



Permitting Strategies

Finance and Administration Committee

April 15, 2026

Pamela Leong
Director
Engineering



Presentation Outcome

Consider and discuss an update on the implementation of Permitting Strategies to improve timeliness, consistency, and transparency of the Air District's permit process.

Presentation Outline

Background and Current Status

- Recap Audit Findings and Corrective Action Plan
- Transition from the Corrective Action Plan to the Strategic Plan
- Plan Acceleration and Support
- Current Status of Application Processing

Progress on Plan Implementation

- Completed Actions and Outcomes
- Staffing Update
- Recent Actions: policy/program, tracking, tools

Presentation Outline (cont.)

Next Steps

- Permitting and Compliance System Upgrades
- Tracking Tools
- Policy & Program Updates
- Resource Management

Questions and Discussion

Background



Background

Recap Audit Findings, Corrective Action Plan, Transition to the Strategic Plan, Plan Acceleration, and Current Status of Application Processing

Key Takeaway: The 2024 Permitting Corrective Action Plan, which has transitioned to the Strategic Plan, has resulted in the implementation of improvements to the permit process for structure, accountability, and timeliness.

Background (cont.)

Engineering Performance Audit

- Completed in 2023
- Focused on timeliness, tracking, resource management, cost recovery

Corrective Action Plan

- Comprehensive: 48 actions over 5 years
- Reviewed by the Board's Finance and Administration Committee

Transition to the Strategic Plan Permitting Strategies

- Goal 4: Be Effective, Accountable, and Customer-Oriented

Goal 4: Be Effective, Accountable, and Customer-Oriented



Permitting Strategies

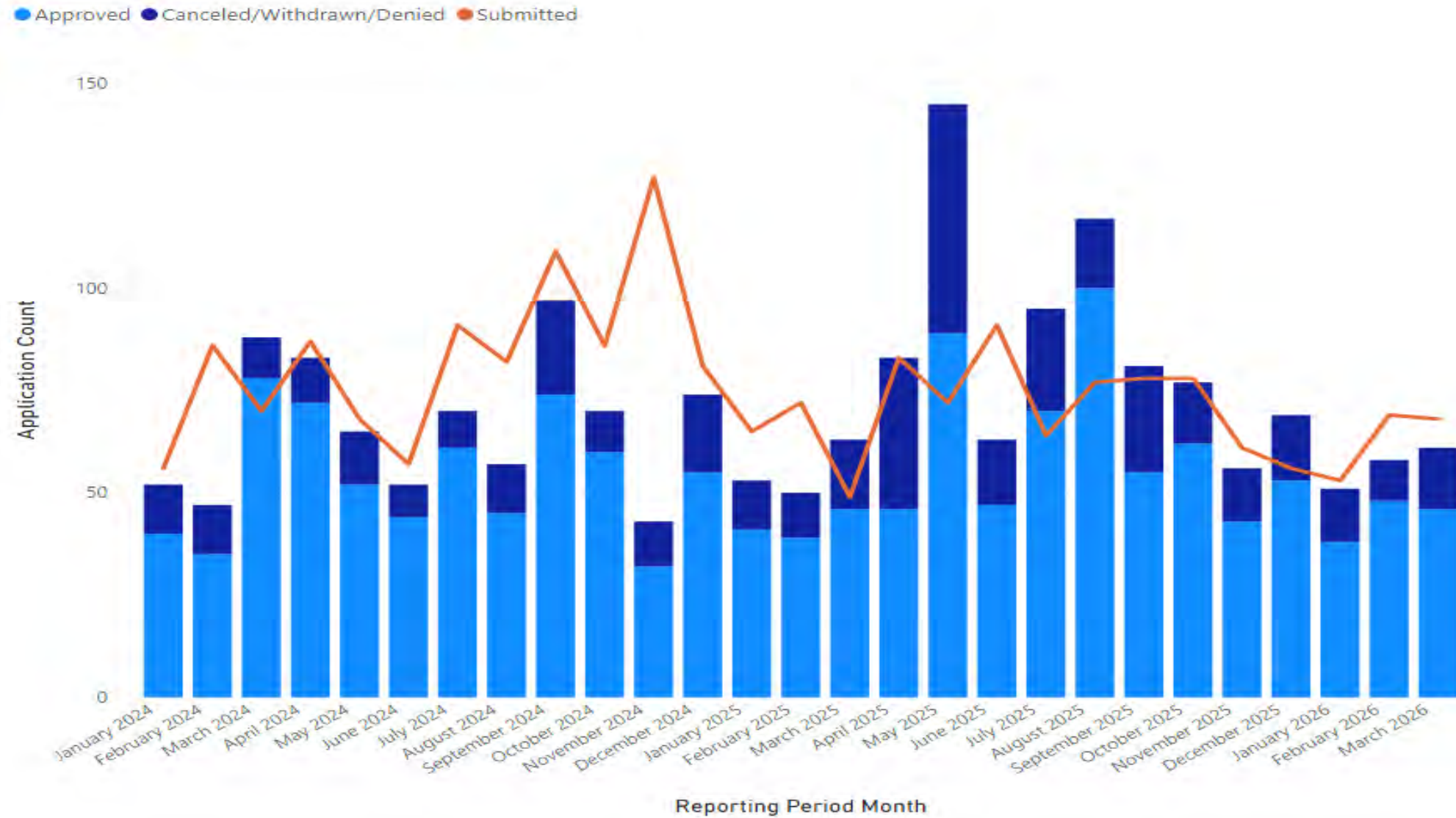
- Timely Permits – We will improve the timeliness of our permitting decisions
- Transparent Permit Process – We will improve our permitting process to be more transparent and accountable to the applicants and the public
- Consistent Permits – We will ensure Air District rules and associated air quality permits issued are clear, consistent, and enforceable so that air pollution affecting communities is minimized

Plan Acceleration and Support

2026 Mid-Year Staffing and Budget Adjustment

- 29 new positions and 7 reclassifications
- Pre-fund two facility-funded Engineering Program Managers, previously approved in the Fiscal Year 2026 Budget to initiate the pilot program.
- Authorize funding for one-time Professional Services to support the Permitting Backlog Reduction Plan

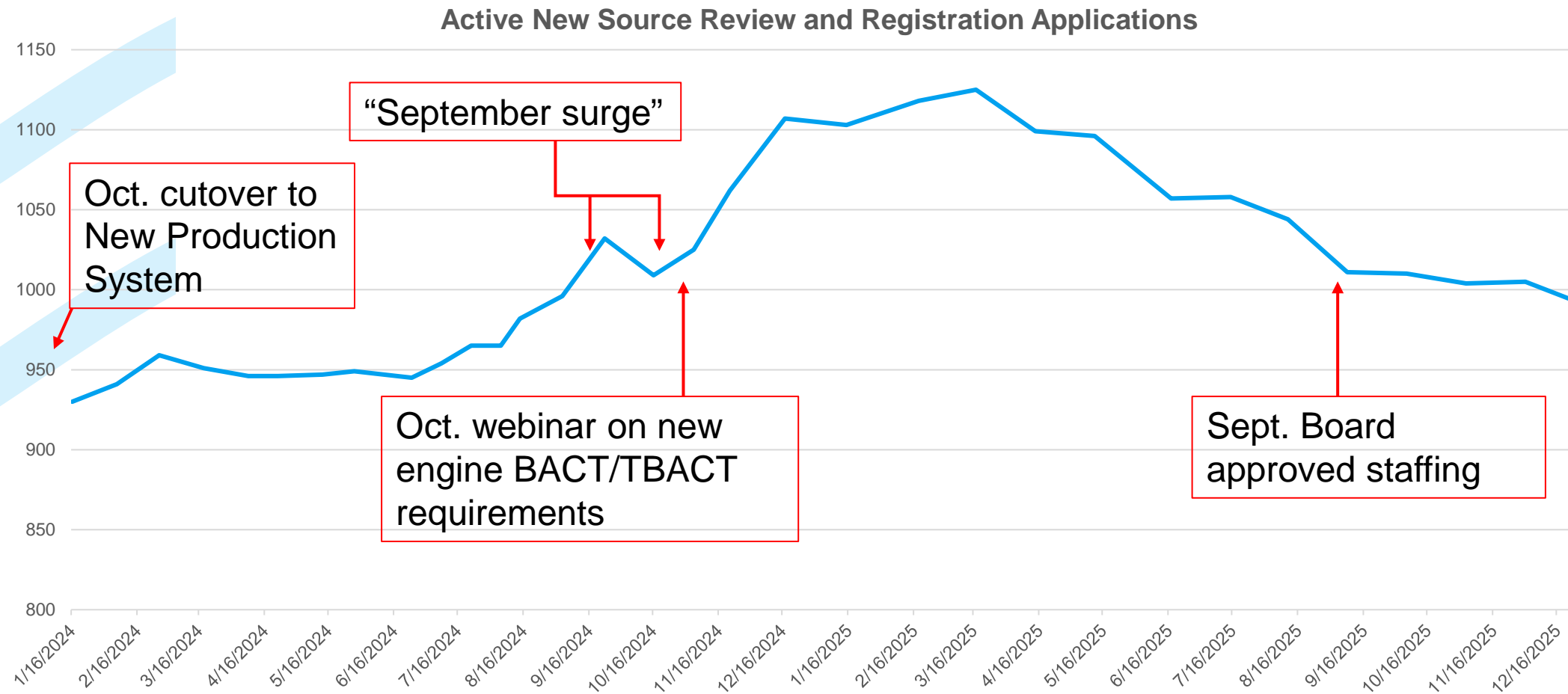
Recent Metrics: In vs. Out



Large increase in Engines

- November and December 2024

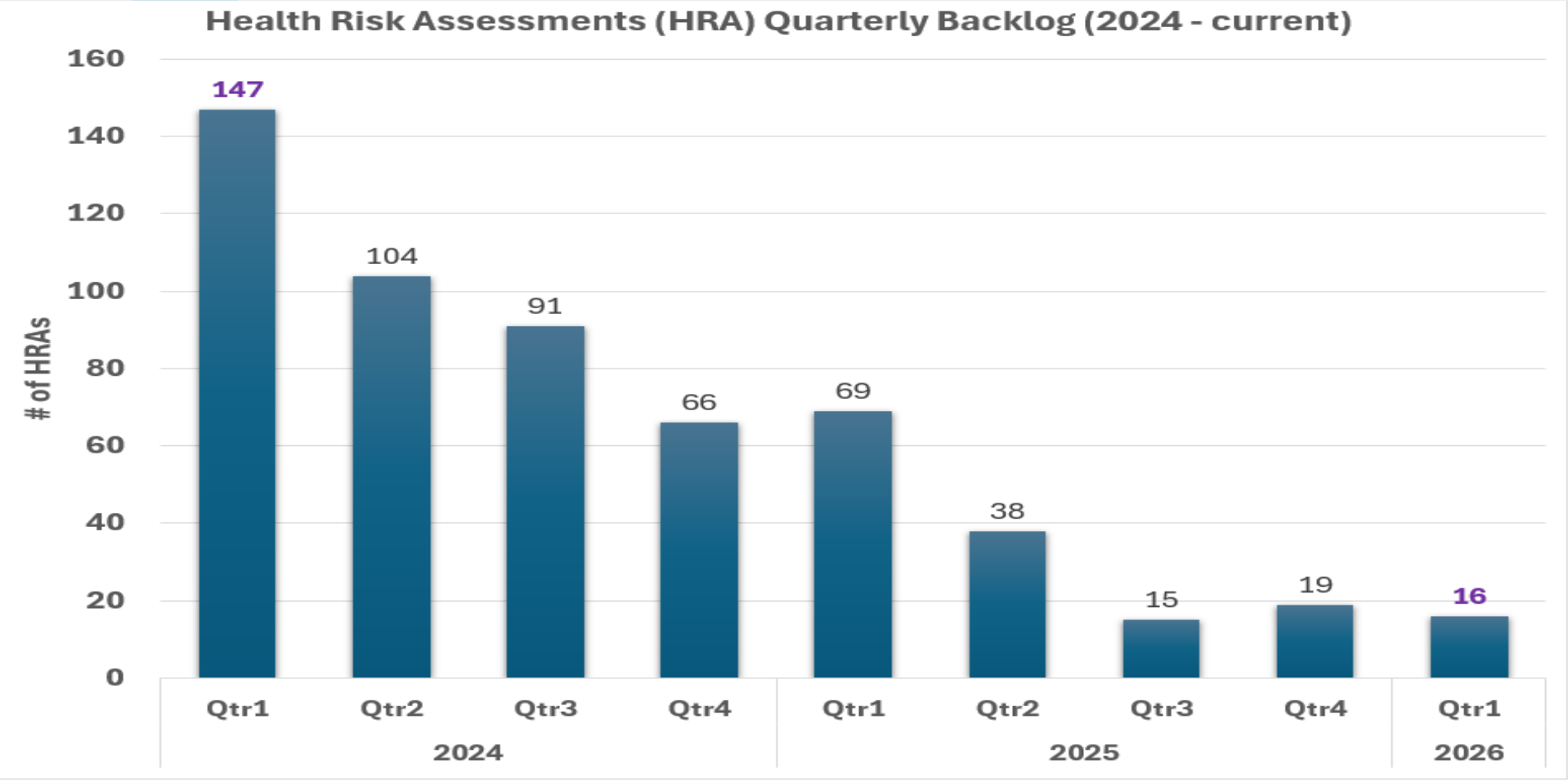
Recent Metrics: Active Applications



BACT = Best Available Control Technology
 TBACT = Best Available Control Technology for Toxics

- **17% increase in number of applications processed from 2024 to 2025 – predates new staffing investment**
- Average 62 new applications per month – includes surge in engine applications
- Applications waiting for applicant = 397 (39.7%)

Recent Metrics: Health Risk Assessments (HRAs) in Queue



Maintenance Level

- Avg. 21 HRA's in = out
- With previous 2025 HRAs/Staffing Level

Current Project

- Consistency and Efficiency
- Automated formatting of outputs and maps
 - Guidance documents
 - Improved transparency tools for model inputs

Backlog Reduction Goal

Assumption: All Positions Approved by the Board, 15 Full-Time Equivalents (FTE) and 14 Limited-Term Contract Equivalents (LTCE) (3-years), all hired and onboarded in CY2026

3-year plan

- Clear out legacy permit applications by 2028
- Maintenance Level with standard permit applications by 2028
(e.g., engines, coatings)
- Maintenance Level with complex permit applications by 2029



Progress on Plan Implementation



Plan Progress

Highlight: Important technology, efficiency, and tracking improvements have been instituted. Metrics are showing progress. Major staffing efforts are underway. Maintaining effort and investment is critical for continued progress.

Recap of Important Actions

Permitting & Compliance System (PCS) Upgrades

- Full Transition
- Online Option
- Customer Access and Notification

Policy and Program Updates

- Permit Handbook
- Backup Engine Policy
- HRA Streamlining and Policies

Tracking Tools

- Statuses: Who, Why?
- Dashboard & Cockpits
- Reports

Results

- Efficiency
- Accuracy
- Transparency
- Accountability

Staffing Actions

Hired

- **EPM #1 (August 2025)**
- **Mid Year FTEs (September 2025 to April 2026) - 8 of 10 Hired and 6 have started**
- **Communications 2 FTEs (Hired 2/26) – Start 4/26**
- **Consistency Coordinator (March 2026)**

Recruiting

- **EPM #2 LTCE (Hiring Interviews)**
- **Backlog Permit Manager LTCE (Hiring Interviews)**
- **Remaining 2 Mid Year FTEs posted**

Ongoing

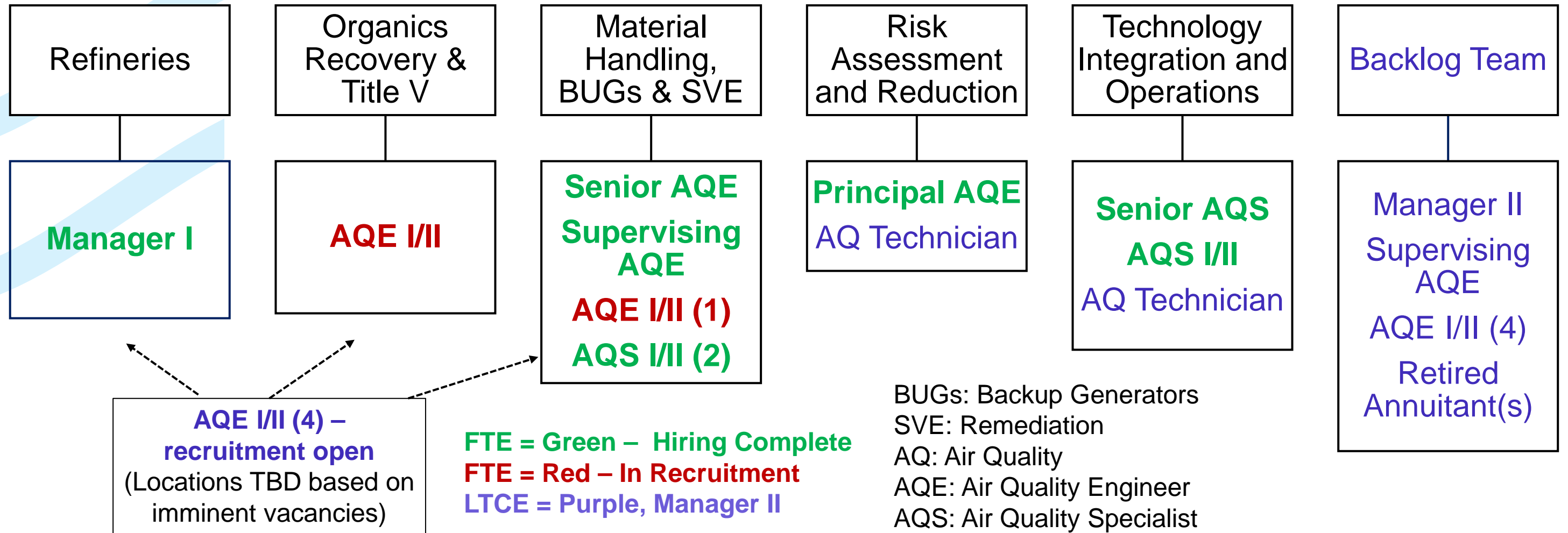
- **Fill vacancies from retirement, promotions, attrition****
- **Training**
- **MOU negotiations for LTCEs***

*Mid-Year LTCEs Pending MOU Negotiations

**13% Vacancy (April 2026)

EPM: Engineering Program Manager

Staffing Actions (cont.) - Engineering Updates



Recent Actions: Policy/Program Updates

Permitting Efficiency Taskforce (PET)

- Applicants and other stakeholders
- Support the transparent implementation of process, rule, and policy changes
- Gathering and prioritizing permitting challenges, will assess progress and get feedback

Permitting Efficiency Ad Hoc Committee of the Board of Directors

- Meet with the Permitting Efficiency Taskforce quarterly

Rules for Development for Streamlining

- Permitting Regulations: Combine Phase I and Phase II (clarity and efficiency)
- Review/revise rules that require significant engineering resources
 - Regulation 12-15 Refinery Emissions Inventory (Concept Paper)
 - Regulation 11-18 Facility Risk Reduction Process Streamlining (Hearing June 3rd)

Backup Engine Regulation

Policies for Consistency and Efficiency

Recent Actions: Tracking Tools

Health Risk Assessments (HRA)

- Next generation tools – static to live updates
- Sub-statuses for tracking and debottlenecking
- New dashboard – backlog, processing times, modeler
- Automated toxic calculation and inventory tool for HRA submittals for staff then applicants

Recent Actions: Tracking Tools (cont.)

Artificial Intelligence

- Pilot: Application status briefings for stakeholder based on data and correspondence
- Next: routine permit evaluations

New Application Flow Dashboard

- New tools to determine how quickly applications are moving – displays who, what, where, and why

New Tools to Analyze Permitting Bottlenecks

Application Flow
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Welcome to the Application Flow Dashboard

The **Application Flow Dashboard** is a comprehensive business intelligence solution designed to optimize the permit application processing lifecycle. Unlike traditional reports that simply list open inventory, this dashboard provides a kinetic view of operations; measuring not just *what* is in the backlog, but *how fast* it is moving, *where* it is getting stuck, and *why* rework is occurring.

Main Dashboard Pages

- KPI Overview
- Status Sankey
- Rework Analysis
- Root Cause
- Backlog Flow
- Triage Cockpit

KPI Detail Pages

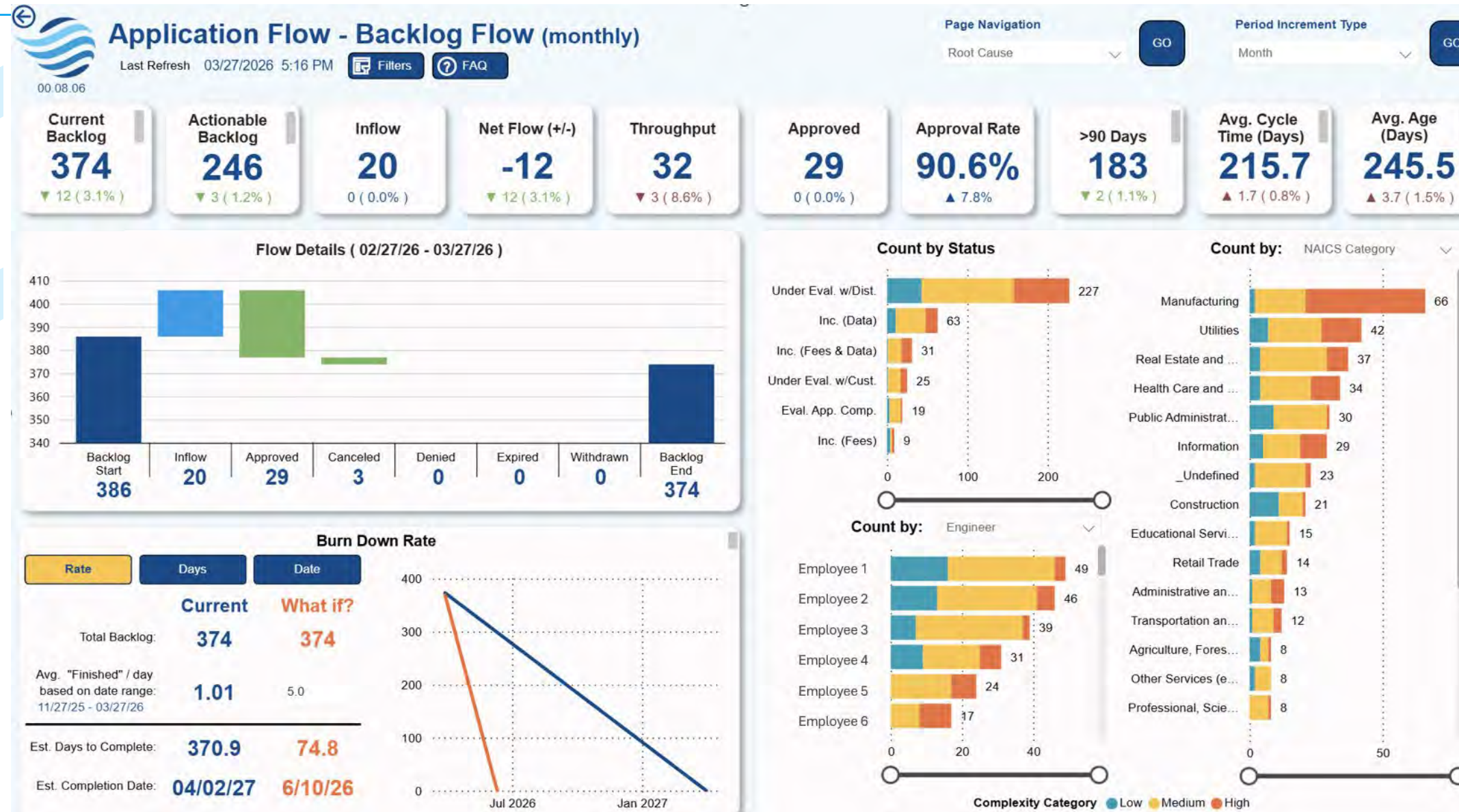
- Application Backlog
- New Applications
- Approved Applications
- Overdue Applications
- Avg. Days Overdue
- Avg. Days to Approve
- Avg. Days in Process

KPI: Key Performance Indicator

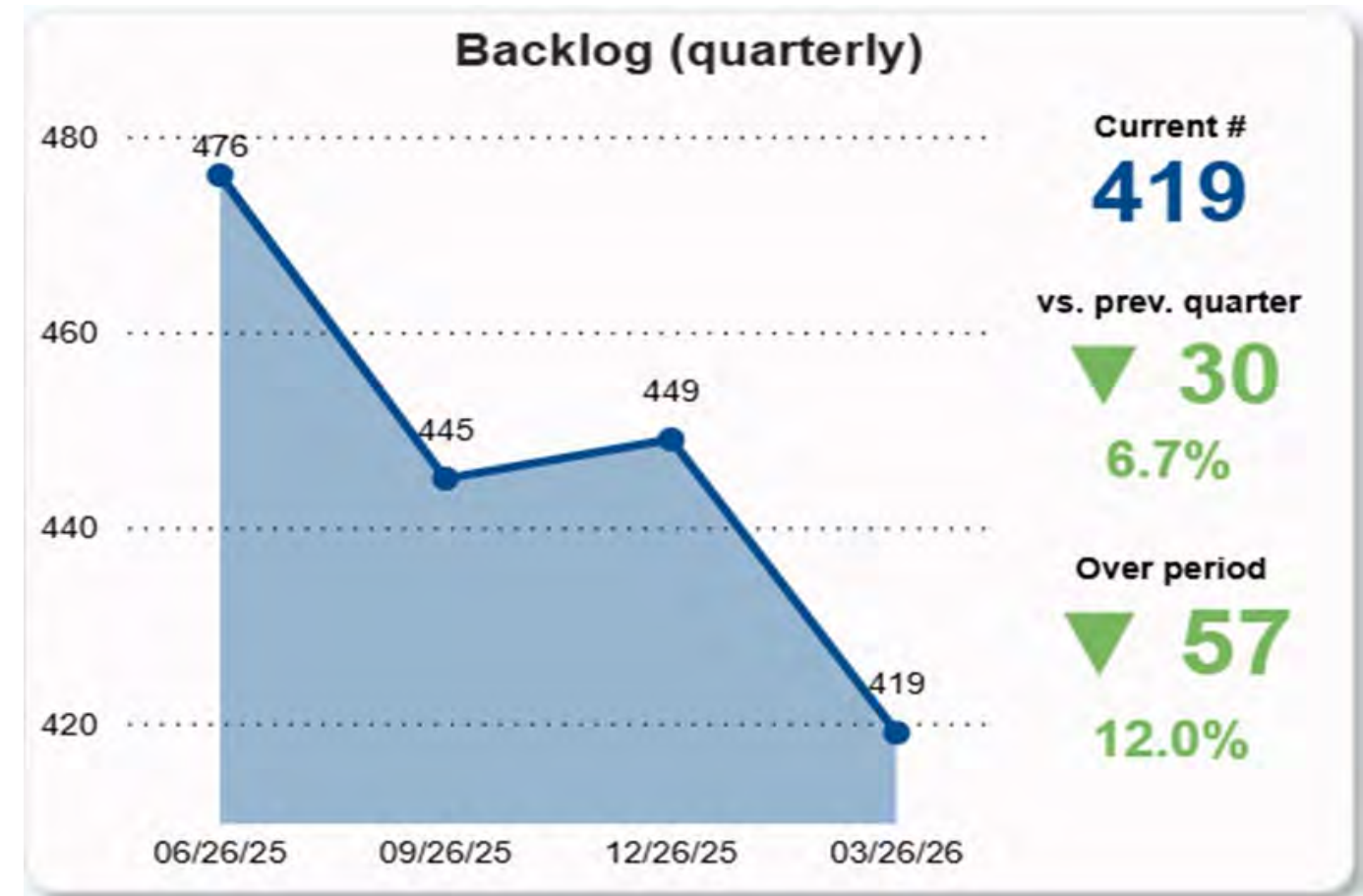
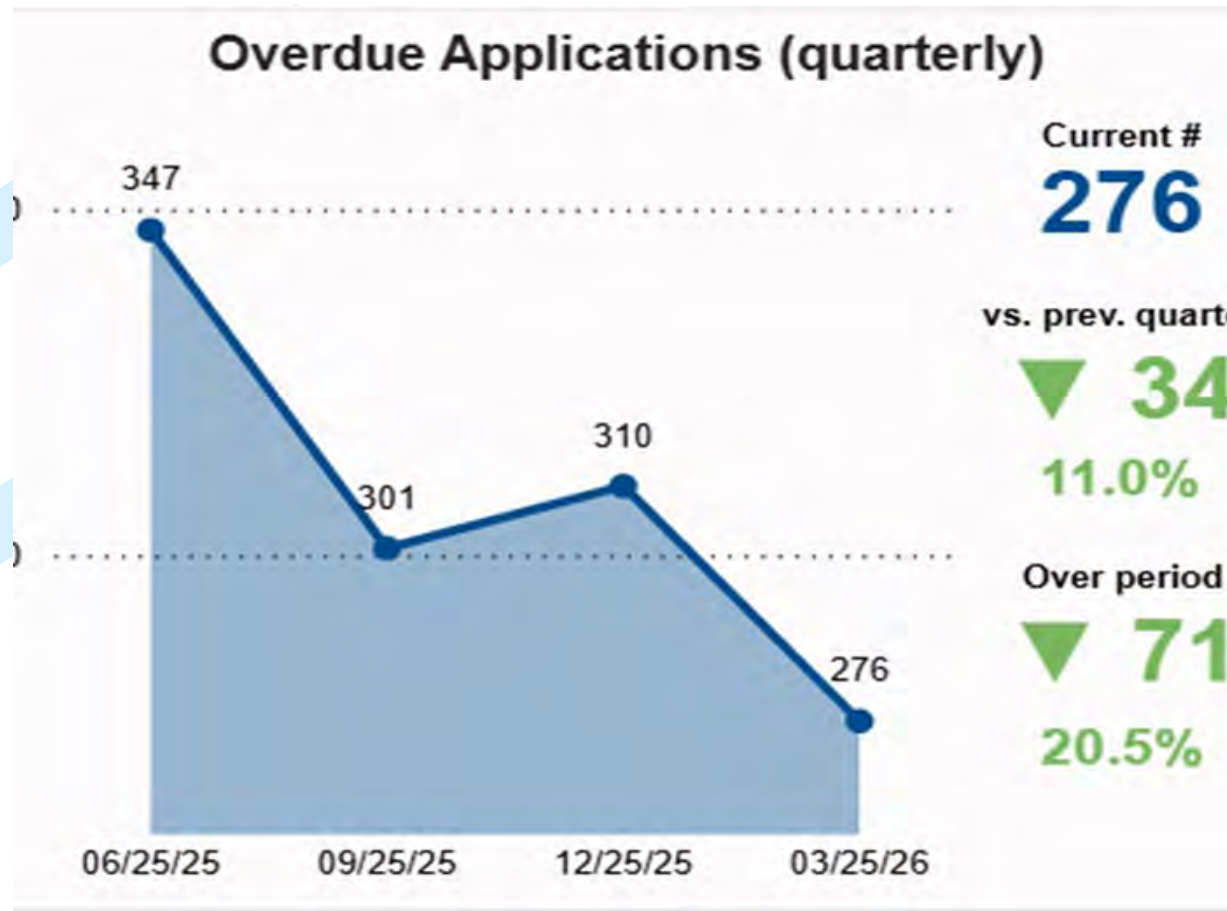
Application Rework - Combustion



Application Flow - Combustion



Application Overdue and Backlog Flows



Engines/Mineral Handling/Remediation Section

Next Steps



PCS Upgrades

Significant PCS upgrades

- Add communications into PCS applications and renewals for timestamping, automated records management, timeliness, transparency, and consistency
- Complete addition of Source Test programs to PCS
- Add HRA data and metrics to PCS

PCS Upgrades (cont.)

Significant PCS upgrades

- Strategize moving all renewals and applications submittals online (includes outreach and workgroups)
- Improved notification/reminders (e.g., application status, information needed, annual permit expired)
- Improved tracking of Authority to Construct and Start-up

Tracking Tools

New tracking tools under development

- Automated emails to applicants for applications that require attention
- Create tracking alerts for off-track permit applications requiring elevation and timely decision-making
- Continue to expand/refine reports for better tracking
- Fine-tune and roll-out Application Flow Dashboard

Policy/Program Updates

Permitting Efficiency Taskforce and Permitting Ad Hoc Committee

- Establish priorities with the **Permitting Efficiency Taskforce** and **Permitting Ad Hoc Committee**
 - Support the transparent implementation of process, rule, and policy changes
 - Meet with PET monthly and Ad Hoc quarterly to assess progress and get feedback
- Continue **rule revisions** for permitting efficiency
 - Permitting regulations Phases I & II for efficiency and clarity
 - Review/revise rules that require significant engineering resources
 - Regulation 12-15 Refinery Emissions Inventory and Regulation 11-18 Facility Risk Reduction
 - Backup Engine Regulation
- **Policy** Development for consistent and efficient permit application processing, as well as predictability for stakeholders

Resource Management

Staffing:

- Aggressively backfill any existing vacancies
- Hire LTCs for high-volume easy applications, helpdesk
- Create the Backlog Reduction Team

Non-staff Resources:

- Conduct a full business process analysis to identify bottlenecks and additional efficiencies – restart Request for Proposals
- AI for Permit Efficiency – Routine Application Evaluations
- Project Management for Permit Processing

Questions & Discussion

For more information:

Pamela Leong | Director of Engineering | pleong@baaqmd.gov



Proposed Fee Regulation Amendments

Finance & Administration Committee Meeting

April 15, 2026

Fred Tanaka, Senior Manager, Engineering Division

Mark Gage, Principal Air Quality Engineer, Engineering Division



Recommended Action

Recommend to the Board of Directors that the Board adopt the Fee Regulation Amendments

Presentation Outline

- Background
- Fee Regulation Amendments
- Impacts
- Budget & Fee Regulation Schedule
- Next Steps

Cost Recovery Background

- Air District has authority to assess fees to recover the reasonable costs of its regulatory programs
- In December 2022, the Board set a goal of 100% cost recovery for fee-based activity
- Factors for cost recovery constantly change
- By law, we are limited to increasing permit fees to the true cost of the services provided, with a prohibition on increasing any existing fees for permits by more than 15% in any calendar year

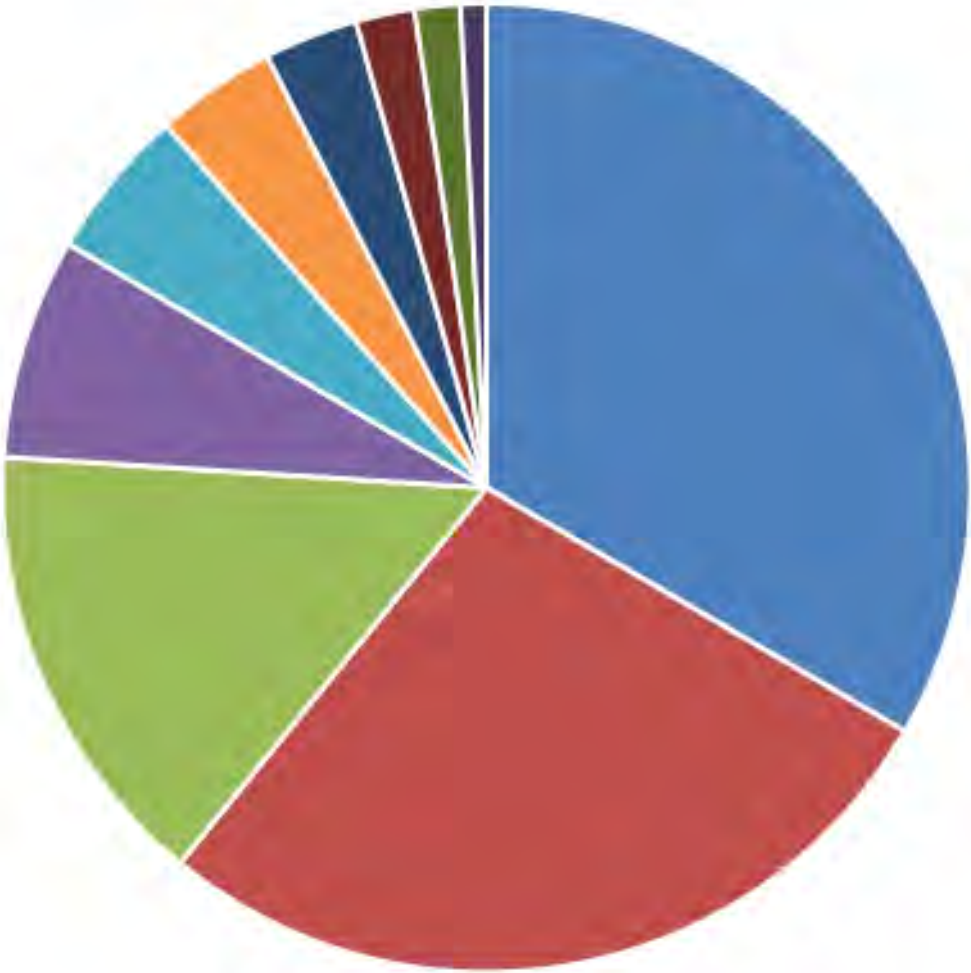
Cost Recovery Background (cont.)

Covered by Regulation 3 Fees	Not Covered by Regulation 3 Fees
<ul style="list-style-type: none">• Permitting programs• Notification programs (asbestos, open burn)• Compliance assistance/enforcement of permitted and registered facilities• Source Testing at permitted facilities• Rule development for regulated industries• Emissions inventory from regulated industries• Other (e.g., Regulation 11-18 Health Risk Assessments)• Indirect costs (E.g., Human resources, Finance, technology infrastructure)	<ul style="list-style-type: none">• AB 617 Community Engagement & Outreach• Ambient Air Monitoring• Climate change work – Non-permitted sources• Communications• Mobile sources• Planning• Rule development for non-permitted sources• Strategic Incentives – “Grants” (e.g., wood-burning device replacement, Carl Moyer Program, Vehicle Buy-Back)• Indirect costs

➤ This list is not exhaustive.

Cost Recovery Background

Total Costs Assigned to Schedules



- Compliance & Enforcement (33%)
- Engineering (28%)
- Enterprise Technology Solutions (15%)
- Source Test (7%)
- Legal (5%)
- Meteorology & Measurement (4%)
- Regulatory Development (3%)
- Assessment, Inventory & Modeling (2%)
- Environmental Justice (2%)
- Other (1%)

Cost Recovery Background: Limitations

- Facilities or programs that are below cost recovery are not paying their fair share
- Reaching 100% cost recovery for some fee schedules may take several years
- Cost recovery analyzes past revenue and cost data
- Cost recovery does not account for work backlog or level of service
- Cost recovery does not account for required/future resource needs
- A fee schedule's cost recovery rate does not reflect whether adequate resources exist
- The gap in cost recovery is filled with other revenue sources

Cost Recovery Background: Trends

Overall Cost Recovery

	FYE 2010	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
By Year	63.8%	81.2%	83.0%	84.7%	83.2%	83.8%	85.9%	92.3%	87.7%	89.7%
3-Year Average		82.2%	81.9%	83.0%	83.6%	83.5%	84.3%	87.4%	88.7%	89.9%

FYE = Fiscal Year Ending (e.g., FYE 2025 means fiscal year 2024 – 2025)

Cost Recovery Background: Trends (cont.)

FYE 2023 - 2025 Average Revenue	Number of Fee Schedules, (change from previous year)	Percentage of Fee Schedule Revenue
110% or more of costs	5 (NC)	18.6%
100 to <110% of costs	2 (+1)	34.9%
95 to < 100% of costs	2 (NC)	9.8%
75 to < 95% of costs	2 (NC)	15.0%
50 to < 75% of costs	5 (-1)	20.0%
25 to < 50% of costs	3 (NC)	0.8%
Less than 25% of costs	2 (NC)	0.9%

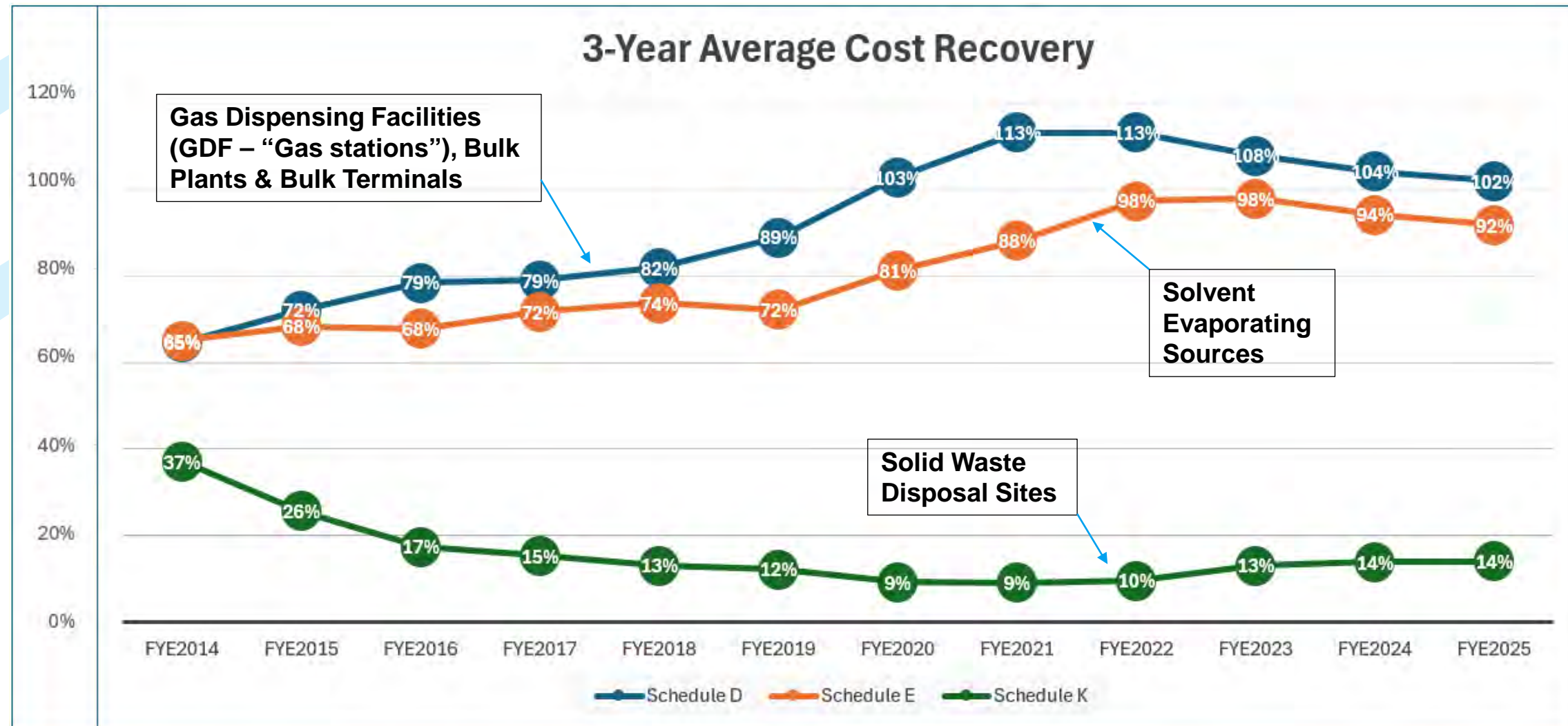
➤ Specific fee schedule cost recovery levels are published in the Cost Recovery reports

➤ Over 63% of fee schedule revenue is at least 95% recovered

➤ Less than 2% of fee schedule revenue is grossly under-recovered

NC = No change

Cost Recovery Background: Trends Example



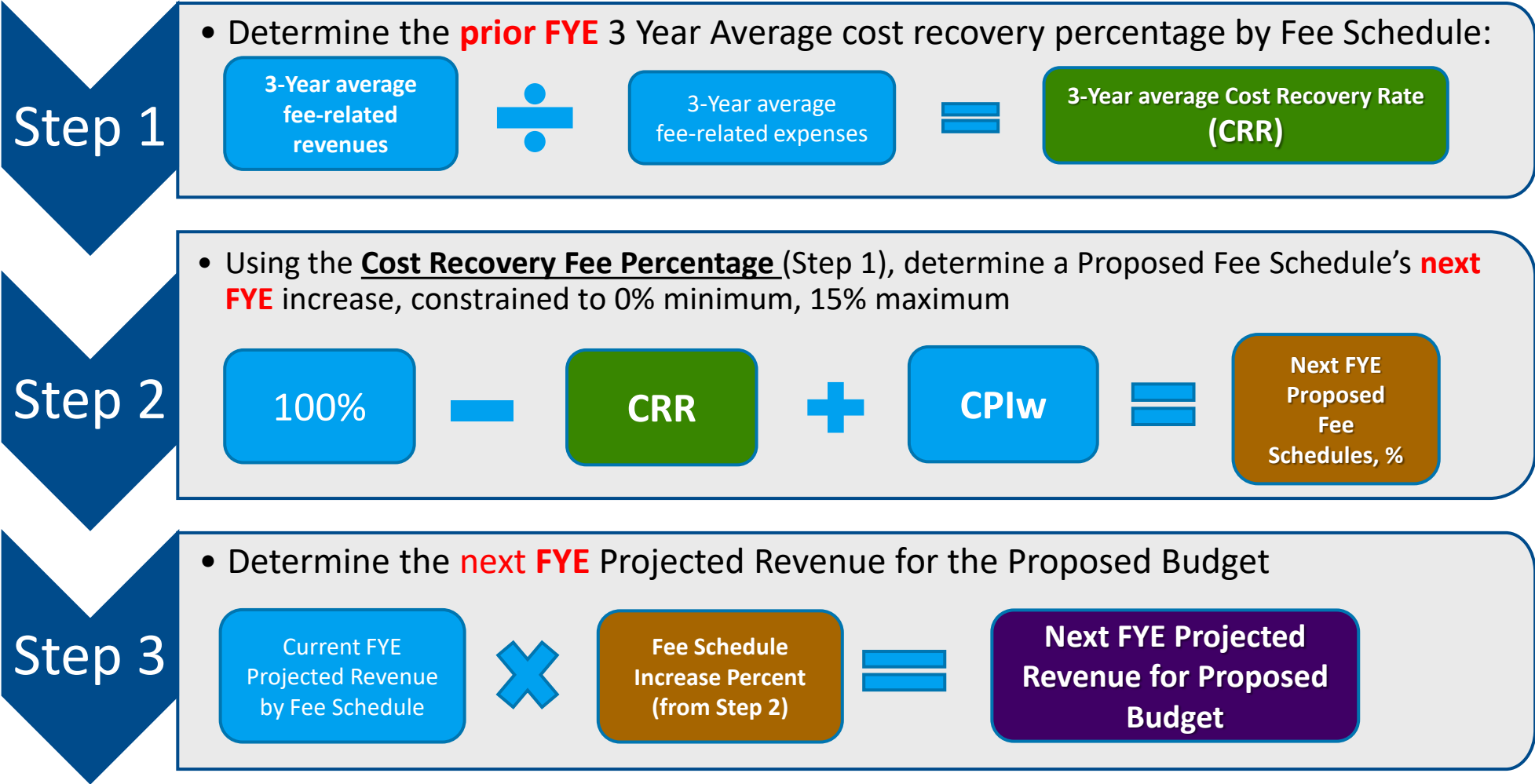
Cost Recovery Strategies

At the December 17, 2025, Finance and Administration Committee meeting, the members were in favor of a smoother approach for schedules closer to 100% cost recovery

Revenue from Fee Schedule (3-year average)	FYE 2025	FYE 2026	FYE 2027
110% or more of costs	-	-	-
100 to <110% of costs	CPIw	CPIw	CPIw
95 to < 100% of costs	+15%	CPIw	3.6% (CRR @ 98.70%)
85 to < 95% of costs	+15%	+15%	8.8% (CRR @ 93.55%)
75 to < 85% of costs	+15%	+15%	+15%
50 to < 75% of costs	+15%	+15%	+15%
Less than 50% of costs	+15%	+15%	+15%

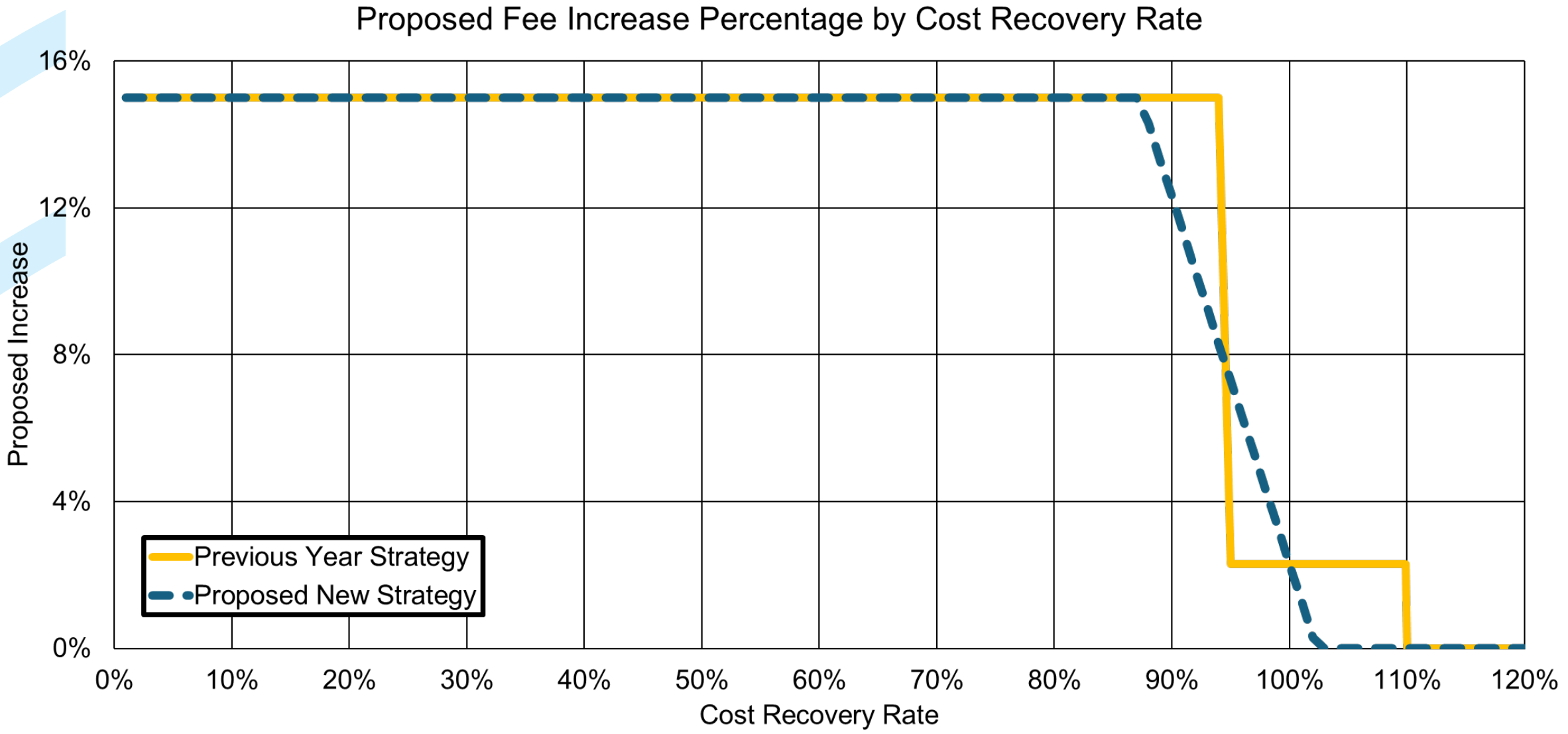
CPIw = The annual Consumer Price Index of the previous year for Bay Area Urban Wage Earners and Clerical Workers

Cost Recovery Background (cont.)



CRR = Cost recovery rate, 3-year average
 CPIw = The annual Consumer Price Index of the previous year for Bay Area Urban Wage Earners and Clerical Workers

Cost Recovery Background (cont.)



Fee Reductions

- Schedule R – Equipment Registration: Reduce fee by 20%
 - Non-permitted dry cleaning machines, small combustion, small graphic arts operations, charbroilers
 - When facilities only have registered equipment, they are typically small businesses
 - Revenue impact is approximately a \$52,000 reduction

Fee Removals

Remove language

- Section 3-405.4.1.2 (Fees Not Paid, Reinstatement of Lapsed Permit to Operate)
- Section 3-405.5 (Fees Not Paid, Registration and Other Fees)

Discussion

The current language imposes a total late fee of 25% if an invoice is not paid in full after 30 days (delinquent fee). By removing these subsections, there is only one 10% late fee if the invoice is not paid in full by the invoice due date. The intent is to streamline the process of getting parties in compliance from a fee standpoint. Many facilities paying the delinquent fee were small businesses

Proposed Fee Regulation Amendments

Proposed Change in Fees	Fee Schedules	FYE 2025 Fee Revenue %, (\$)
20% decrease	R	0.4% (\$266K)
0% increase	B, C, D, L, N, T, X	44.4% (\$35M)
2.3% increase (CPIw)	Section 300 fees, M, I	15.0% (\$1.6M)
3.6% increase	G5	1.2% (\$1.7M)
8.8% increase	E	7.1% (\$4.7M)
15% increase	A, F, G1, G2, G3, G4, H, K, P, S, V*, W	31.9% (\$23.9M)

*Open Burning Operation Fee and Stubble Burn Operation Fee only

Weighted average proposed fee increase = +5.7%

Other Proposed Changes – General

- General clean-up (e.g., remove obsolete language, typos)
- Increase administrative fees in Section 300 by CPIw, excluding:
 - Permit transfer fee (Section 3-307)
 - Upfront public notice fee (Section 3-318.1)
- Increase Schedule M by CPIw

Other Proposed Changes – General

- Schedule B – Combustion of Fuels
 - Align calculation for the Risk Assessment Fee (RAF) consistent with other schedules
- Schedule C – Stationary Containers for the Storage of Organic Liquids
 - Align calculation for the Risk Assessment Fee (RAF) consistent with other schedules
- Schedule D.A – Gasoline Transfer at Gas Dispensing Facilities (GDF)
 - Increase the RAF by 15% in Schedule D.A.4.b consistent with existing GDFs for the same work

Other Proposed Changes – New Fee

New fee

- Section 3-311.6 (Emission Reduction Credit Reissuance Fee) equal to the filing fee which is proposed to be \$684

Discussion

Before the Air District can honor an Emission Reduction Credit (ERC) certificate, the owner must surrender the ERC. Last year, the Air District received several requests where the applicant did not have the certificate and was not the contact of record. Considerable effort is required to verify ownership, especially when the facility is shutdown and the contact of record is not available

Other Proposed Changes – Reclassification

Reclassify general miscellaneous sources in Schedule F

- Move gasification/pyrolysis sources from Schedule F (General miscellaneous) to Schedule G1
- Revenue impact is an approximate \$28,000 increase in Permit to Operate fees

Discussion

Source categories being charged Schedule F are reviewed against the level of effort. Schedule F (Miscellaneous – Unclassified) are charged when no other fee schedule applies. Due to the complexity and interest of these facilities, these projects often involve public workshops, legal discussion, increased enforcement, modeling, source testing and emissions verification

Impact on Large Facilities – Permit Renewal

Refineries

Annual Permit Fee Increase/Decrease (Fiscal Year Ending)							
	2025, % Fee Change		Renewal Fee	2026, % Fee Change		Renewal Fee	2027, Projected % Fee Change
	Predicted	Actual		Predicted	Actual		Proposed Budget
Chevron	8.5	9.3	\$5.0 million	9.7	9.5	\$5.5 million	6.3
Martinez Refining Co.	7.9	-0.2	\$5.7 million	4.4	3.2	\$5.9 million	7.0
Phillips 66	8.6	-6.2	\$2.8 million	3.8	-2.2	\$2.8 million	8.4
Tesoro (Marathon)	9.1	16.5	\$1.9 million	-1.6	8.0	\$2.0 million	6.2
Valero	9.0	4.3	\$3.5 million	13.7	4.6	\$3.8 million	7.0

Impact on Small Facilities – Permit Renewal

Facility Type	Current Renewal Fee: Not OBC	Current Renewal Fee: OBC	Proposed Renewal Fee: Not OBC	Proposed Renewal Fee: OBC
Backup Engine* (Schedule B)	\$563	\$644	\$566 0.5%	\$647 0.5%
GDF “Gas Station”** (Schedule Da)	\$2,860	\$3,271	\$2,863 0.1%	\$3,270 0.1%
Auto Body Shop* (Schedule E)	\$1,378	\$1,576	\$1,491 7.6%	\$1,705 7.6%
Coffee Roaster (Schedule F)	\$1,076	\$1,231	\$1,220 11.8%	\$1,395 11.8%
Dry Cleaning Machine (Schedule R)	\$259	\$259	\$207 -20%	\$207 -20%

*Minimum fee – Permit fees are greater for larger engines or higher solvent usage sources

OBC = Overburdened Community

**Common configuration with 6 islands with 3-triple product nozzles

Fee Reduction Summary

These are the changes that provide relief, especially to small businesses.

- Proposed 20% reduction in registration fees (Schedule R)
- Proposal to eliminate delinquent permit renewal fees
 - This will remove approximately \$386,000 in delinquent fees already invoiced

Efficiencies and Cost Containment Efforts

Examples:

- There was a 17% increase in the applications processed in 2025 compared with 2024
- In October 2023, Engineering fully transitioned to the Permitting & Compliance System (PCS). In July 2025, functionality for Compliance & Enforcement upgraded to the current PCS platform. In November 2025, Source Test is transitioned into PCS
- Streamlined Health Risk Assessments for applications

Budget & Fee Regulation Schedule

Description	Date
Finance and Administration Committee briefing	December 17, 2025
Public workshop for Regulation 3 amendments	February 26, 2026
Budget Workshop	March 10, 2026
Finance and Administration Committee briefing	March 18, 2026
Finance and Administration Committee briefing	April 15, 2026
First public hearings on budget & Regulation 3 to receive testimony	April 29, 2026
Written comments on proposed amendments to Regulation 3 due	May 15, 2026
Second public hearings on budget and Regulation 3 to consider adoption	June 3, 2026
Budget and fee amendments effective, if adopted	July 1, 2026



Recommended Action

Recommend to the Board of Directors that the Board adopt the Fee Regulation Amendments

Questions & Discussion

For more information:

Fred Tanaka | Senior Manager | ftanaka@baaqmd.gov

**FISCAL YEAR 2025
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
PRESENTATION OF AUDIT RESULTS
TO THE
FINANCE AND ADMINISTRATION COMMITTEE**



April 15, 2026



Simpson & Simpson, LLP

AGENDA



- ❖ Auditor's Required Communication (SAS 114)
- ❖ Audit Results and Highlights of the Basic Financial Statements
- ❖ Audit Results and Highlights of the Single Audit
- ❖ Questions



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Auditor's Required Communications

SAS 114



1. *Our Responsibility under Generally Accepted Auditing Standards (GAAS)*

- Consider internal control to the extent necessary to design an effective and efficient audit approach, not for the purpose of providing assurance on internal control
- Design and implement audit procedures based on our understanding of the District to gain reasonable, not absolute, assurance as to the absence of material misstatements in the financial statements
- Perform tests of 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
- Opine on financial statements based on our audit



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Auditor's Required Communications

SAS 114 (continued)



2. Significant Accounting Policies

- ❑ The District's significant accounting policies are described in Note 1 to the financial statements and are in accordance with generally accepted accounting principles and consistent with industry practices and standards.
- ❑ The District adopted provisions of Government Accounting Standards Board Statement No. 101, *Compensating Absences* (Footnote 1(n)). This resulted in the District recognizing additional long-term liabilities in the amount of \$323K as a result of capturing unused compensatory time as of June 30, 2025.
- ❑ All significant transactions have been recognized in the financial statements in the proper period.



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Auditor's Required Communications

SAS 114 (continued)



3. *Management Judgments and Accounting Estimates*

- ❑ Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. 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 from management's current judgments.

- ❑ The most sensitive estimates affecting the financial statements were:
 - Useful life of capital assets used for depreciation.



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Auditor's Required Communications

SAS 114 (continued)



3. Management Judgments and Accounting Estimates (continued)

- Deferred outflows/inflows of resources, net pension liability, net OPEB liability/asset, pension expense, and OPEB expense are based on estimates that are prepared by the CalPERS actuary based on information provided by participating employers, and MacLeod Watts, Inc. based on information provided by management.
- ❑ We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.



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Auditor's Required Communications

SAS 114 (continued)



4. *Corrected Misstatements*

None.

5. *Uncorrected Misstatements*

None.

6. *No Disagreements or Difficulties with Management*

- There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the District's financial statements, nor were there significant difficulties in dealing with management in performing our audit.



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Auditor's Required Communications SAS 114 (continued)



7. No Consultations with Other Accountants

- To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that was subject to the requirements of AU 625, *Reports on the Application of Accounting Principles*.

8. Management Representations

- We have requested certain representations from management that are included in the management representation letter dated March 30, 2026.



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Audit Results and Highlights of the Basic Financial Statements



1. *Unmodified Opinion*

- Unmodified opinion with respect to the governmental activities and each major fund.

2. *Financial Highlights*

- Government-Wide Financial Statements
- Governmental Fund Financial Statements



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Audit Results and Highlights of the Basic Financial Statements (Continued)



2. Financial Highlights (continued)

A. Government-Wide Financial Statements

- ❑ Net position as of June 30, 2025, was \$491.4 million (excess of total assets plus deferred outflows over total liabilities plus deferred inflows), an increase of \$135.4 million. This change results from an overall increase in total assets driven by various sources, including permit fees, penalty assessment, property taxes, investment gains, and grant funding.



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Audit Results and Highlights of the Basic Financial Statements (Continued)



2. Financial Highlights (continued)

B. Government Funds Financial Statements

- ❑ Governmental combined fund balances as of June 30, 2025, increased from last year by \$137.4 million to \$519.3 million.
- ❑ The General Fund accounts for all the District's financial resources except those required to be accounted for in the Special Revenue Fund. The ending fund balance of \$281 million is carried over to the next fiscal year. Of this amount \$30.2 million was restricted, \$.7 million was nonspendable, \$188.4 million was committed and the remaining \$61.7 million was unassigned.



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Audit Results and Highlights of the Single Audit



3. **Government Auditing Standards Opinion**

- Internal Control Over Financial Reporting
 - No material weaknesses
 - No significant deficiencies

- Compliance
 - No instances of noncompliance noted

4. **OMB Uniform Guidance Audit Opinion - Unmodified**

- Compliance & Internal Control Over Compliance
 - No material weaknesses
 - No significant deficiencies
 - No instances of noncompliance noted



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Audit Results and Highlights of the Single Audit (Continued)



5. Follow-up on Prior Year Findings

- Compliance & Internal Control Over Compliance
 - ❑ F-2024-001 (Homeland Security Biowatch Program)
 - ❑ Corrective actions implemented.

6. Areas Brought to Management's Attention

- The management letter is to provide observations during the audit in areas where the internal control procedures can be strengthened.
- The comments were discussed with the individual departments who have agreed to our recommendations and provided management responses for improvements.



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Questions & Answers



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Thank You