



## Financial Report for Fiscal Year 2024 ended June 30, 2024 and Budget for Fiscal Year 2025 ended June 30, 2025

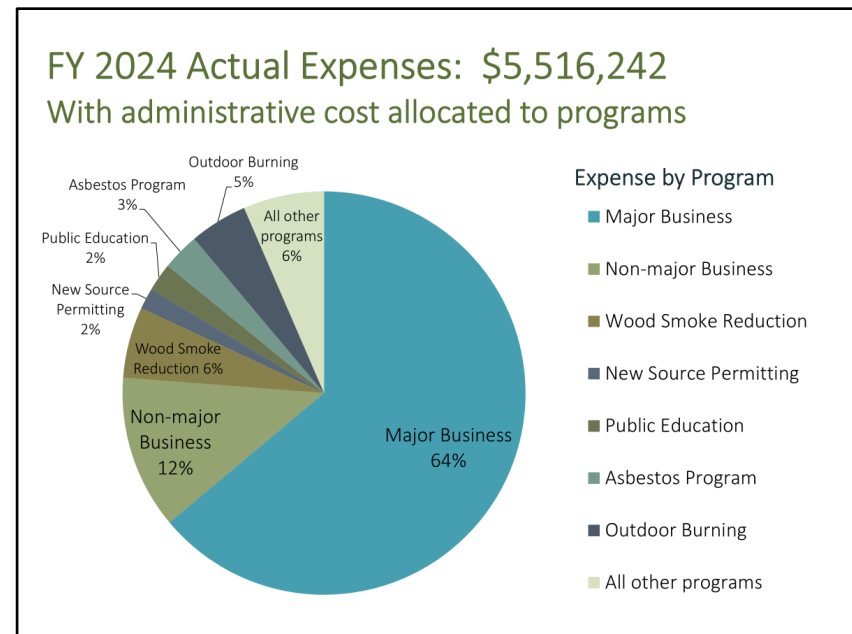
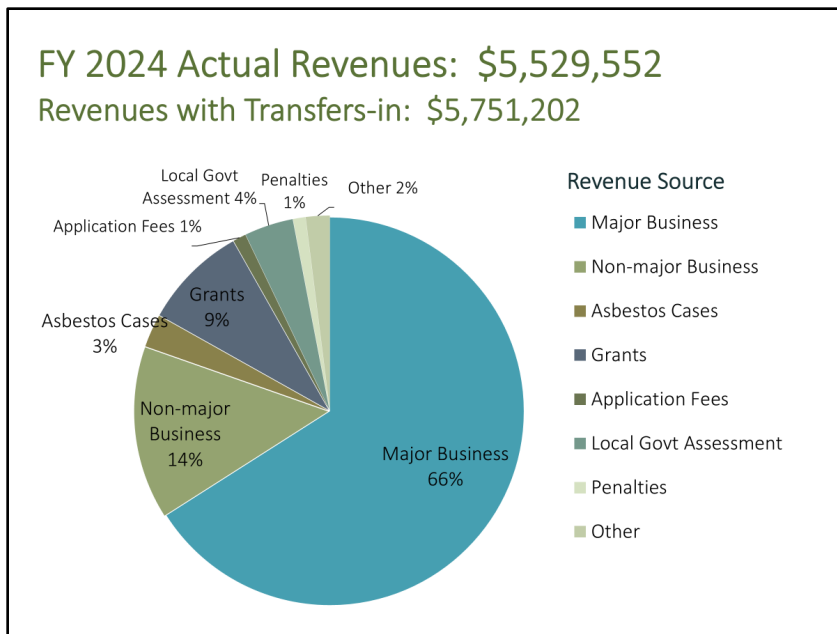
As a public agency, we take our responsibility for managing the public's funds seriously. That's why financial stability is one of the main outcome areas in the Agency strategic plan.

As evidence of our accountability to the public, our solid financial policies and practices, and our careful recordkeeping, we continue to receive clean financial audits by the Washington State Auditor's Office with our most recent audit being completed for fiscal year 2022.

In this report, we provide an overview of our Fiscal Year (FY) 2024 financial results and a look ahead to the FY 2025 budget.

### FY 2024 FINANCIAL RESULTS

The following pie charts represent revenues by source and expenses by program for our fiscal year 2024, which is July 1, 2023, to June 30, 2024. Total operating revenues for the year including transfers-in from other funds were \$5.75 million, and total operating expenses were \$5.52 million.



Our Major Business Program is the largest portion of our revenues and expenses at \$3.5 million, or 64 percent of total expenses for the year. This is the program that allows us to permit and regulate major businesses regulated under Title V of the Federal Clean Air Act. These businesses, 22 in total for FY 2024, tend to be the largest sources of air pollutants that we regulate in our jurisdiction, although there are others that are subject to these requirements. By federal law, these major businesses must pay fees sufficient to fully fund the cost of running the program.

Our Non-Major Business Program included 542 businesses and accounted for \$680,000 or 12% of total expenses for the year. The fees are set with a goal to cover the costs of registering, monitoring, inspecting and administering the program.

We collected \$57,577 in penalties in fiscal year 2024. Budgeting for penalties is always an estimate because we have no way of knowing in advance who is going to violate air quality requirements and how much the resulting penalties will be. Because the amount of penalties is uncertain, amounts collected in excess of the annual budget of \$85,000 are generally used for one-time projects.

We received grant funds from the Washington Department of Ecology totaling \$479,459, 9% of total revenue, in fiscal year 2024. Those funds were used to supplement programs that are not fully funded by fees, including our Non-registered source program, Wood-smoke Reduction, Agricultural Burning and other programs.

\$225,300 or 4% of our revenue came from local government "per capita" assessments. This is a \$0.50 per resident annual assessment that the cities, towns and counties of our jurisdiction pay to the Agency. Per capita funds contribute largely to the Outdoor Burning program, in addition to others programs.

Our major expense by category is personnel costs which were \$4.17 million or 76% of total expenses for the year. The Agency had 22.6 full time equivalents in FY 2024.

## **LOOKING AHEAD – FISCAL YEAR 2025 PRIORITIES AND ADOPTED BUDGET**

Every year, we develop our budget based on our strategic planning priorities for the year. In developing our fiscal year 2025 budget, these are the main budget planning priorities considered by our Board of Directors:

### **Incorporation of Strategic Plan Elements**

- **Outcome area: Healthy people and environment**
  - Meet federal expectations of timely compliance and permitting actions for the major source program.
  - Continue to locate unregistered businesses and bring them into the registered source program.
  - Continue work with Columbia Valley area residents and stakeholders to reduce wood smoke pollution.
  - Continue progress on our multi-year digital records management modernization project.

- **Outcome area: Financial health**

- Strive for full cost recovery of our Registered Source, New Source Review and Asbestos programs.
- Continue to monitor and maintain adequate budget reserves.

The following pie charts represent the adopted and most recently amended budget revenues by source and expenses by program for our fiscal year 2025, which is July 1, 2024, to June 30, 2025. Estimated total revenues for the year are \$5.69 million which includes budgeted transfers-in of \$200,850 from our Cumulative Reserve Fund for one-time projects. Operating expenses are \$6.0 million. The Agency has 24 full time employees in fiscal year 2025 which includes the addition of one Air Quality Inspector position.

