

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT  
MEMORANDUM  
08/02/2021

TO: FRAQMD BOARD OF DIRECTORS  
FROM: Christopher Brown AICP, APCO  
SUBJECT: Approve adoption of the FY 21/22 Final Budget.

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RECOMMENDATION:

Approve adoption of the FY 21/22 Final Budget.

ALTERNATIVES:

Do not approve adoption of final budget, continue Public Hearing and provide direction to staff.

BACKGROUND:

The District previously implemented a new accounting system, QuickBooks, and in the prior fiscal year presented a new budget format to better align with the financial statements and allow better real time tracking of budget to actuals. This new format continues with the 21/22 fiscal year budget process and provides a streamlined viewing layout for the Board members and the general public.

In addition, this new formatting has caused the District to move and make changes to some line items and categories, therefore, causing some larger than normal increases and decreases in revenue and expenditures.

With the FY 21/22 budget, the District continues to maintain a financially healthy budget to meet liabilities and obligations.

DISCUSSION:

Overall, we anticipate annual revenues of \$5,213,823 which is a 63% increase over the prior year's budget due to including restricted revenue sources this year to increase transparency.

Annual expenses are expected to total \$5,926,282 (including interest and depreciation expenses) resulting in an increase of 61% over the prior year budget due to including

restricted expenses only to be utilized on specific projects totaling \$2,945,172 this fiscal year to increase transparency. In addition, total annual expenses include releasing funds of \$671,324 from prior restriction and will reduce the district's cash held. The specifics of these previously approved projects are listed on pages 6 and 7 of the 2021/2022 budget.

The District has a substantive amount of reserves. As of June 30, 2021, the Unassigned Fund Balance is \$1,791,229.

**FISCAL IMPACT:**

The District anticipates having carry-over funds from FY 20/21 to cover \$41,135 budget shortfall but has increased the use of Unassigned Fund Balance in the FY 21/22 final budget.