

***DIXON/SOLANO RCD WATER QUALITY COALITION  
A COMPONENT UNIT OF  
THE DIXON RESOURCE CONSERVATION DISTRICT  
OF SOLANO COUNTY***

---

Report on Audits  
Years Ended June 30, 2023 and 2022

***DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY***

**TABLE OF CONTENTS**

---

<b>June 30, 2023 and 2022</b>	<b>Page</b>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements:	
Statements of Net Position and Governmental Fund Balance Sheets	8
Statements of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance	9
Notes to the Financial Statements	10
Required Supplementary Information:	
Budgetary Comparison Schedules	15
Notes to the Required Supplementary Information	17

---

**PERRY, BUNCH & JOHNSTON, INC.**  
350 Court Street, Woodland, California 95695  
Phone: (530)662-3251 Fax: (530)662-4600  
[www.yolocpas.com](http://www.yolocpas.com)

John Perry, CPA  
Gary Bunch, CPA  
J. C. Sowers, III, EA

## Independent Auditor's Report

To the Board of Directors  
Dixon/Solano RCD Water Quality Coalition  
A Component Unit of The Dixon Resource  
Conservation District of Solano County  
Dixon, California

### Opinions

We have audited the accompanying financial statements of the governmental activities of the Dixon/Solano RCD Water Quality Coalition (the Coalition), a component unit of the Dixon Resource Conservation District of Solano County, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Coalition'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 respective financial position of the governmental activities of the Dixon/Solano RCD Water Quality Coalition (the Coalition), a component unit of the Dixon Resource Conservation District of Solano County, as of June 30, 2023 and 2022, 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.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Dixon/Solano RCD Water Quality Coalition (the Coalition), a component unit of the Dixon Resource Conservation District of Solano County, and to meet our 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 the 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 fraud or error.

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 Coalition'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.

To the Board of Directors  
Dixon/Solano RCD Water Quality Coalition  
A Component Unit of The Dixon Resource  
Conservation District of Solano County  
Dixon, California

### **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 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, 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 Coalition'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 Coalition'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.

To the Board of Directors  
Dixon/Solano RCD Water Quality Coalition  
A Component Unit of The Dixon Resource  
Conservation District of Solano County  
Dixon, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information 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.

*Perry, Bunch & Johnston, Inc.*

Woodland, California  
October 27, 2023

**Dixon/Solano RCD Water Quality Coalition**  
**A Component Unit of**  
**The Dixon Resource Conservation District**  
**of Solano County**

**MANAGEMENT'S DISCUSSION AND ANALYSIS:**

As management of the Dixon/Solano RCD Water Quality Coalition (Coalition), we offer readers of the Coalition's financial statements this narrative overview and analysis of the financial activities of the Coalition for the fiscal years ended June 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

**FINANCIAL HIGHLIGHTS:**

- The Coalition's Statement of Net Position totaled \$205,121 at June 30, 2023 and \$192,193 at June 30, 2022. Of these amounts, \$205,121 and \$192,193 (unrestricted net position) at June 30, 2023 and 2022, respectively, may be used to meet the Coalition's ongoing obligations to
- The Coalition's total net position increased by \$12,928 as a result of fiscal year 2023/2022 operations and decreased by \$68,998 as a result of fiscal year 2022/2021 operations.
- The Coalition's General Funds reported an ending fund balance of \$205,121 at June 30, 2023 and \$192,193 at June 30, 2022, of which the entire amount for each fiscal year is available for spending at the Coalition's discretion (unassigned fund balance).
- Like the Coalition's total net position, total fund balance increased by \$12,928 as a result of fiscal year 2023/2022 operations and decreased by \$68,998 as a result of fiscal year 2022/2021 operations.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

Revenue of the Coalition is generated primarily through enrollment fees. Accordingly, the Coalition is considered to be involved only in governmental activities for purposes of GASB Statement No. 34. It is therefore required to present only the government-wide financial statements and the fund financial statements for governmental funds. Additionally, the Coalition is considered to be a special-purpose entity engaged in a single governmental program and maintains a single general fund. Therefore, the Coalition combines the government-wide and fund financial statements using a columnar format that reconciles fund data to government-wide data. The government-wide financial statements, which include the statements of net position and the statements of activities, provide information about the activities of the Coalition as a whole and present a longer-term view of the Coalition's finances. Fund financial statements for governmental activities provide information about short-term financing as well as funds that remain available for future spending.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:**

The statements of net position and statements of activities include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Coalition's net position and changes in net position. The Coalition's net position, the difference between assets and liabilities, present a way to measure the Coalition's financial position. Over time, increases or decreases in net position are one indicator of whether financial health is improving or deteriorating. Condensed financial information from these two statements follows.

**Dixon/Solano RCD Water Quality Coalition**  
**A Component Unit of Dixon Resource Conservation District**  
**Net Position**  
**June 30, 2023, 2022, and 2021**

<b>Assets:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Current and other assets	\$ 234,034	\$ 228,184	\$ 295,021
<b>Total Assets</b>	<u>\$ 234,034</u>	<u>\$ 228,184</u>	<u>\$ 295,021</u>
<b>Liabilities:</b>			
Current liabilities	\$ 28,913	\$ 35,991	\$ 33,830
<b>Total Liabilities</b>	<u>28,913</u>	<u>35,991</u>	<u>33,830</u>
<b>Net Position:</b>			
Unrestricted	205,121	192,193	261,191
<b>Total Net Position</b>	<u>205,121</u>	<u>192,193</u>	<u>261,191</u>
<b>Total Liabilities and Net Position:</b>	<u>\$ 234,034</u>	<u>\$ 228,184</u>	<u>\$ 295,021</u>

**Changes in Net Position**  
**Fiscal Years Ended June 30, 2023, 2022, and 2021**

<b>Program Expenses:</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Fees and permits	\$ 156,515	\$ 147,040	\$ 137,413
Other	4,012	3,485	3,174
Professional and specialized services	282,550	371,031	252,981
<b>Total Program Expenses</b>	<u>443,077</u>	<u>521,556</u>	<u>393,568</u>
<b>Program Revenues:</b>			
Enrollment fees	448,774	451,493	470,749
<b>Total Program Revenues</b>	<u>448,774</u>	<u>451,493</u>	<u>470,749</u>
<b>Net Program Income (Expense)</b>	<u>5,697</u>	<u>(70,063)</u>	<u>77,181</u>
<b>General Revenues:</b>			
Revenues from the use of money and property	7,231	1,065	2,579
<b>Total General Revenues</b>	<u>7,231</u>	<u>1,065</u>	<u>2,579</u>
<b>Change in Net Position</b>	12,928	(68,998)	79,760
Net Position, Beginning of Year	<u>192,193</u>	<u>261,191</u>	<u>181,431</u>
<b>Net Position, End of Year</b>	<u>\$ 205,121</u>	<u>\$ 192,193</u>	<u>\$ 261,191</u>

As noted earlier, net position may serve over time as a useful indicator of the coalition's financial position. In the case of the Dixon/Solano RCD Water Quality Coalition, assets exceeded liabilities by \$205,121 and \$192,193 at June 30, 2023 and 2022, respectively.

For the year ended June 30, 2023, current assets increased by \$5,850 while current liabilities decreased by \$7,078. Current assets increased due to a significant reduction in expenditures, including offsets to current year regional expenses due to carryover from prior year as well as a reduction in local staffing needs. The increase was significantly more than anticipated. The increase in current liabilities is attributed to warrants accrued at June 30, 2023, but presented for payment during the subsequent year. For the year ended June 30, 2022, current assets decreased \$66,837 while current liabilities increased by \$2,161. Current assets increased due to expenditures being less than expected, primarily in less staff time needed and in less surface water monitoring costs. The decrease in current liabilities is attributed to warrants accrued at June 30, 2022 but presented for payment during the subsequent year, which reflected less staff expenses.

Net position (unrestricted assets) increased by \$12,928 or 6.7 percent, for the year ended June 30, 2023. For the year ended June 30, 2022, net position decreased by \$68,998 or 26.4 percent.

Unrestricted assets increased at June 30, 2023 due to less than anticipated program requirements and associated costs. Unrestricted assets decreased at June 30, 2022 due to higher program requirement costs that fluctuate year to year. The Advisory Committee reviewed the unrestricted asset level in June 2022 and June 2023 and confirmed the asset level to be appropriate due to future potential cash flow needs. The policy continues to be to maintain a net asset level of \$50,000 for unexpected costs and to minimize fluctuations in member fees year to year. Program expenses related to specialized services increased in 2021/2022 and decreased in 2022/2023 to meet the variable year to year requirements in the permit.

#### **THE FUND FINANCIAL STATEMENTS:**

The fund financial statements for the Coalition's single governmental fund include the governmental fund balance sheets and governmental fund revenues, expenditures and changes in fund balance. These statements focus on the flow of money into and out of the governmental fund and the balance left at year-end that is available for expenditure. They are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The purpose of the statements is to provide a detailed short-term view of the Coalition's governmental program and to help determine the level of financial resources that can be spent in the near future to finance the program.

At June 30, 2023 and 2022, the Coalition reported an ending general fund balance of \$205,121 and \$192,193, respectively. This is a increase of \$12,928 and a decrease of \$68,998 for the years ended June 30, 2023 and 2022, respectively. Of the ending fund balance at June 30, 2023 and 2022, all was classified as unassigned and available for spending at the Coalition's discretion.

Governmental revenues totaled \$456,005 for the year ended June 30, 2023, which represents an increase of 0.8 percent from the prior year. Governmental revenues totaled \$452,558 for the year ended June 30, 2022, which is a decrease of 4.4 percent from the prior year. The Board approved an enrollment fee increase in September 2018 (from \$3.00 per irrigated acre to \$3.75 per irrigated acre). The enrollment fees have remained at \$3.75 per irrigated acre since 2020/2021 through 2022/2023.

Governmental expenditures totaled \$443,077 for the year ended June 30, 2023, which represents an increase of 15.0 percent from the prior year. As previously mentioned, fees paid for specialized services were less than expected, including fees paid for water quality monitoring, new groundwater quality and reporting requirements, and local staffing. The need for more or less specialized services during a given year depends on various factors, including water quality issues encountered by the Coalition. At \$443,077 expenditures for the year ended June 30, 2023 were 15 percent less than in the prior year, due to the efforts to consolidate costs at the regional level as well as delayed requirements.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS:**

The general fund budget is reflected in the budgetary comparison schedule as presented on pages 14 and 15 in the required supplementary information section of this report.

During the fiscal year ended June 30, 2023, there were no changes between the original and final budgets. Actual revenues exceeded the final budgeted amount by \$8,708. Actual expenditures were \$50,267 less than the final budget.



During the fiscal year ended June 30, 2022, there were no changes between the original and final budgets. Actual revenues were less than the final budget amount by \$2,767. Actual expenditures were \$6,260 less than the final budget.

**NEXT YEAR'S OPERATING ACTIVITIES:**

The Board's authorization to maintain significant fund balances for both fiscal years was consistent with the Coalition's current policy to minimize year to year fluctuation in per irrigated acre member fees. It is not the intent of the Coalition to build up assets beyond what is required to maintain a stable fee over years of fluctuating costs and to plan for potential risk of higher than expected costs and adequate cash flow throughout the budget year.

The Board will continue to review the unrestricted net asset policy annually during the fiscal year budget process. The adoption of a net asset range is helping to moderate fluctuations to the annual per acre enrollment fee as well as to avoid any cash flow timing issues.

**REQUESTS FOR INFORMATION:**

This financial report is designed to provide a general overview of the Coalition's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Coalition's Board of Directors, 1170 North Lincoln St., Suite 110, Dixon, CA 95620.

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS**

**June 30, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 234,034	\$ -	\$ 234,034
<b>Total Assets</b>	<u>\$ 234,034</u>	<u>\$ -</u>	<u>\$ 234,034</u>
<b>LIABILITIES:</b>			
Due to related parties	\$ 28,913	\$ -	\$ 28,913
<b>Total Liabilities</b>	<u>28,913</u>	<u>-</u>	<u>28,913</u>
<b>FUND BALANCE/NET POSITION:</b>			
Fund balance:			
Unassigned	205,121	(205,121)	-
<b>Total Fund Balance</b>	<u>205,121</u>	<u>(205,121)</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 234,034</u>		
Net position:			
Unrestricted		205,121	205,121
<b>Total Net Position</b>		<u>205,121</u>	<u>205,121</u>
<b>Total Liabilities and Net Position</b>		<u>\$ -</u>	<u>\$ 234,034</u>

**June 30, 2022**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 228,184	\$ -	\$ 228,184
<b>Total Assets</b>	<u>\$ 228,184</u>	<u>\$ -</u>	<u>\$ 228,184</u>
<b>LIABILITIES:</b>			
Due to related parties	\$ 35,991	\$ -	\$ 35,991
<b>Total Liabilities</b>	<u>35,991</u>	<u>-</u>	<u>35,991</u>
<b>FUND BALANCE/NET POSITION:</b>			
Fund balance:			
Unassigned	192,193	(192,193)	-
<b>Total Fund Balance</b>	<u>192,193</u>	<u>(192,193)</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 228,184</u>		
Net position:			
Unrestricted		192,193	192,193
<b>Total Net Position</b>		<u>192,193</u>	<u>192,193</u>
<b>Total Liabilities and Net Position</b>		<u>\$ -</u>	<u>\$ 228,184</u>

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>PROGRAM EXPENDITURES/EXPENSES:</b>			
Documents and records	\$ 1,200	\$ -	\$ 1,200
Fees and permits	156,515	-	156,515
Miscellaneous	961	-	961
Office	1,008	-	1,008
Postage	843	-	843
Professional and specialized services	282,550	-	282,550
<b>Total Program Expenditures/Expenses</b>	<u>443,077</u>	<u>-</u>	<u>443,077</u>
<b>PROGRAM REVENUES:</b>			
Enrollment fees	448,774	-	448,774
<b>Total Program Revenues</b>	<u>448,774</u>	<u>-</u>	<u>448,774</u>
<b>Net Program Expense</b>	<u>5,697</u>	<u>-</u>	<u>5,697</u>
<b>GENERAL REVENUES:</b>			
Interest income	7,231	-	7,231
<b>Total General Revenues</b>	<u>7,231</u>	<u>-</u>	<u>7,231</u>
<b>Change in Fund Balance/Net Position</b>	<u>12,928</u>	<u>\$ -</u>	<u>12,928</u>
Fund Balance/Net Position, Beginning of Year	<u>192,193</u>		<u>192,193</u>
<b>Fund Balance/Net Position, End of Year</b>	<u>\$ 205,121</u>		<u>\$ 205,121</u>

**Year Ended June 30, 2022**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>PROGRAM EXPENDITURES/EXPENSES:</b>			
Documents and records	\$ 1,200	\$ -	\$ 1,200
Fees and permits	147,040	-	147,040
Miscellaneous	171	-	171
Office	1,360	-	1,360
Postage	754	-	754
Professional and specialized services	371,031	-	371,031
<b>Total Program Expenditures/Expenses</b>	<u>521,556</u>	<u>-</u>	<u>521,556</u>
<b>PROGRAM REVENUES:</b>			
Enrollment fees	451,493	-	451,493
<b>Total Program Revenues</b>	<u>451,493</u>	<u>-</u>	<u>451,493</u>
<b>Net Program Income</b>	<u>(70,063)</u>	<u>-</u>	<u>(70,063)</u>
<b>GENERAL REVENUES:</b>			
Interest income	1,065	-	1,065
<b>Total General Revenues</b>	<u>1,065</u>	<u>-</u>	<u>1,065</u>
<b>Change in Fund Balance/Net Position</b>	<u>(68,998)</u>	<u>\$ -</u>	<u>(68,998)</u>
Fund Balance/Net Position, Beginning of Year	<u>261,191</u>		<u>261,191</u>
<b>Fund Balance/Net Position, End of Year</b>	<u>\$ 192,193</u>		<u>\$ 192,193</u>

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2023 and 2022**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**FINANCIAL REPORTING ENTITY AND NATURE OF ACTIVITIES:**

The Dixon/Solano RCD Water Quality Coalition (the Coalition) was established for the purpose of planning, mapping, monitoring, and assisting members with implementing best management practices for an effective solution to the Central Valley Regional Water Quality Control Board's Conditional Waiver for Irrigated Lands program throughout Solano County.

The Central Valley Regional Water Quality Control Board adopted a Conditional Waivers of Waste Discharge Requirements for Discharges from Irrigated Lands on July 11, 2003 and subsequently adopted a Waste Discharge Requirement Order in March 2014. The Order specifies requirements for all landowners and operators of irrigated lands within the Central Valley (Region 5) are required to comply with the Irrigated Lands Regulatory Program (ILRP). Compliance with this program may be accomplished by signing on as an individual discharger, applying for a permit, or by joining a watershed coalition group (group permit). The Dixon and Solano Resource Conservation Districts (Dixon RCD and Solano RCD) entered into an agreement to form a local watershed coalition group to assure the most reasonable and economically feasible program is established and implemented.

The Coalition Board of Directors consists of both full boards of the Dixon and Solano Resource Conservation Districts, totaling twelve board members, five from the Dixon RCD and seven from the Solano RCD. Each member serves a four-year term. The Board of Supervisors of Solano County approves the appointment of

Based on the Memorandum of Understanding for the Dixon/Solano RCD Water Quality Coalition, an Ad Hoc Advisory Committee was established. The Advisory Committee consists of nine members, including at least one member from the Dixon RCD Board, one from the Solano RCD Board, and at least two enrolled landowners/farmers from each of the following three areas: Dixon RCD, Solano RCD, and the unincorporated area.

The role of the Advisory Committee is to review programs and present recommendations to the Coalition Board, review status of program enrollment and plans to increase enrollment, review the budget, and attend to other issues as needed.

Based on criteria outlined in Governmental Accounting Standards Board Statement No. 14, the Coalition is considered a discretely presented component unit of Dixon RCD. The services provided by the Coalition are for a specific type of resource conservation activity that is not considered an integral part of the Dixon RCD's normal operations. A separate general fund was established to account for the fiscal activities related to the Coalition.

The Coalition's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for Special Districts prescribed by the State Controller in compliance with the Government Code of the State of California.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:**

***Fund Financial Statements:***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Coalition considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2023 and 2022**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

The Coalition uses a single general fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The single general fund utilized by the Coalition is a governmental fund. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance.

Fund balance is required to be reported according to the following classifications:

- Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.
- Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.
- Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given.
- Unassigned fund balance - This is the residual classification of the General Fund.

***Government-Wide Financial Statements:***

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all activities of the Coalition. The Coalition is a special purpose entity engaged in a single governmental program. The Coalition has no fiduciary funds or component units that are fiduciary in nature.

The statements of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue of the Coalition consists solely of enrollment fees charged to members of the Coalition. Interest income and other items not properly included among program revenues are reported as general revenues.

The government-wide financial statements are reported using the 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. Enrollment fees are reported as revenue when received or accrued if determinable. Since participation in the program is voluntary, it is often doubtful whether the enrollment fee will be collected. Therefore, enrollments are considered to be earned when collected.

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2023 and 2022**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Coalition's policy to use restricted resources first, then unrestricted resources as they are needed. The Coalition had no restricted resources at year-end for all fiscal years presented.

**CASH:**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Coalition maintains cash balances with financial institutions in accordance with California Government Code. The Coalition has not formally adopted its own deposit and investment policies that limit the Coalition's allowable investments or deposits and that address custodial credit risk. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

The Coalition deposits cash in the Solano County Treasury. The deposits are part of an investment pool managed by the Solano County Treasurer (Treasurer). The Coalition's ability to withdraw large sums of cash may be subject to certain restrictions set by the Treasurer. The Coalition's collateralized deposits with the Treasurer that are not federally insured at June 30, 2023 and 2022 totaled \$234,034 and \$228,184, respectively.

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2023 and 2022**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**CASH: (Continued)**

The Treasurer's pooled cash and investments are invested pursuant to investment policy guidelines established by the Treasurer and approved by the Solano County Board of Supervisors. The objectives of the policy are: legality, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions that maintain Treasurer deposits, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. The County Treasury Oversight Committee annually reviews the investment policy and the portfolio activity. See the County of Solano Comprehensive Annual Financial Report for more details regarding the County's investment pool, including its investment types, investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

**ACCOUNTS RECEIVABLE:**

Accounts receivable represents enrollment fees pertaining to the current fiscal year but collected after year end.

**ACCOUNTS PAYABLE:**

Accounts payable represents the balance due for goods received and/or services rendered.

**OUTSTANDING WARRANTS:**

Outstanding warrants represent the amount of treasury warrants issued but not yet presented to the Treasurer for payment. When warrants are mailed, expenditures are recorded and an outstanding warrant liability is created, pending presentation of the warrant.

**NET POSITION/FUND BALANCE:**

The statement of activities utilizes a net position presentation. Net position are categorized as unrestricted, restricted, and invested in capital assets - net of related debt. Unrestricted represents net assets of the Coalition not restricted for any project or purpose. At June 30, 2023 and 2022 the Coalition had no net assets categorized as restricted or net investment in capital assets.

The governmental fund balance sheet utilizes a fund balance presentation. Under GASB 54, fund balance is segregated and classified as follows: Nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. At June 30, 2023 and 2022 fund balance of the Coalition was entirely classified as unassigned, which represents residual fund balance after it is classified to the other categories.

**USE OF ESTIMATES:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2023 and 2022**

---

**NOTE 2 - RISK MANAGEMENT:**

The Coalition is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Dixon RCD is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500 et. seq. The Dixon RCD pays an annual premium to SCRMA for its General and Auto Liability, Public Officials' and Employees' Errors and Omissions, Employment Practices Liability, and Workers' Compensation insurance coverage, among others. As a component unit of the Dixon RCD, the Coalition is included in the Dixon RCD's insurance coverage.

**NOTE 3 - RELATED PARTY TRANSACTIONS:**

The Coalition reimburses the Dixon and Solano RCDs for administrative services and direct expenses associated with operating the Coalition. Total expenses to the Dixon RCD for the years ended June 30, 2023 and 2022 were \$118,458 and \$136,118, respectively. Amounts due to the Dixon RCD at June 30, 2023 and 2022 were \$27,819 and \$34,733, respectively. Total expense to the Solano RCD for the years ended June 30, 2023 and 2022 were \$5,166 and \$9,383, respectively. Amounts due to the Solano RCD at June 30, 2023 and 2022 were \$1,093 and \$1,257 respectively.

**NOTE 4 - SUBSEQUENT EVENTS:**

Management has considered all subsequent events for disclosure in the financial statements through October 27, 2023, which represents the date the financial statements were available to be issued.



***DIXON/SOLANO RCD WATER QUALITY COALITION  
A COMPONENT UNIT OF  
THE DIXON RESOURCE CONSERVATION DISTRICT  
OF SOLANO COUNTY***

---

Required Supplementary Information  
Years Ended June 30, 2023 and 2022

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**BUDGETARY COMPARISON SCHEDULE**

**Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balances, Beginning of Year	\$ 192,193	\$ 192,193	\$ 192,193	\$ -
<b>RESOURCES (INFLOWS):</b>				
Enrollment fees	445,797	445,797	448,774	2,977
Interest income	1,500	1,500	7,231	5,731
Other revenue	-	-	-	-
<b>Amounts Available for Appropriation</b>	<b>639,490</b>	<b>639,490</b>	<b>648,198</b>	<b>8,708</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Documents and records	1,200	1,200	1,200	-
Fees and permits	157,739	157,739	156,515	1,224
Miscellaneous	3,050	3,050	961	2,089
Office	600	600	1,008	(408)
Postage	1,500	1,500	843	657
Professional and specialized services	329,255	329,255	282,550	46,705
<b>Total Charges to Appropriations</b>	<b>493,344</b>	<b>493,344</b>	<b>443,077</b>	<b>50,267</b>
<b>Budgetary Fund Balances, End of Year</b>	<b>\$ 146,146</b>	<b>\$ 146,146</b>	<b>\$ 205,121</b>	<b>\$ 58,975</b>

**Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:**

**Sources/Inflows of Resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule. \$ 648,198

Differences - Budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes. (192,193)

Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 456,005

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 443,077

Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 443,077

**DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**BUDGETARY COMPARISON SCHEDULE**

**Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Budgetary Fund Balances, Beginning of Year	\$ 261,191	\$ 261,191	\$ 261,191	\$ -
<b>RESOURCES (INFLOWS):</b>				
Enrollment fees	452,325	452,325	451,493	(832)
Interest income	3,000	3,000	1,065	(1,935)
<b>Amounts Available for Appropriation</b>	<b>716,516</b>	<b>716,516</b>	<b>713,749</b>	<b>(2,767)</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
Documents and records	1,200	1,200	1,200	-
Fees and permits	138,713	138,713	147,040	(8,327)
Miscellaneous	3,050	3,050	171	2,879
Office	600	600	1,360	(760)
Postage	1,500	1,500	754	746
Professional and specialized services	382,753	382,753	371,031	11,722
<b>Total Charges to Appropriations</b>	<b>527,816</b>	<b>527,816</b>	<b>521,556</b>	<b>6,260</b>
<b>Budgetary Fund Balances, End of Year</b>	<b>\$ 188,700</b>	<b>\$ 188,700</b>	<b>\$ 192,193</b>	<b>\$ 3,493</b>

**Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:**

**Sources/Inflows of Resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule. \$ 713,749

Differences - Budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes. (261,191)

Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 452,558

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. \$ 521,556

Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. \$ 521,556

***DIXON/SOLANO RCD WATER QUALITY COALITION, A COMPONENT UNIT  
OF DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY***

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

---

**Years Ended June 30, 2023 and 2022**

---

**BUDGETARY INFORMATION:**

The Coalition shall conform to the Accounting Procedures for Special Districts prescribed in Title 2 of the California Administrative Code. Although the Coalition is not required to utilize formal budgetary procedures, the Coalition follows the County budget requirement and calendar. On or before June 30 of each year, the Coalition Board adopts a preliminary budget, and on or before September 30 of each year, after making the changes in the preliminary budget, the Coalition Board adopts a final budget on a basis consistent with generally accepted accounting principles. The final budget establishes its appropriation limit pursuant to Division 9 of Title 1 of the Government Code. The Coalition has established budgetary control at the object code level within the Dixon RCD's financial accounting system. All annual appropriations lapse at fiscal year end.