Lassen County Air Pollution Control District Board
66 N. Lassen Street • Susanville CA
Mendy Schuster, Chair
Patrick Parrish, Vice Chair
Curtis Bortle • Jason Ingram • Tom Neely • Mike Scanlan

Lassen County Air Pollution Control District Governing Board

Lassen County Air Pollution Control District Governing Board
Regular Meeting • City Council Chambers

Tuesday, February 10, 2026 – 1:00 PM

Addressing the Board

- Any person desiring to address the Board shall first secure permission of the presiding officer.
- Matters under the jurisdiction of the Board, and not on the Agenda, may be addressed by the public at a time provided in the Agenda under Public Comment.
- The Board will not take action on any subject that is not on the Agenda.

A. Call to Order:

B. Roll Call:

C. Approval of Agenda: (Additions and/or Deletions)

D. Approval of Minutes :

D.1. Consider approval of minutes from the October 21, 2025 Meeting

E. Board Member Items/Reports:

F. Correspondence:

G. Public Comment: Any person may address the Board at this time to comment on any subject on or not on the agenda. However, the Board may not take action on an item not on the agenda other than to direct staff to agendize the matter at a future meeting.

H. Matters for Board Consideration:

H.1. Election of Chair and Vice Chair for 2026

H.2. Consider Resolution 26-01 accepting the Basic Financial Statements and Independent Auditor's Report for year ended June 30, 2024

H.3. Consider Resolution 26-02 approving the districts participation in the 2022 Climate Heat Impact Response Program (CHIRP)

I. Adjournment:

- **The next regular meeting of the Lassen County Air Pollution Control District Governing Board will be held on April 14, 2026 at 1:00 PM.**

Reports and documents relating to each agenda item are on file in the District Office and are available for public inspection during normal business hours and at the meeting. These reports and documents are also

available at the District's website http://lassenair.org/, unless there were systems problems posting to the website.

Accessibility: An interpreter for the hearing-impaired may be made available upon request to the District seventy-two hours prior to a meeting. A reader for the vision-impaired for purposes of reviewing the agenda may be made available upon request to the District. The location of this meeting is wheelchair-accessible.

I, Erik Edholm, certify that I caused to be posted notice of the regular meeting scheduled for February 10, 2026 in the areas designated on February 6, 2026.

Agenda Item No. D.1.
Agenda Item

Lassen County Air Pollution Control District Governing Board Agenda Item

Submitted By:	Erik Edholm, Air Pollution Control Officer
Action Date:	February 10, 2026
Subject:	Consider approval of minutes from the October 21, 2025 Meeting
Presented By:	Erik Edholm, Air Pollution Control Officer
Summary:	Staff is presenting minutes from the October 21, 2025 meeting.
Fiscal Impact:	None.
Action Requested:	Motion to approve and file the minutes of the October 21, 2025 meeting.

Attachments:

1. 2025.10.21.lcapcd.min

UNAPPROVED MINUTES
LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT
GOVERNING BOARD
OCTOBER 21, 2025

The Board convened in special session at 2:00 P.M. in City of Susanville Council Chambers, located at 66 N. Lassen St., Susanville, CA, with; Chairman Schuster, Vice Chairman Parrish, Directors Bortle, Neely present. Also present were Erik Edholm, Air Pollution Control Officer (APCO) and Jordyn Barney, Administrative Staff Assistant. Directors Ingram and Scanlan were absent. Jeff Sterling, the Air Quality Specialist, was absent.

C. AGENDA APPROVAL

Motion to approve the agenda by Director Neely, second by Director Bortle. Motion carried. Directors Ingram and Scanlan were absent.

D. APPROVAL OF MINUTES:

Motion to approve the minutes by Director Neely, second by Director Bortle. Directors Ingram and Scanlan were absent.

E. BOARD ISSUES / REPORTS:

NO ISSUES OR REPORTS

F. CORRESPONDENCE:

NO CORRESPONDENCE

G. PUBLIC COMMENT:

NO PUBLIC COMMENT

H. MATTERS FOR BOARD CONSIDERATION:

1. **Community Air Protection Program Implementation Grant Funds**.

   Air Pollution Control Officer, Erik Edholm, presented the Implementation of Grant Funds including the Green Waste Program. The funds have been increasing over time and would like to get community involvement on ways to expend the funds.

   Motion to approve Resolution 25-08 approving the district's participation in the FY 2024-2025 Community Air Protection Implementation Program by Vice Chairman Parrish, seconded by Director Bortle. Motion Carried. Directors Ingram and Scanlan were absent.

2. **Community Air Protection Program Incentive Grant Funds**

   Mr. Edholm presented the Incentive Grant Funds for Community Air Protection, similar to the Carl Moyer Grant Program and the Woodsmoke Program. CAPP would be able to fund newer woodstoves. Director Bortle asked if the Community Air Program would also be able to fund green space development? Mr. Edholm confirmed.

   Motion to approve Resolution 25-09 approving the district's participation in the FY 2024-2025 Community Air Protection Program by Vice Chairman Parrish, seconded by Director Bortle. Motion carried. Directors Ingram and Scanlan were absent.

3. **Update to Carl Moyer and Community Air Protection Incentives Policies and Procedures.**

   Erik presented an update to the Carl Moyer Program and Community Air Protection Policies and Procedures. The Carl Moyer Program wouldn't be able to spend year 28 funds until the policies and procedures were updated. Not a huge amount of changes, more so clarification on cost share.

   Motion to approve Resolution 25-10 approving the updated Carl Moyer and Community Air Protection Incentives Policies and Procedures by Vice Chairman Parrish, seconded by Director Neely. Motion carried. Directors Ingram and Scanlan were absent.

4. **Application for Carl Moyer 28th Cycle Funding**

   Mr. Edholm presented a little about this item previously. In order to get the grant funding for the Carl Moyer 28th Cycle program, the policies and procedures needed to be updated. Those were submitted and are currently waiting for the grant agreement to be sent for Mr. Edholm's signature.

   Motion to approve Resolution 25-11 committing the district to participate in the Carl Moyer Program, accepting Program Funds, and requirements of the Program by Director Neely, seconded by Vice Chairman Parrish. Motion carried. Directors Ingram and Scanlan were absent.

5. **Amend Fiscal Year 2025-2026 Budget to Accommodate Additional Grant Program Funding**

Mr. Edholm presented the need to make a budget amendment to accommodate this fiscal year’s implementation or project funds. This budget amendment can increase the expenditure of the Woodsmoke Program and fund the remaining of the participants so the program can be closed out completely.

Motion to approve Resolution 25-12 amending the Fiscal Year 25-26 Budget by Director Neely, seconded by Vice Chairman Parrish. Directors Ingram and Scanlan were absent.

I. <u>ADJOURN 2:35 P.M.</u>

Motion to adjourn October 21, 2025, Lassen County Air Pollution Control District Governing Board Special Meeting by Director Neely, seconded by Director Bortle. Motion carried. Director Ingram and Scanlan were absent.

Agenda Item No. H.1.
Agenda Item

Lassen County Air Pollution Control District Governing Board Agenda Item

Submitted By:	Erik Edholm, Air Pollution Control Officer
Action Date:	February 10, 2026
Subject:	Election of Chair and Vice Chair for 2026
Presented By:	Erik Edholm, Air Pollution Control Officer
Summary:	The board shall conduct an election to seat a Chair and Vice Chair by majority vote for 2026.
Fiscal Impact:	None.
Action Requested:	Conduct Election for Chair and Vice Chair for 2026.

Attachments:
None

Agenda Item No. H.2.
Agenda Item

Lassen County Air Pollution Control District Governing Board Agenda Item

Submitted By:	Erik Edholm, Air Pollution Control Officer
Action Date:	February 10, 2026
Subject:	Consider Resolution 26-01 accepting the Basic Financial Statements and Independent Auditor's Report for year ended June 30, 2024
Presented By:	Erik Edholm, Air Pollution Control Officer
Summary:	The City of Susanville contracted the services of Van Lant & Fankhanel, LLP to provide an independent audit report on the financial statements of the Lassen County Air Pollution Control District for year ended June 30, 2024. Van Lant & Fankhanel, LLP has submitted the attached Basic Financial Statements and Independent Auditor's Report for the year ended June 30, 2024.
Fiscal Impact:	None.
Action Requested:	Motion to approve Resolution 26-01 accepting the Basic Financial Statements and Independent Auditor's Report for year ended June 30, 2024.

Attachments:

1. Resolution No. 26-01
2. LCAPCD Audit FY 23/24

RESOLUTION NO. 26-01

A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT 2023-2024 BASIC FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

WHEREAS, the Lassen County Air Pollution Control District is a Local Air Pollution Control District that permits stationary sources of Air Pollution, administers and disperses funds through various State grant programs, and enforces, local, state, and federal rules and regulations; and

WHEREAS, pursuant to California Health and Safety Code section 40701(f), the Lassen County Air Pollution Control District entered in an agreement with the City of Susanville to provide administrative services;

WHEREAS, pursuant to the Agreement between the Lassen County Air Pollution Control District and City of Susanville Concerning Administrative Services the City of Susanville provides staff person(s), payroll, personnel, purchasing, warrant preparation, general accounting services, auditing services, and office space under the terms set forth herein; and

WHEREAS, the City of Susanville has contracted with Van Lant & Fankhanel, LLP to provide an Independent Auditor's Report of Lassen County Air Pollution Control District financial statements of the governmental activities and the general fun for year ended June 30, 2024; and

WHEREAS, Van Lant & Fankhanel, LLP has submitted to the Governing Board the Lassen County Air Pollution Control District Independent Auditor's Report for year ended June 30, 2024; and

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby accepts the Lassen County Air Pollution Control District Independent Auditor's Report for year ended June 30, 2024 as depicted in Exhibit A:

The foregoing resolution was approved and adopted by the following vote of the Board on February 10, 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

____

Mendy Schuster, Chairman
Lassen County Air Pollution Control District

ATTEST:

____

Erik Edholm
Air Pollution Control Officer

LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT

SUSANVILLE, CALIFORNIA

BASIC FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Year Ended June 30, 2024

Lassen County Air Pollution Control District
Financial Statements
Year Ended June 30, 2024

TABLE OF CONTENTS

Van Lant & Fankhanel, LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors
of the Lassen County Air Pollution Control District
Susanville, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Lassen County Air Pollution Control District (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 financial position of the governmental activities and the general fund 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, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 error or fraud.

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.

Van Lant & Fankhanel, LLP
29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2025, 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 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 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.

Van Lant + Fankhanel, LLP

November 10, 2025

Lassen County Air Pollution Control District

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

Our discussion and analysis of the Lassen County Air Pollution Control District's (the District) financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2024. This report is to be read in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $1,541,253 (net position). Of this amount, no funds are restricted for grant programs and other purposes.
- The District's total net position increased by $1,101,580 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's financial statements. The District's financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund Financial Statements; and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all the District's assets and deferred outflows of resources and liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration, such as changes in the District's revenue base, to assess the overall health or financial condition of the District.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All the current year's revenues and expenses are considered regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental-wide financial statements include all the governmental activities of the District. The governmental activities of the District include administration, engineering/compliance, air monitoring, planning and grants. The District does not operate any business-type activities.

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. The fund financial statements provide detailed information about the most significant funds, not the District as a whole. The District has one fund, the General Fund, which is a governmental fund type. The General Fund includes all the sub-funds the District maintains, including the individual grant program funds such as AB2766, Carl Moyer Grant funding, and the Wood Stove Replacement funding. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

Because the focus of the 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 in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and government-wide statements. The fund financial statements can be found in the Basic Financial Statements.

Notes to Basic Financial Statements – The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Basic Financial Statements.

GOVERNMENT–WIDE FINANCIAL ANALYSIS

Summary of Net Position
For the Year Ended June 30

	2024	2023	Change
Assets			
Cash and investments	$ 1,363,743	$ 215,006	$ 1,148,737
Receivables:			
Accounts receivable	166,840	279,640	(112,800)
Interest receivable	13,003	-	13,003
Total assets	1,543,586	494,646	1,048,940
Liabilities			
Accounts Payable	2,333	54,973	(52,640)
Total liabilities	2,333	54,976	(52,640)
Net Position			
Restricted	-	-	-
Unrestricted	1,541,253	439,673	1,101,580
Total Net Position	$ 1,541,253	$ 439,673	$ 1,101,580

Net position may serve over time as a useful indicator of the District's financial position. At the close of the fiscal year ended June 30, 2024, the District's assets exceeded its liabilities by more than $1.5 million.

Approximately 88% of the District's assets consist of cash and investments. The ending net position of the District is presented in the basic financial statements as one combined number. The District however separates the Carl Moyer Grant funding and the CCI Woodsmoke Reduction Program in their reports to the board. Carl Moyer represents approximately 10% of the District's net position.

Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30

	2024	2023	Change
Revenues:			
Program Revenues:			
Charges for services	$ 84,383	$ 87,766	$ (3,383)
Intergovernmental	4,777,078	1,330,292	3,446,786
General Revenues:			
Property taxes	$ 17,621	$ 16,073	$ 1,548
Investment Income	23,857	9,356	14,501
Total Revenues	$ 4,902,939	$ 1,443,487	$ 3,659,452
Expenses:			
Public Works	214,008	186,142	27,866
Grants	3,587,351	1,343,917	2,243,434
Total Expenses	3,801,359	1,530,059	2,271,300
Net change in fund balance	1,101,580	(86,572)	1,188,152
Fund balance, beginning of year	439,673	526,245	
Fund balance, end of year	$ 1,541,253	$ 439,673	$ 1,101,580

The District's revenues increased by 300% from the previous year. This is primarily due to the FARMER's Program as the air district received multiple funding years and funding allocations were adjusted based upon programmatic changes which increased the amount that grantees were eligible to receive under the program. These changes provided over $3 million in revenues for the FARMER's Program in FY 2023-24. Increases also occurred in property taxes of $1,548 and interest income of $14,501. Decreases occurred in air pollution permits of $3,383.

Expenses for the year totaled $3,801,359, an increase of 148% as compared to the previous year. This increase is primarily due to the FARMER's Program allocating $3,049,254 in grants for FY2023-24, an increase of $2,123,917 over FY 23-24. Carl Moyer also allocated $384,871 in grants, an increase of $29,871 from FY 22-23. The CCI Woodsmoke Reduction program expended grants of $115,000 of the $402,750 award in FY 2023-24. AB617 saw an increase of $13,313. The woodstove replacement program decreased by $40,500. The District contracts with the City to provide staffing, payroll, personnel, purchasing, accounts payable, general accounting services, auditing services, and office space.

Overall, the District's net position increased by $1,101,580, bringing the net position to $1,541,253 as of June 30, 2024.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District currently owns a 2013 Ford Escape with a depreciated value of $0 and has not issued any debt.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements.

The General Fund balance on June 30, 2024, was $1,541,253, an increase of $1,301,580 from the prior year. The increase was primarily due to the net of the following factors:

- Grant award received from the FARMER's program exceeding program grant expenditures by $451,661.
- Grant award received from the Carl Moyer program exceeding program grant expenditures by $339,036.
- Grant award received from the CCI Woodsmoke Reduction Program exceeding grant expenditures by $293,363.

BUDGETARY HIGHLIGHTS

BUDGET VARIANCES IN THE GENERAL FUND

	Original Budget	*Final Budget*	*Difference*	*Actual*	*Variance vs Final Budget*
Revenues	$2,482,927	$4,953,262	$2,470,335	$5,102,939	$149,677
Expenditures	(2,508,078)	(4,970,958)	(2,462,880)	(3,801,359)	1,169,599
Net change in fund balance	$(25,151)	$ (17,696)	$ 0	$1,301,580	$ 1,319,276

Revenues

The actual revenues total of $5,102,939 were higher as compared to the final budget of $4,953,262 by $149,677. The categories with the largest budget variances were:

- AB 617 Admin was $99,141 more than budget
- Carl Moyer Admin was $42,545 more than budget
- Air Pollution permits were $12,383 more than budget

Expenditures

Actual expenditures for the year totaled $3,801,359 as compared to the final budget of $4,970,958. The primary reason for the significant budget variance is fewer grant awards for the FARMERs Program, Carl Moyer, Woodsmoke Reduction Program and AB 617 Air Protection Program.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The FY 2024-25 budget was prepared with the assumption that revenues would be lower than the previous year. The largest decrease was for the FARMER’s Program, as the revenue allocation was not included, as all revenues were received in FY 23-24. DMV fees, AB 617, and property taxes were projected to remain relatively stable, with small increases. The budget assumes the same contract amount for staffing with Carl Moyer grants. The budget was adopted at the Governing Board meeting of April 30, 2024 by Resolution 24-10.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lassen County Air Pollution Control District, 66 N Lassen Street, Susanville California or eedholm@cityofsusanville.gov.

BASIC FINANCIAL STATEMENTS

Lassen County Air Pollution Control District
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash	$ 1,363,743
Accounts Receivable	166,840
Interest Receivable	13,003
Total Current Assets	1,543,586
Total Assets	1,543,586
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,333
Total Current Liabilities	2,333
Total Liabilities	2,333
NET POSITION	
Restricted	-
Unrestricted	1,541,253
Total Net Position	$ 1,541,253

The accompanying notes are an integral part of this statement.

Lassen County Air Pollution Control District
Statement of Activities
Year Ended June 30, 2024

		Program Revenues			Governmental Activities Net (Expenses) Revenues
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Total	Governmental Activities
Governmental Activities:					
Public Works	$ 3,801,359	$ 84,383	$ 4,777,078	$ 4,861,461	$ 1,060,102
Total Governmental Activities	$ 3,801,359	$ 84,383	$ 4,777,078	$ 4,861,461	1,060,102
General Revenues:					
Property Taxes					17,621
Investment Income					23,857
Total General Revenues					41,478
Change in Net Position					1,101,580
Net Position - Beginning					439,673
Net Position - Ending					$ 1,541,253

The accompanying notes are an integral part of this statement.

Lassen County Air Pollution Control District
Balance Sheet
Governmental Fund
June 30, 2024

	General Fund
ASSETS	
Cash	$ 1,363,743
Accounts Receivable	166,840
Interest Receivable	13,003
Total Assets	$ 1,543,586
LIABILITIES	
Accounts Payable	$ 2,333
Total Liabilities	2,333
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenues - Grants	-
Total Deferred Inflows of Resources	-
FUND BALANCES	
Restricted for Grants	-
Unassigned	1,541,253
Total Fund Balances	1,541,253
Total Liabilities and Fund Balances	$ 1,543,586

The accompanying notes are an integral part of this statement.

Lassen County Air Pollution Control District
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2024

Fund balances - total governmental fund	$ 1,541,253
Amounts reported for governmental activities in the statement of net position are different because:	
In governmental funds, other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	-
Net Position of Governmental Activities	$ 1,541,253

The accompanying notes are an integral part of this statement.

Lassen County Air Pollution Control District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
Year Ended June 30, 2024

	General Fund
REVENUES	
Property Taxes	$ 17,621
Licenses and Permits	84,383
Intergovernmental	4,977,078
Investment Income	23,857
Total Revenues	5,102,939
EXPENDITURES	
Current:	
Public Works	3,801,359
Total Expenditures	3,801,359
Net Change in Fund Balances	1,301,580
Fund Balance, Beginning of Year	239,673
Fund Balance, End of Year	$ 1,541,253

The accompanying notes are an integral part of this statement.

Lassen County Air Pollution Control District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities
Year Ended June 30, 2024

Net change in fund balances - governmental fund	$ 1,301,580
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues reported in the statement of activities, which are not considered available to finance current expenditures, are not reported as revenues in the governmental funds.	(200,000)
Change in net position of governmental activities	$ 1,101,580

The accompanying notes are an integral part of this statement.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lassen County Air Pollution Control District (District) is a Local Air District governing the Lassen County Region. Lassen County is located in North Eastern California and is part of the Northeastern Plateau Air Basin. The District Board is a six member board comprised of three members from the Lassen County Board of Supervisors and three members from the City of Susanville, City Council. The following is a summary of the significant accounting policies of the Lassen County Air Pollution Control District (the District) in conformity with accounting principles generally accepted in the United States of America.

A. Relationship to the City of Susanville

The City of Susanville provides administrative and accounting services for the District and acts in a fiduciary capacity for the District. The District's activities are accounted for in a custodial fund in the City of Susanville's financial statements.

B. Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accounting records of the District are recorded in the General Fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Since the District is not required to account for activity in another fund, all activity of the District is recorded in the General Fund.

Government-wide Financial Statements

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These financial statements present summaries of activities for the District.

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the District

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all governmental funds. 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 included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. The Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Charges for services, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The District reports a single governmental fund – the General Fund.

C. Cash and Investments

The District's cash and investments consist of cash and investments pooled with the City of Susanville.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Net Position

In the Government-Wide Financial Statements, net position is classified as follows:

Invested in Capital Assets - This amount consists of capital assets net of accumulated depreciation.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount represents net position that does not meet the definition of *Invested in Capital Assets* or *Restricted Net Position*.

E. Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the Board of Directors by ordinance or resolution to formally commit part of the fund balance or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal Board of Director's action utilizing the same type of action that was originally used.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assigned Fund Balance - Amounts that are constrained by the Board's intent to use specified financial resources for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of the Fund in excess of what can properly be classified in one of the other four categories, or negative balances.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District currently has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenues in this category.

G. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires District management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Property Taxes

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions. Property tax revenues are recognized in the fiscal year for which taxes have been levied and collected within sixty days of fiscal year end.

The following are significant dates relating to the property taxes:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	November 1 and February 1	August 1
Delinquency dates	December 10 and April 10	August 31

2) CASH AND INVESTMENTS

The City of Susanville (City) maintains a cash and investment pool used by all funds of the City, including the District. The District does not own specifically identifiable securities of the City's pool. The District's portion of this pool is reported on the financial statements as "cash and investments." Investment policies and associated risk factors applicable to the District's funds are those of the City of Susanville and are included in the City's financial statements. Cash and investments are reported as follows:

Equity in City Cash and Investment Pool	$	1,363,743

The District currently does not maintain any other deposits or investments.

Equity in the Cash and Investment Pool of the City of Susanville

The District has equity in the cash and investment pool managed by the City of Susanville. The District is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City of Susanville. The District has not adopted an investment policy separate from that of the City of Susanville. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

3) COMMITMENTS AND CONTINGENCIES

The District is subject to litigation arising in the normal course of business. In the opinion of the District's management, there is no pending litigation that is likely to have a material adverse effect on the financial position of the District.

As of June 30, 2024, in the opinion of District management, there were no other outstanding matters that would have a significant effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

Lassen County Air Pollution Control District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive/ (Negative)
REVENUES				
Property Taxes	$ 17,000	$ 17,000	$ 17,621	$ 621
Licenses and Permits	72,000	72,000	84,383	12,383
Intergovernmental	1,914,796	4,863,262	4,977,078	113,816
Investment Income	1,000	1,000	23,857	22,857
Total Revenues	2,004,796	4,953,262	5,102,939	149,677
EXPENDITURES				
Current:				
Public Works	1,933,223	4,970,958	3,801,359	1,169,599
Total Expenditures	1,933,223	4,970,958	3,801,359	1,169,599
Net Change in Fund Balance	71,573	(17,696)	1,301,580	1,319,276
Fund Balance, Beginning of Year	239,673	239,673	239,673	-
Fund Balance, End of Year	$ 311,246	$ 221,977	$ 1,541,253	$ 1,319,276

Budget Reporting

The District adopted an annual budget preapred on the modified accrual basis for the General Fund, which is consistent with accounting principles generally accepted in the United States of America.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Lassen County Air Pollution Control District
Susanville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Lassen County Air Pollution Control District (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 November 10, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 may exist that have not been identified.

Van Lant & Fankhanel, LLP
29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Van Lant & Fankhanel, LLP

November 10, 2025

Agenda Item No. H.3.
Agenda Item

Lassen County Air Pollution Control District Governing Board Agenda Item

Submitted By:	Erik Edholm, Air Pollution Control Officer
Action Date:	February 10, 2026
Subject:	Consider Resolution 26-02 approving the districts participation in the 2022 Climate Heat Impact Response Program (CHIRP)
Presented By:	Erik Edholm, Air Pollution Control Officer
Summary:	The California Air Resources Board (CARB) released a solicitation inviting air districts to apply for 2022 Climate Heat Impact Response Program (CHIRP) funding for Fiscal Year 2025–2026. CHIRP funds are intended to mitigate emissions generated during extreme heat events when backup generators and other power sources operate beyond permitted limits under a Governor-declared emergency. Lassen County Air Pollution Control District received a tentative CHIRP allocation of $23,897, consisting of $3,584 for program administration and $20,312 for project incentives. District staff has already submitted the CHIRP application to CARB in order to meet the required deadline; however, formal Governing Board approval is required for CARB to process the application and execute the CHIRP grant agreement. Adoption of the accompanying resolution will authorize participation in the CHIRP program and allow staff to proceed with execution of the grant agreement and administration of funds in accordance with applicable CARB requirements.
Fiscal Impact:	
Action Requested:	Motion to Approve Resolution 26-02 approving the districts participation in the 2022 Climate Heat Impact Response Program (CHIRP).

Attachments:
1. Resolution No. 26-02
2. 2022 CHIRP Solicitation Application

RESOLUTION NO. 26-02

A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT ACCEPTING CLIMATE HEAT IMPACT RESPONSE PROGRAM (CHIRP) FUNDS FROM THE CALIFORNIA AIR RESOURCES BOARD

WHEREAS, the Climate Heat Impact Response Program (CHIRP) was established by the California Air Resources Board (CARB) pursuant to a Governor-declared state of emergency and Assembly Bill 205 to mitigate excess emissions generated during extreme heat events when backup generators and other power sources operate beyond permitted limits; and

WHEREAS, CARB has solicited air district participation in the 2022 CHIRP funding cycle for Fiscal Year 2025–2026; and

WHEREAS, the Lassen County Air Pollution Control District (LCAPCD) has been identified by CARB as eligible to receive a tentative CHIRP allocation in the amount of $23,897, including funding for program administration and project incentives; and

WHEREAS, CHIRP incentive funds may be used to support projects eligible under the Carl Moyer Memorial Air Quality Standards Attainment Program, the Community Air Protection (CAP) Incentives Program, or other CARB-approved projects that are consistent with CHIRP objectives; and

WHEREAS, District staff submitted a CHIRP application to CARB in order to meet the required program deadline, and CARB requires Governing Board approval to process the application and execute the grant agreement;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board does hereby approve the District's participation in the Climate Heat Impact Response Program (CHIRP) and the acceptance of CHIRP funds allocated and awarded to the District for eligible projects and program administration, in accordance with the terms and conditions of the CHIRP grant agreement; and

BE IT FURTHER RESOLVED that the LCAPCD will comply with all applicable CHIRP program requirements, including the CHIRP grant agreement, CARB guidance, and the administrative requirements incorporated from the Carl Moyer Program Guidelines, as applicable; and

BE IT FURTHER RESOLVED that the Air Pollution Control Officer is hereby authorized to execute, on behalf of the District, the CHIRP grant agreement with the California Air Resources Board, and any amendments or other documents necessary to implement and carry out the purposes of this resolution.

The foregoing resolution was approved and adopted by the following vote of the Board on February 10, 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Mendy Schuster, Chairman
Lassen County Air Pollution Control District

ATTEST:

Erik Edholm
Air Pollution Control Officer

The California Air Resources Board must receive this application to accept or decline the Climate Heat Impact Response Program (CHIRP) funds by the due date specified in the Solicitation memo. Please send the signed application form to: chirp@arb.ca.gov and cc MSCDGrants@arb.ca.gov.

SECTION 1: APPLICANT AIR DISTRICT

Air District Name: Lassen County Air Pollution Control District	
Street Address: 66 N. Lassen St.	City/Zip Code: Susanville, CA 96114
Contact Person: Erik Edholm	Telephone Number: 530-257-1050
E-mail: eedholm@cityofsusanville.gov	

The address provided above matches the address provided on the Air District's Data Record Form (STD 204) or Government Agency Tax Payer ID Form

☑ Yes

☐ If no, the Air District will be submitting a corrected STD. 204 or Government Agency Taxpayer ID Form to CARB.

SECTION 2: AIR DISTRICT REQUEST FOR CHIRP FUNDING

Check box and enter the dollar amount and percentage (if applicable).

☑ **Accept** tentative allocation funds. Please enter the "Total Tentative Allocation" amount from Solicitation memo.	$ 23,897
☐ Request a lower **administration amount** than listed on Solicitation memo "Administration Allocation." Please indicate the administration percentage of the total grant in the available column. The percentage must be less than the percentages below: • 12.5% (Air Districts with a population of one million or more inhabitants) • 15% (Air Districts with a population of one million or fewer inhabitants)	%
☐ Request a greater allocation amount than the tentative allocation, if additional funds are available.	
☐ **Decline** CHIRP Program funds. Air District declines all funding for this fiscal year.	

SECTION 3: BOARD RESOLUTION

An Air District should not submit a completed application if the Air District does not have approval/authority from their Air District Board or is not scheduled to go before their Air District Board to participate in the CHIRP Program.

Check one box and complete the date (if applicable).

☐ This application has been duly approved and authorized by the Air District Board, as specified in the attached resolution.

☑ This application is scheduled to go before the Air District Board.

Date scheduled to go before the Air District Board: 02/10/2025

SECTION 4: AIR DISTRICT CONTACT INFORMATION

Air District Air Pollution Control Officer	Telephone Number	Email Address
Erik Edholm	530-257-1050	eedholm@cityofsusanville.gov

Air District CHIRP Program Manager	Telephone Number	Email Address
Reesa Rice	530-257-1041	rrice@cityofsusanville.gov

SECTION 5: AIR DISTRICT APCO/EO APPROVAL SIGNATURE

To the best of my knowledge and belief, the information in this application is true and correct.

Signature of Air Pollution Control Officer:	Date of Signature: 01/26/2026