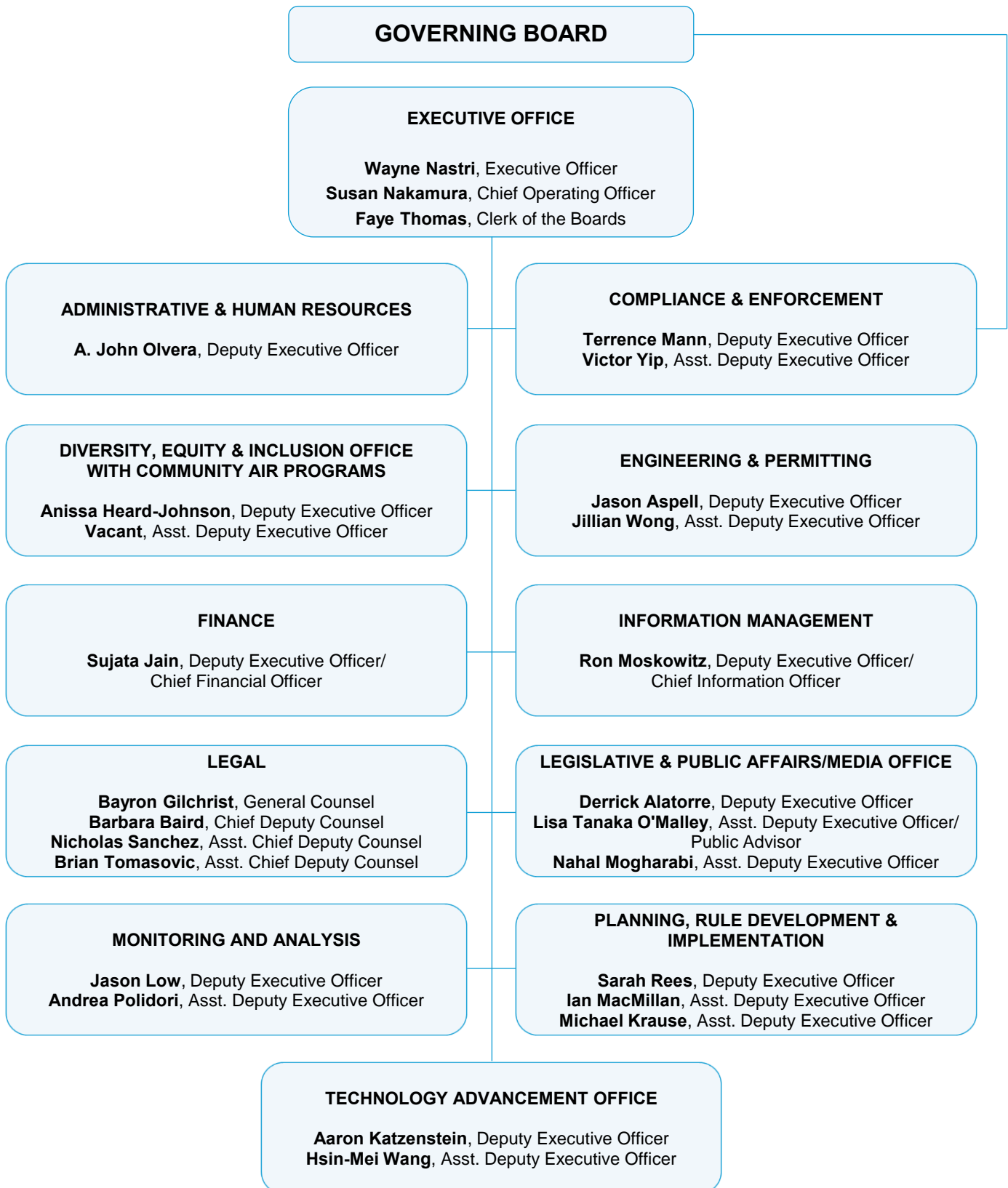
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

South Coast Air Quality Management District, California
Organizational Chart
June 30, 2024





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the South Coast Air Quality Management District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in note 1F to the financial statements, in 2024, the District adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Irvine, California
October 24, 2024

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

As management of the South Coast Air Quality Management District (South Coast AQMD), we offer readers of South Coast AQMD's financial statements this narrative overview and analysis of the financial activities of South Coast AQMD for fiscal year ended June 30, 2024. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

A. Financial Highlights

- Total assets and deferred outflows of resources of South Coast AQMD exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.4 billion (net position), an increase of \$315.9 million was the change in net position for the current year. The net position of \$1.4 billion consisted of: \$34.5 million net investment in capital assets; \$1.4 billion restricted for long-term emission-reduction projects; and a deficit of \$95.0 million unrestricted net position primarily due to a net pension liability of \$202.3 million.
- As of the close of the fiscal year, South Coast AQMD's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$304.3 million in comparison to the prior year. Of the \$1.5 billion combined ending fund balances, \$106.4 million represents the fund balance of the General Fund.
- Out of the general fund balance of \$106.4 million at the end of the fiscal year, \$85,547 was non-spendable, \$15.3 million was committed, \$6.1 million was assigned and \$84.8 million was unassigned, which is 43% of the general fund expenditures.
- South Coast AQMD's capital assets increased by \$2.2 million from the prior year.
- South Coast AQMD's long-term debt decreased by \$5.1 million or 19.1% of the long-term debt outstanding. This was primarily due to the increase of \$1.2 million in compensated absences offset by the decrease of \$2.0 million in workers compensation and reduction of pension obligation bonds of \$4.0 million. As of June 30, 2024, the pension obligation bonds were paid in full.
- South Coast AQMD's net pension liability decreased by \$7.7 million or 3.7% from the prior year. The decrease was primarily due to the change on the employer's proportionate share from 9.03% to 8.53%.
- Lease and SBITA liability increased by \$0.8 million from the prior year which was primarily due to the leased equipment.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

B. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to South Coast AQMD's basic financial statements. South Coast AQMD's basic financial statements have three components: 1) Government-wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements. This report also contains supplementary information in addition to the basic financial statements.

In general, the purpose of financial reporting is to provide the external parties that read financial statements with information that will help them make decisions or draw conclusions about an entity. In order to address the needs of as many parties as reasonably possible, South Coast AQMD, in accordance with required reporting standards, presents government-wide financial statements and fund financial statements.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of South Coast AQMD. These financial statements are constructed around the concept of a primary government and its component unit.

The government-wide financial statements are designed to provide readers with a broad overview of South Coast AQMD's finances in a manner similar to a private sector business. These financial statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position reports all assets and deferred outflows of resources held and liabilities and deferred inflows of resources owed by South Coast AQMD using the accrual basis of accounting which is similar to the accounting method used by most private sector companies. The difference between assets and liabilities is reported as net position. Over time increases or decreases in net position serve as a useful indicator of whether South Coast AQMD's financial position is improving or deteriorating.

The Statement of Activities presents information showing how South Coast AQMD'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 such as earned but unused vacation leave.

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. South Coast AQMD, like other state and local governments, uses fund accounting to ensure and demonstrate

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

compliance with finance-related legal requirements. All of the funds of South Coast AQMD are under governmental funds category.

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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Non-financial assets such as land and building and long-term liabilities such as pension obligation bonds payable or long term liabilities that will not be paid with current assets are excluded. Such information on available spendable resources may be useful in evaluating South Coast AQMD's near- term financing requirements. The Basic Governmental Fund Statements can be found under the Fund Financial Statements section of this report.

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 South Coast AQMD's near-term financing decisions. Information from the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances is used to facilitate the comparison between governmental funds and governmental activities. The reconciliation between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position can be found under the Fund Financial Statements section. The reconciliation of the total change in fund balances for all governmental funds to the change in net position can also be found under that same section.

South Coast AQMD maintains 46 individual special revenue funds, one debt service fund, one capital projects fund, and a blended component unit in addition to the General Fund. Three of the special revenue funds are considered major funds. The information for the major special revenue funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balances. Data for the other 43 nonmajor special revenue funds, debt service fund, capital projects fund and blended component unit are combined into a single, aggregated presentation. Individual fund data for each of the 43 nonmajor governmental funds, debt service fund, capital projects fund, and blended component unit, is reported in the Other Supplementary Information section of this report.

South Coast AQMD adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This is presented in the Required Supplementary Information (RSI) section of this report. Also, presented in RSI are

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

South Coast AQMD’s schedule of changes in net pension liability, schedule of changes in net OPEB liability, and schedules of contributions for pensions and OPEB.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a RSI section concerning the General Fund's budgetary comparison schedule and budgetary reconciliation. Also included in RSI are South Coast AQMD’s schedule of proportionate share of net pension liability, schedule of changes in net OPEB liability, and schedules of contributions for pensions and OPEB.

Individual fund data for each of the nonmajor governmental funds is included in the Other Supplementary Information section.

The Statistical section provides readers with information covering financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

C. Government-wide Financial Analysis

Our analysis focuses on the net position and changes in net position of South Coast AQMD’s governmental activity.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

The schedule below presents a condensed Statement of Net Position as of June 30, 2024 compared with the prior fiscal year.

**South Coast AQMD’s Net Position
(Amounts expressed in thousands)**

	Governmental Activities	
	<u>FY 2023-24</u>	<u>FY 2022-23</u>
Current and other assets	\$ 1,647,112	\$ 1,314,867
Capital assets	<u>39,749</u>	<u>37,537</u>
Total assets	<u>1,686,861</u>	<u>1,352,404</u>
Deferred outflow of resources-pension	87,881	82,240
Deferred outflow of resources-OPEB	<u>193</u>	<u>210</u>
Total deferred outflow of resources	<u>88,074</u>	<u>82,450</u>
Other liabilities	108,034	80,135
Long-term liabilities	<u>230,924</u>	<u>243,023</u>
Total liabilities	<u>338,958</u>	<u>323,158</u>
Deferred inflow of resources-pension	63,578	55,007
Deferred inflow of resources-OPEB	193	265
Deferred inflow of resources-long term receivables	17	-
Deferred inflow of resources-leases	<u>309</u>	<u>410</u>
Total deferred inflow of resources	<u>64,097</u>	<u>55,682</u>
Net Position:		
Net investment in capital assets	34,485	33,286
Restricted for:		
Restricted for long-term emission-reduction projects	1,432,416	1,134,392
Unrestricted	<u>(95,021)</u>	<u>(111,664)</u>
Total net position	\$ <u>1,371,880</u>	\$ <u>1,056,014</u>

As noted earlier, net position may serve over time as a useful indicator of South Coast AQMD’s financial position. At the close of the most recent fiscal year, South Coast AQMD’s assets exceeded liabilities by \$1.4 billion.

The largest portion of South Coast AQMD’s net position, \$1.4 billion, represents resources that are subject to external restrictions on how they may be used. The revenue in special revenue funds is restricted to expenditures for specific purposes. Approximately \$34.5 million of South Coast AQMD’s net position reflects its investment in capital assets, net of accumulated depreciation (e.g., land, buildings, equipment, and vehicles). South Coast AQMD uses these capital assets in carrying out its mission of protecting public health while being sensitive to the economic needs of local businesses.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

Consequently, these assets are not available for future spending. It should be noted that the resources needed to pay the long-term debt must be provided from other sources. The debt service installment schedules for the 2004 Pension Obligation Bonds were paid in full during fiscal year 2024.

The remaining portion of South Coast AQMD’s net position of governmental activities, a deficit of \$95.0 million, is unrestricted. The deficit is mainly due to the net pension liability. At the end of the current fiscal year, South Coast AQMD had a negative balance in the unrestricted categories of net position and positive fund balance in restricted and net investment in capital asset category.

The net position for governmental activities increased by \$315.9 million compared with the prior fiscal year. Most of the increase was due to program revenue for operating grants and subventions in long-term emission-reduction projects.

Program revenues increased by approximately \$282.5 million, 77.0% change from the prior year. This is largely due to an increase in state grant revenue of approximately \$229.9 million in long-term emission reduction projects. Larger Carl Moyer funding of \$58.4 million and Community Air Protection (CAP) AB 134 funding of \$187.1 million were received when compared with prior year. Overall General Revenue increased by \$3.6 million, compared with the prior fiscal year primarily due to higher interest revenue.

Expenses increased by \$6.3 million largely due to higher salaries and employee benefits for fiscal year 2023-24 as compared to fiscal year 2022-23.

A condensed Schedule of Changes in Net Position for the fiscal year ending June 30, 2024 compared with the prior fiscal year can be found on the following page.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

**South Coast AQMD's Changes in Net Position
(amount expressed in thousands)**

	<u>Governmental Activities</u>	
	<u>FY 2023-24</u>	<u>FY 2022-23</u>
Revenues:		
Program Revenues:		
Fees and charges – stationary sources	\$ 123,623	\$ 117,310
Fees and charges – mobile sources	31,231	29,309
Operating grants and subventions	464,436	220,132
General Revenues:		
Grants and subventions – not restricted to specific programs	2,745	2,821
Interest	6,620	3,723
One-time non-program penalties and settlements	6,820	6,007
Other revenues	2,355	2,382
Total revenues	<u>637,830</u>	<u>381,684</u>
Expenses:		
Advance clean air technology	15,609	13,898
Ensure compliance with clean air rules	53,139	52,819
Customer service and business assistance	11,802	13,898
Develop programs to achieve clean air	14,695	13,408
Develop rules to achieve clean air	17,095	15,885
Monitoring air quality	32,209	32,964
Timely review of permits	39,547	36,208
Policy support	415	836
Interest on long-term debt	231	353
Long-term emission reduction projects	137,223	135,414
Total expenses	<u>321,965</u>	<u>315,683</u>
Increase/(Decrease) in net position	<u>315,865</u>	<u>66,001</u>
Net position beginning	<u>1,056,014</u>	<u>990,013</u>
Net position ending	<u><u>\$ 1,371,879</u></u>	<u><u>\$ 1,056,014</u></u>

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

Governmental Activities

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

The Statement of Activities presents information showing how South Coast AQMD’s net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

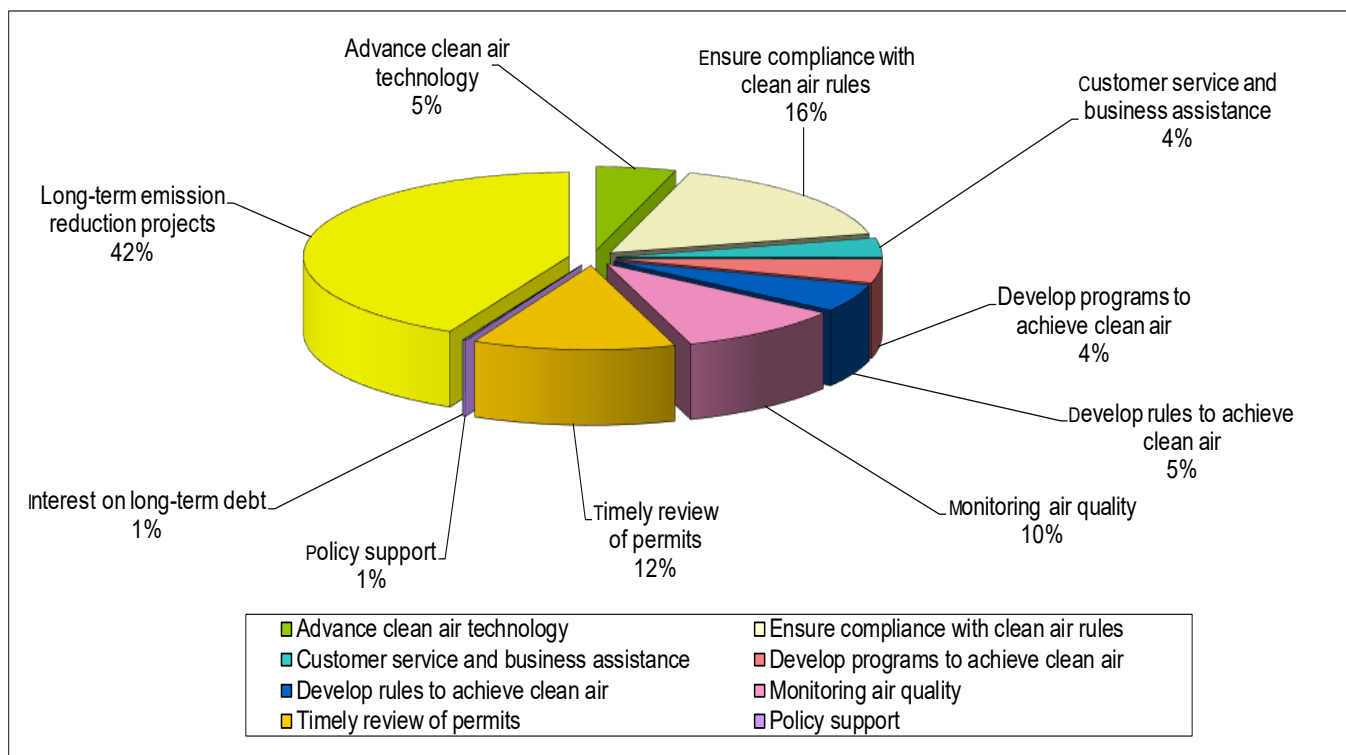
The Governmental activities of South Coast AQMD are predominantly supported by fees, grants, state subvention, penalties, and settlements. The penalties and settlements are one-time revenues which are over and above the regular revenues and not directly related to the programs. The governmental activities of South Coast AQMD are: Advance Clean Air Technology, Ensure Compliance with Clean Air Rules, Customer Service and Business Assistance, Develop Programs to Achieve Clean Air, Develop Rules to Achieve Clean Air, Monitoring Air Quality, Timely Review of Permits, Policy Support, Interest on Long-Term Debt, and Long-Term Emission Reduction Projects.

There was an increase in program revenues in the long-term emission reduction projects. The program revenues in the long-term emission reduction projects category are made up of revenues from special revenue funds. Following are the explanations of the significant revenue variances from fiscal year 2022-23 to fiscal year 2023-24:

- **Carl Moyer Program Fund** – This fund is to account for activities related to the administration of state funds set aside for the replacement of diesel-powered vehicles with cleaner-technology vehicles. In fiscal year 2023-2024, the state grant increased by \$58.3 million. South Coast AQMD received more funding as compared to prior fiscal year.
- **CAP AB 134 Fund** – This fund is to account for AB 617 CAP incentive funds. In fiscal year 2023-2024, the state grant increased by \$187.1 million. We did not receive any funding in prior fiscal year.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
EXPENSES BY ACTIVITY**

**Government Activities
FY 2023-24**

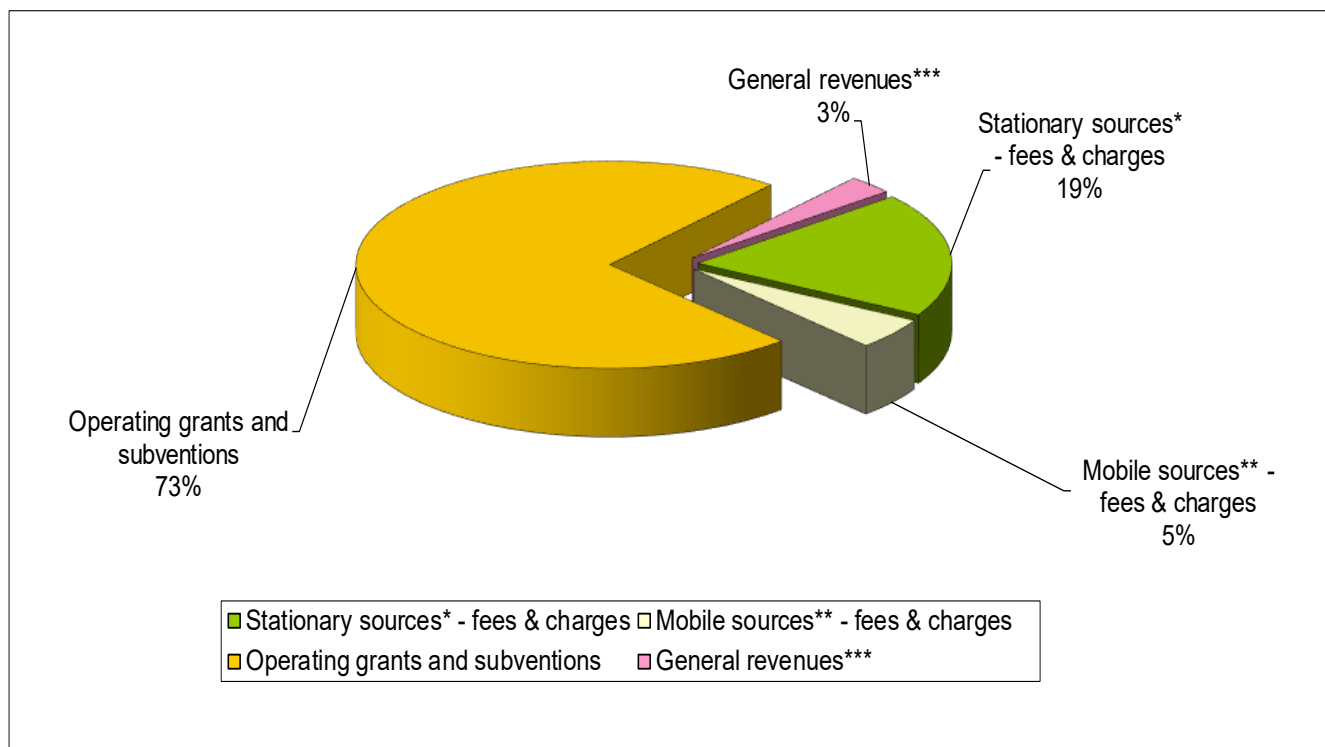


Activity	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Advance clean air technology	\$ 15,608,973	\$ 13,897,495	\$ 11,484,237	\$ 14,560,468	\$ 12,827,393	\$ 11,520,547
Ensure compliance with clean air rules	53,138,925	52,818,828	46,714,649	59,823,114	55,167,960	52,353,479
Customer service and business assistance	11,802,012	13,897,970	10,488,458	14,979,824	13,032,003	11,637,664
Develop programs to achieve clean air	14,694,946	13,408,190	12,387,784	15,522,501	12,471,639	9,407,869
Develop rules to achieve clean air	17,095,583	15,884,660	12,435,707	17,228,755	14,131,578	14,275,590
Monitoring air quality	32,209,013	32,963,667	29,106,009	36,114,354	31,910,536	26,547,245
Timely review of permits	39,546,541	36,208,322	31,042,335	38,832,790	35,511,594	33,951,378
Policy support	415,034	835,445	736,426	1,773,352	1,945,852	1,028,495
Interest on long-term debt	230,579	353,141	700,202	3,302,637	3,463,254	3,605,251
Long-term emission reduction projects	137,222,958	135,414,259	146,966,402	231,305,871	206,806,917	163,187,839
Total	\$321,964,564	\$315,681,977	\$302,062,209	\$433,443,666	\$387,268,726	\$327,515,357

Source: FY 2023-2024 Annual Comprehensive Financial Report Statement of Activities

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
REVENUES BY MAJOR SOURCE**

Government Activities
FY 2023-24



Source	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Stationary sources* - fees & charges	\$ 123,622,856	\$ 117,309,958	\$ 109,776,713	\$ 106,917,251	\$ 106,450,095	\$ 101,804,325
Mobile sources** - fees & charges	31,230,917	29,308,987	27,772,271	26,995,162	29,214,922	26,106,160
Operating grants and subventions	464,436,224	220,132,286	365,668,049	304,766,572	303,621,322	295,516,665
General revenues***	18,540,095	14,931,457	10,711,118	10,336,674	18,272,157	13,460,793
Total	\$ 637,830,092	\$ 381,682,688	\$ 513,928,151	\$ 449,015,659	\$ 457,558,496	\$ 436,887,943

* Stationary sources consist of refineries, power plants, manufacturing facilities and small businesses.

** Mobile sources are motorized vehicles that typically include automobiles, trucks, aircraft, ships, trains, and self-propelled construction equipment.

*** General Revenues include Penalties/Settlements, Interest, and dollars that are not restricted to specific stationary source programs.

Source: FY 2023-2024 Annual Comprehensive Financial Report Statement of Activities

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

The following schedule presents the cost of each South Coast AQMD program as well as each program's net cost (total cost less revenues generated by the activities):

GOVERNMENTAL ACTIVITIES

**Net (Expense) Revenue
(amounts expressed in thousands)**

	FY 2023-24	
	Total Cost of Program Activities	Net Cost of Program Activities
Advance clean air technology	\$ 15,609	\$ (1,555)
Ensure compliance with clean air rule	53,139	(1,296)
Customer service and business assistance	11,802	(254)
Develop programs to achieve clean air	14,695	(215)
Develop rules to achieve clean air	17,096	(404)
Monitoring air quality	32,209	(411)
Timely review of permits	39,547	(592)
Policy support	415	(7)
Interest on long-term debt	230	(230)
Long-term emission reduction projects	137,223	302,292
Total	\$ <u>321,965</u>	\$ <u>297,327</u>

The program activities are described as follows:

- **Advance Clean Air Technology** – Identify technologies from anywhere in the world that may have application in reducing emissions from mobile and stationary sources in South Coast AQMD's jurisdiction. Promote development and assess the use of clean fuels and low-emitting technologies. Implement and administer state- and federal-funded programs for retrofitting, re-powering, or replacing diesel engines with newer and cleaner engines and projects to reduce air pollution associated with freight movement along California's trade corridors.
- **Ensure Compliance with Clean Air Rules** – Perform inspections, source tests, sample collection, the certification of Continuous Emission Monitoring Systems (CEMS), emissions audits, and respond to and resolve public complaints to ensure compliance with South Coast AQMD rules for existing major and small stationary sources of all pollutants.
- **Customer Service and Business Assistance** – Provide local government, business, and the public with access and input into the regulatory and policy processes of South Coast AQMD. Assist cities and others with AB 2766 projects. Interact with local, state and federal agencies and others to share air quality information, resolve jurisdictional questions, and implement joint programs. Implement comprehensive public information, legislative and customer service programs.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

- **Develop Programs to Achieve Clean Air** - Develop a regional Air Quality Management Plan (AQMP) to achieve federal and state ambient air quality standards and to meet all other requirements of the federal and California Clean Air Acts. Analyze air quality data and provide an estimate of pollutant emissions by source category. Develop pollutant control strategies and project future air quality using computer models and statistical analysis of alternative control scenarios.
- **Develop Rules to Achieve Clean Air** - Develop emission reduction regulations for sulfur dioxide, nitrogen dioxide, organic gases, particulate matter, toxics, and other pollutants to implement the regional AQMP, Tanner Air Toxics Process (AB 1807), National Emission Standards for Hazardous Air Pollutants (NESHAPS), and Prevention of Significant Deterioration (PSD) requirements.
- **Monitoring Air Quality** - Operate and maintain within South Coast AQMD's jurisdiction a network of air quality monitoring sites for ozone, nitrogen oxides, sulfur oxides, particulate matter, carbon monoxide and other pollutants to obtain data regarding public exposure to air contaminants. Analyze, summarize, and report air quality information generated from the monitoring sites. Prepare meteorological forecasts and models.
- **Timely Review of Permits** - Ensure timely processing of permits for new sources based on compliance with New Source Review and other applicable local, state and federal air quality rules and regulations.
- **Policy Support** - Provide support staff to the Governing Board, Board committees, and various advisory and other groups as well as ad hoc committees and Rule working groups. Monitor potential changes to state and federal legislation and budgets that may affect South Coast AQMD.
- **Interest on Long-Term Debt** - Identify the cost of borrowing on Pension Obligation Bonds to partially retire the Unfunded Actuarial Accrued Liability (UAAL) due to San Bernardino County Employees' Retirement Association (SBCERA).
- **Long-term Emission Reduction Projects** - Generate funding for long-term projects that reduce emissions in the South Coast Air Basin. Funding for special funds activities are recognized when received and projects carried out may extend over multiple fiscal years.

D. Financial Analysis of South Coast AQMD's Funds

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

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

Governmental Funds

The focus of South Coast AQMD's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing South Coast AQMD's 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 fiscal year, South Coast AQMD's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$304.3 million in comparison with the prior year. Approximately 93.1% of these fund balances (\$1.4 billion) constitutes the portion pertaining to special revenue funds. Expenditures under these funds are restricted for specific purposes. The long-term contractual commitments related to these special fund programs, such as replacement of diesel- fueled trucks, involve multiple-year spending.

- **The General Fund** is the operating fund of South Coast AQMD. At the end of the fiscal year, the total fund balance of the General Fund was \$106.4 million. The unassigned fund balance was \$84.8 million or 79.8% of the total fund balance; assigned was \$6.1 million or 5.8% of the total fund balance. The assigned amount represents South Coast AQMD's intended use of the financial resources in future periods. One measure of the General Fund's liquidity is the comparison of both assigned and unassigned fund balance to total expenditures. The assigned and unassigned fund balance represent 45.7% of total General Fund expenditures, while total fund balance represents 53.5% of the total General Fund expenditures. In the General Fund, the assigned and unassigned fund balance may serve as a useful measure of South Coast AQMD's net resources available for spending at the end of the fiscal year.

General Fund's revenue increased in fiscal year 2023-24 by \$11.8 million as compared to prior fiscal year. This increase is primarily due to an increase in annual renewal fees and interest revenue.

Overall, General Fund's expenditures increased in fiscal year 2023-24 by \$14.1 million primarily due to higher salaries and employee benefit expenditures as compared to prior fiscal year. This is due primarily to increased cost associated with the labor agreement, increased cost in retirement plan contribution, and adding positions.

Fund balance changes in other major governmental funds are noted below:

- **Carl Moyer Program (CMP) Fund** – The fund balance increased by \$78.6 million due to revenues exceeding expenditures. This fund recognized \$91.9 million in state grant revenue that was offset by contract and special service expenditures. Many of

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

the contracts executed in this special revenue fund are multi-year expenditures and expenditures can vary significantly from year to year.

- **CAP AB 134 Fund** – The fund balance increased by \$181.4 million due to revenues exceeding expenditures. This fund recognized \$187.1 million in state grant revenue that was offset by contract and special service expenditures. Many of the contracts executed in this special revenue fund are multi-year expenditures and expenditures can vary significantly from year to year.
- **CMP AB 923 Fund** – The fund balance increased by \$10.3 million due to revenues exceeding expenditures in fiscal year 2023-24. In fiscal year 2023-24, this fund recognized \$26.9 million in state grant revenue that was offset by contract and special service expenditures. Many of the contracts executed in this special revenue fund are multi-year and expenditures can vary significantly from year to year.

E. General Fund Budgetary Highlights

Overall, the fiscal year 2023-24 Adopted Budget represented a \$7.2 million (3.8%) increase in expenditures over the fiscal year 2022-23 Adopted Budget. The fiscal year 2023-24 Adopted Budget increased due to adding forty positions, cost increases associated with the labor agreement and an increase in retirement contribution rates. On a budgetary basis, actual fiscal year 2023-24 General Fund revenues/transfers-in exceeded expenditures/transfers out by \$2.7 million.

South Coast AQMD adopts an annual operating budget for the General Fund. During budget preparation, South Coast AQMD estimates its revenues using realistic but conservative methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, South Coast AQMD adopts budget amendments during the fiscal year to reflect availability of additional revenues for expansion of existing programs and any budget transfers between major accounts.

The fiscal year 2023-24 Amended Budget compared to the Adopted Budget reflected an increase in appropriations of \$15.2 million. The changes to the budget were the result of Governing Board actions that allocated additional funding after the budget was adopted. Also, changes can be attributed to the Governing Board's approved use of unassigned fund balance for program needs that were unknown at the time the budget was developed.

Additional funding was appropriated during fiscal year 2023-24 from the following:

CARB - \$1,508,000 of AB 617 funding to develop an air monitoring plan for the state and then select the highest priority locations for community air monitoring systems.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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EPA - \$2,678,000 for the following programs: PM 2.5 Monitoring, Photochemical Assessment Monitoring Stations (PAMS), Science to Achieve Results (STAR) research grant for low-cost air monitoring sensors, the National Air Toxics Monitoring Program, Enhanced Particulate Monitoring Programs, Community Scale Air Toxics Mobile Monitoring, and NASA Citizen Science Program to deploy low-cost PM sensors.

Rule 1180 Special Revenue Fund - \$700,000 for the installation and operation of community air monitoring stations near refineries.

Clean Fuels Program Fund - \$2,171,000 for the MATES IV programs of air toxics measurements.

F. Capital Assets and Debt Administration

Capital Assets

South Coast AQMD's investment in capital assets is for its governmental activities. The book value was \$39.8 million (net of accumulated depreciation of \$118.3 million) as of June 30, 2024. This investment in capital assets includes land, buildings, laboratory equipment, air monitoring stations, intangible assets (internally generated software), South Coast AQMD fleet vehicles, leased buildings, leased equipment, and subscriptions. Depreciation and amortization on capital assets is recognized in the Government-wide financial statements.

Additional information on the capital assets can be found in Note V under the Notes to the Basic Financial Statements section.

Long-Term Debt

At the end of the current fiscal year, South Coast AQMD had total long-term debt outstanding of \$21.8 million, including the current portion of \$2.4 million. Out of the \$21.8 million long-term debt, \$20.3 million represents compensated absences and general liability claims and workers' compensation claims payable of \$3.8 million.

Additional information on South Coast AQMD's long-term debt can be found in Note VII under the Notes to the Basic Financial Statements section of this report.

G. Economic Factors and Next Year's Budget and Rates

The fiscal year 2024-25 expenditure budget slightly decreased by 0.5% compared to the fiscal year 2023-24 Amended Budget. The budget reflects a decrease of \$97 thousand in expenditures from the fiscal year 2023-24 Amended Budget and a \$15.1 million increase from the fiscal year 2023-24 Adopted Budget. The increase in expenditures from the fiscal year 2023-24 Adopted Budget can be attributed to increase in salary and employee benefits due to the labor agreements approved in FY 2023-24 and increase in the capital

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

outlays and the professional and special services. The FY 2024-25 Adopted Budget also reflected a transfer out to the Debt Service Fund, which is intended to satisfy a potential funding gap in future retirement costs.

In fiscal year 2024-25 revenues are projected to increase by approximately \$13.2 million from the fiscal year 2023-24 Adopted Budget. The increase in revenue can be attributed to a 3.5% CPI fee increase in most stationary source fees and steady progress on the implementation of the Volkswagen Mitigation Action, AB 617 and CAPP (incentive) programs. Nevertheless, in recent years, South Coast AQMD's revenues have not kept pace with program costs mainly due to increases in retirement rates as the result of market losses to the retirement system's investments.

Moreover, since fiscal year 1991-92, the South Coast AQMD has reduced staffing and program costs despite increased program requirements. The fiscal year 2024-25 expenditure budget is \$211.4 million and includes 1,008 authorized positions. Compared to fiscal year 1991-92, this reflects a reduction of 13% in authorized positions. Program costs, however, will exceed the fiscal year 1991-92 budget by \$98.4 million (approximately 87%). Using inflation-adjusted dollars, however, this year's budget request is 1% less than the budget approved in fiscal year 1991-92.

H. Requests for Information

This financial report is designed to provide a general overview of South Coast AQMD's finances for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91765-4182.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,479,386,619
Investments	127,239,421
Interest receivable	14,963,507
Due from other governmental agencies	17,377,709
Accounts receivable, net	7,717,409
Lease receivable	330,051
Inventories	97,690
Total current assets	<u>1,647,112,406</u>
Noncurrent Assets:	
Capital assets not being depreciated:	
Land	8,829,792
Capital assets, net of accumulated depreciation/amortization:	
Buildings and improvements	4,935,778
Intangibles (software)	9,809,101
Equipment, vehicles and furniture	11,529,842
Leased buildings	959,310
Leased equipment	2,213,635
Subscription assets	1,471,051
Total noncurrent assets	<u>39,748,509</u>
TOTAL ASSETS	<u>1,686,860,915</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources-pension	87,880,927
Deferred outflow of resources-OPEB	193,644
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>88,074,571</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	35,022,360
Interest payable	24,860
Salaries and benefits payable	12,832,797
Unearned revenue	60,171,796
Long term debt - due within one year	2,433,416
Lease and subscription liability - due within one year	1,600,941
Total current liabilities	<u>112,086,170</u>
Noncurrent liabilities - due in more than one year:	
Long term debt	19,388,815
Net pension liability	202,290,111
Net OPEB liability	2,375,000
Lease and subscription liability	2,835,959
Total noncurrent liabilities	<u>226,889,885</u>
TOTAL LIABILITIES	<u>338,976,055</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources-pension	63,577,699
Deferred inflow of resources-OPEB	193,000
Deferred inflow of resources-leases	309,358
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>64,080,057</u>
NET POSITION	
Net investment in capital assets	34,484,800
Restricted for:	
Long-term emission-reduction projects	1,432,415,844
Unrestricted	(95,021,270)
TOTAL NET POSITION	<u>\$ 1,371,879,374</u>

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/ Programs	Program Revenues				Net (Expense)
	Expenses	Fees and Charges		Operating Grants and Subventions	Revenue and
		Stationary Sources **	Mobile Sources		Changes in Net
					Governmental Activities **
Governmental Activities:					
Advance clean air technology	\$ 15,608,973	\$ -	\$ 13,931,497	\$ 122,152	\$ (1,555,324)
Ensure compliance with clean air rules	53,138,925	45,530,981	2,893,758	3,418,384	(1,295,802)
Customer service and business assistance	11,802,012	7,900,068	2,186,824	1,460,510	(254,610)
Develop programs to achieve clean air	14,694,946	6,683,078	2,970,848	4,825,632	(215,388)
Develop rules to achieve clean air	17,095,583	12,544,188	2,701,716	1,445,396	(404,283)
Monitoring air quality	32,209,013	12,783,452	6,347,598	12,665,966	(411,997)
Timely review of permits	39,546,541	37,971,486	-	983,098	(591,957)
Policy support	415,034	209,603	198,676	-	(6,755)
Interest on long-term debt	230,579	-	-	-	(230,579)
Long-term emission reduction projects *	137,222,958	-	-	439,515,086	302,292,128
Total governmental activities	\$ 321,964,564	\$ 123,622,856	\$ 31,230,917	\$ 464,436,224	\$ 297,325,433

General Revenues **

Grants and subventions - not restricted to specific stationary source program:	2,745,349
Interest	6,620,336
One time non-program penalties and settlements***	6,819,690
Other	<u>2,354,720</u>
Total general revenues and transfers	<u>18,540,095</u>
Change in net position	315,865,528
Net position - July 1, 2023	<u>1,056,013,846</u>
Net position - June 30, 2024	\$ <u><u>1,371,879,374</u></u>

* Long-term emission reduction projects consist of pass-through and/or one-time or limited duration funding sources that are restricted for specific programs such as Carl Moyer Program Fund, Clean Fuels Program Fund, Mobile Sources Air Pollution Reduction Fund and the Air Quality Investment Fund.

** General Revenue and excess Stationary Source Fees are used to offset a portion of the Permit Processing shortfall.

*** Penalties and settlement are one-time revenues which are over and above the regular revenues and not directly related to the programs.

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2024

<u>Assets</u>	General Fund	Carl Moyer Program Fund	CAP AB 134 Fund	CMP AB 923 Fund	Other Governmental Funds	Total
Cash and cash equivalents	\$ 128,414,467	\$ 263,986,754	\$ 294,474,915	\$ 147,338,078	\$ 645,172,405	\$ 1,479,386,619
Investments	49,022,430	-	-	19,530,965	58,686,026	127,239,421
Interest receivable	1,359,180	2,408,946	2,901,877	1,639,225	6,653,597	14,962,825
Due from other governmental agencies	3,976,060	-	-	4,602,291	8,799,358	17,377,709
Due from other funds	2,950,499	-	-	-	7,049,665	10,000,164
Accounts receivable, net	2,175,495	-	-	-	5,541,914	7,717,409
Lease receivable	330,051	-	-	-	-	330,051
Inventories	97,690	-	-	-	-	97,690
Total assets	<u>\$ 188,325,872</u>	<u>\$ 266,395,700</u>	<u>\$ 297,376,792</u>	<u>\$ 173,110,559</u>	<u>\$ 731,902,965</u>	<u>\$ 1,657,111,888</u>
<u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 8,669,692	\$ 5,196,009	\$ 3,733,168	\$ 5,443,066	\$ 11,980,425	\$ 35,022,360
Salaries and benefits payable	12,832,797	-	-	-	-	12,832,797
Due to other funds	-	276,133	413,369	28,905	9,281,757	10,000,164
Unearned revenue	60,154,457	-	-	-	-	60,154,457
Total liabilities	<u>81,656,946</u>	<u>5,472,142</u>	<u>4,146,537</u>	<u>5,471,971</u>	<u>21,262,182</u>	<u>118,009,778</u>
<u>Deferred Inflow of Resources:</u>						
Long-term receivables	-	-	-	-	17,340	17,340
Lease	309,358	-	-	-	-	309,358
	<u>309,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,340</u>	<u>326,698</u>
Fund Balances:						
Nonspendable	97,689	-	-	-	-	97,689
Restricted	-	260,923,558	293,230,255	167,638,588	401,194,127	1,122,986,528
Committed	15,276,812	-	-	-	30,408,528	45,685,340
Assigned	6,149,673	-	-	-	279,020,788	285,170,461
Unassigned	84,835,394	-	-	-	-	84,835,394
Total fund balances	<u>106,359,568</u>	<u>260,923,558</u>	<u>293,230,255</u>	<u>167,638,588</u>	<u>710,623,443</u>	<u>1,538,775,412</u>
Combined liabilities, deferred inflow of resources and fund balances	<u>\$ 188,325,872</u>	<u>\$ 266,395,700</u>	<u>\$ 297,376,792</u>	<u>\$ 173,110,559</u>	<u>\$ 731,902,965</u>	<u>\$ 1,657,111,888</u>

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balances – total governmental funds	\$ 1,538,775,412
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. These capital assets net of accumulated depreciation are reported in the Statement of Net Position as capital assets of South Coast AQMD as a whole.	39,748,509
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Deferred outflows of resources are not current financial resources and therefore are not reported in the Governmental Fund Balance Sheet.	88,074,571
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Interest payable on long-term debt, lease, and SBITA do not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(24,860)
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Interest receivable on lease does not require current financial resources. Therefore, interest receivable is not reported as a receivable in Government Fund Balance Sheet.	682
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Long-term liabilities and deferred inflows are not due and payable in the current period and accordingly are not reported as fund liabilities and deferred inflows. All liabilities and deferred inflows of resources, both current and long-term, are reported in the Statement of Net Position.

Net pension liability	(202,290,111)
Net OPEB liability	(2,375,000)
General liability	(9,790)
Workers' compensation	(1,464,038)
Compensated absences	(20,348,403)
Lease liability	(4,436,900)
Deferred inflows of resources related to pension and OPEB	(63,770,699)
Net position of governmental activities	\$1,371,879,374

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General	Carl Moyer	CAP	CMP	Other	
	Fund	Program	AB 134	AB 923	Governmental	Total
Revenues:	Fund	Fund	Fund	Fund	Funds	
Emission fees	\$ 21,380,049	\$ -	\$ -	\$ -	\$ -	\$ 21,380,049
Annual renewal fees	76,945,135	-	-	-	-	76,945,135
Area Sources	2,190,750	-	-	-	-	2,190,750
Permit processing fees	19,194,955	-	-	-	-	19,194,955
Mobile sources/clean fuels	30,136,169	-	-	26,852,990	26,568,271	83,557,430
Air Toxics "Hot Spots"	2,662,910	-	-	-	501,220	3,164,130
Transportation programs	1,094,749	-	-	-	-	1,094,749
State subvention	3,804,905	-	-	-	-	3,804,905
Federal grant	8,849,529	-	-	-	1,073,399	9,922,928
State grant	15,012,053	91,892,671	187,116,693	-	30,593,946	324,615,363
Interest revenue	6,620,336	7,841,134	6,704,035	6,666,377	28,466,978	56,298,860
Lease revenue	107,860	-	-	-	-	107,860
Source test/analysis fees	430,590	-	-	-	-	430,590
Hearing Board fees	818,469	-	-	-	-	818,469
Penalties and settlements	6,819,691	-	-	-	40,000	6,859,691
Other revenues	2,246,860	-	-	-	25,201,126	27,447,986
Total revenues	198,315,010	99,733,805	193,820,728	33,519,367	112,444,940	637,833,850
Expenditures:						
Current:						
Salaries and employee benefits	159,688,983	-	-	-	-	159,688,983
Insurance	2,288,753	-	-	-	-	2,288,753
Rent	382,239	-	-	-	-	382,239
Supplies	3,634,204	-	-	-	-	3,634,204
Contract and special services	9,951,696	21,060,758	12,365,265	23,216,655	79,815,479	146,409,853
Maintenance	2,103,225	-	-	-	-	2,103,225
Travel and auto	846,647	-	-	-	-	846,647
Utilities	1,985,398	-	-	-	-	1,985,398
Communications	875,776	-	-	-	-	875,776
Uncollectible accounts	923,584	-	-	-	4,808	928,392
Other expenditures	1,098,780	-	-	-	763,747	1,862,527
Capital outlay	6,357,220	-	-	-	-	6,357,220
Capital outlay - lease and SBITA	2,653,290	-	-	-	-	2,653,290
Debt service:						
Principal	4,010,000	-	-	-	-	4,010,000
Interest	118,896	-	-	-	-	118,896
Lease and SBITA Principal	1,800,730	-	-	-	-	1,800,730
Lease and SBITA Interest	225,421	-	-	-	-	225,421
Total expenditures	198,944,842	21,060,758	12,365,265	23,216,655	80,584,034	336,171,554
Excess (deficiency) of revenues over (under) expenditures before transfers	(629,832)	78,673,047	181,455,463	10,302,712	31,860,906	301,662,296
Other Financing Sources (uses):						
Transfers in	6,268,042	-	-	-	6,350,000	12,618,042
Transfers out	(2,000,000)	(100,000)	(100,000)	-	(10,418,042)	(12,618,042)
Leases and SBITA	2,653,290	-	-	-	-	2,653,290
Total other financing sources (uses)	6,921,332	(100,000)	(100,000)	-	(4,068,042)	2,653,290
Net change in fund balance	6,291,500	78,573,047	181,355,463	10,302,712	27,792,864	304,315,586
Fund balances, July 1, 2023, as previously reported	100,068,068	182,350,511	-	157,335,876	794,705,371	1,234,459,826
Change from nonmajor to major fund	-	-	111,874,792	-	(111,874,792)	-
Fund balance, July 1, 2023, as adjusted	100,068,068	182,350,511	111,874,792	157,335,876	682,830,579	1,234,459,826
Fund balances, June 30, 2024	\$ 106,359,568	\$ 260,923,558	\$ 293,230,255	\$ 167,638,588	\$ 710,623,443	\$ 1,538,775,412

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Net change in fund balances – total governmental funds	\$ 304,315,586
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount of capital outlays recorded in the current period.	9,010,510
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Depreciation and amortization expenses on capital assets are reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation or amortization expenses are not reported as expenditures in governmental funds.	(6,782,432)
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Pension expense is reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources.	(33,199,518)
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Pension contribution made by employer in current fiscal year reduce the net pension liability and do not require current resources.	37,949,166
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OPEB expense is reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources.	(31,464)
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OPEB contribution made by employer in current fiscal year reduce the net OPEB liability and do not require current resources.	193,644
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Repayment of bond principal is an expenditure in the governmental funds. For South Coast AQMD as a whole, principal payments reduce the liabilities in the Government-wide Statement of Net Position and do not result in an expense in the Statement of Activities and Changes in Net Position.	4,010,000
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Accrued interest expense on long-term debt, lease, and SBITA are reported in the Government-wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in governmental funds. The amount represents the change in accrued interest from the prior year.	113,733
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The issuance of long-term debt related to lease and SBITA provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of lease and SBITA principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.	(844,164)
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Interest receivable on lease is reported in the Government-wide Statement of Activities and Changes in Net Position, but do not require current resources.	(277)
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Long-term compensated absences and general liability/workers' compensation claims are reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, they are not reported as expenditures in governmental funds. The following amounts represent the change from the prior year:

Compensated absences	(1,226,734)
General and auto liability/workers' compensation claims	2,357,478

Change in net position of governmental activities	\$ 315,865,528
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See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The South Coast Air Quality Management District (South Coast AQMD) was established pursuant to the Lewis Air Quality Management Act on February 1, 1977, commencing at Section 40400 of the Health and Safety Code of the State of California. South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino, and Riverside Counties. South Coast AQMD operates a network of air monitoring stations, analyzes air quality data and establishes maximum emission levels for stationary, commercial, and industrial facilities that are enforced through South Coast AQMD's permit system.

As defined by Generally Accepted Accounting Principles (GAAP) in the United States of America that are established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government and its component units, which are legally separate organizations. The financial statements of South Coast AQMD are prepared in accordance with GAAP.

The accompanying financial statements present the financial activities of South Coast AQMD (primary government) and its blended component unit, South Coast Air Quality Management District Building Corporation (Corporation), an entity for which South Coast AQMD is considered to be financially accountable. Legally separate from South Coast AQMD and as a tax-exempt entity, the Corporation is reported as a governmental fund.

The Corporation was incorporated as a nonprofit corporation under the laws of the State of California on September 21, 1978. The purpose of the Corporation is to finance the acquisition and improvement of a building complex/headquarters of South Coast AQMD. South Coast AQMD Governing Board approves the appointment of the Corporation's Board of Directors. South Coast AQMD has had significant transactions with the Corporation for the construction and improvement of South Coast AQMD's headquarters facility. It is legally separate from South Coast AQMD and a tax-exempt entity under Section 501(c)(4) of the Internal Revenue Code.

Separate financial statements for the Corporation may be obtained from South Coast AQMD's Finance Office located at 21865 Copley Drive, Diamond Bar, California 91765.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of South Coast AQMD are composed of the following:

- Government-wide financial statements
- Governmental fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) present summaries of governmental activities of South Coast AQMD as a whole. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of South Coast AQMD's assets and liabilities including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. Revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reporting them as expenditures. Proceeds of long-term debt are also recorded in the government-wide financial statements as a liability, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

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

The types of transactions reported as program revenues are reported in three categories: 1) fees and charges including stationary source fees from permitted facilities and mobile source fees from motor vehicle registrations; 2) operating grants and subventions that are in support of air pollution program activities; and 3) long-term emission reduction projects which include capital grants and contributions which are mostly restricted. Program expenses are subtracted from program revenues to present the net cost of each functional activity. Interest income and other miscellaneous items not properly included among program revenues are reported as general revenues.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

South Coast AQMD's functional activities are broken down into the following ten categories:

- Advance clean air technology
- Ensure compliance with clean air rules
- Customer service and business assistance
- Develop programs to achieve clean air
- Develop rules to achieve clean air
- Monitoring air quality
- Timely review of permits
- Policy support
- Interest on long-term debt, and
- Long-term emission reduction projects

When both restricted and unrestricted resources are available for use, it is South Coast AQMD's policy to use restricted resources first within the restricted activities, then use the unrestricted resources as they are needed.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34.

South Coast AQMD has presented all major funds that met those qualifications. These major funds are Carl Moyer Program (CMP) Fund, CAP AB 134 Fund, and CMP AB 923 Special Revenue Fund in addition to the General Fund.

A reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences as a result of the integrated approach of GASB Statement No. 34 reporting.

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

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

financing uses) in net current assets. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. They are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, South Coast AQMD considers revenues to be available if they are collected generally within 90 days after year-end to be available to finance the expenditures accrued for the reporting period. The primary revenue sources which have been treated as susceptible to accrual by South Coast AQMD are as follows: emissions flat fees, permit fees, air toxics “Hot Spots” fees, and source test/analysis fees from stationary sources; clean fuels revenues from stationary sources; federal and state grants under grants and subventions and interest under general revenues. All other revenue items are recorded when received in cash. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for debt service expenditures, as well as expenditures related to compensated absences, which are recognized when payment is due.

Amounts expended to acquire capital assets are recorded as capital outlay expenditures in the year that resources were expended rather than recording them as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as fund liability. Amounts paid to reduce long-term indebtedness are reported as debt service expenditures.

C. Fund Types and Major Funds

As noted earlier, the funds designated as major funds are determined in accordance with GASB Statement No. 34

South Coast AQMD reports the following major governmental funds:

General Fund – This is the primary operating fund of South Coast AQMD and is used to record transactions relating to its general business operations. It is also used to account for all revenues and expenditures that are not required to be accounted for in another fund.

Special Revenue Funds – These funds are used to record transactions applicable to specific revenue sources that are legally restricted to expenditures for specific purposes. The following are South Coast AQMD’s major special revenue funds:

- Carl Moyer Program Fund – Established in fiscal year 1999 to account for activities related to the administration of state funds set aside for the replacement of diesel-powered vehicles with cleaner-technology vehicles. It has funded over 9,100 vehicles totaling over \$731 million. The Carl Moyer Program provides

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

incentive funds for the replacement of diesel-fueled on-road vehicles such as refuse haulers, heavy duty trucks, transit and school buses, off-road vehicles such as agricultural and construction equipment, marine vessels and supporting charging infrastructure.

- CAP AB 134 Fund - Established in fiscal year 2018 to recognize the first allocation of AB 617 CAP incentive funds (AB 134 revenue) from California Air Resources Board (CARB). This fund will also be used to recognize additional CAP incentive funds awarded and received by CARB. These funds are intended to implement projects that are identified in approved AB 617 Community Emissions Reduction Plans and in other communities that are disproportionately impacted by air pollution. Requirements for expenditure of these funds will be specified in the grant agreements provided by CARB.
- CMP AB 923 Fund - Established in fiscal year 2008 to provide additional funding for the Carl Moyer Program using revenue received from new tire and DMV motor vehicle registration fees. AB 923 expanded the Carl Moyer incentive program to include agricultural sources of air pollution as well as cars and light-duty trucks. The program is intended to fund Moyer-eligible projects that will reduce nitrogen oxide, hydrocarbon, and particulate matter emissions. About \$4 million per year in AB 923 funds are used to fund projects as match requirement to the Carl Moyer Program.

D. Assets, Liabilities, and Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Pooled Cash, and Investments

Cash includes amounts to conduct daily operations of South Coast AQMD in demand deposits with the Los Angeles County Treasurer and various financial institutions. South Coast AQMD deposits virtually all of its cash with the Treasurer of the County of Los Angeles. South Coast AQMD's deposits, along with funds from other local agencies such as the county government, other school districts, and special districts, make up a pool, which the Los Angeles County Treasurer manages for investment purposes. Earnings from the pooled investments are allocated to participating funds based on average investments in the pool during the allocation period.

All South Coast AQMD directed investments are to diversify South Coast AQMD's investments and are in compliance with South Coast AQMD's investment policy and Los Angeles County Treasury investment guidelines. The guidelines limit specific investments to United States Agency securities. The South Coast AQMD securities portfolio is held by the Los Angeles County

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made. All South Coast AQMD investments are stated at fair value based on quoted market prices.

2. Capital Assets and Depreciation/Amortization

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government- wide financial statements. No long-term capital assets or depreciation/amortization are shown in the governmental funds financial statements.

Capital assets, which include land, equipment, vehicles, furniture, buildings and improvements, software and other intangible assets are reported at cost (except for lease and subscription assets, the measurement of which is discussed in Note I Section D.10). Donated capital assets are recorded at the acquisition value at the date of receipt. Capital asset purchases with values of at least \$5,000 and with an expected useful life of three years or more are capitalized.

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Assets disposed of or no longer required for its existing use are removed from the records at actual or estimated cost.

Depreciation/amortization is charged as an expense against operations, and accumulated depreciation/amortization is reported on the respective balance sheet. The tangible and intangible property, plant, equipment, vehicles, furniture, leased equipment and buildings, and subscription assets of South Coast AQMD are depreciated/amortized using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-30
Equipment, vehicles and furniture	5-7
Software and systems	3-10
Leased equipment	5-7
Leased buildings	15-30
Subscription Assets	3-5

3. Inventories

Inventories as determined by annual physical counts are valued at cost using the first-in/first-out (FIFO) method. They consist principally of office, computer,

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

cleaning and laboratory supplies. The cost is recorded as an expense as inventory items are consumed.

4. Compensated Absences

Regular full-time employees accumulate earned but unused vacation time, sick leave, compensatory time, and other leave time. Certain restrictions apply with respect to the accumulation of leave time and its payment at termination. All vacation, sick leave, compensatory time, and other leave time are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

5. Self-Insurance

South Coast AQMD is self-insured for general, automobile, and workers' compensation liabilities (See note VIII).

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of the San Bernardino County Employees' Retirement Association (SBCERA) and Los Angeles County Employees' Retirement Association (LACERA) and additions to/deductions from SBCERA's fiduciary net position have been determined on the same basis as they are reported by SBCERA and LACERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

9. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the LACERA's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value, which are derived from quoted market prices.

10. Leases and Subscription-Based Information Technology Arrangements (SBITA)

Lessee

South Coast AQMD is a lessee for noncancellable leases of building, air monitoring space, and equipment. South Coast AQMD recognizes lease liability and intangible lease asset in the government-wide financial statements. South Coast AQMD recognizes lease liabilities for leases with an initial value or \$5,000 or more.

South Coast AQMD initially measures the lease liability at the present value of payments expected to be made during the lease term and subsequently reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payment made at or before the lease commencement date. The lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are expected to significantly impact the lease liability.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

South Coast AQMD uses incremental borrowing rate as the discount rate for leases that do not have implicit interest rate.

Lessor

South Coast AQMD is a lessor for noncancellable leases of building. South Coast AQMD recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

South Coast AQMD initially measures the lease receivable at the present value of payments expected to be received during the lease term and is subsequently reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Deferred inflow of resources is recognized as revenue over the life of the lease term. Remeasurement of lease receivable and deferred inflows of resources occurs when there are modifications that are expected to significantly impact the lease receivable.

South Coast AQMD uses the incremental borrowing rate as the discount rate for leases.

Subscription-Based Information Technology Arrangements (SBITA)

South Coast AQMD recognizes subscription liabilities and intangible subscription assets with related accumulated amortization in the government-wide financial statements. South Coast AQMD recognizes subscription liabilities with an initial, individual value of \$50,000 or more with a subscription term greater than one year.

South Coast AQMD initially measures the subscription liability at the present value of payments expected to be made during the subscription term, and subsequently reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payment made at or before the subscription commencement date, less any incentives received. Subscription asset is amortized on a straight-line basis over the shorter of the subscription term or its useful life. Remeasurement of a subscription liability occurs when there is a change in the term and/or other changes that are expected to significantly impact the subscription liability.

South Coast AQMD uses incremental borrowing rate as the discount rate for SBITA that do not have implicit interest rate.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

11. Net Position and Fund Balance Classifications

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources on the government-wide financial statements. Net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure and intangibles, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions enabling legislation.

Unrestricted Net Position

This category represents the residual net position of South Coast AQMD in excess of what can properly be classified in one of the other two categories mentioned above.

Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise hierarchy that is based primarily on the extent to which South Coast AQMD is bound to honor constraints on the specific purposes for which amounts can be spent.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

The fund balance classifications used in the governmental fund financial statements are as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Governing Board, as the highest level of decision-making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Governing Board removes or modifies the use through the adoption of a subsequent resolution.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. South Coast AQMD's adopted policy requires the Board to assign amounts to specific purposes.

Unassigned – this classification includes the residual fund balance for the General Fund. It also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for use, it is South Coast AQMD's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, South Coast AQMD's Governing Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

The following schedule shows the details of the fund balances as of June 30, 2024:

Major Governmental Funds						
	<u>General Fund</u>	<u>Carl Moyer Program Fund</u>	<u>CAP AB 134 Fund</u>	<u>CMP AB923 Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balance						
Nonspendable:						
Inventory	\$ 97,689	\$ -	\$ -	\$ -	\$ -	\$ 97,689
Total nonspendable	<u>97,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,689</u>
Restricted:						
Long term emission reduction	-	260,923,558	293,230,255	167,638,588	401,194,127	1,122,986,528
Total restricted	<u>-</u>	<u>260,923,558</u>	<u>293,230,255</u>	<u>167,638,588</u>	<u>401,194,127</u>	<u>1,122,986,528</u>
Committed:						
Advance clean air technology	631,117	-	-	-	-	631,117
Ensure compliance with clean air	3,174,620	-	-	-	-	3,174,620
Customer service and business	939,732	-	-	-	-	939,732
Develop programs to achieve clean	1,347,457	-	-	-	-	1,347,457
Develop rules to achieve clean air	602,589	-	-	-	-	602,589
Monitoring air quality	6,582,427	-	-	-	-	6,582,427
Timely review of permits	1,329,628	-	-	-	-	1,329,628
Policy support	669,242	-	-	-	-	669,242
Long term emission reduction	-	-	-	-	30,408,528	30,408,528
Total committed	<u>15,276,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,408,528</u>	<u>45,685,340</u>
Assigned:						
Long term emission reduction	-	-	-	-	279,020,788	279,020,788
For self insurance	2,000,000	-	-	-	-	2,000,000
For unemployment claims	80,000	-	-	-	-	80,000
For permit streamlining	234,159	-	-	-	-	234,159
For enhanced compliance activity	883,018	-	-	-	-	883,018
For OPEB obligations	2,952,496	-	-	-	-	2,952,496
Total assigned	<u>6,149,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,020,788</u>	<u>285,170,461</u>
Unassigned:						
General Purpose	84,835,394	-	-	-	-	84,835,394
Total unassigned	<u>84,835,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,835,394</u>
Total fund balances	<u>\$ 106,359,568</u>	<u>\$ 260,923,558</u>	<u>\$ 293,230,255</u>	<u>\$ 167,638,588</u>	<u>\$ 710,623,443</u>	<u>\$ 1,538,775,412</u>

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

E. Use of Estimates

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

F. Adoption of New GASB Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62

This Statement provides guidance on accounting and financial reporting requirements for accounting changes and the correction of an error in previously issued financial statements (error correction). This Statement requires note disclosure and addresses how information that is affected to be presented in Required Supplementary Information (RSI) and Supplementary Information (SI). This Statement is effective for reporting periods beginning after June 15, 2023. South Coast AQMD implemented the Statement in fiscal year 2023-24.

II. CASH, POOLED CASH AND INVESTMENT

The following is a summary of the cash, pooled cash, and investments for the primary government at June 30, 2024:

Cash on hand	\$ 1,574,607
Cash in bank	364,798
Pooled cash	1,477,447,214
Investments	127,239,421
Cash, pooled cash, and investments	<u>\$ 1,606,626,040</u>

CASH

At June 30, 2024, the carrying amount of South Coast AQMD's bank deposits was \$364,798 and the bank balance was \$386,150. The amount covered and insured by Federal Deposit Insurance Corporation (FDIC) was up to \$250,000. The bank deposits and the bank balance exceed FDIC by \$114,798 and \$136,150, respectively. Management believes that South Coast AQMD is not exposed to any significant credit risk related to cash in bank. Cash on hand consists of cash and checks not deposited as of June 30, 2024.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

POOLED CASH

South Coast AQMD's pooled cash and investments are held in the Los Angeles County Pooled Surplus Investment Fund Portfolio (PSI), the Los Angeles County Specific Purpose Investment Portfolio (SPI), and the State of California Local Agency Investment Fund (LAIF). Pooled cash and investments are held in accordance with California Government Code, South Coast AQMD Investment Policy, Los Angeles County Treasurer Investment Policy and LAIF Policies, Goals, and Objectives.

Los Angeles County Pooled Surplus Investment Fund Portfolio (PSI)

South Coast AQMD is a voluntary participant in the PSI, an external investment pool managed by the Los Angeles County Treasurer who reports on a monthly basis to its Board of Supervisors. Its Treasury Oversight Committee reviews and monitors its investment policy. The investment policy is governed by applicable California Government Code. Investments held are stated at fair value. The fair value of pooled cash is determined monthly and is based on current market prices.

Los Angeles County Specific Purpose Investment Portfolio (SPI)

The SPI is managed by the Los Angeles County Treasurer and is used to purchase specific investments for South Coast AQMD. In accordance with California Government Code, South Coast AQMD adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms. On June 30, 2024, SPI are reported at fair value.

The South Coast AQMD Investment Policy authorizes South Coast AQMD to invest in:

- U.S. Treasuries
- Federal agencies and U.S. government sponsored enterprises
- Los Angeles County Pooled Surplus Investment Portfolio
- State of California Local Agency Investment Fund
- Obligation of State of California or any other local agency within the state - permitted obligations will include bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency, or by a department, board, agency or authority of the state or local agency. Obligations of the State of California or other local agencies within the state must be rated in a rating category of "A" or its equivalent, or higher by a Nationally Recognized Statistical Rating Organizations (NRSRO).
- Shares of money market mutual funds – shall be limited to ratings of "AAA" by two (2) NRSROs or managed by an investment advisor registered with the Securities Exchange Commission with not less than five-years' experience and with assets under management in excess of \$500 million and such investment may not represent more than 10% of the total assets in the money market fund.
- Bankers' acceptances – with maximum maturities of 180 days must be issued by national or state-chartered banks or a state-licensed branch of a foreign bank.

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Eligible banker's acceptance should have the highest rankings or the highest letter and number rating as provided for by the NRSRO.

- Negotiable certificates of deposit – with maximum maturities of three (3) years must be issued by national or state-chartered banks, a federal or state-licensed branch of a foreign bank, savings associations and state or federal credit unions. Negotiable CDs must be rated in a rating category of “A-1” or its equivalent by at least two (2) NRSROs.
- Commercial paper – Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph a or paragraph b; and may not represent more than 10% of the outstanding paper of the issuing corporation. Maximum maturities are 270 days.
 - a. The entity meets the following criteria:
 - i. Is organized and operating in the United States as a general corporation.
 - ii. Have total assets in excess of \$500 million dollars (\$500,000,000).
 - iii. Has debt other than commercial paper, if any, that is rated in a rating category of “A” or the equivalent by a NRSRO.
 - b. The entity meets the following criteria:
 - i. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - ii. Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
 - iii. Has commercial paper that is rated in a rating category of “A-1”, or the equivalent or higher, by a NRSRO.
- Medium term maturity corporate securities – with maximum maturities of three (3) years shall be rated in a rating category of “A” or its equivalent or higher by two (2) NRSROs.
- Mortgage securities or asset-backed securities – with maximum maturities of five (5) years shall be rated “AA” or its equivalent or better by a nationally recognized rating service and issued by an issuer having a rating in the category of “A” or its equivalent, or higher by two (2) NRSROs for its long-term debt.
- Repurchase agreements – with maximum maturity of 30 days and must be collateralized by the U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily, entered into with broker-dealer which is a recognized primary dealer and evidenced by a broker-dealer master purchase agreement signed by County Treasurer and approved by South Coast AQMD.
- Reverse purchase agreements – are not allowed except as part of investments in the PSI and LAIF.
- Floating rate securities – with the maximum security of five (5) years are instruments that have a coupon or interest rate that is adjusted periodically due

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to changes in a base or benchmark rate. Investments in floating rate securities must utilize commercially available U.S. denominated indices such as U.S. Treasury bills of Federal Funds. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes. Floating Rate Securities that are priced based on a single common index are not considered derivative securities.

- Obligations of Supranational Institutions – permitted obligations will include U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by any of the supranational institutions identified in California Government Code Section 53601(q), which are eligible for purchase and sale within the U.S. Obligations of supranational institutions must be rated in a rating category of “A” or its equivalent, or higher by a NRSRO.

State of California Local Agency Investment Fund (LAIF)

South Coast AQMD is a voluntary participant in LAIF, an external investment pool that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

LAIF is part of the Pooled Money Investment Account (PMIA) and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB Board members are the State Treasurer, Director of Finance and the State Controller. Additionally, LAIF has oversight by the Local Investment Advisory Board, which consists of five members, as designated by statute. The Chairman is the State Treasurer, who appoints the other four members to two-year terms.

The fair value of South Coast AQMD’s investment in this pool is reported in the accompanying financial statements at amounts based upon South Coast AQMD’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records of LAIF, which are recorded on an amortized cost basis.

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The following table summarizes South Coast AQMD's cash and pooled cash and maturities at June 30, 2024:

	Investment Maturities			
	Fair Value	<1 Year	1-2 Years	2-3 Years
Cash:				
On hand	\$ 1,574,607	\$ -	\$ -	\$ -
In bank	364,798	-	-	-
Total cash	1,939,405	-	-	-
Pooled cash:				
Los Angeles County				
Pooled Surplus Investment (PSI)	1,438,285,427	886,127,651	552,157,776	-
Local Agency				
Investment Fund (LAIF)	39,161,787	39,161,787	-	-
Total pooled cash	1,477,447,214	925,289,438	552,157,776	-
Total cash and pooled cash investments	\$ 1,479,386,619	\$ 925,289,438	\$ 552,157,776	\$ -

INVESTMENTS

South Coast AQMD's investments are comprised of the following as of June 30, 2024:

	Level 1	Level 2	Level 3
U.S. Treasury Notes/Federal Agency	\$ 127,239,421	\$ -	\$ -
Total investments	\$ 127,239,421	\$ -	\$ -

South Coast AQMD categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 is significant unobservable inputs.

South Coast AQMD has investments in U.S. Treasury Notes and Federal Agency in the SPI which are classified as Level 1 as fair market value is determined by observables, unadjusted quoted market price in active or highly liquid and transparent market.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in interest rates. As a means of limiting its exposure to declines in fair value, the South Coast AQMD Investment Policy limits its investment portfolio of SPI with the County of Los Angeles to maturities of less than five years at time of purchase and the weighted average maturity of the SPI portfolio may not exceed three years.

Credit Risk

Credit risk is the risk of default or the inability of an issuer of an investment to fulfill its

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obligation to the holder of the investment. South Coast AQMD mitigates its credit risk in the SPI portfolio generally by following its three primary investment objectives, in order of safety, liquidity, and yield. South Coast AQMD's Investment Policy further requires only permitted investments with specific credit quality requirements.

The PSI and LAIF are both unrated as to credit quality. The investments that are represented by SPI are held by the Los Angeles County Treasurer on South Coast AQMD's name consist of U.S. Treasury Notes with credit rating of Aaa (Moody's) and securities issued by Federal agency with credit rating of AA+ (Standard and Poors).

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. South Coast AQMD's Investment Policy mitigates concentration of credit risk through diversification requirements so that no one type of issuer or issue will have a disproportionate impact on the portfolio. The investments that are represented by SPI consist of U.S. Treasury Note and securities issued by Federal agencies.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, South Coast AQMD will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that South Coast AQMD will not be able to recover the value of its investment securities that are in the possession of an outside party. South Coast AQMD's deposits are fully insured by the FDIC, pooled cash with the PSI and LAIF are not subject to custodial credit risk, and the investments that are represented by SPI are held by the Los Angeles County Treasurer in the name of South Coast AQMD.

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III. DUE FROM OTHER GOVERNMENT AGENCIES AND ACCOUNTS RECEIVABLE

Due from other government agencies at June 30, 2024 consists of the following:

California Energy Commission (CEC)	\$ 17,340
Department of Homeland Security (DHS)	520,813
Department of Motor Vehicles	
AB 2766, SB 1928, AB 923	16,102,855
Environmental Protection Agency (EPA)	
IRA Monitoring Equipment	25,500
National Air Toxics Trend Station (NATTS)	41,015
Section 103 PM 2.5 Grant	231,936
Section 105 Air Grant	375,833
State Environmental Justice Cooperative Agreement Grant	19,590
Targeted Air Shed Grant Administration	42,827
Total	<u>\$ 17,377,709</u>

Accounts Receivable consists of the following at June 30, 2024:

Air Toxics "Hot Spots", Emission Fees, Permits, Annuals and Source Testing	\$ 5,885,063
Rule 2305 Mitigation Fees	3,169,666
Miscellaneous Receivables	1,444,680
Subtotal	<u>10,499,409</u>
Less: Allowance for Doubtful Accounts	<u>(2,782,000)</u>
Net Accounts Receivable	<u>\$ 7,717,409</u>

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IV. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 2,950,499	Air Toxics Fund	\$ 251,456
		Advanced Technology, Outreach & Education Fund	24,876
		Mobile Sources Air Pollution Reduction Fund	216,867
		Air Quality Investment Fund	168,597
		Clean Fuels Program Fund	909,851
		Carl Moyer Fund	276,133
		AES Settlement Projects Fund	17,414
		Rule 1309.1 Priority Reserve Fund	4,398
		CBE/OCE Settlement Agreement Fund	4,878
		Rule 1118 Mitigation Fund	121,883
		HEROS II Special Revenue Fund	173,194
		CAP AB 134 Fund	413,369
		VW Mitigation Special Revenue Fund	115,235
		Carl Moyer AB923 Special Revenue Fund	28,905
		Prop 1B Funding – Goods Movement	62,365
		Clean Shipping Tech Demo Fund	148,333
		Aliso Fund Porter Ranch SEP	12,745
	<u>2,950,499</u>		<u>2,950,499</u>
Air Quality Investment Fund	<u>6,892,165</u>	Clean Shipping Tech Demo Fund	<u>6,892,165</u>
Clean Fuels Program Fund	<u>157,500</u>	Advanced Technology Goods Movement Fund	<u>157,500</u>
Total Receivables	\$ <u>10,000,164</u>	Total Payables	\$ <u>10,000,164</u>

The outstanding balances between funds result mainly from the time lag between the date that: (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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<u>Fund Transferred From</u>	<u>Fund Transferred to</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 2,000,000	\$ 2,000,000
Carl Moyer Fund	100,000	-	100,000
CAP AB 134 Fund	100,000	-	100,000
Other Governmental Funds	6,068,042	4,350,000	10,418,042
	<u>\$ 6,268,042</u>	<u>\$ 6,350,000</u>	<u>\$ 12,618,042</u>

South Coast AQMD's Governing Board approved the following:

- Transfer \$2,000,000 from the General Fund to the Debt Service Fund.
- Transfer and appropriate \$91,766 from the Clean Fuels Program Fund to General Fund for two zero-emission vehicles for the Enhanced Particulate Monitoring Program and PAMS program.
- Transfer and appropriate \$700,000 from the Rule 1180 Special Revenue Fund to General Fund for an independent audit of Rule 1180 fence-line air monitoring network.
- Transfer \$5,024,725 on an as-needed basis from the Clean Fuels Program Fund to the General Fund to cover the cost of resources for the MATES VI program.
- Transfer and appropriate \$720,000 from the Infrastructure Improvement Fund to General Fund to upgrade the fire life safety system in the headquarter building.
- Transfer \$2,100,000 from the Rule 1111 Air Quality Investment Fund into the Advanced Technology, Outreach and Education Fund to increase South Coast AQMD's funding contributions, which would increase incentives from 50 percent to 85 percent for the lawn and garden equipment under U.S. EPA'S Targeted Airshed Grant Program.
- Transfer \$250,000 for South Coast AQMD's project cost-share from Clean Fuels Program Fund into Clean Shipping Technology Demonstration Special Revenue Fund for electrification of Balboa Island Ferries.

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V. CAPITAL ASSETS

In compliance with GASB Statement No. 34 reporting, South Coast AQMD has reported all capital assets in the Government-wide Statement of Net Position. Capital asset activities for the year ended June 30, 2024 were as follows:

	<u>Balance June 30, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 8,829,792	\$ -	\$ -	\$ 8,829,792
Total capital assets not being depreciated	<u>8,829,792</u>	<u>-</u>	<u>-</u>	<u>8,829,792</u>
Capital Assets being depreciated/amortized:				
Buildings and improvements	80,214,634	415,759	-	80,630,393
Intangibles (software)	15,713,992	2,036,922	-	17,750,914
Equipment, vehicles and furniture	40,382,915	3,904,539	(1,367,509)	42,919,945
Leased Buildings	1,979,768	-	-	1,979,768
Leased Equipment	1,208,746	1,746,496	-	2,955,242
Subscription	2,396,746	906,794	(278,258)	3,025,282
Total capital assets being depreciated	<u>141,896,801</u>	<u>9,010,510</u>	<u>(1,645,767)</u>	<u>149,261,544</u>
Less Accumulated Depreciation for:				
Buildings and improvements	(75,424,602)	(270,013)	-	(75,694,615)
Intangibles (software)	(6,574,859)	(1,366,954)	-	(7,941,813)
Equipment, vehicles and furniture	(29,442,031)	(3,315,581)	1,367,509	(31,390,103)
Less Accumulated Amortization for:				
Leased Buildings	(680,974)	(339,484)	-	(1,020,458)
Leased Equipment	(285,142)	(456,465)	-	(741,607)
Subscription	(781,827)	(1,033,935)	261,531	(1,554,231)
Total accumulated depreciation and amortization	<u>(113,189,435)</u>	<u>(6,782,432)</u>	<u>1,629,040</u>	<u>(118,342,827)</u>
Net capital assets being depreciated	<u>28,707,366</u>	<u>2,228,078</u>	<u>(16,727)</u>	<u>30,918,717</u>
Net capital assets, governmental activities	<u>\$ 37,537,158</u>	<u>\$ 2,228,078</u>	<u>\$ (16,727)</u>	<u>\$ 39,748,509</u>

For the year ended June 30, 2024, the depreciation/amortization expense of \$6,782,432 was charged to South Coast AQMD's functions/programs in the governmental activities as follows:

Advance clean air technology	\$ 266,564
Ensure compliance with clean air rules	1,775,258
Customer service and business assistance	417,701
Develop programs to achieve clean air	272,373
Develop rules to achieve clean air	284,475
Monitoring air quality	2,829,939
Timely review of permits	885,422
Policy support	50,700
Total depreciation and amortization expense	<u>\$ 6,782,432</u>

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VI. DEFERRED OUTFLOWS/DEFERRED INFLOWS OF RESOURCES, PENSION, AND OPEB

The following is a summary of deferred outflows of resources and deferred inflows of resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred outflows of resources – Pension (SBCERA) (see note XI for details)	\$ 87,880,927	\$ -
Deferred inflows of resources – Pension (SBCERA) (see note XI for details)	-	63,577,699
Deferred outflows of resources – OPEB (LACERA) (see note XII for details)	193,644	-
Deferred inflows of resources – OPEB (LACERA) (see note XII for details)	-	193,000
Total	<u><u>\$ 88,074,571</u></u>	<u><u>\$ 63,770,699</u></u>

The following is a summary of pension and OPEB Balances:

	<u>SBCERA</u>	<u>LACERA</u>	<u>Total</u>
Pension:			
Net Pension liability	\$ 202,290,111	\$ -	\$ 202,290,111
Pension expense	33,199,518	-	33,199,518
Pension contributions made in fiscal year 2023-24	37,949,166	-	37,949,166
OPEB:			
Net OPEB liability	-	2,375,000	2,375,000
OPEB expense	-	31,464	31,464
OPEB contributions made in fiscal year 2023-24	-	193,644	193,644

VII. LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions of the South Coast AQMD for the year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Addition</u>	<u>Reduction</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Governmental Activities:						
Claims payable:						
General liability*	\$ 356,011	\$ 50,703	\$ 396,924	\$ 9,790	\$ 3,916	\$ 5,874
Workers' compensation*	3,475,295	633,736	2,644,993	1,464,038	603,053	860,985
Compensated absences	19,121,669	2,366,385	1,139,651	20,348,403	1,826,447	18,521,956
Pension Obligation Bonds	<u>4,010,000</u>	<u>-</u>	<u>4,010,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 26,962,975</u></u>	<u><u>\$ 3,050,824</u></u>	<u><u>\$ 8,191,568</u></u>	<u><u>\$ 21,822,231</u></u>	<u><u>\$ 2,433,416</u></u>	<u><u>\$ 19,388,815</u></u>

*See Note VIII for details

In prior years, claims payable and compensated absences have been liquidated primarily by the General Fund.

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Series 2004 Pension Obligation Bonds

On June 29, 2004, South Coast AQMD issued and sold taxable pension obligation bonds to retire the UAAL due to the SBCERA. At the time of issuance, it was estimated that the issuance and sale of \$47,030,000 was expected to result in estimated total gross debt service savings of \$22.4 million through August 1, 2023.

The Series 2004 Pension Obligation Bonds are payable on a parity with the 1995 Pension Obligation Bonds. South Coast AQMD may, from time to time, enter into supplemental indentures without the consent of the Bond Owners of the 1995 Bonds or Series 2004 Bonds for the purpose of providing for the issuance of additional series of Pension Obligation Bonds or to refund any other evidence of indebtedness of South Coast AQMD arising pursuant to the Retirement Law. The interest rates range from 4.75% to 5.93% with maturity date of August 1, 2023. During the fiscal year ended June 30, 2024, \$4,010,000 in principal and \$118,897 in interest were paid on the bonds. The bond was fully paid off and there is no outstanding balance as of June 30, 2024.

VIII. RISK MANAGEMENT

South Coast AQMD's risk management program is responsible for purchasing insurance when prudent and cost-effective, self-insuring other exposures to loss when feasible.

South Coast AQMD carries \$200 million of all-risk property insurance, with limits of \$100 million on business interruption and \$25 million on earthquake and flood coverage. The limits of liability for general claims is \$10 million. This coverage is supplemented by excess liability policies for boilers & machinery to a limit of \$100 million, and bodily injury/property damage/public officials' errors and emissions/employment practices liability/personal injury to \$10 million. Self-insured retention levels for excess liability is \$350,000. South Coast AQMD maintains \$25 million excess workers' compensation insurance for losses over \$750,000. South Coast AQMD also maintains policies to protect against some criminal conduct and cyber-attacks.

As of June 30, 2024, \$9,790 and \$1,464,038, respectively, had been reserved for general liability claims and workers' compensation.

An appropriate amount has been recorded in the General Fund's financial statements to the extent that South Coast AQMD anticipates that these amounts will be paid from current resources. While the ultimate amount of losses incurred through June 30, 2024 is dependent on future development based upon information from the independent claims' administrator and others involved with the administration of the programs, South Coast AQMD management believes that the aggregate accrual is adequate to cover such losses. South Coast AQMD management believes that the aggregate accrual is adequate to cover such losses.

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

The following represents changes in the aggregate liabilities for claims of South Coast AQMD's general liability and workers' compensation for the years ended June 30, 2023 and 2024:

	General Liability	Workers' Compensation	Totals
Claims payable, July 1, 2022	\$ 109,617	\$ 823,847	\$ 933,464
Current year claims and changes in estimates	274,660	3,815,021	4,089,681
Claims payments	(28,266)	(1,163,573)	(1,191,839)
Claims payable, June 30, 2023	<u>\$ 356,011</u>	<u>\$ 3,475,295</u>	<u>\$ 3,831,306</u>
Claims payable, July 1, 2023	\$ 356,011	\$ 3,475,295	\$ 3,831,306
Current year claims and changes in estimates	50,703	633,736	684,439
Claims payments	(396,924)	(2,644,993)	(3,041,917)
Claims payable, June 30, 2024	<u>\$ 9,790</u>	<u>\$ 1,464,038</u>	<u>\$ 1,473,828</u>

IX. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The following is a summary of lease and subscription liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Addition	Reduction	Balance June 30, 2024	Due Within One Year	Due in More Than One Year
Lease Liability	\$ 2,298,324	\$ 1,746,496	\$ 729,190	\$ 3,315,630	\$ 888,994	\$ 2,426,636
Subscription Liability	<u>1,311,139</u>	<u>906,794</u>	<u>1,096,663</u>	<u>1,121,270</u>	<u>785,834</u>	<u>335,436</u>
Total	<u>\$ 3,609,463</u>	<u>\$ 2,653,290</u>	<u>\$ 1,825,853</u>	<u>\$ 4,436,900</u>	<u>\$ 1,674,828</u>	<u>\$ 2,762,072</u>

A. Leases

South Coast AQMD as Lessee

South Coast AQMD, as a lessee, has entered into lease agreements involving building spaces, air monitoring spaces, postage & shipping equipment, printing & imaging equipment, and vehicle. As of June 30, 2024, the total value of the lease liability was \$3,315,630.

As of June 30, 2024, the total value of the lease asset was recorded at a cost of \$4,935,010 with accumulated amortization of \$1,762,065.

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The future lease payments under lease agreements are as follow:

Year Ending June 30	Principal	Interest	Total
2025	\$ 888,994	173,190	1,062,184
2026	931,284	126,636	1,057,920
2027	804,021	80,548	884,569
2028	500,628	38,084	538,712
2029	190,703	6,570	197,273
	<u>\$ 3,315,630</u>	<u>425,028</u>	<u>3,740,658</u>

South Coast AQMD as Lessor

South Coast AQMD, as a lessor, has entered into lease agreements involving building spaces. As of June 30, 2024, the value of the lease receivable is \$330,051. South Coast AQMD recognized \$77,742 in lease revenue during the fiscal year 2023-2024. Also, South Coast AQMD has a deferred inflow of resources associated with leases that will be recognized over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$309,358.

The future lease incomes under lease agreements are as follow:

Year Ending June 30	Principal	Interest	Total
2025	\$ 40,778	\$ 7,724	\$ 48,502
2026	42,782	6,690	49,472
2027	44,856	5,605	50,461
2028	47,001	4,469	51,470
2029	49,222	3,278	52,500
2030-2031	105,412	2,758	108,170
	<u>\$ 330,051</u>	<u>\$ 30,524</u>	<u>360,575</u>

B. Subscription-Based Information Technology Arrangements (SBITA)

South Coast AQMD has entered into SBITA with outside vendors for cloud computing arrangements, such as software as a service, platform as a service and infrastructure as a service. SBITA subscription asset is presented as subscription in the Note V - Capital Assets. As of June 30, 2024, the total value of the subscription liability was \$1,121,270. As of June 30, 2024, the total value of the subscription asset was recorded at a cost of \$3,025,282 with accumulated amortization of \$1,554,231.

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The future subscription payments under SBITA are as follows:

Year Ending			
June 30	Principal	Interest	Total
2025	\$ 785,834	\$ 53,840	\$ 839,674
2026	335,436	11,758	347,194
	<u>\$ 1,121,270</u>	<u>\$ 65,598</u>	<u>\$ 1,186,868</u>

X. FUND BALANCES ADJUSTMENT/RESTATEMENT

During fiscal year 2023-2024, the beginning fund balances were adjusted for changes to or within the financial reporting entity (nonmajor to major funds), as follows:

Governmental Funds	July 1, 2023	Changes to or	July 1, 2023
Fund Balances	As Previously	within the	As Adjusted
	Reported	Financial	
		Reporting Entity	
Major Funds:			
General Fund	\$ 100,068,068	\$ -	\$ 100,068,068
Carl Moyer Fund	182,350,511	-	182,350,511
CAP 134 Fund	-	111,874,792	111,874,792
CMP AB 923 Fund	157,335,876	-	157,335,876
Nonmajor Funds	794,705,371	(111,874,792)	682,830,579
Total Governmental Funds	<u>\$ 1,234,459,826</u>	<u>\$ -</u>	<u>\$ 1,234,459,826</u>

XI. DEFINED BENEFIT PENSION PLANS

San Bernardino County Employees' Retirement Association (SBCERA)

Plan description

South Coast AQMD participates in the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. South Coast AQMD only has general membership. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA on the first day of employment and are provided with pension benefits pursuant to Plan requirements.

The Plan operates under the provisions of the California County Employees' Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted SBCERA's Board

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of Retirement (Board). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA is a legally separate entity from South Coast AQMD, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, the South Coast AQMD's annual comprehensive financial report excludes the SBCERA pension plan as of June 30, 2024. SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

	General – Tier 1	General – Tier 2
Final Average Compensation	Highest 12 months	Highest 36 months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or age eligible for	Age 70 any years	Age 70 any years
	10 years age 50	5 years age 52
	30 years any age	N/A
Benefit percent per year of service for normal retirement age	At normal retirement age, 2% per year of final average compensation for every year of service credit	At age 67, 2.5% per year of final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67
Final Average Compensation Limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the members years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

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Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454 for participating employers, and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy.

The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that considers mortality, service (including age at entry into the Plan, if applicable, and tier), and compensation experience of the members and beneficiaries, and also includes an evaluation of the Plan's assets and liabilities. Participating employers may pay a portion of the active members' contributions and active members may pay a portion of the participating employer contributions, through negotiations and bargaining agreements.

Employee contribution rates for the fiscal year ended June 30, 2024 ranged between 9.54% and 15.82% for Tier 1 General members, 30 year General members are not required to pay any employee contribution. For Tier 2 General members, the contribution is 8.23%.

Employer contribution rates for the year ended June 30, 2024 are as follows:

	Employer Contribution Rates	
	Tier 1	Tier 2
	Members	Members
Actuarially Determined Required Contribution Percentages	Total	Total
South Coast AQMD members	44.18%	38.81%

The required employer contributions and the amount paid to SBCERA by the South Coast AQMD for the year ended June 30, 2024 were \$37,949,166. The South Coast AQMD's employer contributions were equal to the required employer contributions for the year ended June 30, 2024.

Pension Liability

On June 30, 2024, South Coast AQMD reported a net pension liability of \$202,290,111 for its proportionate share of the SBCERA's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The SBCERA's publicly available financial report provides details on the change in the net pension liability.

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The South Coast AQMD's proportion of the net pension liability was based on the South Coast AQMD's contributions received by SBCERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2024, the South Coast AQMD's proportion was 8.525%, which was a decrease of 0.507% from its proportion measured as of June 30, 2022.

Pension Expense and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2024, the South Coast AQMD recognized pension expense of \$33,199,518 for its proportionate share of SBCERA's pension expense. At June 30, 2024, the South Coast AQMD reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Changes in proportion and differences between South Coast AQMD contributions and proportionate share of contributions	\$ 18,122,494	\$ 51,769,792
Changes in actuarial assumptions	7,848,075	8,404,613
Net difference between projected and actual earnings on pension plan investments	7,320,303	-
Differences between expected and actual experience	16,640,889	3,403,294
South Coast AQMD contributions paid to SBCERA subsequent to the measurement date	37,949,166	-
Total	\$ 87,880,927	\$ 63,577,699

*See note VI for summary

The \$37,949,166 reported as deferred outflows of resources related to South Coast AQMD's contributions made to SBCERA subsequent to the measurement date but before the reporting period ended June 30, 2024, which will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (4,271,972)
2026	(21,882,574)
2027	16,053,590
2028	(3,241,333)
2029	(303,649)
Thereafter	-

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Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial experience study	3-year period ending June 30, 2022
Actuarial cost method	Entry age actuarial cost method
Actuarial assumptions:	
Investment rate of return ⁽¹⁾	7.25%
Inflation	2.50%
Projected Salary increases ⁽²⁾	General: 4.30% to 9.5%
Cost of living adjustments	Contingent upon consumer price index with a 2.00% maximum
Administrative Expenses	0.90% of payroll

⁽¹⁾ Net of pension investment expense, including inflation.

⁽²⁾ Includes inflation at 2.5% plus real across-the-board salary increase of 0.50% and merit and promotional increases.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2019 – June 30, 2022. Same assumptions are used in the June 30, 2023 funding valuation.

For General employees, mortality rates are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is 7.25%. SBCERA's actuary prepares an analysis of the long-term expected rate of return on a triennial basis using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions are summarized in the following table:

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SBCERA's Long-Term Expected Real Rate of Return

		As of June 30, 2023 Valuation Date	
Asset Class	Investment Classification	Target Allocation (1)	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.5%	6.00%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.5%	6.65%
Developed International Equity	Foreign Common and Preferred Stock	7.00%	7.01%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.97%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	6.48%
Emerging Market Debt	Emerging Market Debt	6.00%	4.76%
Real Estate	Real Estate	2.50%	3.86%
Value Added Real Estate	Real Estate	2.50%	5.40%
International Credit	Foreign Alternatives	11.00%	7.10%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	7.10%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	10.10%
Private Equity	Domestic Alternatives/Foreign Alternative	18.00%	9.84%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	0.63%
Total		<u>100.00%</u>	

(1) For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made based on the actuarially determined rates based on the SBCERA Board's funding policy, which establishes the contractually required rate based on statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the South Coast AQMD's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the South Coast AQMD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

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Sensitivity of Net Pension Liability to Changes in the Discount Rate
As of June 30, 2022

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
South Coast AQMD's proportionate share of the net pension liability	\$347,242,896	\$202,290,111	\$83,746,154

Pension Plan Fiduciary Net Position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA annual comprehensive financial report. That report may be obtained on the Internet at www.SBCERA.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415; or by calling (909) 885- 7980 or (877) 722-3721.

Payables to the Pension Plan

The amount payable to SBCERA at June 30, 2024 for the legally required contribution is \$3,724,229.

Los Angeles County Employees' Retirement Association (LACERA)

Plan Description

South Coast AQMD participates in the LACERA Pension Plan (the plan) (LACERA operates as a cost-sharing multiple-employer defined benefit plan.) As of June 30, 2024, South Coast AQMD had no active members in this plan. For South Coast AQMD, LACERA is a closed plan which means no new members will be added to the plan. LACERA was established on January 1, 1938. It is governed by the California Constitution; CERL of 1937; and the regulations, procedures, and policies adopted by LACERA's Board of Retirement and Board of Investments. The Los Angeles County (County) Board of Supervisors may also adopt resolutions, as permitted by CERL, which may affect the benefits of LACERA members.

Benefits Provided

Vesting occurs when a member accumulates five years' creditable service under contributory plans or accumulates 10 years of creditable service under the general service non-contributory plan. Benefits are based upon 12 or 36 months' average compensation, depending on the plan, as well as age at retirement and length of service as of the retirement date, according to applicable statutory formula. Vested members who terminate employment before retirement age are considered terminated vested (deferred) members. Service-connected disability benefits may be granted regardless of length of service consideration. Five years of service are required for nonservice-connected disability eligibility according to applicable statutory formula. Members of the non-contributory plan, who are covered under separate long-term disability

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provisions not administered by LACERA, are not eligible for disability benefits provided by LACERA.

Contributions

Members and employers contribute to LACERA based on rates recommended by an independent consulting actuary and adopted by the Board of Investments and the Los Angeles County Board of Supervisors. Contributory plan members are required to contribute between approximately 5 percent and 13 percent of their annual covered salary. Member and employer contributions received from the outside districts are considered part of LACERA's pension plan as a whole.

Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees (members) through monthly or annual prefunded contributions at actuarially determined rates. Rates for the contributory plan tiers for members who entered the Plan prior to January 1, 2013 are based upon age at entry to the Plan and plan type enrollment.

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

South Coast AQMD has no balances for the proportionate share of net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.

Pension Plan Fiduciary Net Position

Detailed information about LACERA's fiduciary net position is available in a separately issued LACERA annual comprehensive financial report. That report may be obtained on the Internet at www.LACERA.com; by writing to LACERA at 300 N. Lake Avenue, Suite 650, Pasadena, CA 91101; or by calling (626) 564-6000.

XII. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

SBCERA does not provide any post-employment benefits to South Coast AQMD retirees. LACERA, however, in addition to providing pension benefits, essentially provides a comprehensive health care benefits program to its retirees that include several medical, dental, vision, and death benefits. LACERA administers the defined benefit OPEB on behalf of Los Angeles County and its participating agencies. South Coast AQMD is one of the participating agencies. Prior to fiscal year 2019-20, the OPEB was under a cost sharing multiple-employer structure. Starting in fiscal year 2019-20, the OPEB was changed to an agent plan structure. This is the third year of the GASB 75 disclosure report under an agent plan structure.

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South Coast AQMD is subject under the April 20, 1982 agreement between Los Angeles County and LACERA (County Agreement). In April 1982, Los Angeles County adopted an ordinance pursuant to the CERL of 1937 that provided for a retiree health insurance program and death/burial benefits for retired employees and their eligible dependents. In 1982, Los Angeles County and LACERA entered into an agreement whereby LACERA would administer the program subject to the terms and conditions of the agreement. In 1994, Los Angeles County amended the agreement to continue to support LACERA's retiree insurance benefits program, regardless of the status of the active member insurance. In 2018, this agreement was further updated to specify the sharing of expenses between South Coast AQMD and Los Angeles County for South Coast AQMD retirees who also had Los Angeles County service credit.

LACERA is a closed plan to employees who were hired after December 31, 1979. Currently, there are 33 retirees covered by the benefit terms under the OPEB.

LACERA is a legally separate entity from South Coast AQMD, not a component unit, and there is no financial interdependency with Los Angeles County. For these reasons, the South Coast AQMD's annual comprehensive financial report excludes the LACERA OPEB as of June 30, 2024. LACERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, which can be obtained by writing LACERA at 300 N. Lake, Pasadena, CA 91101 or visiting the website at: www.LACERA.com.

Benefits Provided

LACERA OPEB program offers members choice of medical plan as well as dental/vision plans. Medical and dental/vision are provided through third-party insurance carriers with the participant's cost for medical and dental/vision insurance varying according to the years of retirement service credit, the plan selected, and the number of persons covered. There is a one-time lump-sum \$5,000 death/burial benefit payable to the designated beneficiary upon the death of a retiree.

Contributions

South Coast AQMD and/or Los Angeles County and each retired employee participating in the OPEB contributes a portion of the total cost per month of the premium for the plan in which the retiree is enrolled according to the terms of the Retiree Health Care Program under the County Agreement. The portion of the premium to be paid by South Coast AQMD and/or the Los Angeles County is calculated based on the years of retirement service credit under the terms of the County Agreement, as they may change from time to time. LACERA subsidizes the retiree's cost starting at 10 years of service credit and up to a maximum of 100% for a member with 25 years of service credit with the County. LACERA, at its own discretion, may increase the premium to cover additional expenses.

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Net OPEB Liability

The net OPEB liability was measured at \$2,375,000 as of June 30, 2024. South Coast AQMD's total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was projected forward to the measurement date. The total OPEB liability is the same as the net OPEB liability since the fiduciary net position is zero.

OPEB Expense and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2024, the South Coast AQMD recognized OPEB expense of \$31,464. As of June 30, 2024, South Coast AQMD's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Differences between projected and actual plan investment earnings	\$ -	\$ -
Differences between expected and actual economic experience	-	58,000
Changes of assumptions	-	135,000
South Coast AQMD contributions paid to LACERA subsequent to the measurement date	193,644	-
Total	\$ <u>193,644</u>	\$ <u>193,000</u>

* See note VI for summary

The \$193,644 reported as deferred outflows of resources related to South Coast AQMD's contributions made to LACERA subsequent to the measurement date but before the reporting period ended June 30, 2024, which will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (72,000)
2026	(73,000)
2027	(48,000)
2028	-
Thereafter	-

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Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total OPEB's liability are as follows:

Actuarial Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percent of pay
Inflation	2.75%
Salary Increases	3.25%
Investment Rate of Return	3.65%

Mortality rates were based on the PubG-2010 Healthy and Disabled mortality tables and including projection for expected future mortality improvement using the MP-2021 Ultimate Projection Scale.

Healthcare Cost Trend Rates:

	FY 2023 to FY 2024
LACERA Medical Under 65	8.5%
LACERA Medical Over 65	3.70%
Part B Premiums	8.20%
Dental Under and Over 65	3.70%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of a 2022 actuarial retirement experience study and a 2020 actuarial OPEB experience study.

Discount Rate

The discount rate used to measure the net OPEB liability under the agent structure was 3.65%. The discount rate was determined from the 20-year tax-exempt municipal bond yield.

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Sensitivity of the South Coast AQMD's Net OPEB Liability to Changes in the Discount Rate

The following presents the South Coast AQMD's net OPEB liability as well as what the South Coast AQMD's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Net OPEB liability	\$2,592,000	\$2,375,000	\$2,187,000

Sensitivity of the South Coast AQMD's Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the South Coast AQMD's net OPEB liability, calculated using the healthcare cost trend rates as reported on the July 1, 2022 OPEB Actuarial Valuation Health Cost Trend Assumptions, as well as what the net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$2,183,000	\$2,375,000	\$2,593,000

OPEB Plan Fiduciary Net Position

Detailed information about LACERA's fiduciary net position is available as a separately issued LACERA annual comprehensive financial report. That report may be obtained on the internet at www.LACERA.com; by writing to LACERA at 300 N. Lake, Pasadena, CA 91101; or by calling (626) 564-6000.

Payable to the OPEB Plan

At June 30, 2024, the amount payable to LACERA for the legally required contribution is \$15,292.

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XIII. DEFERRED COMPENSATION PLAN

South Coast AQMD offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Starting in January 2023, South Coast AQMD provides employer matching in Internal Revenue Code Section 401(a) for non-represented employees. The plan permits them to defer a portion of their salary until future years. These funds are not available to employees until termination, retirement, death or unforeseen emergency.

The deferred compensation plan monies are invested in various investment funds as selected by the participating employees. All amounts of compensation deferred under the plan and all income attributed to those amounts are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Effective January 1, 1999, federal legislation requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. South Coast AQMD's deferred compensation administrator, Empower Retirement LLC, qualifies as the plan trustee to meet the federal requirements. In accordance with GASB Statement No. 32, South Coast AQMD no longer reports the plan assets and liabilities in its financial statements. As of June 30, 2024, investments with a fair value of \$247,262,428 are held in a trust.

XIV. HEALTH REIMBURSEMENT ARRANGEMENT PLAN

On December 4, 2009, South Coast AQMD's Governing Board approved the establishment of a Health Reimbursement Arrangement (HRA) plan for South Coast AQMD employees. This allows active employees to save on a tax-free basis for their future post-retirement health care costs. Empower serves as South Coast AQMD's HRA service provider. Currently, both South Coast AQMD and the SBCERA do not offer a health reimbursement program nor post-retirement health care to help the employees afford health care in retirement.

Initially, the program was made available to non-represented employees with the understanding that it could be expanded to cover represented employees, based on their approval. In compliance with the rules establishing the HRA, each defined group covered by the plan is required to establish its own criteria on what earnings would be contributed. As of June 30, 2024, the Executive Officer, General Counsel, Designated Deputies and professional bargaining unit members were the eligible employee classifications that were set up and approved by South Coast AQMD. Contributions are 100% vacation and sick leave payouts at termination and/or compensation payout at termination per existing leave payment policy. Eligibility shall commence upon termination of employment on account of retirement (whether through disability or service).

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XV. COMMITMENTS

Guaranteed Loans

The Air Quality Assistance Fund (AQAF) was originally established to comply with state legislation which required South Coast AQMD to allocate a portion of the funds it receives as penalties and settlements from violators of air pollution regulations and to provide financing assistance to small businesses that require financing in order to comply with South Coast AQMD requirements. This legislation was repealed on January 1, 1999. In June 2000, the Governing Board authorized staff to continue to use the funds to assist small businesses with an improved program for greater participation. Financing assistance includes guaranteeing or otherwise reducing the financial risks of lenders in providing financial assistance to small businesses. The funds are not used for direct loans to small businesses.

In June 2001, South Coast AQMD entered into an agreement with the California Pollution Control Financing Authority (CPCFA) to be an “independent contributor” to the California Capital Access Program (CalCAP). South Coast AQMD transferred \$100,000 to the CPCFA to cover borrower fees on any qualified small business CalCAP loans for air quality-related equipment or processes.

In October 2007, the Governing Board authorized the transfer of \$1 million to the Dry Cleaners Financial Incentives Grant Program to supplement the existing incentive grant programs. This incentive program assists dry cleaners in making early transitions from perchloroethylene (perc) to alternative cleaning technologies. AQAF’s fund balance amounted to \$1,810,888 at fiscal year ended June 30, 2024.

XVI. PENDING LITIGATION

A number of other lawsuits and claims are pending against South Coast AQMD for alleged damages to persons and property and for other alleged liabilities arising out of its normal operations. South Coast AQMD’s management believes that any liability that may arise from the ultimate resolution of such legal actions will not have a material adverse impact on the financial position as of June 30, 2024.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) SCHEDULE
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Revenues:				
Emission fees	\$ 20,527,240	\$ 20,527,240	\$ 21,380,047	\$ 852,807
Annual renewal fees	76,503,215	76,503,215	76,945,135	441,920
Area Sources	2,361,740	2,361,740	2,190,750	(170,990)
Permit processing fees	19,096,873	19,096,873	19,194,955	98,082
Mobile sources/clean fuels	32,527,730	32,527,730	30,136,169	(2,391,561)
Air toxics "Hot Spots"	2,800,000	2,800,000	2,662,910	(137,090)
Transportation programs	946,650	946,650	1,094,749	148,099
State subvention	3,880,300	3,880,300	3,804,905	(75,395)
Federal grant	6,885,160	9,563,058	8,849,529	(713,529)
State grant	18,553,330	20,261,675	15,012,055	(5,249,620)
Interest revenue	2,725,030	2,725,030	6,620,336	3,895,306
Lease revenue	143,150	143,150	107,860	(35,290)
Source test/analysis fees	583,650	583,650	430,590	(153,060)
Hearing Board fees	247,630	247,630	818,469	570,839
Penalties and settlements	4,600,000	4,600,000	6,819,691	2,219,691
Other revenues	1,974,030	1,974,030	2,246,860	(2,236,259)
Total revenues	194,355,728	198,741,971	198,315,010	(426,961)
Expenditures:				
Current:				
Salaries and employee benefits	\$ 160,503,939	\$ 165,803,939	\$ 159,688,983	\$ 6,114,956
Insurance	1,811,425	2,294,753	2,288,753	6,000
Rent	1,375,223	1,505,257	511,049	994,208
Supplies	3,411,962	5,135,400	3,553,113	1,582,287
Contract and special services	14,085,505	15,038,141	11,053,882	3,984,259
Maintenance	1,808,709	2,743,304	2,463,999	279,305
Travel and auto	877,523	1,054,522	846,647	207,875
Utilities	1,965,620	1,660,326	1,985,398	(325,072)
Communications	1,145,320	1,112,062	875,776	236,286
Uncollectible accounts	-	-	923,585	(923,585)
Other expenditures	1,493,295	1,496,060	1,099,792	396,268
Capital outlay	1,720,000	7,555,022	11,048,245	(3,493,223)
Debt service:				
Principal	4,128,897	4,010,000	4,010,000	-
Interest	-	118,897	118,897	-
Lease and SBITA Principal	-	-	1,800,730	(1,800,730)
Lease and SBITA Interest	-	-	225,421	(225,421)
Total expenditures	194,327,418	209,527,683	202,494,270	7,033,413
Excess (deficiency) of revenues over (under) expenditures	28,310	(10,785,711)	(4,179,260)	6,606,451
Other Financing Sources (Uses)				
Transfers in	1,971,690	5,564,442	6,268,042	703,600
Transfers out	2,000,000	2,000,000	2,000,000	-
Leases and SBITA	-	-	2,653,290	2,653,290
Total other financing sources	(28,310)	3,564,442	6,921,332	3,356,890
Net change in budgetary fund balances	\$ -	\$ (7,221,269)	\$ 2,742,072	\$ 9,963,341

See accompanying notes to required supplementary information and independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of South Coast AQMD's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

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	Measurement Date**									
<u>SBCERA Pension Plan</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
South Coast AQMD's proportion of the net pension liability	8.525%	9.032%	10.54%	8.368%	8.625%	8.613%	8.123%	8.09%	7.79%	6.45%
South Coast AQMD's proportionate share of the net pension liability	\$ 202,290,111	\$ 209,969,044	\$ 138,924,385	\$ 335,429,877	\$ 233,891,403	\$ 218,228,092	\$ 214,076,570	\$ 199,589,723	\$ 151,441,343	\$ 109,655,281
South Coast AQMD's covered payroll	\$ 81,596,762	\$ 81,922,566	\$ 84,187,926	\$ 80,454,708	\$ 77,342,109	\$ 73,329,109	\$ 71,657,793	\$ 71,247,083	\$ 68,088,547	\$ 75,623,191
South Coast AQMD's proportionate share of the net pension liability as a percentage of its covered payroll	247.91%	256.30%	165.02%	416.92%	302.41%	297.60%	298.75%	280.14%	222.42%	145.00%
SBCERA's fiduciary net position as a percentage of the total pension liability	81.37%	80.21%	86.48%	66.99%	75.24%	75.85%	74.94%	74.10%	79.33%	83.74%
	Measurement Date**									
<u>LACERA Pension Plan</u>	<u>June 30, 2023</u>	<u>June 30, 2021</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
South Coast AQMD's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
South Coast AQMD's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Coast AQMD's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,839	\$ 60,610	\$ 59,557	\$ 59,193	\$ 57,884
South Coast AQMD's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
LACERA's fiduciary net position as a percentage of the total pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

** GASB Statement No. 68 requires this information to be presented as of the measurement date of the net pension liability, which is not the current fiscal year end.

See accompanying notes to required supplementary information and independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of South Coast AQMD's Contributions - Pensions
Last 10 Fiscal Years

	Reporting Date**									
<u>SBCERA Pension Plan</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 37,949,166	\$ 36,497,985	\$ 37,811,240	\$ 33,603,205	\$ 33,202,615	\$ 30,295,487	\$ 25,332,734	\$ 23,319,256	\$ 21,089,956	\$ 19,384,858
Contributions in relation to the contractually required contributions	<u>37,949,166</u>	<u>36,497,985</u>	<u>37,811,240</u>	<u>33,603,205</u>	<u>33,202,615</u>	<u>30,295,487</u>	<u>25,332,734</u>	<u>23,319,256</u>	<u>21,089,956</u>	<u>19,384,858</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
South Coast AQMD's covered payroll*	\$ 92,711,896	\$ 81,596,762	\$ 81,922,566	\$ 84,187,926	\$ 80,454,708	\$ 77,342,109	\$ 73,329,109	\$ 71,657,793	\$ 71,247,083	\$ 68,088,547
Contributions as a percentage of covered payroll	40.93%	44.73%	46.15%	39.91%	41.27%	39.17%	34.55%	32.54%	29.60%	28.47%

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	Reporting Date**									
<u>LACERA Pension Plan</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,300	\$ 11,000	\$ 13,000	\$ 14,000
Contributions in relation to the contractually required contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,300</u>	<u>11,000</u>	<u>13,000</u>	<u>14,000</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
South Coast AQMD's covered payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,839	\$ 60,610	\$ 59,557	\$ 59,193
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.99%	18.15%	21.83%	23.65%

* Covered payroll is different from that shown in previously issued reports due to updated information.

** GASB Statement No. 68 requires this information to be presented as of the most recent fiscal year end.

See accompanying notes to required supplementary information and independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of Changes in the South Coast AQMD's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*

<u>LACERA OPEB Plan***</u>	<u>Measurement Date**</u>				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Net OPEB Liability:					
Interest	\$ 84,000	\$ 62,000	\$ 73,000	\$ 123,000	\$ 135,000
Effects of assumptions, changes or inputs	(47,000)	(370,000)	(185,000)	292,000	136,000
Effects of economic/demographic (gains) or losses	64,000	20,000	(62,000)	(386,000)	-
Benefit payments	(208,000)	(231,000)	(239,000)	(242,000)	(267,000)
Net change in net OPEB liability	(107,000)	(519,000)	(413,000)	(213,000)	4,000
Net OPEB liability, beginning	2,482,000	3,001,000	3,414,000	3,627,000	3,623,000
Net OPEB liability, ending (a)	<u>\$ 2,375,000</u>	<u>\$ 2,482,000</u>	<u>\$ 3,001,000</u>	<u>\$ 3,414,000</u>	<u>\$ 3,627,000</u>
South Coast AQMD's covered-employee payroll	- \$	- \$	- \$	- \$	-
Net OPEB liability as (a) % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

- * Historical information is required only for measurement periods for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes available.
- ** GASB Statement No. 75 requires this information to be presented as of the measurement date of the net OPEB liability, which is not the current fiscal year end.
- *** OPEB liability for fiscal year 2019 and prior was reported based on a cost sharing structure. In fiscal year 2020 (measurement date at June 30, 2019), the plan was changed from a cost sharing structure to an agent structure. This is the inaugural year of the OPEB information to be reported under an agent structure. The beginning OPEB liability balance was changed to reflect the impact under the agent structure. The following is the historical information under the cost sharing structure:

Schedule of South Coast AQMD's Proportionate Share of the Net OPEB Liability

<u>LACERA OPEB Plan</u>	<u>Measurement Date</u>		
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
South Coast AQMD's proportion of the collective net OPEB liability	0.01286%	0.01335%	0.01396%
South Coast AQMD's proportionate share of the collective net OPEB liability	\$ 3,180,000	\$ 3,534,000	\$ 3,721,000
South Coast AQMD's covered-employee payroll	\$ 48,839	\$ 60,610	\$ 59,557
South Coast AQMD's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	6511.19%	5830.72%	6247.80%
LACERA's fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of South Coast AQMD's Contributions - OPEB
Last 10 Fiscal Years*

	Reporting Date **							
<u>LACERA OPEB Plan</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 193,644	\$ 210,466	\$ 221,162	\$ 237,584	\$ 240,984	\$ 232,780	\$ 232,715	\$ 234,967
Contributions in relation to the contractually required contributions	(193,644)	(210,466)	(221,162)	(237,584)	(240,984)	(232,780)	(232,715)	(234,967)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Coast AQMD's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,839	\$ 60,610
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	476.49%	387.67%

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* Historical information is required only for measurement periods for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes available.

** GASB Statement No. 75 requires this information to be presented as of the most recent fiscal year-end.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

South Coast AQMD has a comprehensive annual budget process which establishes goals and objectives and monitors expenditures associated with meeting those goals and objectives.

Up to and including the budget adoption hearing by South Coast AQMD's Governing Board, the public and the business community have several opportunities to participate in the budget process. These opportunities include: Budget Advisory Committee meetings made up of business and environmental representatives, a public consultation, a Governing Board workshop and a public hearing.

Following input from the public, Budget Advisory Committee, and Governing Board, the draft budget for fiscal year 2023-24 was prepared and subsequently adopted at the May 2023 meeting of the Governing Board. The fiscal year 2023-24 Adopted Budget and the final fee schedules became effective on July 1, 2023.

South Coast AQMD's annual budget is adopted for the General Fund at the Major Object levels of Salaries and Employee Benefits, Services and Supplies, Capital Outlays, and Building Remodeling. The Governing Board has delegated expenditure authority to the Executive Officer for all budgeted expenditures of \$100,000 or less within a major object. All appropriations to the budget and transfers between major objects must be approved by the Governing Board. Transfers within a major object are delegated to the Executive Officer. Monthly expenditure reports are issued to each Office. The Governing Board receives a General Fund Budget status report on a quarterly basis.

South Coast AQMD presents a comparison of annual budget to actual results for the General Fund. The budgeted expenditure amounts represent the adopted budget adjusted for Governing Board approved supplemental appropriations. The budgeted revenue amounts represent the adopted budget modified for Governing Board approved adjustments which were based upon new or additional revenue sources. Supplemental expenditure appropriations of \$15,200,265 and revenue adjustments of \$7,978,995 were approved by the Governing Board in fiscal year 2023-24.

The South Coast AQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. Special Revenue Fund appropriations are approved by the Governing Board on an as-needed basis at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024**

NOTE 2 – GENERAL FUND BUDGETARY BASIS RECONCILIATION

The General Fund Budgetary Basis under Required Supplementary Information presents comparisons of the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing expenditures data on a budgetary basis differ from those used to present financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The basis of budgeting that differs from GAAP is modified accrual basis plus encumbrances. The following is a reconciliation of differences for the fiscal year ended June 30, 2024:

Expenditures and encumbrances (budgetary basis) June 30, 2024	\$202,494,270
Add: payments on encumbrances open at July 1, 2023	6,489,269
Less: encumbrances open at June 30, 2024	<u>(10,038,693)</u>
Expenditures (GAAP basis), June 30, 2024	<u>\$198,944,842</u>

A reconciliation of revenue is not presented since budgetary practices and GAAP do not differ with respect to revenue.

NOTE 3 – USE OF BUDGETARY FUND BALANCE

When the fiscal year 2023-24 budget was adopted the Governing Board approved a budget that was balanced. Mid-year adjustments appropriated \$7,221,270 from Unassigned Fund Balance.

NOTE 4 – FACTORS AFFECTING PENSION TRENDS SOUTH COAST AQMD'S PROPORTION

As of the June 30, 2023 measurement date, South Coast AQMD's proportionate share of SBCERA's net pension liability changed from 9.032% to 8.525%. There were no changes in the benefit terms. The inflation rate changed from 2.75% to 2.5%. The actuarial assumptions used in June 30, 2023 valuation report was based on the results of an experience study for the period from July 1, 2019 through June 30, 2022.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

Nonmajor Governmental Funds

Special Revenue Funds:

- Air Toxics Fund – Used to account for fees received from industrial toxic air emitters. These funds are spent on planning and performing health risk evaluations for the purpose of developing a toxic emissions inventory for the South Coast Air Basin.
- Advanced Technology, Outreach and Education Fund – Used to account for monies contributed by companies in lieu of paying fines for violating South Coast AQMD rules. Contributed amounts must be used to pay costs associated with South Coast AQMD-sponsored research and development in cleaner burning fuels and other advanced technologies and public outreach and education related to advanced technology and air pollution and its impacts.
- Air Quality Assistance Fund – Used to account for funds set aside for the purpose of underwriting, guaranteeing, or otherwise participating in the provision of financial assistance to small businesses as required by Section 40448.7 of the California Health and Safety Code. (This legislation was repealed by its own terms January 1, 1999). In June 2000, the Governing Board authorized staff to revise the program to increase participation of small businesses. Certain revisions, including participation in the California Capital Access Program (CalCAP) to assist small businesses, were implemented in June 2001.
- Air Quality Improvement Fund – Used to account for 40% of the revenue received by the South Coast AQMD from motor vehicle registration fees under the provisions of Sections 44243 and 44244 of the California Health and Safety Code. This money is distributed on a quarterly basis to cities and counties within the South Coast Air Basin to implement programs to reduce air pollution from motor vehicles.
- Mobile Sources Air Pollution Reduction Fund – Used to account for 30% of the revenue received by South Coast AQMD from the motor vehicle registration fees under the provisions of Sections 44243 and 44244 of the California Health and Safety Code. This money is used to provide grants to fund projects for the purpose of reducing air pollution from motor vehicles within the jurisdiction of the South Coast AQMD. Total projects to date amount to over \$538 million and over 16,500 tons of emissions reduced. This special fund was established in fiscal year 1992.
- Air Quality Investment Fund – To account for revenue from employers with 250 or more employees at a worksite who are subject to Rule 2202. This revenue is used to purchase emissions reductions credits to meet the required target. To date, \$54.1 million in projects have been awarded to purchase over 34,133 tons of emission

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

reductions. Starting April 2017, this fund was used to process rebates for South Coast AQMD's Residential Electric Lawn Mower Rebate Program. As of June 2024, a total of 4,392 lawn mowers were exchanged and \$957,646 spent, resulting in 0.32 tons per year of NO_x and 1.6 tons per year of ROG in emission reductions.

- RECLAIM AQIP – Established in fiscal year 2001 to separately account for the generation of NO_x (Oxides of Nitrogen) credits at stationary and mobile sources for use by certain small or new RECLAIM (Regional Clean Air Incentives Market) participants. AQIP stands for Air Quality Investment Program.
- RECLAIM and Executive Order Mitigation – Established in fiscal year 2001 to account for mitigation fee payments made by power generators in lieu of emission offsets. Proceeds are used to generate RECLAIM Trading Credits (RTCs) to offset excess emissions.
- Rule 1121 Mitigation Fee Program – Established in fiscal year 2004 to issue program announcements for projects under the Rule 1121 Mitigation Fee Program. Under Rule 1121 - Control of Nitrogen Oxides (NO_x) from Residential Type, Natural Gas Fired Water Heaters, emission mitigation fees are collected from water heater manufacturers to fund stationary and mobile source emission reduction projects targeted at offsetting NO_x emission.
- Rule 1111 Mitigation Fee Program – Used to account for mitigation fee payments made by manufacturers for fan-type central furnaces. Rule 1111 requires manufacturers to certify that each furnace model offered for sale complies with the emission limit. In lieu of meeting the lower emission limit, Rule 1111 provided manufacturers an alternate compliance option of paying a per-unit mitigation fee for up to 4 to 4.5 years past the applicable compliance date, depending on the furnace type, which includes non-condensing, condensing, weatherized, and mobile home furnaces. The mitigation fee period ended for non-condensing, condensing, and weatherized furnaces prior to October 1, 202, except for mobile home furnaces. For FY 23-24, manufacturers paid mitigation fee for mobile home furnaces.
- Clean Fuels Program Fund – Established as a special revenue fund in fiscal year 2000 to account for contract activities and revenues of the Clean Fuels Program. These are activities associated with implementing Clean Fuels stationary source and mobile source research, development, demonstration and deployment projects approved by the Governing Board. Since 1988, the Clean Fuels Program has provided funds for 1,542 projects totaling \$268.7 million.
- Lower-Emission School Bus Fund – Established in fiscal year 2001 to administer state funds set aside in the South Coast Air Basin for the replacement and retrofit of high-emitting diesel-fueled school buses. Since 2001, over \$370 million of Lower Emissions

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

School Bus funds has been provided for the replacement of school buses, and the retrofit of newer diesel buses with PM traps. In total, approximately 2,000 highly polluting school buses have been replaced with new near zero or zero emission school buses and nearly 3,460 newer diesel school buses were retrofitted with PM traps.

- Zero Emission Vehicle Incentive Program – Established in fiscal year 2001 to administer the State funds set aside for the implementation of the Zero Emission Vehicle (ZEV) Incentive Program.
- AES Settlement Projects Fund – Established in fiscal year 2001 for the purpose of accounting for the one-time penalty settlement with AES Corporation for air pollution violations.
- Rule 1309.1 Priority Reserve Fund – Established in fiscal year 2001 to account for mitigation fees paid for Particulate Matter ≤ 10 microns (PM₁₀) credits. Due to the state energy crisis in 2001, Rule 1309.1 was amended to allow new electric generating facilities temporary access to South Coast AQMD's Priority Reserve Account to offset their PM₁₀ emission increases provided that they meet specific criteria and pay appropriate mitigation fees.
- CARB ERC Bank Fund – Established in fiscal year 2001 to account for the proceeds from the issuance of the Emission Reduction Credits (ERCs) to natural gas turbine power plant peaker units. CARB established the ERC Bank for peaker power plants that need emission offsets to add new or expanded capacity. Proceeds from the issuance of these ERCs will fund emission reduction programs where the new or expanded facility is located.
- LADWP Settlement Fund – Established in fiscal year 2001 for the purpose of accounting for the monies received from the Los Angeles Department of Water and Power as part of the settlement agreement.
- State-Emissions Mitigation Fund – Established during fiscal year 2002 to account for the funds received from CARB to fund CARB selected projects on emission reductions within the South Coast Air Basin. This is in response to the Governor's statewide program to mitigate excess emissions from peaker power generation units to alleviate the power crisis in California.
- State Backup Generators (BUG) Program Fund – Established in fiscal year 2003 to account for the funds received from CARB's Diesel-Fueled Electrical Backup Generator Emissions Mitigation Program. This program funds emission related projects as part of an ongoing effort to expeditiously reduce public exposure to air toxics and other pollutants.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024

- Rule 1173 Mitigation Fee Fund – Established in fiscal year 2004 to account for Rule 1173 mitigation fee payments to be used in funding air quality projects which directly benefit the community surrounding the facility. Amendments in December 2002 to Rule 1173 for Refineries and Chemical Plants established a mitigation fee payment provision relating to the release of Volatile Organic Compound (VOC) from an atmospheric Pressure Relief Device (PRD).
- Communities for Better Environment (CBE)/Our Children's Earth (OCE) Settlement Agreement Fund – Established in FY 2004 as part of the settlement agreement to fund PM_{10} (Particulate Matter ≤ 10 microns) and/or NO_x (Oxides of Nitrogen) reduction projects in disproportionately impacted areas.
- BP ARCO Settlement Projects Fund – Established in fiscal year 2005 to account for the \$25 million civil penalties received in 2005 as part of the settlement with BP ARCO for air pollution violations.
- Health Effects Research Fund – The Health Effects Research Fund was established in fiscal year 2008 to receive 20% of all penalty/settlement monies in excess of \$4 million recognized annually in South Coast AQMD's General Fund beginning in fiscal year 2009, subject to annual Board approval.
- CEQA Green House Gas Mitigation Fund – This fund was established in fiscal year 2009 under Rule 2702 for Green House Gas (GHG) emission reductions. It received \$1.5 million from Chevron Products Company to offset Green House Gas emission as part of its Product Reliability and Optimization (PRO+) Project Mitigation Monitoring Plan.
- Emission Reduction and Outreach Fund – This fund was established in fiscal year 2010 due to a \$1,000,000 Supplemental Environmental Project Settlement. These funds are used to enhance compliance of emission reduction policies by providing source education and consumer education.
- Rule 1118 Mitigation Fund – Established in fiscal year 2010 to account for mitigation fees from petroleum refineries that exceed sulfur dioxide emission thresholds from flares and future Rule 1118 mitigation fees and to track the projects funded through these fees.
- HEROS II Fund – Established in fiscal year 2011, this fund is used to track funds received and expenditures for South Coast AQMD's vehicle scrap and replacement program. This voluntary program reduces emissions from high-emitting light and medium-duty vehicles in South Coast AQMD.

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- AB 1318 Mitigation Fees Fund – Created in fiscal year 2011 to account for revenue of \$53.3 million from a mitigation fee payment for the transfer of emission credits under AB 1318.
- Voucher Incentive Program (VIP) Fund – Established in fiscal year 2012 due to transfer of funds from the Carl Moyer Multidistrict funds originally recorded in Carl Moyer Program Fund, to separately administer the On-Road Heavy-Duty Vehicle Voucher Incentive Program.
- Advanced Technology Goods Movement Fund – Established in fiscal year 2012 to administer funds received through an agreement with Port of Los Angeles and Port of Long Beach to fund projects consistent with the development and demonstration of zero emissions goods movement technologies, including the demonstration of Linear Synchronous Motor (LSM) technology to move cargo containers and the development of two discrete hybrid electric drive systems for heavy-duty vehicles.
- Rule 1470 Risk Reduction Fund – Established in fiscal year 2012 to help fund control equipment costs for public agencies, such as cities, counties, and schools, required to install control equipment on new emergency standby engines in order to comply with Rule 1470.
- Rule 1420.1 Special Revenue Fund – Established in fiscal year 2014 to account for monies received from Exide Technologies and Quemetco to finance the Multi-Metals continuous emission monitoring system (CEMS) and continuous Multi-Metals Ambient Air Monitoring Demonstration Programs.
- Rule 1304.1 Special Revenue Fund – Established in fiscal year 2016 to track the deposit of fees paid and the withdrawal of funds for approved projects, pursuant to Rule 1304.1 - Electrical Generating Facility Fee for Use of Offset Exemption.
- Green House Gas (GHG) Reduction Projects Special Revenue Fund – Established in fiscal year 2016 to account for the projects funded by CARB's Low Carbon Transportation GHG Reduction Fund Investments.
- ExxonMobil Settlement Projects Special Revenue Fund – Established in fiscal year 2016 for the purpose of accounting for the monies received pursuant to a settlement agreement with ExxonMobil for Supplemental Environmental Project (SEP).
- LADWP Variance Special Revenue Fund – Established in fiscal year 2017 to receive environmental fees from the Los Angeles Department of Water and Power as part of a South Coast AQMD Hearing Board variance. The variance allowed LADWP to burn

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diesel to 1) recommission and test the turbines, and 2) subsequently to operate them on diesel fuel, only if the natural gas supply to LADWP was curtailed by SoCal Gas.

- Air Filtration Special Revenue Fund – Established in fiscal year 2017, a Supplemental Environmental Project (SEP) agreement was executed between CARB and the Burlington Northern Santa Fe Railway Company (BANSF) to install air filtration systems at schools in an Environmental Justice community in the South Coast region.
- SoCal Gas Settlement Special Revenue Fund – Established in fiscal year 2017 to execute a contract with KORE Infrastructure Inc in an amount not to exceed \$1 million from the SoCal Gas Settlement Special Revenue Fund to cost-share the commercial field test project.
- Rule 1180 Special Revenue Fund – Established in fiscal year 2018 to account for the Rule 1180 initial and final payments for implementation of the community air monitoring stations near petroleum refineries.
- VW Mitigation Special Revenue Fund – Established in fiscal year 2019 to recognize revenue of up to \$150 million into the fund, to administer and implement two project funding categories identified in CARB’s Beneficiary Mitigation Plan for the VW Environmental Mitigation Trust. The funded projects are intended to mitigate the excess NOx emissions caused by the VW vehicles.
- Prop 1B Goods Movement Fund – Established in fiscal year 2008 to account for voter approved transportation bond dollars. A portion of these were allocated to CARB and passed through to South Coast AQMD to implement programs that reduce emissions from movement of freight or “goods” along California’s trade corridors. Over \$500 million in goods movement projects have been and are being implemented within the South Coast AQMD.
- Clean Shipping Technology Demonstration Special Revenue Fund – Established in FY2020 for the purpose of implementing clean shipping projects.
- Aliso Canyon Air Filtration Special Revenue Fund – Established in fiscal year 2021 to recognize \$7.1 million from the Aliso Supplemental Environmental Project (SEP) Fund and facilitate program tracking and auditing. This funded project is to install air filtration systems at schools in Environmental Justice communities in Los Angeles County.
- Aliso Fund Porter Ranch SEP Special Revenue Fund – Established in fiscal year 2021 to recognize up to \$1.5 million from the Aliso Fund Committee and transfer \$1 million from SoCalGas Settlement Special Revenue Fund. This fund is used to implement a

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Supplemental Environmental Project (SEP) in Porter Ranch and the communities surrounding the SoCalGas Aliso Canyon natural gas storage facility.

- Rule 2305 Mitigation Fees Special Revenue Fund – Established in fiscal year 2021 to recognize the mitigation fees paid by owner and operators of warehouses located in the South Coast AQMD jurisdiction with greater than or equal to 100,000 square feet to provide incentives toward the purchase of near zero and zero emission trucks and zero emission charging and fueling infrastructure, including administrative fees to cover South Coast AQMD’s costs of administering the Warehouse Actions and Investments to Reduce Emissions (WAIRE) Mitigation Fee Program.
- CARB SEP Special Revenue Fund – Established in fiscal year 2022 to facilitate program tracking and auditing and recognize up to \$1.275 Million into the fund for installing and maintaining air filtration systems at private schools and daycare facilities in AB 617 communities.
- At-Berth Regulation Remediation Special Fund – Established in fiscal year 2023 to be a Remediation Fund Administrator per CARB Ocean-Going Vessels At-Berth Regulation and to fund incentive programs designed to achieve emission reduction.

Capital Projects Fund

- Infrastructure Improvement Fund – Established in fiscal year 2013 to separately account for large-scale and/or multi-year infrastructure improvement projects.

Debt Service Fund – Established in 2009 to replace the terminated Guaranteed Investment Contract with the Municipal Bond Insurance Association (MBIA, Inc.) due to changes in financial markets. This is used for the defeasance of a portion of South Coast AQMD’s debt service on Pension Obligation Bonds.

Component Unit – South Coast AQMD Building Corporation – Established in fiscal year 1978 for the acquisition and improvement of South Coast AQMD headquarters. The South Coast AQMD Building Corporation is a legally separate entity, but for financial statement purposes, it is shown as a blended component unit in the governmental funds.

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	Special Revenue				
	Air Toxics Fund	Advanced Tech Outreach & Education Fund	Air Quality Assistance Fund	Air Quality Improvement Fund	Mobile Sources Air Pollution Reduction Fund
Assets					
Cash and cash equivalents	\$ 2,757,880	\$ 9,190,754	\$ 1,801,001	\$ 2,015,317	\$ 119,393,064
Investments	-	-	-	-	-
Interest receivable	26,985	92,468	9,887	28,865	1,170,160
Due from other governmental agencies	-	25,528	-	3,681,833	2,761,374
Due from other funds	-	-	-	-	-
Accounts receivable, net	1,148,775	-	-	-	-
Total assets	\$ 3,933,640	\$ 9,308,750	\$ 1,810,888	\$ 5,726,015	\$ 123,324,598
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	\$ 3,933,640	\$ 9,308,750	\$ 1,810,888	\$ 5,726,015	\$ 123,324,598
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 349,154	\$ 54,391	\$ -	\$ 5,663,800	\$ 1,471,141
Due to other funds	251,456	24,876	-	-	216,867
Total liabilities	600,610	79,267	-	5,663,800	1,688,008
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	9,229,483	-	62,215	121,636,590
Committed	-	-	-	-	-
Assigned	3,333,030	-	1,810,888	-	-
Total fund balances	3,333,030	9,229,483	1,810,888	62,215	121,636,590
Total liabilities and fund balances	\$ 3,933,640	\$ 9,308,750	\$ 1,810,888	\$ 5,726,015	\$ 123,324,598

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
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	Special Revenue				
	Air Quality Investment Fund	Clean Fuels Program Fund	Lower-Emission School Bus Fund	Zero Emission Vehicle Incentive Fund	AES Settlement Projects Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 98,400,024	\$ 64,956,744	\$ 9,672,267	\$ 756,305	\$ 126,690
Investments	9,788,765	29,319,730	-	-	-
Interest receivable	1,073,926	520,215	104,576	8,177	3,843
Due from other governmental agencies	-	2,300,242	-	-	-
Due from other funds	6,892,165	157,500	-	-	-
Accounts receivable, net	10,172	-	-	-	-
Total assets	<u>\$ 116,165,052</u>	<u>\$ 97,254,431</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 130,533</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 116,165,052</u>	<u>\$ 97,254,431</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 130,533</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liabilities	\$ 536	\$ 307,442	\$ -	\$ -	\$ -
Due to other funds	168,597	909,851	-	-	17,414
Total liabilities	<u>169,133</u>	<u>1,217,293</u>	<u>-</u>	<u>-</u>	<u>17,414</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
<u>Fund Balances:</u>					
Restricted	-	-	9,776,843	764,482	-
Committed	4,609,166	10,049,109	-	-	51,402
Assigned	111,386,753	85,988,029	-	-	61,717
Total fund balances	<u>115,995,919</u>	<u>96,037,138</u>	<u>9,776,843</u>	<u>764,482</u>	<u>113,119</u>
Total liabilities and fund balances	<u>\$ 116,165,052</u>	<u>\$ 97,254,431</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 130,533</u>

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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	Special Revenue			
	Rule 1309.1 Priority Reserve Fund	CARB ERC Bank Fund	LADWP Settlement Fund	State-Emissions Mitigation Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 5,267,986	\$ 636,349	\$ 23,842	\$ 116,549
Investments	-	-	-	-
Interest receivable	56,978	6,880	258	1,260
Due from other governmental agencies	-	-	-	-
Due from other funds	-	-	-	-
Accounts receivable, net	-	-	-	-
Total assets	<u>\$ 5,324,964</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>
<u>Deferred Outflow of Resources:</u>				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 5,324,964</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,398	-	-	-
Total liabilities	<u>4,398</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>				
Long-term receivables	-	-	-	-
Fund Balances:				
Restricted	-	-	-	117,809
Committed	321,516	561,074	-	-
Assigned	4,999,050	82,155	24,100	-
Total fund balances	<u>5,320,566</u>	<u>643,229</u>	<u>24,100</u>	<u>117,809</u>
Total liabilities and fund balances	<u>\$ 5,324,964</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>

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	Special Revenue				
	State BUG Program Fund	Rule 1173 Mitigation Fee Fund	CBE/OCE Settlement Agreement Fund	BP ARCO Settlements Project Fund	Health Effects Research Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 24,784	\$ 3,125,100	\$ 215,061	\$ 672,859	\$ 4,962,038
Investments	-	-	-	-	-
Interest receivable	268	33,789	-	7,291	53,649
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 215,061</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 215,061</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liability	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	4,878	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,878</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	25,052	-	-	-	-
Committed	-	-	210,183	-	-
Assigned	-	3,158,889	-	680,150	5,015,687
Total fund balances	<u>25,052</u>	<u>3,158,889</u>	<u>210,183</u>	<u>680,150</u>	<u>5,015,687</u>
Total liabilities and fund balances	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 215,061</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024**

<u>Assets</u>	Special Revenue				
	CEQA Green House Gas Mitigation Fund	Emission Reduction and Outreach Fund	Rule 1118 Mitigation Fund	HEROS II Fund	AB 1318 Mitigation Fees Fund
Cash and cash equivalents	\$ 141,431	\$ 1,020	\$ 21,688,301	\$ 19,757,473	\$ 3,056,877
Investments	-	-	-	-	-
Interest receivable	1,529	11	234,719	135,722	35,710
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	<u>\$ 142,960</u>	<u>\$ 1,031</u>	<u>\$ 21,923,020</u>	<u>\$ 19,893,195</u>	<u>\$ 3,092,587</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 142,960</u>	<u>\$ 1,031</u>	<u>\$ 21,923,020</u>	<u>\$ 19,893,195</u>	<u>\$ 3,092,587</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liability	\$ -	\$ -	\$ 15,149	\$ 369,500	\$ -
Due to other funds	-	-	121,883	173,194	-
Total liabilities	<u>-</u>	<u>-</u>	<u>137,032</u>	<u>542,694</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
<u>Fund Balances:</u>					
Restricted	-	-	-	19,350,501	-
Committed	-	-	5,229,000	-	-
Assigned	142,960	1,031	16,556,988	-	3,092,587
Total fund balances	<u>142,960</u>	<u>1,031</u>	<u>21,785,988</u>	<u>19,350,501</u>	<u>3,092,587</u>
Total liabilities and fund balances	<u>\$ 142,960</u>	<u>\$ 1,031</u>	<u>\$ 21,923,020</u>	<u>\$ 19,893,195</u>	<u>\$ 3,092,587</u>

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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NONMAJOR GOVERNMENTAL FUNDS
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	Special Revenue				
	Voucher Incentive Program (VIP) Fund	Advanced Technology Goods Movement Fund	Rule 1470 Risk Reduction Fund	Rule 1420.1 Special Revenue Fund	Rule 1304.1 Special Revenue Fund
Assets					
Cash and cash equivalents	\$ 16,371,221	\$ 1,824,248	\$ 2,714,607	\$ 101,809	\$ 98,693,565
Investments	-	-	-	-	19,577,531
Interest receivable	178,258	20,379	29,350	1,101	1,070,494
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	\$ 16,549,479	\$ 1,844,627	\$ 2,743,957	\$ 102,910	\$ 119,341,590
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	\$ 16,549,479	\$ 1,844,627	\$ 2,743,957	\$ 102,910	\$ 119,341,590
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liability	\$ 410,000	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	157,500	-	-	-
Total liabilities	410,000	157,500	-	-	-
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	16,139,479	-	-	102,910	119,341,590
Committed	-	572,255	-	-	-
Assigned	-	1,114,872	2,743,957	-	-
Total fund balances	16,139,479	1,687,127	2,743,957	102,910	119,341,590
Total liabilities and fund balances	\$ 16,549,479	\$ 1,844,627	\$ 2,743,957	\$ 102,910	\$ 119,341,590

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
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June 30, 2024**

	Special Revenue				
	GHG Reduction Projects Special Revenue Fund	ExxonMobil Settlements Projects Special Rev Fund	LADWP Variance Special Revenue Fund	Air Filtration Fund	SoCal Gas Settlement Special Revenue Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 6,056,820	\$ 198,628	\$ 1,300,424	\$ 1,546,167	\$ 77,510
Investments	-	-	-	-	-
Interest receivable	89,832	2,148	14,508	16,969	838
Due from other governmental agencies	17,340	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	1,200,000	-	-	-	-
Total assets	<u>\$ 7,363,992</u>	<u>\$ 200,776</u>	<u>\$ 1,314,932</u>	<u>\$ 1,563,136</u>	<u>\$ 78,348</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 7,363,992</u>	<u>\$ 200,776</u>	<u>\$ 1,314,932</u>	<u>\$ 1,563,136</u>	<u>\$ 78,348</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liability	\$ 10,587	\$ -	\$ -	\$ 30,725	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>10,587</u>	<u>-</u>	<u>-</u>	<u>30,725</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	<u>17,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Restricted	7,336,065	-	-	-	-
Committed	-	-	707,518	1,239,621	-
Assigned	-	200,776	607,414	292,790	78,348
Total fund balances	<u>7,336,065</u>	<u>200,776</u>	<u>1,314,932</u>	<u>1,532,411</u>	<u>78,348</u>
Total liabilities and fund balances	<u>\$ 7,363,992</u>	<u>\$ 200,776</u>	<u>\$ 1,314,932</u>	<u>\$ 1,563,136</u>	<u>\$ 78,348</u>

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	Rule 1180 Special Revenue Fund	VW Mitigation Special Revenue Fund	Prop 1B Goods Movement Fund	Clean Shipping Tech Demos Special Rev Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 68,428	\$ 41,381,348	\$ 52,616,342	\$ 7,605,916
Investments	-	-	-	-
Interest receivable	756	492,401	587,621	81,510
Due from other governmental agencies	-	-	-	13,041
Due from other funds	-	-	-	-
Accounts receivable, net	-	-	-	-
Total assets	<u>\$ 69,184</u>	<u>\$ 41,873,749</u>	<u>\$ 53,203,963</u>	<u>\$ 7,700,467</u>
<u>Deferred Outflow of Resources:</u>				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 69,184</u>	<u>\$ 41,873,749</u>	<u>\$ 53,203,963</u>	<u>\$ 7,700,467</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 800,000	\$ 1,900,000	\$ -
Due to other funds	-	115,235	62,365	7,040,498
Total liabilities	<u>-</u>	<u>915,235</u>	<u>1,962,365</u>	<u>7,040,498</u>
<u>Deferred Inflow of Resources</u>				
Long-term receivables	-	-	-	-
Fund Balances:				
Restricted	69,184	40,958,514	51,241,598	659,969
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>69,184</u>	<u>40,958,514</u>	<u>51,241,598</u>	<u>659,969</u>
Total liabilities and fund balances	<u>\$ 69,184</u>	<u>\$ 41,873,749</u>	<u>\$ 53,203,963</u>	<u>\$ 7,700,467</u>

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
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	Special Revenue				
	Aliso Canyon Air Filtration Special Revenue Fund	Aliso Fund Porter Ranch Special Revenue Fund	Rule 2305 Mitigation Fee Alternate Fund	CARB SEP Special Revenue Fund	At Berth Reg Remed Special Revenue Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 6,085,464	\$ 1,395,417	\$ 27,880,856	\$ 4,350,241	\$ 524,788
Investments	-	-	-	-	-
Interest receivable	78,639	17,864	253,830	48,054	3,096
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	3,169,667	-	13,300
Total assets	<u>\$ 6,164,103</u>	<u>\$ 1,413,281</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 6,164,103</u>	<u>\$ 1,413,281</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 594,408	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	12,745	-	-	-
Total liabilities	<u>594,408</u>	<u>12,745</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	-	-	-	-
Committed	5,360,916	1,180,148	-	313,650	-
Assigned	208,779	220,388	31,304,353	4,084,645	541,184
Total fund balances	<u>5,569,695</u>	<u>1,400,536</u>	<u>31,304,353</u>	<u>4,398,295</u>	<u>541,184</u>
Total liabilities and fund balances	<u>\$ 6,164,103</u>	<u>\$ 1,413,281</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>

See independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Capital Project Infrastructure Improvement Fund	Debt Service Fund	Component Unit SCAQMD Building Corporation	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 1,099,445	\$ 4,335,019	\$ 184,426	\$ 645,172,405
Investments	-	-	-	58,686,026
Interest receivable	11,959	46,824	-	6,653,597
Due from other governmental agencies	-	-	-	8,799,358
Due from other funds	-	-	-	7,049,665
Accounts receivable, net	-	-	-	5,541,914
Total assets	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 184,426</u>	<u>\$ 731,902,965</u>
<u>Deferred Outflow of Resources:</u>				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 184,426</u>	<u>\$ 731,902,965</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liability	\$ -	\$ -	\$ 3,592	\$ 11,980,425
Due to other funds	-	-	-	9,281,757
Total liabilities	<u>-</u>	<u>-</u>	<u>3,592</u>	<u>21,262,182</u>
<u>Deferred Inflow of Resources</u>				
Long-term receivables	-	-	-	17,340
Fund Balances:				
Restricted	-	4,381,843	-	401,194,127
Committed	2,970	-	-	30,408,528
Assigned	1,108,434	-	180,834	279,020,788
Total fund balances	<u>1,111,404</u>	<u>4,381,843</u>	<u>180,834</u>	<u>710,623,443</u>
Total liabilities and fund balances	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 184,426</u>	<u>\$ 731,902,965</u>

See independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue				
	Air Toxics	Advanced Tech	Air Quality	Air Quality	Mobile Sources
	Fund	Outreach &	Assistance	Improvement	Air Pollution
	Fund	Education Fund	Fund	Fund	Reduction Fund
Revenues:					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	16,409,582
Air Toxics "Hot Spots"	501,220	-	-	-	-
Federal grant	-	425,729	-	-	-
State grant	-	-	-	-	-
Interest revenue	98,398	297,234	71,610	90,466	4,959,572
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	599,618	722,963	71,610	90,466	21,369,154
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	5,605	480,797	-	99,700	21,663,844
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	4,808	-	-	-	-
Other expenditures	3,754	-	-	-	756,401
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	14,167	480,797	-	99,700	22,420,245
Excess (deficiency) of revenues over (under) expenditures before transfers	585,451	242,166	71,610	(9,234)	(1,051,091)
Other Financing Sources (uses):					
Transfers in	-	2,100,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	2,100,000	-	-	-
Net change in fund balance	585,451	2,342,166	71,610	(9,234)	(1,051,091)
Fund balances, July 1, 2023, as previously reported	\$ 2,747,579	\$ 6,887,317	\$ 1,739,278	\$ 71,449	\$ 122,687,681
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	2,747,579	6,887,317	1,739,278	71,449	122,687,681
Fund balances, June 30, 2024	\$ 3,333,030	\$ 9,229,483	\$ 1,810,888	\$ 62,215	\$ 121,636,590

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Air Quality Investment	Clean Fuels Program	Lower-Emission School Bus	Zero Emission Vehicle Incentive	AES Settlement Projects
	Fund	Fund	Fund	Fund	Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	9,955,143	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	647,670	-	-	-
State grant	-	-	-	-	-
Interest revenue	4,753,735	3,649,576	382,351	29,897	14,571
Penalties and settlements	-	-	-	-	-
Other revenues	699,633	-	-	-	-
Total revenues	5,453,368	14,252,389	382,351	29,897	14,571
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	1,850,101	2,586,635	-	-	242,973
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,850,101	2,586,635	-	-	242,973
Excess (deficiency) of revenues over (under) expenditures before transfers	3,603,267	11,665,754	382,351	29,897	(228,402)
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	(2,268,597)	(4,466,491)	-	-	(17,414)
Total other financing sources (uses)	(2,268,597)	(4,466,491)	-	-	(17,414)
Net change in fund balance	1,334,670	7,199,263	382,351	29,897	(245,816)
Fund balances, July 1, 2023, as previously reported	\$ 114,661,249	\$ 88,837,875	\$ 9,394,492	\$ 734,585	\$ 358,935
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	114,661,249	88,837,875	9,394,492	734,585	358,935
Fund balances, June 30, 2024	\$ 115,995,919	\$ 96,037,138	\$ 9,776,843	\$ 764,482	\$ 113,119

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue			
	Rule 1309.1	CARB ERC	LADWP	State-Emissions
	Priority	Bank	Settlement	Mitigation
	Reserve Fund	Fund	Fund	Fund
<u>Revenues:</u>				
Emission fees	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-
Federal grant	-	-	-	-
State grant	-	-	-	-
Interest revenue	208,766	25,155	943	4,607
Penalties and settlements	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>208,766</u>	<u>25,155</u>	<u>943</u>	<u>4,607</u>
<u>Expenditures:</u>				
Salaries and employee benefits	-	-	-	-
Insurance	-	-	-	-
Rent	-	-	-	-
Supplies	-	-	-	-
Contract and special services	2,000	-	-	-
Maintenance	-	-	-	-
Travel and auto	-	-	-	-
Utilities	-	-	-	-
Communications	-	-	-	-
Uncollectible accounts	-	-	-	-
Other expenditures	-	-	-	-
Capital outlay	-	-	-	-
<u>Debt service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>206,766</u>	<u>25,155</u>	<u>943</u>	<u>4,607</u>
<u>Other Financing Sources (uses):</u>				
Transfers in	-	-	-	-
Transfers out	(4,398)	-	-	-
Total other financing sources (uses)	<u>(4,398)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>202,368</u>	<u>25,155</u>	<u>943</u>	<u>4,607</u>
Fund balances, July 1, 2023, as previously reported	\$ 5,118,198	\$ 618,074	\$ 23,157	\$ 113,202
Change from nonmajor to major fund	-	-	-	-
Fund balance, July 1, 2023, as adjusted	5,118,198	618,074	23,157	113,202
Fund balances, June 30, 2024	<u>\$ 5,320,566</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	State BUG Program Fund	Rule 1173 Mitigation Fee Fund	CBE/OCE Settlement Agreement Fund	BP ARCO Settlements Project Fund	Health Effects Research Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	980	123,537	-	28,359	196,153
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>980</u>	<u>123,537</u>	<u>-</u>	<u>28,359</u>	<u>196,153</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	-	145,834	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,834</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>980</u>	<u>123,537</u>	<u>-</u>	<u>(117,475)</u>	<u>196,153</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(4,878)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,878)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>980</u>	<u>123,537</u>	<u>(4,878)</u>	<u>(117,475)</u>	<u>196,153</u>
Fund balances, July 1, 2023, as previously reported	\$ 24,072	\$ 3,035,352	\$ 215,061	\$ 797,625	\$ 4,819,534
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	24,072	3,035,352	215,061	797,625	4,819,534
Fund balances, June 30, 2024	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 210,183</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	CEQA Green House Gas Mitigation Fund	Emission Reduction and Outreach Fund	Rule 1118 Mitigation Fund	HEROS II Fund	AB 1318 Mitigation Fees Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	11,400,000	-
Interest revenue	5,591	40	861,821	665,976	183,391
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	134,300	-
Total revenues	<u>5,591</u>	<u>40</u>	<u>861,821</u>	<u>12,200,276</u>	<u>183,391</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	137,648	12,589,582	2,493,578
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>137,648</u>	<u>12,589,582</u>	<u>2,493,578</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>5,591</u>	<u>40</u>	<u>724,173</u>	<u>(389,306)</u>	<u>(2,310,187)</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(121,883)	(873,954)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(121,883)</u>	<u>(873,954)</u>	<u>-</u>
Net change in fund balance	<u>5,591</u>	<u>40</u>	<u>602,290</u>	<u>(1,263,260)</u>	<u>(2,310,187)</u>
Fund balances, July 1, 2023, as previously reported	\$ 137,369	\$ 991	\$ 21,183,698	\$ 20,613,761	\$ 5,402,774
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	137,369	991	21,183,698	20,613,761	5,402,774
Fund balances, June 30, 2024	<u>\$ 142,960</u>	<u>\$ 1,031</u>	<u>\$ 21,785,988</u>	<u>\$ 19,350,501</u>	<u>\$ 3,092,587</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Voucher Incentive Program (VIP)	Advanced Technology Goods	Rule 1470 Risk Reduction	Rule 1420.1 Special Revenue	Rule 1304.1 Special Revenue
	Fund	Movement Fund	Fund	Fund	Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	5,526,300	-	-	-	-
Interest revenue	686,120	73,167	107,310	4,025	4,995,668
Penalties and settlements	-	-	-	-	-
Other revenues	-	283,495	-	-	-
Total revenues	<u>6,212,420</u>	<u>356,662</u>	<u>107,310</u>	<u>4,025</u>	<u>4,995,668</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	2,010,000	-	-	-	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>2,010,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>4,202,420</u>	<u>356,662</u>	<u>107,310</u>	<u>4,025</u>	<u>4,995,668</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>4,202,420</u>	<u>356,662</u>	<u>107,310</u>	<u>4,025</u>	<u>4,995,668</u>
Fund balances, July 1, 2023, as previously reported	\$ 11,937,059	\$ 1,330,465	\$ 2,636,647	\$ 98,885	\$ 114,345,922
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	11,937,059	1,330,465	2,636,647	98,885	114,345,922
Fund balances, June 30, 2024	<u>\$ 16,139,479</u>	<u>\$ 1,687,127</u>	<u>\$ 2,743,957</u>	<u>\$ 102,910</u>	<u>\$ 119,341,590</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	GHG Reduction Projects Special Revenue Fund	ExxonMobil Settlements Projects Special Rev Fund	LADWP Variance Special Revenue Fund	Air Filtration Fund	SoCal Gas Settlement Special Revenue Fund
Revenues:					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	13,418,102	-	-	249,544	-
Interest revenue	313,436	7,851	54,052	60,192	3,064
Penalties and settlements	-	-	-	40,000	-
Other revenues	3,000,000	-	-	-	-
Total revenues	16,731,538	7,851	54,052	349,736	3,064
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	18,189,518	-	104,189	278,918	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	18,189,518	-	104,189	278,918	-
Excess (deficiency) of revenues over (under) expenditures before transfers	(1,457,980)	7,851	(50,137)	70,818	3,064
Other Financing Sources (uses):					
Transfers in	2,000,000	-	-	-	-
Transfers out	(266,786)	-	-	-	-
Total other financing sources (uses)	1,733,214	-	-	-	-
Net change in fund balance	275,234	7,851	(50,137)	70,818	3,064
Fund balances, July 1, 2023, as previously reported	\$ 7,060,831	\$ 192,925	\$ 1,365,069	\$ 1,461,593	\$ 75,284
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	7,060,831	192,925	1,365,069	1,461,593	75,284
Fund balances, June 30, 2024	\$ 7,336,065	\$ 200,776	\$ 1,314,932	\$ 1,532,411	\$ 78,348

See independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue				
	CAP AB 134 Fund	Rule 1180 Special Revenue Fund	VW Mitigation Special Revenue Fund	Prop 1B Goods Movement Fund	Clean Shipping Tech Demos Special Rev Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	203,546	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	-	5,278	1,866,398	2,182,545	85,752
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	-	5,278	2,069,944	2,182,545	85,752
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	9,081,070	4,200,000	323,789
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	-	-	9,081,070	4,200,000	323,789
Excess (deficiency) of revenues over (under) expenditures before transfers	-	5,278	(7,011,126)	(2,017,455)	(238,037)
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	250,000
Transfers out	-	(700,000)	-	(849,300)	(111,596)
Total other financing sources (uses)	-	(700,000)	-	(849,300)	138,404
Net change in fund balance	-	(694,722)	(7,011,126)	(2,866,755)	(99,633)
Fund balances, July 1, 2023, as previously reported	\$ 111,874,792	\$ 763,906	\$ 47,969,640	\$ 54,108,353	\$ 759,602
Change from nonmajor to major fund	(111,874,792)	-	-	-	-
Fund balance, July 1, 2023, as adjusted	-	763,906	47,969,640	54,108,353	759,602
Fund balances, June 30, 2024	\$ -	\$ 69,184	\$ 40,958,514	\$ 51,241,598	\$ 659,969

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Aliso Canyon Air Filtration Special Revenue Fund	Aliso Fund Porter Ranch Special Revenue Fund	Rule 2305 Mitigation Fee Alternate Fund	CARB SEP Special Revenue Fund	At Berth Reg Remed Special Revenue Fund
Revenues:					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	293,199	73,598	581,242	193,017	3,484
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	20,520,463	-	537,700
Total revenues	<u>293,199</u>	<u>73,598</u>	<u>21,101,705</u>	<u>193,017</u>	<u>541,184</u>
Expenditures:					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	1,978,492	510,196	-	841,010	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,978,492</u>	<u>510,196</u>	<u>-</u>	<u>841,010</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>(1,685,293)</u>	<u>(436,598)</u>	<u>21,101,705</u>	<u>(647,993)</u>	<u>541,184</u>
Other Financing Sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(12,745)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(12,745)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(1,685,293)</u>	<u>(449,343)</u>	<u>21,101,705</u>	<u>(647,993)</u>	<u>541,184</u>
Fund balances, July 1, 2023, as previously reported	\$ 7,254,988	\$ 1,849,879	\$ 10,202,648	\$ 5,046,288	\$ -
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	7,254,988	1,849,879	10,202,648	5,046,288	-
Fund balances, June 30, 2024	<u>\$ 5,569,695</u>	<u>\$ 1,400,536</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>

See independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Capital Project Infrastructure Improvement	Debt Service	Component Unit SCAQMD Building Corporation	Total
<u>Revenues:</u>	Fund	Fund		
Emission fees	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	26,568,271
Air Toxics "Hot Spots"	-	-	-	501,220
Federal grant	-	-	-	1,073,399
State grant	-	-	-	30,593,946
Interest revenue	55,509	160,777	8,565	28,466,978
Penalties and settlements	-	-	-	40,000
Other revenues	25,535	-	-	25,201,126
Total revenues	81,044	160,777	8,565	112,444,940
<u>Expenditures:</u>				
Salaries and employee benefits	-	-	-	-
Insurance	-	-	-	-
Rent	-	-	-	-
Supplies	-	-	-	-
Contract and special services	-	-	-	79,815,479
Maintenance	-	-	-	-
Travel and auto	-	-	-	-
Utilities	-	-	-	-
Communications	-	-	-	-
Uncollectible accounts	-	-	-	4,808
Other expenditures	-	-	3,592	763,747
Capital outlay	-	-	-	-
<u>Debt service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	3,592	80,584,034
Excess (deficiency) of revenues over (under) expenditures before transfers	81,044	160,777	4,973	31,860,906
<u>Other Financing Sources (uses):</u>				
Transfers in	-	2,000,000	-	6,350,000
Transfers out	(720,000)	-	-	(10,418,042)
Total other financing sources (uses)	(720,000)	2,000,000	-	(4,068,042)
Net change in fund balance	(638,956)	2,160,777	4,973	27,792,864
Fund balances, July 1, 2023, as previously reported	\$ 1,750,360	\$ 2,221,066	\$ 175,861	\$ 794,705,371
Change from nonmajor to major fund	-	-	-	(111,874,792)
Fund balance, July 1, 2023, as adjusted	1,750,360	2,221,066	175,861	682,830,579
Fund balances, June 30, 2024	\$ 1,111,404	\$ 4,381,843	\$ 180,834	\$ 710,623,443

See independent auditor's report.

STATISTICAL SECTION

This part of South Coast AQMD's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about South Coast AQMD's overall financial health.

Contents

Financial Trends

Four schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader understand the concentration of South Coast AQMD's largest emission-based fee payers.

Debt Capacity

This schedule presents information to help the reader assess the affordability of South Coast AQMD's current levels of outstanding debt. Please see footnote under Schedule 7.

Demographic and Economic Information

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

Operating Information

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

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

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net investment in capital assets	\$ 36,957,165	\$ 36,178,389	\$ 36,127,300	\$ 35,756,464	\$ 35,501,602	\$ 38,515,021	\$ 37,258,925	\$ 36,034,490	\$ 33,286,497	\$ 34,484,800
Restricted for long-term emission-reduction projects	468,946,402	498,119,549	607,438,908	676,857,257	785,722,419	850,523,778	892,386,082	1,076,293,986	1,134,391,758	1,432,415,844
Unrestricted	(157,555,673)	(152,854,184)	(141,541,447)	(129,700,877)	(128,938,591)	(126,463,599)	(151,497,814)	(122,315,341)	(111,664,409)	(95,021,270)
Total governmental activities net position	<u>\$ 348,347,894</u>	<u>\$ 381,443,754</u>	<u>\$ 502,024,761</u>	<u>\$ 582,912,844</u>	<u>\$ 692,285,430</u>	<u>\$ 762,575,200</u>	<u>\$ 778,147,193</u>	<u>\$ 990,013,135</u>	<u>\$ 1,056,013,846</u>	<u>\$ 1,371,879,374</u>
Business-type Activities:*										
Unrestricted	\$ 1,123,954	\$ 1,235,284	\$ 1,253,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities net position	<u>\$ 1,123,954</u>	<u>\$ 1,235,284</u>	<u>\$ 1,253,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:										
Net investment in capital assets	\$ 36,957,165	\$ 36,178,389	\$ 36,127,300	\$ 35,756,464	\$ 35,501,602	\$ 38,515,021	\$ 37,258,925	\$ 36,034,490	\$ 33,286,497	\$ 34,484,800
Restricted for long-term emission-reduction projects	468,946,402	498,119,549	607,438,908	676,857,257	785,722,419	850,523,778	892,386,082	1,076,293,986	1,134,391,758	1,432,415,844
Unrestricted	(156,431,719)	(151,618,900)	(140,288,269)	(129,700,877)	(128,938,591)	(126,463,599)	(151,497,814)	(122,315,341)	(111,664,409)	(95,021,270)
Total primary government net position	<u>\$ 349,471,848</u>	<u>\$ 382,679,038</u>	<u>\$ 503,277,939</u>	<u>\$ 582,912,844</u>	<u>\$ 692,285,430</u>	<u>\$ 762,575,200</u>	<u>\$ 778,147,193</u>	<u>\$ 990,013,135</u>	<u>\$ 1,056,013,846</u>	<u>\$ 1,371,879,374</u>

*The Business-type Activates section reports transactions relating to the CNG fueling station. The CNG fueling station was closed in fiscal year 2017-2018.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 2
Changes in Net Position – Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
Advance clean air technology	\$ 5,539,607	\$ 7,119,417	\$ 7,825,599	\$ 9,271,026	\$ 11,520,547	\$ 12,827,393	\$ 14,560,468	\$ 11,484,237	\$ 13,897,495	\$ 15,608,973
Ensure compliance with clean air rules	43,252,162	45,622,680	49,316,129	50,528,522	52,353,479	55,167,960	59,823,114	46,714,649	52,818,828	53,138,925
Customer service and business assistance	6,124,811	8,337,319	9,260,504	9,743,294	11,637,664	13,032,003	14,979,824	10,488,458	13,897,970	11,802,012
Develop programs to achieve clean air	9,727,624	10,444,147	11,335,498	8,636,784	9,407,869	12,471,639	15,522,501	12,387,784	13,408,190	14,694,946
Develop rules to achieve clean air	7,161,179	7,566,089	7,604,041	10,013,098	14,275,590	14,131,578	17,228,755	12,435,707	15,884,660	17,095,583
Monitoring air quality	13,197,801	16,028,394	17,856,869	20,822,380	26,547,245	31,910,536	36,114,354	29,106,009	32,963,667	32,209,013
Timely review of permits	24,431,059	27,891,070	31,520,083	33,301,565	33,951,378	35,511,594	38,832,790	31,042,335	36,208,322	39,546,541
Policy support	331,652	511,705	885,773	667,046	1,028,495	1,945,852	1,773,352	736,426	835,445	415,034
Interest on long-term debt	4,031,178	3,884,990	3,906,955	3,731,589	3,605,251	3,463,254	3,302,637	700,202	353,141	230,579
Long-term emission reduction projects	210,229,182	87,079,799	101,008,426	101,304,229	163,187,839	206,806,917	231,305,871	146,966,402	135,414,259	137,222,958
Total govern'tl activities expenses	<u>\$ 324,026,255</u>	<u>\$ 214,485,609</u>	<u>\$ 240,519,877</u>	<u>\$ 248,019,533</u>	<u>\$ 327,515,357</u>	<u>\$ 387,268,726</u>	<u>\$ 433,443,666</u>	<u>\$ 302,062,209</u>	<u>\$ 315,681,977</u>	<u>\$ 321,964,564</u>
Business-type Activities:*										
CNG fueling station	\$ 168,769	\$ 117,675	\$ 128	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities expenses	<u>168,769</u>	<u>117,675</u>	<u>128</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 324,195,024</u>	<u>\$ 214,603,284</u>	<u>\$ 240,520,005</u>	<u>\$ 248,019,564</u>	<u>\$ 327,515,357</u>	<u>\$ 387,268,726</u>	<u>\$ 433,443,666</u>	<u>\$ 302,062,209</u>	<u>\$ 315,681,977</u>	<u>\$ 321,964,564</u>
Program Revenues										
Governmental Activities:										
Fees and Charges										
Stationary sources	\$ 88,120,829	\$ 89,264,511	\$ 94,279,518	\$ 100,354,910	\$ 101,804,325	\$ 106,450,095	\$ 106,917,251	\$ 109,776,713	\$ 117,309,958	\$ 123,622,856
Mobile sources	24,526,008	25,743,988	28,087,131	26,026,673	26,106,160	29,214,922	26,995,162	27,772,271	29,308,987	31,230,917
Operating grants and subventions	<u>149,766,034</u>	<u>122,424,397</u>	<u>222,070,040</u>	<u>185,367,622</u>	<u>295,516,665</u>	<u>303,621,322</u>	<u>304,766,572</u>	<u>365,668,049</u>	<u>220,132,286</u>	<u>464,436,224</u>
Total governmental activities prog. revenues	<u>\$ 262,412,871</u>	<u>\$ 237,432,896</u>	<u>\$ 344,436,689</u>	<u>\$ 311,749,205</u>	<u>\$ 423,427,150</u>	<u>\$ 439,286,339</u>	<u>\$ 438,678,985</u>	<u>\$ 503,217,033</u>	<u>\$ 366,751,231</u>	<u>\$ 619,289,997</u>

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Schedule 2

Changes in Net Position – Last Ten Fiscal Years (accrual basis of accounting) (continued)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type Activities:*										
CNG fueling station	\$ 416,874	\$ 229,005	\$ 18,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities prog. revenues	<u>416,874</u>	<u>229,005</u>	<u>18,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government prog. revenues	<u>\$ 262,829,745</u>	<u>\$ 237,661,901</u>	<u>\$ 344,454,711</u>	<u>\$ 311,749,205</u>	<u>\$ 423,427,150</u>	<u>\$ 439,286,339</u>	<u>\$ 438,678,985</u>	<u>\$ 503,217,033</u>	<u>\$ 366,751,231</u>	<u>\$ 619,289,997</u>
Net (Expense) Revenue										
Governmental activities	\$ (61,613,384)	\$ 22,947,287	\$ 103,916,812	\$ 63,729,672	\$ 95,911,793	\$ 52,017,613	\$ 5,235,319	\$ 201,154,824	\$ 51,069,254	\$ 297,325,433
Business-type activities	<u>248,105</u>	<u>111,330</u>	<u>17,894</u>	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary govnt net (expenses) revenue	<u>\$ (61,365,279)</u>	<u>\$ 23,058,617</u>	<u>\$ 103,934,706</u>	<u>\$ 63,729,641</u>	<u>\$ 95,911,793</u>	<u>\$ 52,017,613</u>	<u>\$ 5,235,319</u>	<u>\$ 201,154,824</u>	<u>\$ 51,069,254</u>	<u>\$ 297,325,433</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Grants and subventions not restricted										
to specific stationary source programs	\$ 2,887,831	\$ 2,885,047	\$ 2,885,535	\$ 2,879,520	\$ 2,864,992	\$ 2,879,664	\$ 2,885,173	\$ 2,857,629	\$ 2,820,744	\$ 2,745,349
Interest	339,005	435,773	644,574	1,041,333	1,976,414	1,791,178	596,953	586,992	3,722,493	6,620,336
One time non-program penalties/settlements	8,733,773	5,704,685	11,511,570	14,316,145	7,196,194	12,178,184	4,714,520	5,361,416	6,007,021	6,819,690
Subscriptions	2,136	2,842	1,097	436	970	972	-	676	81	-
Other	2,080,950	1,120,226	1,621,419	1,153,863	1,422,223	1,422,159	2,140,028	1,904,405	2,381,118	2,354,720
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,253,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 14,043,695</u>	<u>\$ 10,148,573</u>	<u>\$ 16,664,195</u>	<u>\$ 20,644,444</u>	<u>\$ 13,460,793</u>	<u>\$ 18,272,157</u>	<u>\$ 10,336,674</u>	<u>\$ 10,711,118</u>	<u>\$ 14,931,457</u>	<u>\$ 18,540,095</u>
Total primary government revenue	<u>\$ 14,043,695</u>	<u>\$ 10,148,573</u>	<u>\$ 16,664,195</u>	<u>\$ 20,644,444</u>	<u>\$ 13,460,793</u>	<u>\$ 18,272,157</u>	<u>\$ 10,336,674</u>	<u>\$ 10,711,118</u>	<u>\$ 14,931,457</u>	<u>\$ 18,540,095</u>
Change in Net Position										
Governmental activities	\$ (47,569,689)	\$ 33,095,860	\$ 120,581,007	\$ 84,374,116	\$ 109,372,586	\$ 70,289,770	\$ 15,571,993	\$ 211,865,942	\$ 66,000,711	\$ 315,865,528
Business-type activities*	<u>248,105</u>	<u>111,330</u>	<u>17,894</u>	<u>(1,253,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ (47,321,584)</u>	<u>\$ 33,207,190</u>	<u>\$ 120,598,901</u>	<u>\$ 83,120,938</u>	<u>\$ 109,372,586</u>	<u>\$ 70,289,770</u>	<u>\$ 15,571,993</u>	<u>\$ 211,865,942</u>	<u>\$ 66,000,711</u>	<u>\$ 315,865,528</u>

*The Business-type Activates section reports transactions relating to the CNG fueling station. The CNG fueling station was closed in fiscal year 2017-2018.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

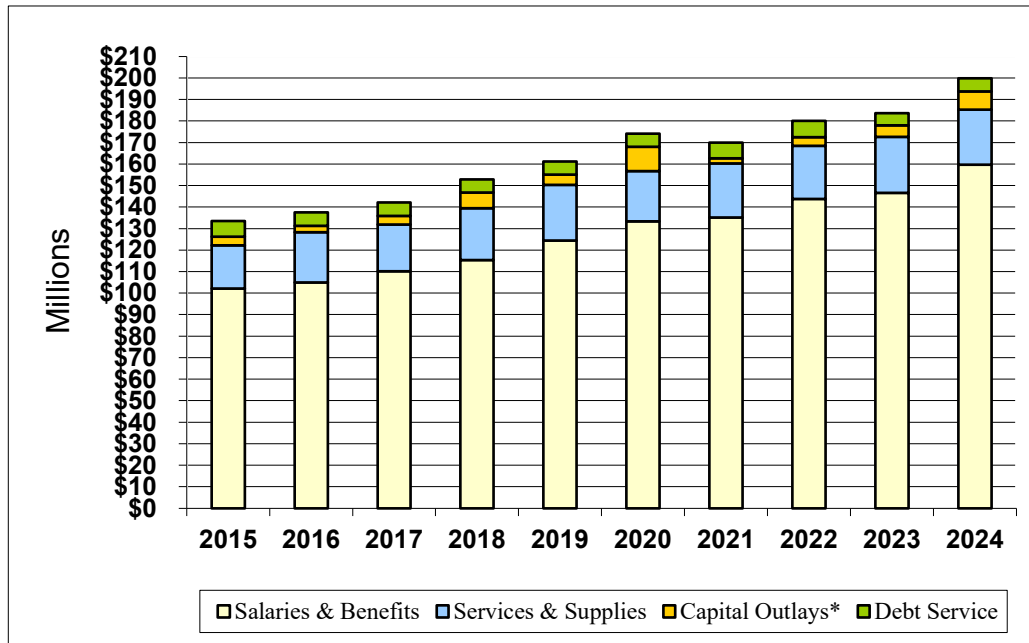
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 73,463	\$ 65,731	\$ 63,688	\$ 56,684	\$ 64,226	\$ 65,321	\$ 70,097	\$ 62,658	\$ 56,457	\$ 85,547
Committed	6,533,505	6,917,075	7,382,453	11,237,530	12,295,440	12,365,231	11,068,442	11,353,639	12,235,251	15,276,812
Assigned	6,803,899	6,203,899	6,303,899	7,228,892	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673
Unassigned	34,353,647	31,006,208	38,741,459	47,532,700	52,514,979	65,957,001	72,450,590	76,255,337	81,626,687	84,847,536
Total general fund	<u>\$ 47,764,514</u>	<u>\$ 44,192,913</u>	<u>\$ 52,491,499</u>	<u>\$ 66,055,806</u>	<u>\$ 71,024,318</u>	<u>\$ 84,537,226</u>	<u>\$ 89,738,802</u>	<u>\$ 93,821,307</u>	<u>\$ 100,068,068</u>	<u>\$ 106,359,568</u>
All Other Governmental Funds										
Restricted	\$ 283,454,187	\$ 311,026,727	\$ 412,358,550	\$ 464,158,310	\$ 532,966,299	\$ 587,283,400	\$ 616,505,435	\$ 811,767,338	\$ 843,706,083	\$ 1,122,986,528
Committed	59,667,932	63,076,528	54,549,958	51,447,457	67,570,416	52,652,530	63,535,402	55,115,903	49,990,744	30,408,528
Assigned	126,111,461	125,654,185	142,085,357	161,309,146	185,578,704	210,587,848	212,345,245	209,410,745	240,694,931	279,020,788
Unassigned	(287,178)	(3,518,332)	(1,554,957)	(57,656)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 468,946,402</u>	<u>\$ 496,239,108</u>	<u>\$ 607,438,908</u>	<u>\$ 676,857,257</u>	<u>\$ 786,115,419</u>	<u>\$ 850,523,778</u>	<u>\$ 892,386,082</u>	<u>\$ 1,076,293,986</u>	<u>\$ 1,134,391,758</u>	<u>\$ 1,432,415,844</u>

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Revenues:</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Emission fees	\$ 19,838,979	\$ 18,984,919	\$ 18,964,371	\$ 22,786,661	\$ 19,542,168	\$ 20,781,427	\$ 20,215,773	\$ 20,433,832	\$ 21,667,612	\$ 21,380,049
Annual renewal fees	45,759,738	47,592,793	48,930,776	52,182,769	57,028,631	60,450,564	64,570,338	66,827,635	71,761,209	76,945,135
Area Sources	2,573,959	2,226,172	2,090,207	2,293,947	2,257,755	1,859,185	2,369,926	2,479,978	1,969,927	2,190,750
Permit processing fees	16,668,485	17,239,759	20,729,207	19,538,295	20,030,307	19,666,601	16,675,965	16,789,411	17,885,299	19,194,955
Mobile sources / Clean fuels	70,953,981	73,011,225	75,104,035	74,450,510	76,071,690	76,113,061	81,932,965	81,205,230	83,026,098	83,557,430
Air Toxics "Hot Spots"	2,039,612	2,373,579	2,645,644	2,538,246	2,184,519	2,933,672	2,727,444	2,867,455	3,141,051	3,164,130
Transportation program	845,236	891,991	840,322	845,718	977,223	1,069,607	704,936	618,838	637,405	1,094,749
State subvention	3,947,386	3,944,602	3,945,090	3,939,075	3,924,547	3,939,219	3,944,728	3,917,184	3,880,299	3,804,905
Federal grant	32,939,310	11,521,785	15,399,372	11,887,333	11,588,113	13,491,576	9,840,259	17,538,864	20,158,662	9,922,928
State grant	60,717,715	38,050,172	125,988,646	83,101,876	176,582,411	188,315,029	210,415,959	168,612,407	95,753,343	324,615,363
Interest revenue	3,766,327	4,100,302	6,296,761	10,739,589	18,059,326	15,364,892	5,302,646	6,084,783	34,871,955	56,298,860
Lease revenue	141,878	141,195	156,204	147,660	162,879	150,164	124,285	131,140	154,533	107,860
Source test/analysis fees	746,399	683,328	734,258	663,011	574,007	427,852	265,860	174,711	728,260	430,590
Hearing Board fees	531,879	163,960	187,733	351,979	187,308	357,937	274,352	286,331	322,319	818,469
Penalties and settlements	8,733,773	8,475,935	11,511,570	15,801,455	8,266,671	13,939,501	11,953,070	8,136,416	9,781,221	6,859,691
Subscriptions	2,136	2,842	1,097	436	970	972	-	676	81	-
Other revenues	6,249,773	18,176,910	27,575,590	29,871,943	39,449,420	38,697,237	17,697,155	118,591,822	15,943,413	27,447,986
Total revenues	<u>\$ 276,456,566</u>	<u>\$ 247,581,469</u>	<u>\$ 361,100,883</u>	<u>\$ 331,140,503</u>	<u>\$ 436,887,945</u>	<u>\$ 457,558,496</u>	<u>\$ 449,015,661</u>	<u>\$ 514,696,713</u>	<u>\$ 381,682,687</u>	<u>\$ 637,833,850</u>
<u>Expenditures:</u>										
Salaries and employee benefits	\$ 102,127,845	\$ 104,908,690	\$ 110,040,224	\$ 115,342,430	\$ 124,376,220	\$ 133,296,239	\$ 135,197,844	\$ 143,692,079	\$ 146,549,272	\$ 159,688,983
Insurance	1,202,650	1,148,390	1,131,980	1,503,440	1,733,653	1,059,265	1,203,093	1,815,361	1,447,642	2,288,753
Rent	556,323	509,395	540,386	550,641	606,592	676,950	797,754	402,588	385,583	382,239
Supplies	2,588,866	2,519,673	3,035,619	3,375,314	3,779,066	4,186,926	2,737,608	3,048,748	3,662,715	3,634,204
Contract and special services	219,251,382	95,288,291	108,413,444	109,427,946	172,084,692	215,238,478	241,794,852	158,176,955	144,328,551	146,409,853
Maintenance	1,270,417	1,712,754	1,287,341	1,787,868	2,109,924	1,784,818	1,938,322	1,771,200	2,354,512	2,103,225
Travel and auto	783,720	703,392	877,137	1,107,393	1,141,882	877,886	459,515	621,348	715,073	846,647
Utilities	1,809,594	1,717,980	1,411,075	1,520,114	1,427,124	1,429,880	1,542,238	1,590,643	1,599,383	1,985,398
Communications	635,977	679,666	577,753	614,018	647,865	821,324	1,001,554	1,213,368	1,008,959	875,776
Uncollectible accounts	7,982	444,485	400,929	412,184	479,519	590,803	691,419	957,286	667,194	928,392
Other expenditures	1,665,715	3,004,689	2,023,075	1,996,218	2,110,673	3,611,532	2,077,377	2,661,906	5,008,487	1,862,527
Capital outlay	3,050,388	4,032,806	4,669,042	4,583,914	4,973,661	8,872,504	5,316,656	3,083,193	3,880,971	6,357,220
Capital outlay - lease and SBITA	-	-	-	-	-	-	-	2,631,488	2,872,677	2,653,290
<u>Debt service:</u>										
Principal	3,159,384	3,235,598	3,331,010	3,432,798	3,553,110	3,686,641	3,840,443	4,006,881	3,780,000	4,010,000
Interest	4,031,995	3,954,555	3,863,482	3,756,716	3,637,290	3,503,983	3,353,106	3,186,361	348,736	118,896
Principal - lease and SBITA	-	-	-	-	-	-	-	434,423	1,541,375	1,800,730
Interest - lease and SBITA	-	-	-	-	-	-	-	43,964	59,701	225,421
Total expenditures	<u>\$ 342,142,238</u>	<u>\$ 223,860,364</u>	<u>\$ 241,602,497</u>	<u>\$ 249,410,994</u>	<u>\$ 322,661,271</u>	<u>\$ 379,637,229</u>	<u>\$ 401,951,781</u>	<u>\$ 329,337,792</u>	<u>\$ 320,210,831</u>	<u>\$ 336,171,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,685,672)</u>	<u>23,721,105</u>	<u>119,498,386</u>	<u>81,729,509</u>	<u>114,226,674</u>	<u>77,921,267</u>	<u>47,063,880</u>	<u>185,358,921</u>	<u>61,471,856</u>	<u>301,662,296</u>
<u>Other financing sources (uses):</u>										
Transfer in	9,768,512	10,777,488	8,540,141	10,713,791	31,523,520	21,866,157	16,963,338	11,177,250	26,369,603	12,618,042
Transfer out	(9,768,512)	(10,777,488)	(8,540,141)	(9,460,644)	(31,523,520)	(21,866,157)	(16,963,338)	(11,177,250)	(26,369,603)	(12,618,042)
Lease and SBITA Financing	-	-	-	-	-	-	-	2,631,488	2,872,677	2,653,290
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,253,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,631,488</u>	<u>2,872,677</u>	<u>2,653,290</u>
Net change in fund balances	<u>\$ (65,685,672)</u>	<u>\$ 23,721,105</u>	<u>\$ 119,498,386</u>	<u>\$ 82,982,656</u>	<u>\$ 114,226,674</u>	<u>\$ 77,921,267</u>	<u>\$ 47,063,880</u>	<u>\$ 187,990,409</u>	<u>\$ 64,344,533</u>	<u>\$ 304,315,586</u>
Debt service as a percentage of noncapital expenditures	2.1%	3.3%	3.0%	2.9%	2.3%	1.9%	1.8%	2.4%	1.8%	1.9%

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 5
Expenditures by Major Object
General Fund (Budgetary Basis)
Last Ten Fiscal Years



Year	Salaries & Benefits	Services & Supplies	Capital Outlays*	Debt Service	Total Expenditures
2015	\$ 102,127,842	\$ 20,074,713	\$ 4,031,026	\$ 7,191,379	\$ 133,424,960
2016	104,908,689	23,338,580	3,074,374	6,190,153	137,511,796
2017	110,077,989	21,757,613	4,037,890	6,194,492	142,067,984
2018	115,425,019	23,951,490	7,301,002	6,189,514	152,867,025
2019	124,376,218	25,949,611	4,669,722	6,190,400	161,185,951
2020	133,296,238	23,474,861	11,172,630	6,190,624	174,134,353
2021	135,197,844	25,090,257	2,382,488	7,193,549	169,864,138
2022	143,692,079	24,726,818	3,984,927	7,671,629	180,075,453
2023	146,549,272	26,070,498	5,283,569	5,729,812	183,633,151
2024	159,688,983	25,601,994	8,394,955	6,155,048	199,840,980

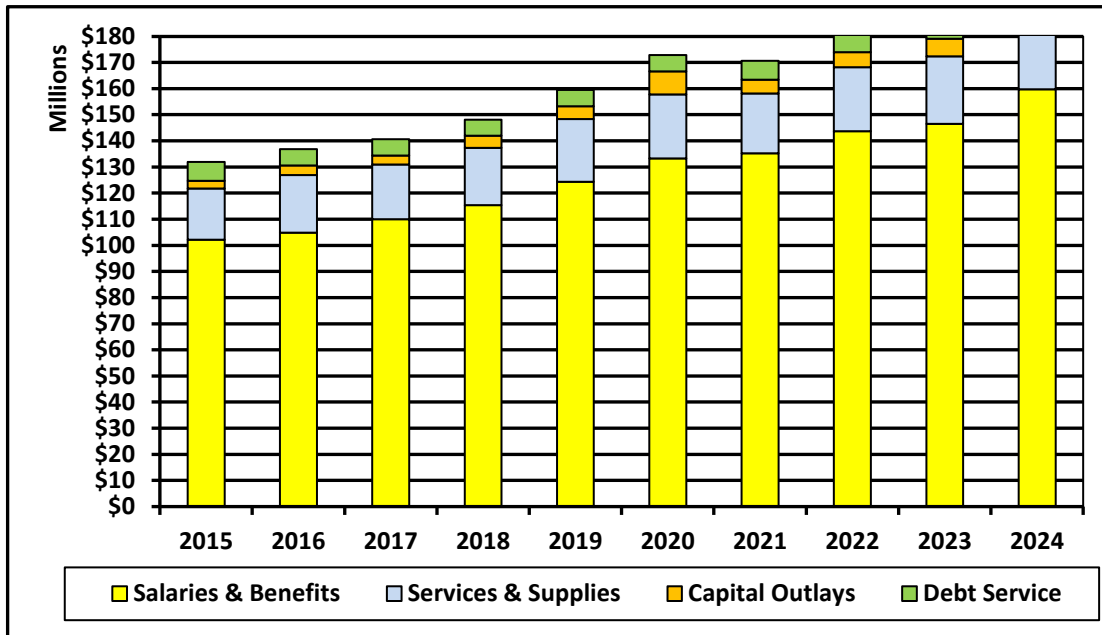
*Capital outlays do not include GASB 87 leases and GASB 96 SBITA

See Notes Associated with Financial Charts page 111

Source:

South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 6
Expenditures by Major Object
General Fund (GAAP Basis)
Last Ten Fiscal Years



Year	Salaries & Benefits	Services & Supplies	Capital Outlays	Debt Service	Total Expenditures
2015	\$ 102,127,845	\$ 19,683,561	\$ 2,910,271	\$ 7,191,379	\$ 131,913,056
2016	104,908,690	22,007,495	3,674,227	6,190,153	136,780,565
2017	110,040,224	20,903,669	3,455,686	6,194,492	140,594,071
2018	115,342,430	21,995,126	4,579,695	6,189,514	148,106,765
2019	124,376,220	23,933,151	4,973,661	6,190,400	159,473,432
2020	133,296,239	24,470,945	8,872,504	6,190,624	159,473,432
2021	135,197,844	22,937,861	5,316,656	7,193,549	172,830,312
2022	143,692,079	24,524,436	5,714,681	7,671,629	170,645,910
2023	146,549,272	25,763,835	6,753,648	5,729,812	181,602,825
2024	159,688,983	24,090,302	9,010,510	6,155,047	198,944,842

See Notes Associated with Financial Charts page 111

Source: South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 7
Debt Capacity
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)

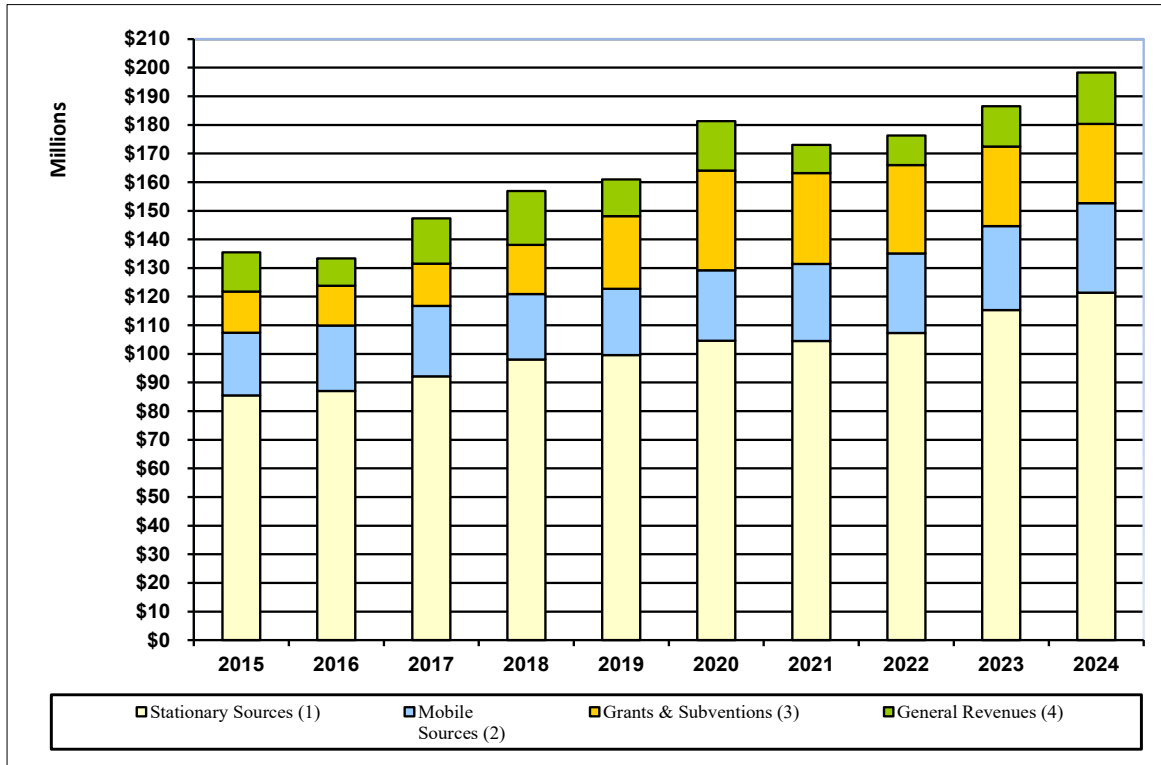
<u>Fiscal Year</u>	<u>Pension Obligation Bonds</u>	<u>Lease Liability</u>	<u>Subscription Liability</u>	<u>Total Primary Government</u>	<u>Percentage of Total Revenues (*)</u>	<u>Number of Customers</u>	<u>Per Customer</u>
2015	32,876	-	-	32,876	24.26%	27	1
2016	29,641	-	-	29,641	22.23%	27	1
2017	26,310	-	-	26,310	17.86%	26	1
2018	22,877	-	-	22,877	14.58%	27	1
2019	19,324	-	-	19,324	12.04%	27	1
2020	15,637	-	-	15,637	8.63%	26	1
2021	11,797	-	-	11,797	6.82%	25	1
2022	7,790	2,197	-	9,987	5.66%	26	1
2023	4,010	2,298	1,311	7,619	4.08%	25	1
2024	-	3,316	1,121	4,437	2.24%	25	1

The South Coast Air Quality Management District is a regional government and is not authorized to issue long-term debt (General Obligation Bonds). The Pension Obligation Bonds are refunding bonds of outstanding debt owed the San Bernardino County Employees' Retirement Association. The South Coast Air Quality Management District has no long-term debt limits.

The Series 2004 Pension Obligation Bonds were paid in full as of June 30, 2024.

(*) These percentages are calculated using Total Revenues, Schedule 8.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 8
Revenues by Major Source
General Fund
Last Ten Fiscal Years



Year	Stationary Sources (1)	Mobile Sources (2)	Grants & Subventions (3)	General Revenues (4)	Total Revenues
2015	\$ 85,546,869	\$ 21,833,199	\$ 14,399,753	\$ 13,729,825	\$ 135,509,646
2016	87,038,338	22,859,620	13,934,946	9,489,698	133,322,602
2017	92,189,311	24,574,498	14,768,699	15,810,131	147,342,639
2018	98,060,961	22,861,428	17,207,484	18,805,726	156,935,599
2019	99,546,576	23,198,491	25,350,511	12,853,554	160,949,132
2020	104,590,911	24,587,585	34,848,083	17,251,668	181,278,247
2021	104,547,326	26,905,822	31,759,255	9,821,427	173,033,830
2022	107,296,735	27,772,271	30,909,330	10,333,464	176,311,800
2023	115,340,032	29,308,987	27,804,097	14,080,638	186,533,754
2024	121,432,107	31,230,918	27,666,489	17,985,496	198,315,010

(1) Includes Emissions, Annual Operating, Permit, Air Toxics "Hot Spots," Source Test/Analysis, and Hearing Board fees

(2) Includes AB2766 Mobile Source, Clean Fuels, and Transportation Programs revenues

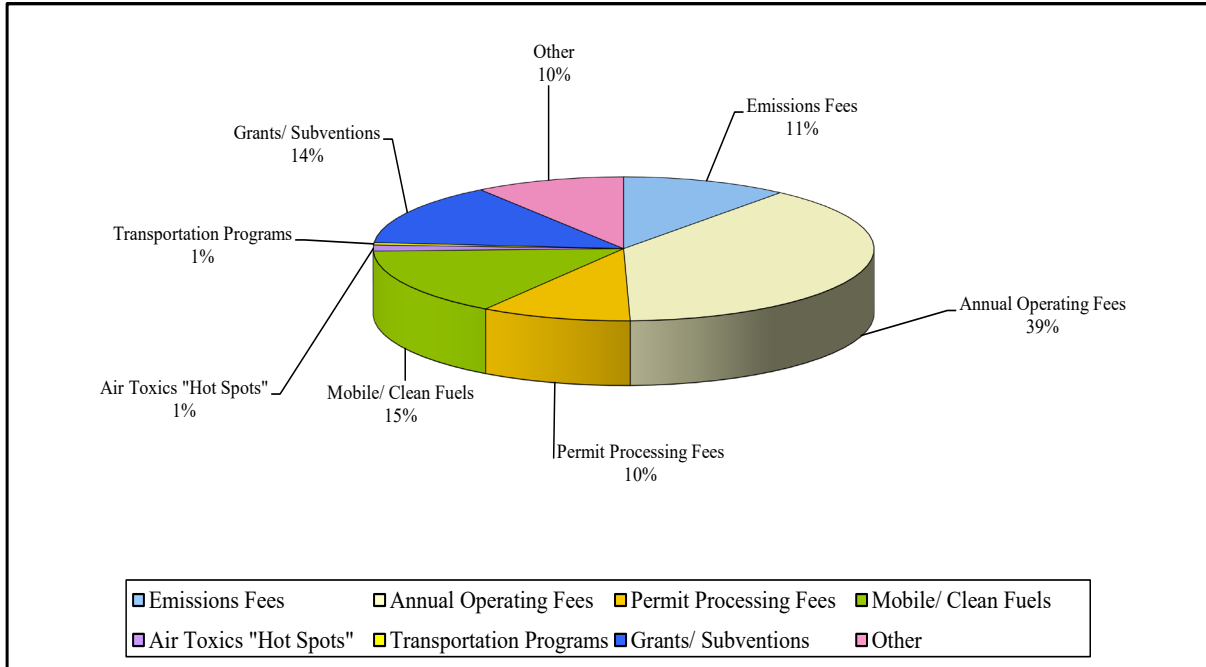
(3) Includes State Subventions, State Grants and Federal Grants

(4) Includes Area Sources, Penalties & Settlements, Interest, Lease Revenue, Other Revenue and Subscriptions

See Notes Associated with Financial Charts page 112

Source: South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 9
Revenues by Fee Source
General Fund
Last Ten Fiscal Years



Fee Source Revenue									
Year	Emissions Fees	Annual Operating Fees	Permit Processing Fees	Mobile/ Clean Fuels	Air Toxics "Hot Spots"	Transportation Programs	Grants/ Subventions	Other	Total
2015	\$ 19,838,979	\$ 45,759,738	\$ 16,668,485	\$ 20,987,963	\$ 2,001,389	\$ 845,236	\$ 14,399,753	\$ 15,008,103	\$ 135,509,646
2016	18,984,919	47,592,793	17,239,759	21,967,629	2,373,579	891,991	13,934,946	10,336,986	133,322,602
2017	18,964,371	48,930,776	20,729,207	23,734,176	2,642,966	840,322	14,768,699	16,732,122	147,342,639
2018	22,786,661	52,182,769	19,538,295	22,015,710	2,538,246	845,718	17,207,484	19,820,716	156,935,599
2019	19,542,168	57,028,631	20,030,307	22,221,268	2,184,155	977,223	25,350,511	13,614,869	160,949,132
2020	20,781,427	60,450,564	19,666,601	23,517,978	2,906,530	1,069,607	34,848,083	18,037,457	181,278,247
2021	20,215,773	64,570,338	16,675,965	26,200,886	2,545,038	704,936	31,759,255	10,361,639	173,033,830
2022	20,397,707	66,827,635	16,789,411	27,153,433	2,820,940	618,838	30,909,330	10,794,506	176,311,800
2023	21,667,612	71,761,209	17,885,299	28,671,582	2,975,333	637,405	27,804,097	15,131,217	186,533,754
2024	21,380,049	76,945,135	19,194,955	30,136,169	2,662,910	1,094,749	27,666,489	19,234,555	198,315,010

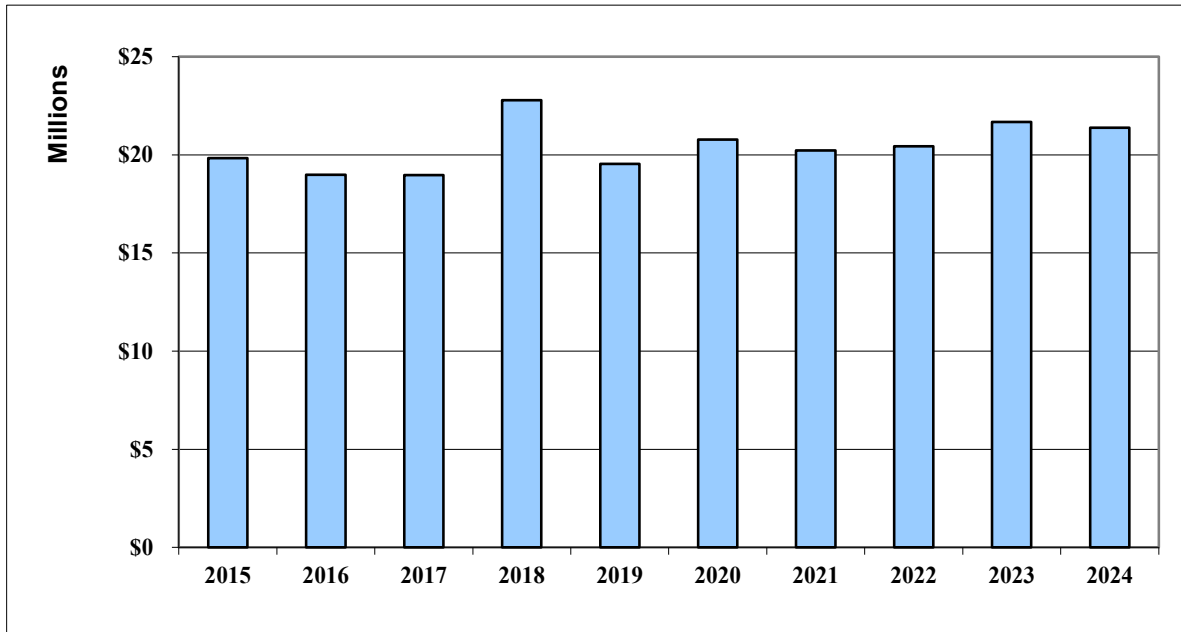
* Other includes Area Sources, Penalties and Settlements, Interest, Source Test/Analysis Fees, Lease Revenue, Hearing Board, Other Revenue and Subscriptions.

See Notes Associated with Financial Charts page 112

Source:

South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 10
Emission Fee Revenues
Last Ten Fiscal Years



Year	Emission Fees
2015	\$ 19,838,979
2016	18,984,919
2017	18,964,371
2018	22,786,661
2019	19,542,168
2020	20,781,427
2021	20,215,773
2022	20,433,832
2023	21,667,612
2024	21,380,049

See Notes Associated with Financial Charts page 113

Source: South Coast Air Quality Management District Audited Financial Statements

Notes Associated with Financial Charts

Schedule 5 - Expenditures by Major Object (General Fund Budgetary Basis)

- The increase in 2024 Capital Outlays expenditures is due to large purchases of monitoring & analysis equipment for the MATES VI program. Salaries and benefits increased due to increase in funded positions, cost increases associated with labor agreements.
- The increased expenditures in 2023 Salaries and Benefits is mainly due to increase in funded positions, cost increases associated with labor agreement and increased retirement rates.
- The increase in 2022 Salaries and Benefits is due to the addition of funded positions, cost increases associated with labor agreement, and increased retirement rates.
- The decrease in 2021 Capital Outlays expenditures is due to large purchases of monitoring and analysis equipment in 2020 for AB617 and Rule 1180 programs.
- The increase in both Salaries and Benefits and Capital Outlays from FY 2018-19 is due to the third year of a three-year labor agreement, and the continued implementation of revenue-offset programs such as AB617, Rule 1180, and VW Mitigation Settlement.
- The increase is due to adding 47 positions for the Community Air Protection Program (CAPP) and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18. There is also an increase in Retirement Expenditure based on the contribution rates provided from the San Bernardino County Retirement Association (SBCERA).
- The increase in 2018 expenditures from 2017 is mainly due to the adding positions for the AB 617 and AB 134 programs and the costs associated with the three year labor agreement and with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare.
- The increase in 2017 expenditures from 2016 is mainly due to the hiring of some grant funded positions and the contribution rates provided from the SBCERA.
- The increase in 2016 expenditures from 2015 includes the costs associated with the three year labor agreement. The rents and leases for equipment also increased. In addition, the professional and special services increased due to new or additional projects for outside building consultants, community outreach, and planning and rule development activities.
- In 2015 the increase in Capital Outlays of approximately \$1.3M is mainly due to large purchases of vehicles and replacements of operational systems.

Schedule 6 - Expenditures by Major Object (General Fund GAAP Basis)

- The increase in 2024 Capital Outlays expenditures is due to large purchases of monitoring & analysis equipment for the MATES VI program. Salaries and benefits increased due to increase in funded positions, cost increases associated with labor agreements.
- The increased expenditures in 2023 Salaries and Benefits is mainly due to the addition of funded positions, cost increases associated with labor agreement and increased retirement rates.
- The increase in 2022 Salaries and Benefits is due to the addition of funded positions, cost increases associated with labor agreement, and increased retirement rates.
- The decrease in 2021 Capital Outlays expenditures is due to large purchases of monitoring and analysis equipment in 2020 for AB617 and Rule 1180 programs.
- The increase in both Salaries and Benefits and Capital Outlays from FY 2018-19 is due to the third year of a three-year labor agreement, and the continued implementation of revenue-offset programs such as AB617, Rule 1180, and VW Mitigation Settlement.
- The increase is due to adding 47 positions for the CAPP and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18. There is also an increase in Retirement expenditure based on the contribution rates provided from SBCERA.
- The increase in 2018 expenditures from 2017 is mainly due to the adding positions for the AB 617 and AB 134 programs and the costs associated with the three year labor agreement and with State Disability

Insurance, employer share of unemployment insurance, Social Security and Medicare. Also, the increase in Capital Outlays reflects anticipated needs.

- The increase in 2017 expenditures from 2016 is mainly due to the hiring of some grant funded positions and the contribution rates provided from SBCERA.
- The increase in 2016 expenditures from 2015 includes the costs associated with the three year labor agreement. The rents and leases for equipment also increased. In addition, the professional and special services increased due to new or additional projects for outside building consultants, community outreach, and planning and rule development activities.
- The small increase in 2015 expenditures from 2014 is mainly due to the rise in the contribution cost for retirement and purchases of vehicles.

Schedule 8 - Revenues by Major Source (General Fund)

- The increase in 2024 revenue is mainly due to annual operating and permit fees that were increased by a 5.6% CPI plus 2% fee increase above CPI. Increase in Mobile Source / Transportation program was due to increase in reimbursement to the general fund.
- The increase in 2023 revenue is mainly due to a 6.5% CPI fee increase in most stationary source fees.
- The increase in 2022 revenue is mainly due to an increase in annual operating permit renewal fees which were based on the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- The decrease in 2021 revenue is mainly due to large one-time penalties/settlements received in 2020 under the General Revenue category. No large penalties/settlements were received in 2021.
- The increase in 2020 revenue reflects annual renewal fee increases under Stationary Sources and state grant increases under Grants & Subventions. South Coast AQMD received new funding from the operation portion of CAPP.
- The increase in 2019 revenue is mainly due to the increase in State Grants related to the new funding for the implementation portion of CAPP.
- The increase in 2018 revenue reflects emission fees increase under the stationary sources and large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations under the General Revenue category.
- The large increase in 2017 revenue reflects large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- The decrease in 2016 revenue from 2015 is mainly due to the decrease in Penalties & Settlements in the General Revenues category.
- The large decrease in 2015 revenues is mainly due to the decrease in Penalties & Settlements for violations of permit conditions, South Coast AQMD Rules, or state law.

Schedule 9 - Revenues by Fee Source (General Fund)

- The increase in 2024 revenue is mainly due to annual operating permit renewal fees are increased based on a 5.6% CPI plus 2% fee increase, and Mobile Source / Transportation program increased because of reimbursement to the general fund expenditures.
- The increase in 2023 revenue is mainly due to a CPI increase of 6.5% for annual operating and permit fees.
- The increase in 2022 revenue is mainly due to an increase in annual operating permit renewal fees which were based on the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- The decrease in 2021 revenue is mainly due to large one-time penalties/settlements received in 2020. No large penalties/settlements were received in 2021.

- The increase in 2020 revenue is mainly due to the 3.5% CPI increase. Also included was 10.66% increase for Title V permits.
- The increase in 2019 revenue is mainly due to the 3.4% CPI increase. Also included was 4% increase on non-Title V annual operating permit renewal fees and 10.66% increase for Title V permits.
- The increase in 2018 revenue from 2017 is mainly due to the increase of emission fees. Other revenues increased because the South Coast AQMD received large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- Other revenues increased significantly in 2017 because the South Coast AQMD received large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- The decrease in 2016 revenue from 2015 is mainly due to the decrease in Penalties & Settlements in the Other Revenues category.
- The large decrease in 2015 revenues is mainly due to the decrease in Penalties & Settlements for violations of permit conditions, South Coast AQMD Rules, or state law.

Schedule 10 – Emission Fee Revenues

- There was a slight decrease in emission fees revenue in 2024 due to less facilities paying emission fees.
- The increase in 2023 revenue is mainly due to a 6.5% CPI fee increase.
- There was a slight increase in emission fees revenue in 2022 due to an increase of the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- There was a slight decrease in emission fees revenue in 2021 due to decreasing emissions.
- The increase in 2020 emission fee revenue is mainly due to the 3.5% CPI increase.
- 2019 emission fees revenue was lower than 2018 because of an emissions audit conducted and additional emission fees were collected in 2018.
- There was an increase in emission fees revenue in 2018 related to fee increase.
- There was a small decrease in emission fees revenue in 2017 due to gradually decreasing emissions.
- There was a small decrease in emission fees revenue in 2016 due to gradually decreasing emissions.
- There was a small decrease in emission fees revenue in 2015. Emission fees vary with the non-RECLAIM and RECLAIM emissions, and the flat emission fees of active facilities.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 11
Revenue Capacity
Largest Payers of Emission-Based Fees at a Single Location
Current Year and Ten Years Ago

Payer	FY 2023-2024			FY 2013-2014		
	Payment	Rank	% of Total Emission Fee	Payment	Rank	% of Total Emission Fee
Tesoro Refining and Marketing *	\$ 2,323,674	1	10.9%	\$ 1,140,175	4	5.6%
Chevron Products	2,030,413	2	9.5%	1,549,533	2	7.6%
Torrance Refinery Co LLC (Formerly Exxon Mobil Corporation)	1,755,798	3	8.2%	2,316,297	1	11.3%
Tesoro Refining and Marketing (Formerly Equilon)	1,437,196	4	6.7%	1,214,950	3	5.9%
Phillips 66 Company (Formerly Conoco and formerly Tosco Refining Co)*	1,013,578	5	4.7%	1,115,396	5	5.4%
Ultramar Incorporated	639,260	6	3.0%	527,682	8	2.6%
Phillips 66 Company (Formerly Conoco and formerly Tosco Refining Co)*	552,110	7	2.6%	594,816	7	2.9%
City of Long Beach, SERRF Project	240,838	8	1.1%	246,688	9	1.2%
AES Alamitos, LLC	208,331	9	1.0%	-	-	-
Equilon Enterprises, LLC, Shell Oil Products US (formerly Texaco Refining)	182,174	10	0.9%	-	-	-
Dart Container Corp of California	153,911	11	0.7%	134,143	19	0.7%
SFPP, L.P.	147,623	12	0.7%	-	-	-
California Steel Industries Inc.	143,433	13	0.7%	120,629	20	0.6%
AES Huntington Beach, LLC	143,125	14	0.7%	-	-	-
Metal Container Corp	136,458	15	0.6%	-	-	-
Desert View Power	134,397	16	0.6%	164,526	14	0.8%
University of California, Los Angeles	130,682	17	0.6%	-	-	-
Southern California Edison	127,899	18	0.6%	190,620	13	0.9%
Xerxes Corp	123,032	19	0.6%	-	-	-
U.S. Government, Departement of Navy	119,102	20	0.6%	-	-	-
Tesoro Refining and Marketing (formerly BP ARCO West Coast Products)*	-	-	-	927,863	6	4.5%
Anheuser-Busch Incorporated	-	-	-	197,798	12	1.0%
LA County Sanitation District	-	-	-	218,635	11	1.1%
Southern California Gas Company	-	-	-	150,355	16	0.7%
Beta Offshore	-	-	-	135,057	17	0.7%
Tin Inc., Temple Inland	-	-	-	162,420	15	0.8%
Tesoro Refining and Marketing LLC	-	-	-	134,539	18	0.7%
Tesoro (Formerly BP West Coast Products/ARCO CQC Kiln)*	-	-	-	226,800	10	1.1%
Total Paid by Largest Payers at a Single Location	\$ 11,743,034		54.9%	\$ 11,468,922		56.0%
Total Emissions Based Fees Paid by All Emitters	\$ 21,380,049			\$ 20,472,379		

KEY AIR QUALITY AND DEMOGRAPHIC INFORMATION REGARDING THE REGION INCLUDED IN THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

The South Coast Air Quality Management District includes all of Orange County and parts of Los Angeles, Riverside and San Bernardino Counties. The section below provides a brief description of each county.

Measuring 4,084 square miles, ***Los Angeles County*** is one of the nation's largest counties. It is the most populated county in the state of California and contains the most populated city in the state, the City of Los Angeles. Before World War II, Los Angeles County was one of the nation's foremost agricultural producers. As agricultural production declined, the economy has evolved into diverse areas that include trade, transportation, and utilities, government, educational and health services, professional and business services, and manufacturing. Tourism and entertainment as well as international trade also play a vital role in the county's economy. The county is home to the twin seaports of Los Angeles and Long Beach, together the nation's largest, as well as the single largest fixed source of air pollution in the region. The two ports are responsible for more smog-forming nitrogen oxide emissions than 6 million passenger cars.

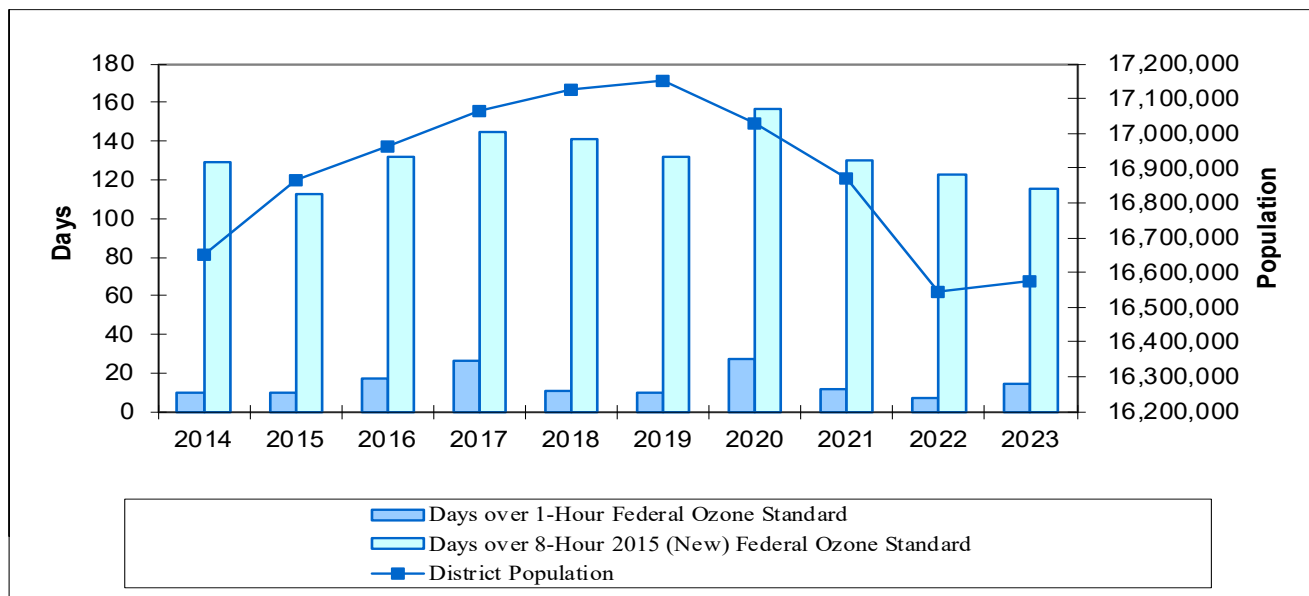
Orange County is the third most populated county in the state and lies south of Los Angeles County. When created in 1889, Orange County was named for its abundance of orange groves and thriving agricultural industry. Today, the largest industry employers are trade, transportation, and utilities, professional and business services, and manufacturing.

The varied topography of ***Riverside County*** is characterized by fertile river valleys to rolling plains and foothills to deserts below sea level and mountain peaks above 10,000 feet. Recent years have brought dramatic population growth to Riverside County. The population is expected to increase by 0.42 percent in 2024. Annual growth in the 2024 - 2029 period is expected to average 0.48 percent. The county's early years were linked to the agriculture industry, but commerce, construction, manufacturing, transportation, and tourism have contributed to the county's substantial growth. The County is also a major distribution center for Southern California and the Pacific Rim.

Roughly 90 percent of ***San Bernardino County*** is desert and the remaining portion consists of the San Bernardino Valley and San Bernardino Mountains. San Bernardino County and Riverside County are collectively known as the Inland Empire. San Bernardino population growth from 2024 to 2029 is expected to average 0.50 percent per year. The economy is led by services, government, retail trade, and manufacturing industries. Additionally, the county consistently ranks in the top fifteen agricultural-producing counties in the state.

All four counties within the South Coast Air Quality Management District's jurisdiction have experienced population growth in the last few years. The following charts illustrate air pollution, demographic, employment, and motor vehicle information relating to the South Coast Air Quality Management District region.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 12
South Coast Air Basin Smog Trend
Last Ten Calendar Years



Year	Days over 1-Hour Federal Ozone Standard	Days over 8-Hour 2015 (New) Federal Ozone Standard	District Population
2014	10	129	16,652,810
2015	10	113	16,866,350
2016	17	132	16,962,478
2017	26	145	17,063,249
2018	11	141	17,127,040
2019	10	132	17,150,993
2020	27	157	17,031,233
2021	12	130	16,870,867
2022	7	123	16,543,065
2023	14	115	16,578,000

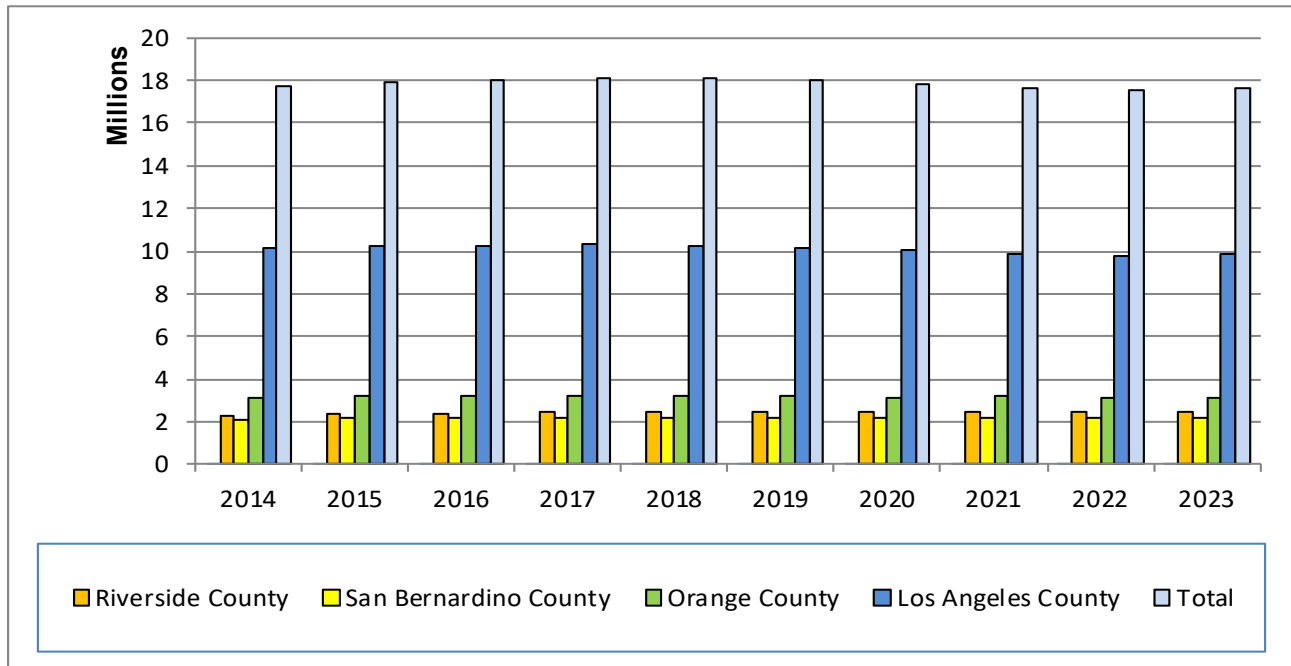
Notes:

- The average number of days exceeding the federal ozone standard in the Basin decreased by 54% between the three-year period of 1976-78 and 2011-13.
- Favorable weather conditions and continued implementation of the air pollution control strategy contributed to the significant decrease in Days over the 1-Hour Ozone Standard in the recent decades.
- In 1997, the federal government implemented the 8-hour ozone National Ambient Air Quality Standard. The standard was revised in 2015 from 75 ppb to 70 ppb.

Source:

South Coast Air Quality Management District (www.aqmd.gov); State Subvention Guidance.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 13
Four-County Area Population
Last Ten Calendar Years



Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total	% Increase
2014	2,308,441	2,104,291	3,147,655	10,136,559	17,696,946	1.00%
2015	2,347,828	2,139,570	3,183,011	10,241,335	17,911,744	1.21%
2016	2,384,783	2,160,256	3,194,024	10,241,278	17,980,341	0.38%
2017	2,415,955	2,174,938	3,221,103	10,283,729	18,095,725	0.64%
2018	2,440,124	2,192,203	3,222,498	10,253,716	18,108,541	0.07%
2019	2,442,304	2,180,537	3,194,332	10,172,951	17,990,124	-0.65%
2020	2,454,453	2,175,909	3,153,764	10,044,458	17,828,584	-0.90%
2021	2,435,525	2,187,665	3,162,245	9,861,224	17,646,659	-1.02%
2022	2,439,234	2,182,056	3,137,164	9,761,210	17,519,664	-0.72%
2023	2,442,378	2,181,433	3,150,835	9,824,091	17,598,737	0.45%

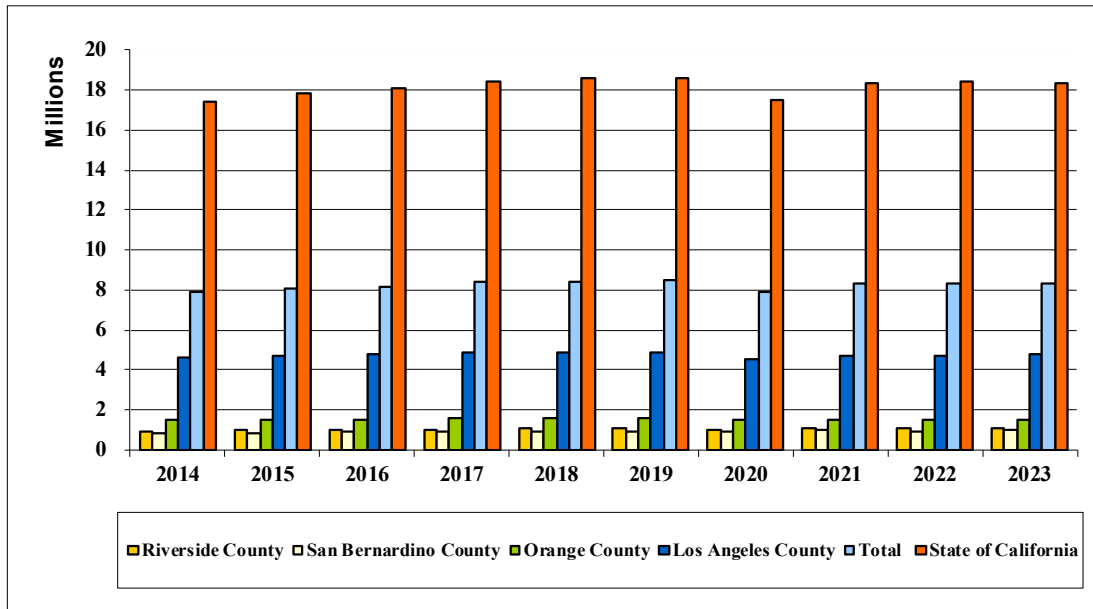
South Coast AQMD encompasses all of Orange County and parts of the Los Angeles, Riverside, and San Bernardino Counties, representing over 17 million residents.

Source:

California Department of Finance - Demographic Research Unit

www.dof.ca.gov/budgeting/documents

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 14
Los Angeles, Orange, Riverside, San Bernardino
Counties, and State of California Civilian Employment
Last Ten Calendar Years



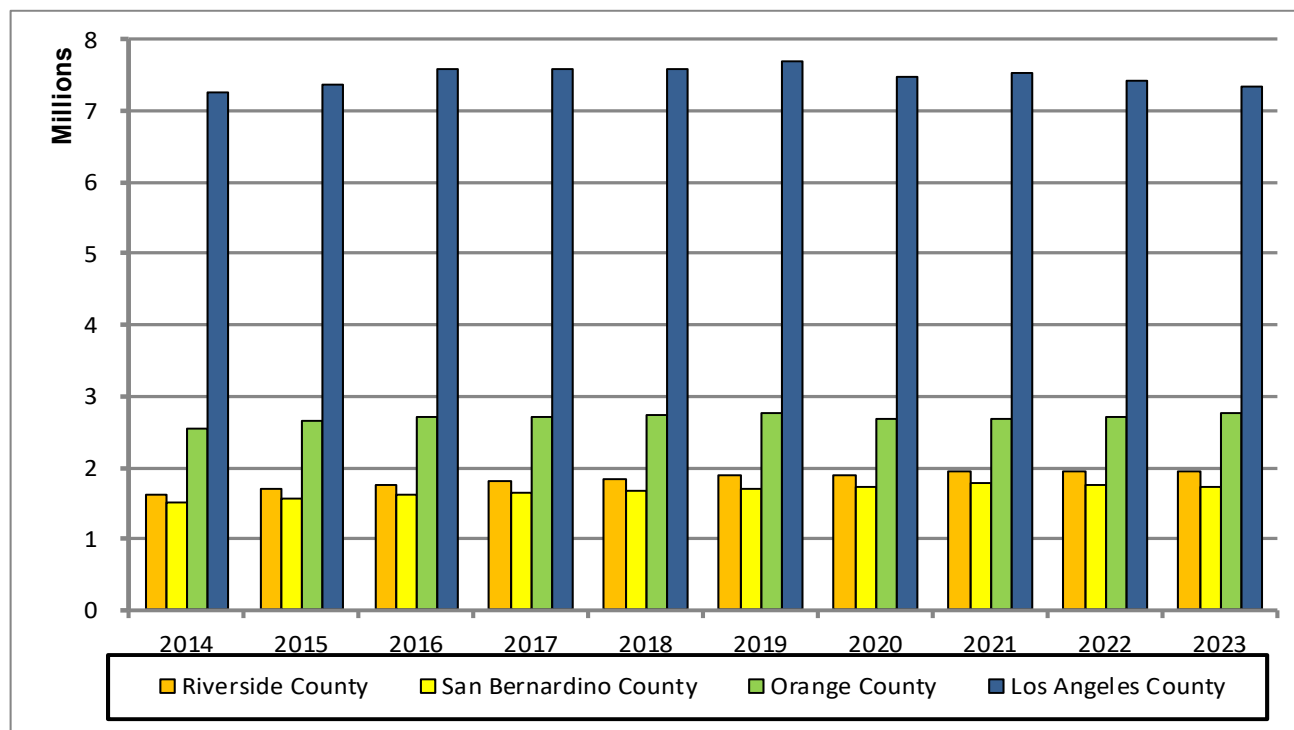
Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total	State of California
2014	927,300	836,000	1,489,200	4,610,800	7,863,300	17,397,100
2015	965,500	866,800	1,525,600	4,674,800	8,032,700	17,798,600
2016	988,000	882,200	1,538,000	4,778,800	8,187,000	18,065,000
2017	1,016,200	904,200	1,562,600	4,883,600	8,366,600	18,393,100
2018	1,044,600	922,300	1,577,900	4,896,500	8,441,300	18,582,800
2019	1,057,900	930,700	1,578,300	4,894,300	8,461,200	18,627,400
2020	1,026,000	898,300	1,464,000	4,547,800	7,936,100	17,481,000
2021	1,101,000	962,200	1,530,200	4,703,800	8,297,200	18,346,900
2022	1,085,700	951,000	1,538,100	4,734,100	8,308,900	18,431,200
2023	1,093,100	958,600	1,525,200	4,760,400	8,337,300	18,317,300

Source:

State of California: Employment Development Department

www.labormarketinfo.edd.ca.gov/cgi/dataanalysis

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 15
Vehicle Registrations (Automobiles & Trucks)
For Four County Area
Last Ten Calendar Years



Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total District
2014	1,630,405	1,507,903	2,536,833	7,263,982	12,939,123
2015	1,689,523	1,557,196	2,649,420	7,368,979	13,265,118
2016	1,765,545	1,618,573	2,716,672	7,585,269	13,686,059
2017	1,799,962	1,642,888	2,713,892	7,599,579	13,756,321
2018	1,831,189	1,666,102	2,744,304	7,586,587	13,828,182
2019	1,891,381	1,713,142	2,770,175	7,704,244	14,078,942
2020	1,902,358	1,721,067	2,671,539	7,479,059	13,774,023
2021	1,955,968	1,770,186	2,694,696	7,537,787	13,958,637
2022	1,941,935	1,745,986	2,712,599	7,428,020	13,828,540
2023	1,955,826	1,741,144	2,757,352	7,352,893	13,807,215

South Coast AQMD encompasses all of Orange County, and parts of Los Angeles, Riverside, and San Bernardino County.

Source:

California Department of Motor Vehicles - Estimated Vehicles Registered by County

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 16
Full-time Equivalent South Coast AQMD Employees by Function/Program
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
FUNCTION:										
Executive Office	8	9	6	5	5	5	7	11	8	5
Clerk of the Boards	6	6	6	5	6	5	4	3	3	3
Legal *	-	-	27	28	29	25	25	28	30	29
District Counsel	12	10	-	-	-	-	-	-	-	-
District Prosecutor	20	19	-	-	-	-	-	-	-	-
Finance	41	40	42	44	43	40	44	47	45	46
Administrative & Human Resources	32	30	33	36	34	34	33	35	39	45
Information Management	46	47	45	47	48	52	52	52	58	63
Planning, Rule Development & Area Sources										
Area Sources	85	85	94	111	117	125	127	110	121	126
Legislative, Public Affairs & Media	38	41	44	41	43	48	51	49	49	51
Science & Technology Advancement **	150	148	145	159	160	188	187	184	209	-
Technology Advancement Office	-	-	-	-	-	-	-	-	-	68
Monitoring & Analysis Division	-	-	-	-	-	-	-	-	-	146
Engineering & Compliance ***	259	-	-	-	-	-	-	-	-	-
Engineering & Permitting	-	136	133	133	122	132	129	131	152	170
Compliance & Enforcement	-	110	127	119	129	129	120	124	134	161
Total	<u>697</u>	<u>697</u>	<u>681</u>	<u>702</u>	<u>728</u>	<u>736</u>	<u>783</u>	<u>779</u>	<u>774</u>	<u>913</u>

* In fiscal year 2013, District Counsel and District Prosecutor merged to become the Legal department.

** In fiscal year 2023, Science & Technology Advancement split into two divisions: Technology Advance Office and Monitoring & Analysis Division.

*** In fiscal year 2016, Engineering & Compliance split into two divisions: Engineering & Permitting and Compliance & Enforcement.

Source: Administrative and Human Resources (vacancy and item control reports).

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Schedule 17

Operating Indicators by Function

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Program Category										
Advance Clean Air Technology										
Contracts awarded	1,047	421	403	357	564	349	385	350	308	239
Total Funding awarded	\$ 123,181,473	\$ 153,900,867	\$ 137,406,323	\$ 170,391,084	\$ 213,005,034	\$ 127,879,802	\$ 202,126,095	\$ 172,638,535	\$ 182,753,350	\$ 77,394,895
Ensure Compliance with Clean Air Rules										
Inspections	22,871	24,037	21,419	24,692	24,289	27,595	25,658	31,310	30,790	45,395
Notices of Violations	811	499	632	1,626	2,724	2,076	838	899	1,173	1,655
Hearing Board Orders for Abatement	41	23	27	24	29	26	13	18	19	18
Hearing Board Appeals	-	3	3	1	2	3	2	1	-	-
Customer Service										
Public Information Requests	4,012	4,958	5,282	4,676	4,830	3,416	241	108	1,249	2,173
Community/Public Meetings attended	217	239	210	156	193	144	241	143	191	215
Small Business Assistance Contacts	1,711	1,865	2,834	4,073	3,043	3,357	3,840	3,184	2,761	3,261
Develop Programs to Achieve Clean Air										
Transportation Plans processed	1,329	1,337	1,348	1,356	1,357	1,335	1,319	1,126	1,091	1,171
Emission Inventory Updates**	336	356	244	343	294	269	336	1139	5,983	933
Develop Rules to Achieve Clean Air										
Rules Developed	24	16	15	28	44	14	19	32	28	32
Monitoring Air Quality										
Samples Analyzed by the Laboratory	30,824	32,400	38,541	36,342	33,258	30,225	25,501	23,185	21,098	19,887
Source Testing Analyses/Evaluations/Reviews	996	936	952	714	632	562	498	495	738	
Timely Review of Permits										
Applications Processed	9,495	9,482	11,780	10,913	9,463	8,345	6,727	7,391	6,230	7,716
Applications Received-Small Business	629	594	535	605	541	485	438	381	362	456
Applications Received-All Others	9,961	9,894	8,376	9,172	8,131	8,070	6,767	8,030	6,627	7,934
Policy Support										
News Releases	76	89	86	120	99	126	179	197	125	135
Media Calls	532	1,450	1,201	-	-	-	-	-	-	-
Media Inquiries Completed	532	1,450	1,201	-	-	-	-	-	-	-
News Media Interactions*	-	-	-	1,235	633	672	2204	1,789	1,044	1,374

* Tracking of News Media Interactions began in 2018. This will replace the tracking of media calls and media inquiries completed.

** Beginning with 2022, "Emission Inventory Updates" will include the entire emissions inventory that staff received and processed instead of only a subcategory of reports. Significant increase to reports in 2023 attributed to CARB's CTR regulation requiring many more facilities to report emissions.

Source: South Coast AQMD departments' records

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 18
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Function/Program</u>										
Ensure Compliance with Clean Air Rules										
Number of vehicles assigned to field inspection	108	100	98	100	97	105	98	96	100	117
Monitoring Air Quality										
Number of air monitoring stations	42	42	43	41	41	43	42	43	37	34
Number of air monitoring instruments installed in the air monitoring stations to measure air quality	208	223	222	224	224	260	256	260	250	228

Source: South Coast AQMD Human Resources and Science and Technology Advancement's records

South Coast Air Quality Management District

Demographic and Miscellaneous Statistics

Established:	•February 1, 1977
Area Covered:	•10,743 Square Miles
Counties Included in District:	•All of Orange County and parts of Los Angeles, Riverside, and San Bernardino Counties
Population (in 2022):	•16,543,065
Average Unemployment Rate (in 2022):	<ul style="list-style-type: none"> •Los Angeles County (5.4%) •Orange County (3.6%) •Riverside County (5.0%) •San Bernardino County (4.8%)
Transportation:	<ul style="list-style-type: none"> •Two transcontinental railroads – Burlington Northern Santa Fe and the Union Pacific •Six Commercial Airports – Los Angeles International, Burbank, Long Beach, Ontario International, Orange County, and Palm Springs •Freeways – Three major interstate freeways including four bypass routes, U.S. 101, and nine State freeway routes •Two major adjoining ports – Port of Long Beach and Port of Los Angeles
Visitor Destinations:	•Disneyland, Knott's Berry Farm, Magic Mountain, Motion Picture and Television Studios and the Rose Bowl
Number of Registered Vehicles Within South Coast AQMD Jurisdiction (in 2022):	•13,828,540
Average Daily Miles Traveled Per Vehicle (CY 2022 data):	•26
Examples of Stationary Sources of Air Pollution Regulated:	•Oil Refineries, power plants, paint spray booths, incinerators, manufacturing facilities, dry cleaners, and service stations.
Number of Sources:	•24,514 operating locations with 66,164 permits.
Number of Air Monitoring Stations:	•37
Full-Time Authorized Positions:	•1,010
Adopted FY 2023-24 Budget:	•\$196,327,418
Key Federal, State, and Local Air Agencies:	<ul style="list-style-type: none"> •EPA Region IX (Environmental Protection Agency) •CARB (California Air Resources Board) •CAPCOA (California Air Pollution Control Officer's Association) •NACAA (National Association of Clean Air Agencies) •ALAPCO (Association of Local Air Pollution Control Officials) •There are 35 local air pollution control districts in California.

Air Quality Historical Timeline



Photo courtesy of
Los Angeles Times Collection,
Department of Special Collections,
UCLA Library

First recognized episodes of smog occur in Los Angeles in summer 1943

1943

1950
Orange County APCD established



1966



California adopts first automobile tailpipe emission standards in the nation

1970

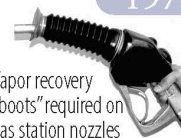
Federal Clean Air Act enacted, establishing the basic U.S. program for controlling air pollution



1975

Catalytic converters required for most gasoline-powered vehicles

1978



Vapor recovery "boots" required on gas station nozzles

1947

Los Angeles County Air Pollution Control District (APCD) established—the first of its kind in the nation



1957

San Bernardino and Riverside County APCDs formed



1968

California Air Resources Board (CARB) holds its first meeting with Dr. Arie J. Haagen-Smit as its first chairman

1971

U.S. EPA adopts first national air quality standards



1977

California legislature merges air pollution control districts of LA, Orange, Riverside and San Bernardino counties forming the South Coast Air Quality Management District

1986

South Coast AQMD launches first Multiple Air Toxics Exposure Study (MATES) to understand air toxics health impacts. Additional MATES studies conducted in 1999, 2006, 2013 and 2018

MATES

1989

South Coast AQMD adopts first Air Quality Management Plan to show attainment of clean air standards



1998

Carl Moyer Program established to reduce mobile source emissions



2011

Federal agencies and the State of California establish single time frame for corporate average fuel economy (CAFE) and greenhouse gas standards for the next generation of cars and light-duty trucks

2017

Assembly Bill 617 enacted to develop community plans and implement new technologies addressing the disproportionate impacts of air pollution sources in Environmental Justice communities

1987

Created a program to assess and reduce health risks from air toxic emissions under the Air Toxics "Hot Spots" Information and Assessment Act (AB 2588)



Federal Clean Air Act Amendments of 1990 enacted establishing new programs to reduce ozone, toxic emissions and vehicle emissions

1990



2006

California Global Warming Solutions Act of 2006 (AB 32) enacted to reduce greenhouse gases



2013

Attained the 1997 24 hour and annual National Ambient Air Quality Standards for fine particulate matter two years ahead of schedule

2022

South Coast AQMD releases its most ambitious strategy to cut air pollution. The 2022 AQMP is the first Zero-emissions plan, aiming to reduce emissions by 70% by 2037.





South Coast
Air Quality Management District

21865 Copley Drive
Diamond Bar, CA 91765-4178

www.aqmd.gov



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FOR THE YEAR ENDED JUNE 30, 2024

SINGLE AUDIT REPORT

Focused
on YOU



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Single Audit Report

For the Year Ended June 30, 2024

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Single Audit Report

For the Year Ended June 30, 2024

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

To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, blended component units, each major fund, and the aggregate remaining fund information of South Coast Air Quality Management District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.



To The Board of Directors
South Coast Air Quality Management District
Diamond Bar, California

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Irvine, California
October 24, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Governing Board of
South Coast Air Quality Management District
Diamond Bar, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the South Coast Air Quality Management District, California (the "South Coast AQMD")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the South Coast AQMD's major federal programs for the year ended June 30, 2024. The South Coast AQMD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the South Coast AQMD 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



To the Governing Board
South Coast Air Quality Management District
Diamond Bar, California

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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



To the Governing Board
South Coast Air Quality Management District
Diamond Bar, California

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

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, blended component units, each major fund, and the aggregate remaining fund information of the South Coast AQMD, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the South Coast AQMD's basic financial statements. We issued our report thereon dated October 24, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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 the Uniform Guidance 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.

Irvine, California
October 24, 2024

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Department of Environmental Protection Agency Direct Programs:				
Air Pollution Control Program				
EPA Section 105 Air Grant	66.001		\$ -	3,442,786
EPA Section 105 Air Grant	66.001		-	1,312,213
EPA Section 105 Air Grant	66.001		-	34,272
Subtotal - ALN 66.001			-	4,789,271
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act:				
PM 2.5 Monitoring*	66.034		-	86,025
PM 2.5 Monitoring*	66.034		-	757,978
National Air Toxics Trends Stations*	66.034		-	273,794
Community Scale Air Toxics Monitoring - Mobile*	66.034		-	91,820
IRA Monitoring Equipment*	66.034		-	349,029
IRA Sensor Library*	66.034		-	1,743
ARP PM2.5 Measurements*	66.034		-	246,936
Subtotal - ALN 66.034			-	1,807,325
Congressionally Mandated Projects:				
Targeted Air Shed - Shuttle Bus Replacement	66.202		-	149,589
Subtotal - ALN 66.202			-	149,589
State Environmental Justice Cooperative Agreement Program:				
State Environment Justice Cooperative Agreement-AQ Community Training	66.312		21,463	80,255
Subtotal - ALN 66.312				80,255
STAR (Science To Achieve Results) Program				
Passed through STAR UCLA. Development of a Reference Method for Open-Path Remote Sensing of Air Toxics	66.509	RN64EPNH8JC6	-	14,924
Subtotal - ALN 66.509				14,924
Targeted Air Shed Grant Program:				
Targeted Air Shed -Volvo BE Excavator/Whl Loadr Pr	66.956		-	6,756
Targeted Air Shed - Daimler ZE Elect Delivery Truck	66.956		500,000	506,794
Targeted Air Shed - Volvo Switch-on Elect Freight Truck	66.956		-	441,821
Targeted Air Shed - Ocean Going Vessel/Buses	66.956		-	37,823
Targeted Air Shed - Lawn/Garden Equip Incentive/Exchng	66.956		-	9,853
Targeted Air Shed - Zero-Emission Freight Line-Haul Locomotive	66.956		-	29,944
Targeted Air Shed - Electric Truck Demo/School Buses	66.956		-	9,592
Targeted Air Shed - Plug in Hybrid Tugboat Project	66.956		-	3,188
Targeted Air Shed - Zero-Emission Off-Road Asphalt Compactors	66.956		-	190
Subtotal - ALN 66.956			500,000	1,045,961
Total Department of Environmental Protection Agency Programs			521,463	7,887,325
Department of Homeland Security Direct Programs:				
Homeland Security Biowatch Program:				
Biowatch Program*	97.091		-	1,793,699
Biowatch Program*	97.091		-	241,727
Total Department of Homeland Security Programs			-	2,035,426
National Aeronautics and Space Administration				
Passed through RTI International	43.001	JPUXNYJ7PRH2	-	175
Total Expenditures of Federal Awards			\$ 521,463	\$ 9,922,926

* Major Program

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the South Coast Air Quality Management District (South Coast AQMD), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the District from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the District becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The South Coast AQMD has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ☐ yes ☒ no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

66.034

Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act

97.091

Homeland Security Biowatch Program

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



South Coast Air Quality Management District



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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT Summary Schedule of Prior Year Findings and Questioned Costs For The Year Ended June 30, 2023

Finding 2023-001: Report Compliance Requirements

Noncompliance/Significant Deficiency

Federal Award Information

Assistance Listing Number: 66.001

Program Title: Air Pollution Control Program Support

Federal Award Number: A-00909422-0

Federal Award Year: 2022, 2023

Name of Federal Agency: U.S. Environmental Protection Agency

Criteria or Specific Requirement

Per the grant agreements between the District and the U.S. Department Environmental Protection Agency, the District is required to submit semi-annual performance reports on a timely basis.

Condition

One of the four required reports was not submitted during the grant period.

Status

Appropriate corrective actions were taken; this finding is considered resolved and is not repeated in the fiscal year ended June 30, 2024.



October 24, 2024

To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

We have audited the financial statements of the governmental activities, the blended component unit, each major fund, and the aggregate remaining fund information of South Coast Air Quality Management District, (the "District") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1F to the financial statements, the District changed accounting policies related to Accounting Changes and Error Corrections by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 100, in fiscal year 2023-2024. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the basic financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of the pension, other postemployment benefits, and self-insured claims liabilities are based on actuarial valuations. We evaluated the methods, assumptions, and data used to develop the pension, other postemployment benefits, and self-insured claims liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules for the general fund, and the required pension and other postemployment benefits schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections of the Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Such information 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.



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Soll & Lunghard, LLP



FY 2024-25 1st Quarter Budget vs. Actual (Unaudited)

Administrative Committee November 8, 2024

General Fund Overview

- FY 2024-25 1st Quarter Budget vs. Actual (unaudited)
- Revenues
- Expenditures
- Use of Fund Balance
- Updated General Fund Five Year Projection

General Fund Budget Summary

	Fiscal Year 2024-25		
(\$ in millions)	Adopted Budget	Amended Budget	FY 2024-25 Q1 Actuals (unaudited)
Revenues/Transfers In	\$209.5	\$211.1	\$59.2
Expenditures/Transfers Out	\$211.4	\$213.0	\$46.6

Revenue Comparison

FY 2024-25 1st Quarter Budget vs. Actual & FY 2023-24 1st Quarter

Revenue Type (\$ in millions)	Fiscal Year 2024-25 Q1			Fiscal Year 2023-24 Q1	
	Amended Budget	Actuals (unaudited)	Actual % of Budget	Actuals	Actual % of Budget
Emissions Fees	\$ 21.9	\$9.5	43%	\$9.1	44%
Annual Operating Fees	81.3	35.8	44%	33.7	44%
Permit Fees	19.9	5.0	25%	4.1	21%
Mobile Sources/Transportation	34.9	0.4	1%	0.6	2%
Other*	47.5	5.4	11%	6.8	16%
Area Sources	2.1	0.0	0%	0	0%
Transfers In	<u>3.5</u>	<u>3.1</u>	89%	<u>0.8</u>	29%
Total	<u>\$211.1</u>	<u>\$59.2</u>	28%	<u>\$55.1</u>	28%

*Includes revenues from Federal & State Grants, State Subvention, Penalties/Settlements, "Hot Spots", Interest, PERP, Hearing Board, Source Test/Lab Analysis, Leases, Subscriptions, and Misc.

Expenditure Comparison

FY 2024-25 1st Quarter Budget vs. Actual & FY 2023-24 1st Quarter

Major Object (\$ in millions)	Fiscal Year 2024-25 Q1			Fiscal Year 2023-24 Q1	
	Amended Budget	Actuals (unaudited)	Actuals % of Budget	Actuals	Actuals % of Budget
Salaries & Benefits	\$174.5	\$34.9	20%	\$31.5	20%
Services & Supplies	32.6	9.3	29%	9.7	32%
Capital Equipment	3.9	0.4	10%	0.7	29%
Debt Service	0.0	0.0	0%	4.1	100%
Transfers Out	<u>2.0</u>	<u>2.0</u>	100%	<u>2.0</u>	100%
Total	<u>\$213.0</u>	<u>\$46.6</u>	22%	<u>\$48.0</u>	24%

Board Approved Use of Fund Balance FY 2024-25 1st Quarter

Board Letter Approval	Use	Amount
12/1/23, #3, 6/7/2024, #4	Rule 1180 Activities	\$121,073
6/7/2024, #7	Outside Legal Counsel	200,000
Total:		<u>\$321,073</u>

FY 2024-25 Unaudited and Five-Year Projection

(\$ in millions)	FY 23-24 Unaudited	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
Authorized Staffing	1,010	1,008	1,008	1,008	1,008	1,008
Vacancy Rate	11%	13%	13%	13%	13%	13%
Funded Staffing	899	877	877	877	877	877
Revenues **	\$204.5	\$209.5	\$211.7	\$214.4	\$215.9	\$218.5
Program Costs	\$201.8	\$211.4	\$224.3	\$230.6	\$235.2	\$235.2
Changes in Fund Balance	\$2.7	\$(1.9)	\$(12.6)	\$(16.2)	\$(19.3)	\$(16.7)
Unreserved Fund Balance (at Year-End)	\$91.0	\$89.1	\$76.5	\$60.3	\$41.0	\$24.3
% of Revenue	44%	43%	36%	28%	19%	11%
** CPI fee increases are projected as follows: FY 2025-26 –3.0% and 1.5% on Annual Operating and Permit Fees, FY 2026-27 – 2.4%, FY 2027-28 – 2.6%, and FY 2028-29 - 2.7%						



Questions?

BOARD MEETING DATE: December 6, 2024

AGENDA NO.

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, November 8, 2024, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

RMM:XC:DD:HL:dc

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
December 6, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Warehouse Indirect Source Rule Online Reporting Portal Phase 4	
Brief description:	Development of online reporting portal for Rule 2305 –Warehouse Indirect Source
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	85%
LAST 30 days	<ul style="list-style-type: none"> User Acceptance Testing
NEXT 30 days	<ul style="list-style-type: none"> Working on going live
Original estimated go-live date	8/9/24
Current estimated go-live date	12/27/24
Go-live date	N/A
Notes	Schedule extended to accommodate new requirements.

South Coast AQMD Mobile Application Phase 6	
Brief description:	The Phase 6 enhancement of the South Coast AQMD mobile app focuses on introducing the Open Burn Program and Check Before You Burn (CBYB) feature layers, enhancing user access to detailed environmental data and preparing the map component for future expansions.
Estimated project cost	\$54,785
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	<ul style="list-style-type: none"> User Acceptance Testing
NEXT 30 days	<ul style="list-style-type: none"> Working on going live
Original estimated go-live date	12/20/24
Current estimated go-live date	12/20/24
Go-live date	N/A
Notes	IM Development Complete.

ATTACHMENT
December 6, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Agenda Tracking System	
Brief description:	Develop new Agenda Tracking System for submittal, review, and approval of Governing Board meeting agenda items
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	<ul style="list-style-type: none"> System Development in Progress
NEXT 30 days	<ul style="list-style-type: none"> User Acceptance Testing
Original estimated go-live date	11/15/24
Current estimated go-live date	2/11/25
Go-live date	N/A
Notes	Additional enhancements were requested by the users.

Online Application Filing	
Brief description:	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for staff
Estimated project cost	\$525,000
Overall project status	In Progress
Percentage complete	90%
LAST 30 days	<ul style="list-style-type: none"> User Acceptance Testing of Phase 1 of the project (first ten 400-E-XX forms) User Acceptance Testing of next set of Rule 222 forms
NEXT 30 days	<ul style="list-style-type: none"> User Acceptance Testing of Phase 1 of the project (first ten 400-E-XX forms) User Acceptance Testing of next set of Rule 222 forms
Original estimated go-live date	1/17/25
Current estimated go-live date	1/17/25
Go-live date	N/A
Notes	IM Development Complete.

ATTACHMENT
December 6, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Permit Workflow Automation – Phase 1	
Brief description:	Automate application acceptance and engineering evaluation processes into paperless workflows
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	55%
LAST 30 days	<ul style="list-style-type: none"> System Development in Progress
NEXT 30 days	<ul style="list-style-type: none"> System Development in Progress
Original estimated go-live date	3/14/25
Current estimated go-live date	3/14/25
Go-live date	N/A
Notes	Project is on schedule.

Website Upgrade	
Brief description:	Upgrade the Website Content Management System to latest version
Estimated project cost	\$100,000
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	<ul style="list-style-type: none"> User Acceptance Testing and Training
NEXT 30 days	<ul style="list-style-type: none"> User Acceptance Testing and Training
Original estimated go-live date	10/11/24
Current estimated go-live date	1/31/25
Go-live date	N/A
Notes	Go-live postponed for additional testing cycle.

ATTACHMENT
December 6, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Compliance System	
Brief description:	Develop new Compliance System to help streamline the compliance business process. The new system will provide full integration of incident management, inspection process, field operations and operations dashboard
Estimated project cost	\$450,000
Overall project status	In Progress
Percentage complete	70%
LAST 30 days	<ul style="list-style-type: none"> System Development in progress
NEXT 30 days	<ul style="list-style-type: none"> System Development in progress
Original estimated go-live date	2/28/25
Current estimated go-live date	2/28/25
Go-live date	N/A
Notes	Project is on schedule.

ATTACHMENT
December 6, 2024 Board Meeting
Status Report on Ongoing and Upcoming Projects for
Information Management

Projects that have been completed within the last 12 months are shown below	
COMPLETED PROJECTS	
PROJECT	DATE COMPLETED
Source Test Tracking System (STTS)	September 20, 2024
IT Service Management	September 17, 2024
Rule 1180 System Enhancements	August 16, 2024
Rule 1415 System Enhancements	August 9, 2024
AQ-SPEC Cloud Platform Phase 2	July 10, 2024
AB2766 Version 2 Enhancements	May 9, 2024
PeopleSoft HCM Labor Agreement Implementation	April 30, 2024
PeopleSoft Electronic Requisition	April 30, 2024
Volkswagen Environmental Mitigation Trust Program GMS Enhancement	March 5, 2024
Email Gateway Replacement	March 1, 2024
Prequalify Vendor List for PCs, Network Hardware, etc.	February 2, 2024

BOARD MEETING DATE: December 6, 2024

AGENDA NO.

PROPOSAL: Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

SYNOPSIS: South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$467,000 for AgreeYa Solutions, \$395,000 for Prelude Systems, \$742,873 for Sierra Cybernetics, and \$630,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2024-25 Budget.

COMMITTEE: Administrative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute amendments to the contracts for systems development services in the amount of \$467,000 to AgreeYa Solutions, \$395,000 to Prelude Systems, \$742,873 to Sierra Cybernetics, and \$630,000 to Varsun eTechnologies from Information Management's FY 2024-2025 Budget for the specific task orders listed in the Attachment.

Wayne Natri
Executive Officer

RMM:XC:ig

Background

In May 2024, the Board authorized staff to initiate level-of-effort contracts with several vendors for systems development, maintenance and support services. Due to the indefinite nature of the work, the final contract amount cannot be determined during the initial execution of these contracts. At the time these contracts were executed, it was expected that they would be modified in the future to add funding from approved budgets as systems development requirements were identified and sufficiently defined so that task orders could be prepared. The contracts are for one year with the option to renew for two one-year periods. The initial funding approved by the Board was as follows: \$60,000 with AgreeYa Solutions, Inc., \$330,000 with Prelude Systems Inc., \$65,000 with Sierra Cybernetics Inc., and \$250,000 with Varsun eTechnologies Group, Inc.

Additional systems development and maintenance efforts have been identified for FY 2024-2025 to ensure compliance and provide further automation to enhance productivity. This request seeks to encumber funds for these budgeted activities.

One major initiative that has been budgeted is the modernization of the CLASS (Clean Air Support System) permitting system. In April 2023, Chair Delgado introduced the Permitting Enhancement Program (PEP) with the objective of reducing the permit backlog and modernizing the permitting process to improve processing and issuance timelines. A comprehensive PEP workplan was presented to the Board in August 2023, which included action items to modernize the current antiquated permitting system and develop an efficient paperless permitting system.

The modernization efforts encompass the development of Online Application Filing, electronic permit processing workflows, and the modernization of the three main permit processing systems. During the September 2024 PEP update, staff presented demonstrations of the successes from the initial phases of Online Application Filing and other supporting systems. This modernization effort is ongoing, with additional online forms to be developed and deployed.

Multiple phases of work have also been identified and initiated for the automation of the permit processing workflow. In the FY 2024-2025 budget cycle, a total of \$1,200,000 has been allocated for this initiative. \$900,000 in this request to amend contracts with Prelude Systems Inc., Sierra Cybernetics Inc., and Varsun eTechnologies Group Inc. will be directed toward continuing the development work on the permit modernization initiative.

In addition to the modernization of the permitting system, various system maintenance and development needs have been identified for a range of automation projects. These projects include enhancements to the Mobile Application, website maintenance and

support, the Rule 317 reporting portal, the electronic portal for organizational forms, and the upgrade of PeopleSoft Financials. Further details are provided in Attachment B.

Proposal

Staff proposes to amend the contracts to allocate an additional \$467,000 to AgreeYa Solutions, \$395,000 to Prelude Systems, \$742,873 to Sierra Cybernetics, and \$630,000 to Varsun eTechnologies for system maintenance and development efforts.

With these amendments, the new contract totals will be \$527,000 for AgreeYa Solutions, \$725,000 for Prelude Systems, \$807,873 for Sierra Cybernetics, and \$880,000 for Varsun eTechnologies

Resource Impacts

Sufficient funding is available in Information Management's FY 2024-25 Budget.

Attachment

Task Order Summary

ATTACHMENT

Task Order Summary

Section A – Funding Totals for each Systems Development Contract

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
AgreeYa Solutions	\$60,000	\$467,000	\$527,000
Prelude Systems	\$330,000	\$395,000	\$725,000
Sierra Cybernetics	\$65,000	\$742,873	\$807,873
Varsun eTechnologies	\$250,000	\$630,000	\$880,000
TOTAL	\$705,000	\$2,234,873	\$2,939,873

Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
Mobile Enhancement	Enhance South Coast AQMD Mobile App	\$90,000	AgreeYa
System Maintenance	System maintenance, support and reporting for web applications	\$177,000	AgreeYa
Website Maintenance	System maintenance, support, and enhancements for website	\$200,000	AgreeYa
Permit System Modernization	Migration of CLASS Permit to web-based application	\$300,000	Prelude
System Maintenance	System maintenance, support for online payment web application	\$45,000	Prelude
Rule 317 Reporting	Develop web application for Rule 317 reporting	\$50,000	Prelude
Permit System Modernization	Migration of CLASS Permit to web-based application	\$300,000	Sierra
System Maintenance	System Maintenance and Support for web applications	\$442,873	Sierra
Permit System Modernization	Migration of CLASS Permit to web-based application	\$300,000	Varsun
PeopleSoft Financial Upgrade	Upgrade PeopleSoft Financial system to latest version	\$250,000	Varsun
Organization Forms	Develop electronic portal to submit and review organization forms	\$80,000	Varsun
TOTAL		\$2,234,873	

BOARD MEETING DATE: December 6, 2024

AGENDA NO.

PROPOSAL: Amend Contracts for Legislative Representation in Sacramento, California

SYNOPSIS: The current contracts for legislative representation in Sacramento, California with Joe A. Gonsalves & Son and California Advisors, LLC expire on December 31, 2024. California Advisors, LLC, which is dissolving as of December 31, 2024, assigned its South Coast AQMD contract to Buckley Government Affairs. Ross Buckley, the principal for Buckley Government Affairs, has directly represented South Coast AQMD for California Advisors since 2019. South Coast AQMD continue to require their legislative lobbying services in Sacramento for Calendar Year 2025. These actions are to: 1) approve a one-year extension in the amount of \$143,836 with Joe A. Gonsalves & Son, and 2) consent to the assignment of the South Coast AQMD contract from California Advisors to Buckley Government Affairs and approve a one-year contract for \$143,836 with Buckley Government Affairs. Sufficient funding is available in the Legislative, Public Affairs & Media FY 2024-25 Budget.

COMMITTEE: Administrative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Chair to execute a one-year extension of the contract with Joe A. Gonsalves & Son in an amount of \$143,836; and
2. Authorize the Chair to consent to California Advisors' assignment of its current contract to Buckley Government Affairs and execute a one-year contract with Buckley Government Affairs in the amount of \$143,836.

Wayne Nastri
Executive Officer

LTO:PFC:DPG:EJH

Background

The current contracts for legislative representation in Sacramento California expire on December 31, 2024. As a leading air quality agency in California and an innovative leader in developing emission reduction programs, South Coast AQMD is an important contributor to the policy discussions in the state legislature. It is vital to ensure that South Coast AQMD's input continues to be conveyed in a timely and meaningful manner, and that South Coast AQMD is involved in the day-to-day policy discussions in Sacramento to promote cleaner air and protect the agency's authority, both through policy development and securing adequate funding. A legislative presence in Sacramento is critical to advancing Board policies and priorities.

Joe A. Gonsalves & Son (Gonsalves) represented South Coast AQMD in Sacramento in 2024 and performed at a high professional level. Gonsalves is a Sacramento lobbying firm with decades of experience and strong ties to legislators on both sides of the aisle. The firm has relationships with many cities throughout the state, including several within the South Coast region. With over 35 years of experience, the firm's principals are well-respected and knowledgeable on many local and statewide issues. On multiple occasions, while representing South Coast AQMD, Gonsalves' has secured access for staff and Board Members to elected officials and key staff at critical junctures in the legislative process, including the Governor's office, to help achieve positive legislative and budgetary outcomes.

California Advisors, LLC (California Advisors) also represented South Coast AQMD in Sacramento in 2024 and performed at a high professional level. However, California Advisors, LLC is dissolving with an effective end date of December 31, 2024, and has assigned its current South Coast AQMD contract to Buckley Government Affairs. Ross Buckley is the principal of Buckley Government Affairs and has been the prime representative of South Coast AQMD since 2019 through California Advisors. He has a comprehensive understanding of both politics and policy and an extensive history of successfully representing South Coast AQMD in Sacramento. Mr. Buckley's over 15 years of experience has led to effective solutions to legislative challenges on policy priorities and funding issues.

During the 2024 Legislative session, Gonsalves & Son and Mr. Buckley skillfully contributed to efforts that led to South Coast AQMD budgetary and legislative successes, including the following:

- 1) \$50 million in statewide monies from the Greenhouse Gas Reduction Fund (GGRF) for local air districts to fund implementation of community air monitoring and community emission reduction programs mandated by AB 617 (Garcia, 2017), with a significant portion of those funds to be directed to the South Coast region;
- 2) \$195 million in AB 617 incentive funding from the GGRF to be awarded to local air districts statewide to facilitate co-benefit criteria pollutant emission reductions.

These funds support Community Emissions Reduction Programs (CERP) by funding community priorities, such as accelerating the turnover of older, polluting medium- and heavy-duty vehicles to cleaner ones;

3) South Coast AQMD sponsored bills enacted into law:

- AB 2522 (W. Carrillo) which increases existing compensation limits for local air district board members by up to two times the current level and authorizes annual Consumer Price Index increases up to 10 percent going forward; and,
- SB 1158 (Archuleta) which amends the Carl Moyer Program to extend the liquidation time for Moyer funding from four to six years.

Gonsalves & Son and Mr. Buckley have worked together to create an efficient and effective consultant team for South Coast AQMD. Their policy and political insights inform South Coast AQMD and strengthen its presence, credibility, and ability to support the Board's policy priorities and pursue funding needs in Sacramento. At this critical point in time, it is important that the momentum be continued.

Proposal

The contracts with the two firms expire on December 31, 2024. The current contracts have options for two one-year extensions that may be exercised at the Board's discretion, pursuant to the original RFP. This proposal is to authorize the Chair to execute the first one-year contract extension for Gonsalves & Son for \$143,836, and to authorize the Chair to consent to the assignment of California Advisors' current contract to Buckley Government Affairs and execute a one-year contract with Buckley Government Affairs for \$143,836. Utilizing the services of these two firms in Sacramento will maintain the momentum created by recent successes and current political and stakeholder partnerships and will continue to promote South Coast AQMD's mission and 2025 legislative and funding priorities.

Resource Impacts

The Legislative, Public Affairs & Media Budget for FY 2024-25 contains sufficient funds for this action.

BOARD MEETING DATE: December 6, 2024

AGENDA NO.

PROPOSAL: Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for MATES VI

SYNOPSIS: Since 1987, South Coast AQMD has conducted five MATES campaigns to evaluate air toxics health risks in South Coast AQMD's jurisdiction. MATES VI measurements for a wide range of air toxics are anticipated to begin in early 2025. The collected data will be used to support air toxics modeling and quantify health impacts. These actions are to transfer up to \$1,138,956 from the Clean Fuels Program Fund to the General Fund for the MATES VI program, and appropriate funding to the Monitoring & Analysis, Planning, Rule Development & Implementation, and the Technology Advancement Office Divisions' FY 2024-25 through FY 2027-28 budgets as needed, and issue solicitations and purchase orders to support the goals and objectives of MATES VI.

COMMITTEE: Administrative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer up to \$1,138,956 from the Clean Fuels Program Fund (31) to the General Fund (01) to support the MATES VI program;
2. Appropriate up to \$1,343,956 from the Undesignated (Unassigned) Fund Balance (which includes \$205,000 of unspent funds previously authorized by the Board on December 1, 2023) to the Monitoring & Analysis Division (MAD), the Planning, Rule Development, & Implementation (PRDI) Division, and the Technology Advancement Office (TAO) to procure additional resources needed to complete MATES VI on an as-needed basis at any time over the period of FY 2024-25 through FY 2027-28, as shown in the Attachment;
3. Authorize the Executive Officer, in accordance with South Coast AQMD's Procurement Policy and Procedure, to execute a sole source contract with University of California, Riverside (UC Riverside) to study ethylene oxide sources, in an amount not to exceed \$176,956;
4. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders and/or contracts for the following as listed in the Attachment and described in this letter:
 - a. One Agilent Mass Hunter Software system from Agilent Instruments in an amount not to exceed \$175,000;

- b. One Canister Cleaning System from Entech Instruments, Inc. in an amount not to exceed \$50,000;
 - c. One Ion Chromatograph from Thermo Electron North America, LLC in an amount not to exceed \$80,000;
 - d. One Acid Microwave from CEM, Inc. in an amount not to exceed \$52,000;
 - e. Up to two aethalometers from Magee Scientific in an amount not to exceed \$100,000;
 - f. Up to five data loggers from Agilaire, LLC in an amount not to exceed \$90,000;
 - g. Up to 20 air toxics samplers from Met One Instruments, TISCH Environmental, and Mesa Laboratories, Inc. in an amount not to exceed \$305,000, using \$205,000 of unspent funds authorized for the solicitation of Air Toxics Samplers in the December 1, 2023 Board Letter (Agenda No. 4);
 - h. Supplemental laboratory analysis of ammonia by the Wisconsin State Laboratory of Hygiene (WSLH) in an amount not to exceed \$35,000; and
 - i. Supplemental laboratory analysis by Eastern Research Group, Inc. in an amount not to exceed \$47,250, for analysis of polycyclic aromatic hydrocarbons (PAHs), using funds previously authorized by the Board in December 2023 (Agenda No. 4).
5. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue solicitations and purchase orders for two vacuum pumps in an amount not to exceed \$30,000 as listed in the Attachment and described in this letter.
 6. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a contract or purchase order, as deemed appropriate, with vendor(s) selected from South Coast AQMD's List of Prequalified Vendors in an amount not to exceed \$20,000 for additional computational storage as listed in the Attachment and described in this letter.

Wayne Natri
Executive Officer

SR:SE

Background

MATES is an environmental justice initiative that South Coast AQMD started in 1987 with MATES I. Since then, five MATES campaigns have been conducted to characterize the concentration of airborne toxic compounds within South Coast AQMD jurisdiction and determine the region-wide cancer risks associated with major airborne carcinogens. As each successive MATES campaign builds on the previous work, each iteration added new goals and objectives and employed more sophisticated measurement and modeling techniques. Results of MATES are used to provide public information about air toxics and associated health risks throughout the region, evaluate

progress in reducing air toxics exposure, and provide direction to future toxics control programs. Previous MATES campaigns have also identified unknown air toxics sources and have been critical in the interpretation of data from special air toxics monitoring studies in various communities. MATES continues to be the most sophisticated regional air toxics analysis conducted in the nation, relying on the extensive air quality monitoring, modeling, and analysis expertise and resources at the agency.

Planning for MATES VI has been underway since early 2023 with field measurements expected to begin in early 2025. As in previous MATES campaigns, South Coast AQMD staff has convened a Technical Advisory Group (TAG) to provide technical guidance in the design of the study. The group includes experts from academia, health agencies, and government. Four TAG meetings have been conducted to date. MATES VI field measurements will be conducted over a one-year period at ten fixed sites throughout the region. MATES VI monitoring is being extended to the Coachella Valley for the first time. In addition, two of the ten air monitoring stations will be adjacent to freeways to capture near-road air toxics impacts. As in past MATES campaigns, state-of-the-art chemical transport modeling will be conducted to evaluate air toxics concentrations and risks throughout the entire South Coast Air Basin and Coachella Valley.

In addition to the fixed site monitoring described above, MATES VI includes three supplemental special studies. The first special study, funded by South Coast AQMD and conducted by Emission Analytics, LLC and their subcontractors at UC Irvine and University of Southern California, is currently underway to characterize particulate matter concentrations and potential health risks from brake, and road and tire wear emissions. Second, South Coast AQMD staff plans to conduct a study to characterize sources of ethylene oxide (EtO) and examine how much EtO is emitted or produced locally. This work may help identify strategies to reduce ambient EtO levels throughout the region. The TAG has provided key insight and feedback in the overall scope, design, and plan for these two studies. Third, UC Riverside researchers have conducted preliminary experiments to determine whether secondary EtO can be formed from the atmospheric aging of urban air with atmospheric oxidants. Preliminary results indicate that this process may form some of the EtO observed regionally, but further research is needed to quantify this effect and understand the chemical reactions responsible for EtO formation.

In December 2023, the Board approved the transfer of up to \$5,024,725 from the Clean Fuels Program Fund to the General Fund for the MATES VI program. South Coast AQMD already possesses or is in the process of procuring most of the monitoring, laboratory and computer equipment needed for MATES VI. However, the comments and feedback received from the TAG over the past year resulted in changes in the planned scope of MATES VI, which now requires additional instrumentation, software, hardware, laboratory consumables for enhanced EtO efforts, and one temporary chemist

to implement the feedback received. This equipment will also be available after MATES VI for additional studies, special investigations, or community monitoring. Up to \$1,138,956 will be needed to carry out this change in scope. In addition, \$205,000 of unspent funds previously authorized by the Board in December 2023 for solicitation of Air Toxics Samplers, is reauthorized here for sole-source purchase to accommodate this change in scope. Lastly, \$47,250 of funds previously authorized for supplementary laboratory analysis by the Board in December 2023 is included here to approve sole-source purchase to ensure monitoring network consistency.

Proposal

This action is to transfer up to \$1,138,956 from the Clean Fuels Program Fund (31) to the General Fund (01) and appropriate up to \$1,343,956 to the MAD, PRDI, and TAO budgets over FY 2024-25 through FY 2027-28 to purchase additional equipment and supplies, retain temporary staff, and fund a sole-source contract with UC Riverside for the MATES VI program. A description of resource needs is described below and is summarized in the Attachment.

Proposed Sole-Source Contracts

UC Riverside Study on Secondary EtO Formation

The proposed 18-month study will significantly expand upon preliminary work conducted by UC Riverside. The study will evaluate and quantify EtO formation from the oxidation of relevant atmospheric species and mixtures using a EtO monitor South Coast AQMD recently purchased. This instrument's low detection limit will both improve accuracy and enable faster switching between experimental conditions. Results from these experiments will be used to identify the precursors most likely to contribute significantly to the formation of ambient EtO, which can help design effective control measures. Ethylene will be added for some experiments to evaluate any synergistic effects. This action is to authorize the Executive Officer to issue a sole source contract with UC Riverside to study EtO sources and formation, in an amount not to exceed \$176,956. UC Riverside possesses the unique expertise and equipment to conduct these experiments.

Proposed Sole-Source Purchase Orders

Mass Hunter Software

The laboratory operates many Agilent Gas Chromatographs and Mass Spectrometers that will be used to analyze samples for EtO and other air toxics during MATES VI. The chromatography software used to operate these instruments, Mass Hunter, has multiple versions installed across the laboratory network, and does not meet best practices for data redundancy and security. This purchase allows all versions of Mass Hunter to be updated to the current standard and establishes server-based data redundancy with audit trails and remote accessibility. This action is to authorize the Procurement Manager to issue a sole source purchase order with Agilent Technologies for an amount not to exceed \$175,000 for the purchase and configuration of the Mass

Hunter software and licenses.

Canister Cleaning System

The laboratory currently maintains and operates three canister cleaning systems used to remove trace-level contamination from air sampling canisters prior to use. Two of the systems are no longer supported by the manufacturer and need replacement to ensure adequate air toxics sampling throughput during MATES VI. This action is to authorize the Procurement Manager to issue a sole source purchase order with Entech Instruments, Inc. for an amount not to exceed \$50,000 for the purchase and installation of a canister cleaning system.

Ion Chromatograph

The laboratory operates an ion chromatograph to support the PM_{2.5} cation analysis performed for MATES VI. The current ion chromatograph is over ten years old and needs replacement to ensure continued analytical capacity and support from the manufacturer. This action is to authorize the Procurement Manager to issue a sole source purchase order with Thermo Electron North America, LLC for an amount not to exceed \$80,000 for the purchase and installation of an ion chromatograph system.

Acid Microwave

The laboratory uses two acid microwaves to prepare filters for the TSP and PM₁₀ metals analysis conducted during MATES. One of the microwaves is fifteen years old and in immediate need of replacement. This action is to authorize the Procurement Manager to issue a sole source purchase order with CEM Corporation for an amount not to exceed \$52,000 for the purchase and installation of a laboratory-grade acid microwave.

Aethalometers

Aethalometers are used to measure black carbon and estimate diesel particulate matter, a primary risk driver identified in previous MATES campaigns. Two aethalometers are needed to ensure black carbon is measured at all MATES sites. This action is to authorize the Procurement Manager to issue a sole source purchase order with Magee Scientific for an amount not to exceed \$100,000 for the purchase of up to two aethalometers.

Data Loggers

Data loggers are specialized computers used to store and transmit data at air monitoring stations. Up to five data loggers will be needed for additional instrumentation being deployed as part of MATES VI. This action is to authorize the Procurement Manager to issue a sole source purchase order with Agilaire, LLC for an amount not to exceed \$90,000.

Air Toxics Samplers

Additional air toxics samplers are required due to changes in the scope of MATES VI over the past year due to feedback from the technical advisory group and internal staff deliberations. Therefore, this action is to authorize the Procurement Manager to issue sole source purchase orders with several vendors, including Met One Instruments, TISCH Environmental, and Mesa Laboratories, Inc., for up to 20 air toxics samplers for an amount not to exceed \$305,000.

Supplemental Laboratory Analysis of Ammonia

MATES VI will include expanded measurements of ammonia. Regional emission inventories are suspected to underestimate real-world ammonia emissions. This is mainly because emission contributions from motor-vehicles, biomass burning (e.g., wildfires and prescribed fires), dairy farms, agricultural fields, and atmospheric processes are still not fully characterized. Ammonia can cause both short-term and long-term respiratory health issues and is an important precursor to secondary PM_{2.5}. This action is to authorize the Procurement Manager to issue a sole source purchase order with the Wisconsin State Laboratory of Hygiene (WSLH) in an amount not to exceed \$35,000 for passive sampling and analysis of ammonia at all MATES VI sites through the National Atmospheric Deposition Program (NADP).

Supplemental Laboratory Analysis of PAHs

Funds for the analysis of samples for PAHs, a class of air toxic compounds, was approved by the board on December 1, 2023. EPA's national contract laboratory, Eastern Research Group, currently performs PAH analysis of samples at two monitoring sites in the South Coast Basin; two additional sites will be added for the duration of the MATES VI study. This action is to authorize the Procurement Manager to issue a sole source purchase order with Eastern Research Group Inc. for an amount not to exceed \$47,250 for the analysis of samples for PAHs using funds previously approved by the board on December 1, 2023.

Proposed Purchase Through a Solicitation Process

Replacement Vacuum Pumps

Each of the TILDAS EtO monitors purchased for MATES VI that use a continuous vacuum pump will require significant routine service throughout the duration of the MATES monitoring campaign. To ensure continued monitor operation and mitigate data loss, two spare vacuum pumps are needed. This action is to authorize the Procurement Manager to release a solicitation, and based on the results, issue a purchase order for up to two vacuum pumps for an amount not to exceed \$30,000.

Computational Storage

Analyzing the large quantities of data generated by MATES VI measurements and chemical transport modeling requires extensive computational storage space. This action is to authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a contract or purchase order, as

deemed appropriate, with vendor(s) selected from South Coast AQMD's List of Prequalified Vendors in an amount not to exceed \$20,000 for additional computational storage.

Sole Source Justification

Section VIII, B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. The request for sole source purchase and/or contract with Agilent Technologies is made under Section VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor; and VIII.B.2.c(2): The items are available from only one source, and the project involves the use of proprietary technology. Agilent Technologies is the sole manufacturer and distributor of Agilent's Mass Hunter software. They also possess unique knowledge and training in the proper installation and configuration of the enterprise-grade software.

The request for sole source purchase of a canister cleaning system is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The laboratory is trained on and has gained specialized knowledge of its existing canister cleaning system. Procuring a like system will allow for the interoperability of parts and transferability of this specialized training and knowledge.

The request for sole source purchase of an ion chromatograph is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The laboratory operates and maintains six Thermo ion chromatographs that are operated with Thermo's enterprise-grade Chromeleon chromatography software. To ensure compatibility with this existing system, and facilitate staff training and operation, a Thermo ion chromatograph is needed.

The request for sole source purchase of an acid microwave is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The laboratory operates and maintains two laboratory-grade acid microwaves. To ensure compatibility with existing parts and facilitate staff training and operation, a CEM microwave is needed.

The request for sole source purchases of the aethalometers and data loggers are made under Section VIII.B.2.c(2): The items are available from only one source, and the project involves the use of proprietary technology; and VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The aethalometers are available from only one distributor, Magee Scientific. No other manufacturer or distributor sells a black carbon monitor with similar technical specifications and pricing, as it involves the use of proprietary technology. Similarly, Agilaire, LLC is uniquely qualified to provide data loggers with specifications that meet the requirements. In addition, the proposed equipment will allow for full compatibility and comparability of both aethalometers and data loggers with those already deployed at MATES sites.

The request for sole source purchase of air toxic samplers is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. Met One Instruments, TISCH Environmental, and Mesa Laboratories Inc. are the manufacturers and suppliers for the SASS, High-Vol, and PQ100 samplers used for PM2.5 speciation, TSP speciation, and Cr VI sampling as part of the MATES VI study. All of these samplers have been either already deployed, or are available to be deployed, at several MATES VI sites and as part of different monitoring programs (e.g., NATTS, PM2.5 Speciation Network) and other monitoring investigations (e.g., Cr VI). Additional units are required to ensure that all MATES VI sites are properly equipped. Staff are trained on the use, repair, and maintenance of these samplers, facilitating cross-training and interoperability. Consistency and compatibility amongst these samplers are critical to meeting the operational needs of the agency. This sole source purchase allows for full compatibility and comparability of additional required samplers with those already deployed at MATES VI sites.

The request for sole source purchase with the WSLH for passive ammonia sampling is made under Section VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor; and VIII.B.2.c(2): The items are available from only one source, and the project involves the use of proprietary technology. WSLH is the only body that provides such services for ammonia measurements through the NADP. NADP is a unique research program which measures, assesses and reports on the exposure of natural and cultural resources to atmospheric chemical deposition throughout North America. The NADP Program Office will provide the coordination, provision of chemical analysis and data validation, site operator support and training, limited equipment repair, quality assurance, and management of NADP database and website.

The request for a sole source award with UC Riverside is made under provision B.2.d.(8): Research and development efforts with educational institutions or nonprofit organizations. UC Riverside is an educational institution and the College of Engineering - Center for Environmental Research and Technology (CE-CERT) is a research center with multidisciplinary resources to engage in diverse environmental and transportation research programs including advanced vehicle technologies and systems; emission measurements, analyses and control technologies; atmospheric measurements and modeling; and renewable energy.

The request for sole source purchase with Eastern Research Group, Inc. (ERG) for PAH analysis is made under Section VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor. ERG is the EPA national contract lab that is currently performing PAH analysis at two sites in the South Coast Basin. To ensure consistency with the existing sampling methodologies, instrumentation, and data workflow, it is critical that their lab perform analysis on samples obtained from two additional sites during the MATES VI study.

Benefits to South Coast AQMD

The MATES campaigns conducted by South Coast AQMD provides essential information on air toxics levels in South Coast AQMD's jurisdiction and present a unique opportunity to evaluate long-term trends in air toxics and their health impacts. South Coast AQMD continues to work toward reducing air toxics emissions through supporting cleaner technologies (including cleaner diesel technologies), rulemaking to address toxic emissions from mobile and stationary sources and implementing air toxics monitoring and enforcement initiatives. The MATES VI program complements these efforts and provides information to track progress on reducing air toxics in the region along with the identification of sources contributing to the air pollution health risk.

Resource Impacts

Sufficient funds are available to transfer a total of up to \$1,138,956 from the Clean Fuels Program Fund (31) to be used on an as-needed basis over FYs 2023-24 through FY 2027-28 to cover the cost of resources shown in the Attachment. Section 40448.5(e) of the California Health and Safety Code provides that "when considering which clean fuels projects to promote, South Coast AQMD shall consider, among other factors potential effects on public health, ambient air quality, visibility within the region, and other factors determined to be relevant by South Coast AQMD." MATES VI will help establish an emissions baseline and toxic air contaminant risks for mobile sources, from which the benefits of clean fuel programs can be calculated.

The activities paid for by these funds are very closely related to emissions from mobile sources. Results from MATES V indicate that after scaling by cancer potency, about 88 percent of the carcinogenic air toxics emissions are attributed to mobile sources, with the remainder attributed to toxics emitted from stationary sources, which include large industrial operations such as refineries and power plants as well as smaller businesses such as gas stations and chrome plating facilities. Diesel exhaust, primarily emitted by mobile sources, accounted for approximately 50 percent of the total estimated air toxics risk, based on the MATES V monitoring data.

MATES VI will provide an update on the impact of mobile emission sources on air toxic exposure. The study will provide additional information for South Coast AQMD staff to promote clean fuel projects that will advance the commercialization of clean mobile source technologies.

Attachment

Proposed Resources for MATES VI

Attachment
Proposed Resources for MATES VI*

Description	Org Unit	Qty	Major Objects	Procurement/ Contracting Method	Unit Cost	FY 2023-24 through FY 2027-28 Estimated Expenditures
Secondary EtO Study	TAO	---	Services & Supplies	Sole Source	---	\$176,956
Mass Hunter	MAD	1	Capital Outlay	Sole Source	\$175,000	\$175,000
Canister Cleaning System	MAD	1	Capital Outlay	Sole Source	\$50,000	\$50,000
Ion Chromatograph	MAD	1	Capital Outlay	Sole Source	\$80,000	\$80,000
Acid Microwave	MAD	1	Capital Outlay	Sole Source	\$52,000	\$52,000
Aethalometers	MAD	2	Capital Outlay	Sole Source	\$50,000	\$100,000
Data Loggers	MAD	5	Capital Outlay	Sole Source	\$18,000	\$90,000
Air Toxics Samplers	MAD	20	Capital Outlay	Sole Source	Varies	\$305,000
Supplemental Lab Ammonia	MAD	---	Capital Outlay	Sole Source	---	\$35,000
Vacuum Pumps	MAD	2	Capital Outlay	RFQ	\$15,000	\$30,000
Computational Storage	PRDI	1	Services & Supplies	Requisition with Prequalified Vendor	\$20,000	\$20,000
Temporary Services	MAD	1	Services & Supplies	---	Varies	\$180,000
Laboratory Supplies	MAD	---	Services & Supplies	---	Varies	\$50,000
					Total	\$1,343,956

*Expenditures may be appropriated as Capital Outlays or Services and Supplies Major Object, as warranted.

+Includes \$205,000 of unused funds for Air Toxics Sampler solicitation from December 1, 2023 (Agenda No. 4) MATES board letter.