NSAQMD PROJECTED BUDGET FY 26/27	Actuals as of 04/30/2026	Projected Budget 26/27	Amount Increase or Decrease from Actuals as of 4/30/26
Income			
Grants and project Revenue			
New Amount Expected in 26/27	2,220,670	5,136,089	2,915,419
Admin/Interest	549,337	824,006	274,669
Grant Admin Income	25,399	38,098	12,699
Total Grants and project Revenue	**2,795,406**	**5,998,193**	**3,202,787**
Other Revenue			
Misc income	651	976	325
Total Other Revenue	**651**	**976**	**325**
Permits & Fees			
Permit to Operate/Source Fees	71,186	71,000	(186)
Plan Review Fee	8,558	8,500	(58)
Prescribed Burning	15,381	15,000	(381)
Title V	47,243	47,000	(243)
Vapor Recovery	21,767	21,000	(767)
Penalties, Permitted Source	15,400	15,000	(400)
Woodstove Inspections	621	700	79
Total Permits & Fees	**180,156**	**163,200**	**(16,956)**
Total Income	**2,976,385**	**6,162,369**	**3,185,983**
Expenses	**Actuals as of 04/30/2026**	**Projected Budget 26/27**	**Amount Increase or Decrease from Actuals as of 4/30/26**
Human Resources			
Employee Benefits			
457 (b) Plan ER Contribution	4,300	2,400	(1,900)
Dental/Vision Care	4,754	9,766	5,012
Health Plan - Employees	33,197	36,600	3,403
Health Plan - Retirees	21,630	26,060	4,431
Medicare/FICA	8,717	10,235	1,517
PERS Classic and PEPRA UAL	104,356	140,475	36,119
PERS PEPRA -ER Contribution	44,265	56,896	12,630
Workers' Comp Insurance	6,213	30,612	24,399
Total Employee Benefits	**227,431**	**313,043**	**85,612**
Permanent Salaries	526,094	691,480	165,387
TaxMed (in lieu of Health Insur	12,992	15,360	2,368
Vehicle Allowance	6,750	6,900	150
Total Human Resources	**773,267**	**1,026,783**	**253,516**

Operating Expenses

	Actuals as of 04/30/2026	Projected Budget 26/27	Amount Increase or Decrease from Actuals as of 4/30/26
Communications	10,961	16,442	5,481
Dues & Subscription	3,791	5,686	1,895
Information Tech / Web Manageme	60,641	68,000	7,359
Liability Insurance	17,786	26,679	8,893
Office Supplies	20,034	30,051	10,017
Professional Fees			
Accounting	88,363	75,000	(13,363)
Employee Incentives	35	53	18
Financial Auditor	31,800	35,000	3,200
Governing Board	4,859	7,289	2,430
Office Assistance	13,091	19,637	6,546
Total Professional Fees	**138,148**	**136,978**	**(1,170)**
Rents & Utilities	18,838	28,257	9,419
Rent, Grass Valley	19,742	29,613	9,871
Rent, Portola	3,330	4,995	1,665
Utilities, Grass Valley	1,618	2,427	809
Utilities, Portola	2,757	4,135	1,378
Total Rents & Utilities	**46,285**	**69,428**	**23,143**
Repair & Maintenances	42,065	25,098	(16,967)
Travel & Conference			
Mileage	743	1,114	371
Travel/Conferences	9,333	14,000	4,667
Total Travel & Conference	**10,076**	**15,113**	**5,038**
Total Operating Expenses	**349,818**	**393,523**	**43,704**

Program Expenses

	Actuals as of 04/30/2026	Projected Budget 26/27	Amount Increase or Decrease from Actuals as of 4/30/26
Grant Specific Expenses	19,347	29,020	9,673
AB617 Incentive Grant Expense	4,174	6,260	2,087
TAG 2018 Plumas Match Funds	250	375	125
TAG 2020 Plumas Match Funds	600	900	300
Carl Moyer	119,726	179,590	59,863
Grant Specific Expenses	5,000	7,500	2,500
Enviornmental Services	4,473	6,709	2,236

Fire Dept Res Reimbursement	400	600	200
Pass Thru Funds	1,674	2,511	837
PM2.5 Expenditure	11,483	17,225	5,742
Previously Allocated Grant Projects	212,413	318,619	106,206
Vouchers	451,209	676,813	225,604
Total Grant Specific Expenses	**806,378**	**1,209,566**	**403,189**
Legal Notices, Publications	246	369	123
Program Equipment	5,116	7,673	2,558
Public Outreach	21,041	31,562	10,521
Transportation	4,006	6,009	2,003
Total Program Expenses	**861,157**	**1,291,736**	**430,579**
Total Expenses	**1,984,242**	**2,712,041**	**727,799**
Net Operating Income	**992,143**	**3,450,327**	**2,458,184**

Northern Sierra Air Quality Management District (NSAQMD)

FY 2026/27 Draft Budget – CFO Budget Summary for Board of Directors

This summary provides an overview of the proposed FY 2026/27 budget, key assumptions, notable changes from current-year activity, and management observations intended to support Board review and discussion.

Executive Summary

The FY 2026/27 budget projects total revenue of $6,162,369 and total expenditures of $2,724,741, resulting in projected net operating income of $3,437,627. The significant increase in projected revenue is primarily attributable to grant and project funding that has already been awarded but will be utilized and expended during FY 2026/27. As noted within the budget document, the projected surplus includes both restricted and unrestricted funding and should not be interpreted as entirely discretionary resources.

Management continues to track all grant-funded activity through class accounting within QuickBooks Online to ensure compliance with grant requirements and accurate reporting of restricted resources.

Grants and Project Revenue

Projected grant and project revenue totals $5,998,193, representing the District's largest source of revenue. This category increased by approximately $3.2 million compared to current-year actual activity through April 30, 2026.

Key observations:

- The budget notes specifically indicate that projected revenue includes funds awarded in prior fiscal years that are expected to be utilized and expended during FY 2026/27.
- Administrative and grant administration revenue projections were calculated using historical trends and rounded estimates.
- Grant revenue growth reflects anticipated implementation of ongoing programs and projects rather than newly recurring unrestricted operating revenue.
- Because grant activity drives both revenue and expenditures, future monitoring of project completion timelines and reimbursement schedules will remain important throughout the fiscal year.

Permits and Fees

Permit and fee revenue is projected at $163,200 compared to current-year activity of $180,156.

Key observations:

- Management intentionally utilized conservative forecasting assumptions and rounded projections downward from current activity levels.
- Permit to Operate, Plan Review, Prescribed Burning, Title V, Vapor Recovery, and Penalty revenues remain relatively stable.
- The conservative approach helps reduce the risk of overestimating operational revenue and supports prudent budget planning.
- Permit and fee revenue remains an important unrestricted funding source supporting general District operations.

Income Overall

Total projected revenue is $6,162,369, an increase of approximately $3.19 million from current-year activity.

Board considerations:

- Approximately 97% of total projected revenue is generated through grants and project funding.
- The District continues to maintain a diversified mix of revenue through grants, permit fees, penalties, and miscellaneous income.
- Future financial sustainability remains dependent upon continued success in securing and administering grant-funded programs.
- Revenue projections appear appropriately conservative where discretionary or operational funding sources are concerned.

Human Resources

Total Human Resource expenditures are projected at $1,026,783, an increase of $253,516 from current-year activity.

Major drivers include:

- Permanent Salaries increase approximately $165,387.
- Employee Benefits increase approximately $85,612.
- PERS Classic, PEPRA, and Unfunded Accrued Liability costs continue to increase.
- Workers' Compensation costs increase significantly from current-year levels.
- Health insurance costs for both employees and retirees continue to trend upward.

  Budget notes indicate that projections incorporate anticipated negotiations, employer contributions, individual benefit premiums, and historical spending patterns. The budget further notes that employee salaries and benefits are allocated to grants where allowable through class tracking within QuickBooks Online.

Operating Expenses

Total Operating Expenses are projected at $393,523, an increase of $43,704.

Notable observations include:

- Information Technology and Web Management costs increase to $68,000 reflecting ongoing technology needs.
- Liability Insurance, Office Supplies, and Communications all increase based on historical spending trends.
- Rent and utility expenditures increase across all locations reflecting inflationary pressures and full-year projections.
- Repair and Maintenance expenses decrease approximately $16,967.

  The budget notes specifically indicate that the reduction in Repair and Maintenance expense results from removal of prior-year roof expenditures that are not anticipated to recur during FY 2026/27.

  The budget also notes that certain operating expenses may be allocated to grants through class tracking when allowable under funding requirements.

Program Expenses

Total Program Expenses are projected at $1,291,736, an increase of $430,579.

Significant program expenditure categories include:

- Vouchers – $676,813
- Previously Allocated Grant Projects – $318,619
- Carl Moyer Program – $179,590
- PM2.5 Programs – $17,225
- AB617 Incentive Program – $6,260
- Environmental Services – $6,709
- Public Outreach – $31,562

  Management notes within the budget document indicate that program and grant expense classifications continue to be refined and standardized as part of ongoing budget development efforts. These refinements should improve future reporting consistency and transparency.

Expenses Overall

Total expenses are projected at $2,712,041, representing an increase of approximately $727,799 from current-year activity.

Key drivers include:

• Increased personnel and benefit costs.
• Increased grant and program implementation activity.
• Increased professional services
• Inflationary impacts on operating and facility-related costs.

Importantly, much of the expense growth is directly tied to increased grant-funded program activity. As grant utilization increases, related expenditures are expected to increase accordingly and are generally offset by associated grant revenue.

Net Operating Income

Projected Net Operating Income totals $3,437,627.
• This favorable result is primarily driven by timing differences between grant awards, grant utilization schedules, and the recognition of grant-related revenues.
• Management specifically notes that the projected surplus contains both restricted and unrestricted funding sources.
• The projected surplus should not be interpreted as unrestricted cash available for discretionary spending.
• Continued monitoring of grant restrictions, future project commitments, and expenditure timelines will be necessary when evaluating long-term financial capacity.

CFO Closing Comments

Overall, the proposed FY 2026/27 budget reflects a financially sound organization with substantial grant-funded program activity anticipated during the coming fiscal year. The budget demonstrates prudent revenue forecasting, conservative permit fee assumptions, and thoughtful consideration of personnel, benefit, and operating cost increases.

While expenses increase across several categories, those increases are largely supported by corresponding grant-funded activities. The District continues to maintain strong oversight through class-based accounting and grant tracking processes, providing transparency over restricted funding and ensuring compliance with funding requirements.

Management will continue refining program classifications and monitoring revenue realization, personnel costs, and grant expenditures throughout the fiscal year to ensure the District remains financially stable and positioned to meet both operational and programmatic objectives.