



***DIXON RESOURCE CONSERVATION DISTRICT  
OF SOLANO COUNTY***

---

Report on Audits  
Years Ended June 30, 2017 and 2016

# **DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

## **TABLE OF CONTENTS**

---

<b>June 30, 2017 and 2016</b>	<b>Page</b>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements - Government-Wide Financial Statements:	
Statements of Net Position	8
Statements of Activities	9
Basic Financial Statements - Fund Financial Statements:	
Balance Sheets - Governmental Funds	10
Reconciliation of the Balance Sheets of the Governmental Funds to the Statements of Net Position	11
Statements of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	12
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statements of Activities	13
Notes to the Financial Statements	14
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	22
Notes to the Required Supplementary Information	23

---

**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)

Nick Waldron, CPA, MS  
Leslie Cochran, CPA

## Independent Auditor's Report

To the Board of Directors  
Dixon Resource Conservation District  
of Solano County  
Dixon, California

We have audited the accompanying financial statements of the governmental activities of the Dixon Resource Conservation District of Solano County (the District), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2017 and 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
Dixon Resource Conservation District  
of Solano County  
Dixon, California

**Other Matters**

*Required Supplementary Information:*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 22-23 be presented to supplement the basic financial statements. Such information, 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  
February 7, 2018

## The Dixon Resource Conservation District of Solano County

### Management's Discussion and Analysis

As management of the Dixon Resource Conservation District of Solano County, California (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2017 and 2016. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

### Financial Highlights

- The District's net position totaled \$595,318 at June 30, 2017 and \$550,565 at June 30, 2016. Of these amounts, \$535,947 and \$484,760 (unrestricted net position) at June 30, 2017 and 2016, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$44,753 as a result of the current year's operations and decreased by \$95,563 as a result of fiscal year ended June 30, 2016 operations.
- The District's governmental funds reported an ending fund balance of \$544,506 at June 30, 2017 and \$511,238 at June 30, 2016, of which \$49,006 and \$15,738, respectively, are available for spending at the District's discretion (unassigned). At June 30, 2017, the remaining amount of \$25,500 is reserved for the imprest cash fund, and \$420,000 and \$50,000 are designated for future capital improvements, and other purposes, respectively. At June 30, 2016, the remaining amount of \$25,500 is reserved for the imprest cash fund, and \$420,000 and \$50,000 are designated for future capital improvements, and other purposes, respectively.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Primary government - Most of the District's basic services are reported here. These services include employee services, maintenance services, professional and specialized services and supplies. Property taxes, enrollment fees, charges for services and leases finance most of these activities.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 14-21 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedule for the General Fund.

Required supplementary information can be found on pages 22-23 of this report.

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$595,318 and \$550,565 at June 30, 2017 and 2016, respectively.

#### Dixon Resource Conservation District of Solano County Summary of Statement of Net Position

	2017	2016	2015
<b>Assets:</b>			
Current and other assets	\$ 566,263	\$ 547,236	\$ 675,269
Capital assets, net of accumulated depreciation	59,371	65,805	42,419
<b>Total Assets</b>	<b>\$ 625,634</b>	<b>\$ 613,041</b>	<b>\$ 717,688</b>
<b>Liabilities:</b>			
Current liabilities	\$ 21,757	\$ 35,998	\$ 41,750
Noncurrent liabilities	8,559	26,478	29,811
<b>Total Liabilities</b>	30,316	62,476	71,561
<b>Net Position:</b>			
Invested in Capital Assets, Net	59,371	65,805	42,429
Unrestricted	535,947	484,760	603,698
<b>Total Net Position</b>	595,318	550,565	646,127
<b>Total Liabilities and Net Position</b>	<b>\$ 625,634</b>	<b>\$ 613,041</b>	<b>\$ 717,688</b>

The District's investment in capital assets totaled \$59,371 and \$65,805 or approximately 9.9% and 11.9% of the District's net position for the fiscal years ended June 30, 2017 and 2016, respectively. The investment in capital assets is composed of infrastructure, and equipment, less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The key elements for the significant changes in current assets and liabilities are as follows:

Current assets: Current assets increased by \$19,027 from fiscal year 2016 to 2017 and decreased by \$128,033 from fiscal year 2015 to 2016. The primary reason for the decrease from fiscal year 2015 to 2016 is attributable to the decrease in cash on hand relating to the Yolo Bypass Wildlife Area.

Current liabilities: Current liabilities decreased by \$14,241 and \$5,752 from fiscal year 2016 to 2017 and from fiscal year 2015 to 2016, respectively. The primary reason for the decrease in both years is a large change in the liability associated with the amount of cash the District controls for Yolo Bypass Wildlife Area.

**Government Activities**

The District's net position increased by \$44,753 during fiscal year 2017, which represents an increase of 8.1% from fiscal year 2016 to fiscal year 2017. The change in net position for fiscal year 2016 was a decrease of \$95,562, which represents a 14.8% decrease from fiscal year 2015.

The key elements in the significant changes in net assets are as follows:

**Program/General Revenues:**

Revenues decreased by \$16,419 between fiscal years 2016 and 2017. Revenues decreased by \$51,106 from fiscal year 2015 to fiscal year 2016. The decrease was attributable to a change in services.

**Program Expenditures:**

Expenditures decreased from fiscal year 2016 to fiscal year 2017. Expenditures increased between fiscal year 2015 and 2016.

**Dixon Resource Conservation District of Solano County  
Changes in Net Position for the Fiscal Years Ended June 30,**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Expenses:</b>			
Communication	\$ 1,487	\$ 976	\$ 2,971
Depreciation	6,434	6,672	5,802
Employee services	220,375	279,850	247,024
Facility rent	16,762	16,152	5,954
Fees and permits	2,071	2,037	2,308
Insurance	2,728	2,761	4,347
Maintenance	1,053	263	245
Memberships	7,217	7,639	8,759
Non-capitalized equipment	455	638	4,823
Office expenses and supplies	5,409	7,781	8,185
Professional and specialized services	29,577	90,153	63,916
Property tax refunds	233	347	233
Special district expense	1,319	2,593	2,264
Supplies	57,764	92,319	50,794
Transportation and travel	3,247	2,685	3,392
	<u>356,131</u>	<u>512,866</u>	<u>411,017</u>
<b>Total Program Expenses</b>			
<b>Program Revenues:</b>			
Charges for services	285,855	301,938	363,867
	<u>285,855</u>	<u>301,938</u>	<u>363,867</u>
<b>Total Program Revenues</b>			
<b>Net Program Expenses (carried forward)</b>	<u>\$ (70,276)</u>	<u>\$ (210,928)</u>	<u>\$ (47,150)</u>

(Continued from page 5)

**Dixon Resource Conservation District of Solano County  
Changes in Net Position for the Fiscal Years Ended June 30,**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Net Program Expenses (brought forward)</b>	\$ (70,276)	\$ (210,928)	\$ (47,150)
<b>General Revenues:</b>			
Property taxes	107,225	102,367	97,399
Revenues from the use of money and property	3,989	3,222	2,633
Miscellaneous revenues	3,815	9,776	4,510
<b>Total General Revenues</b>	<b>115,029</b>	<b>115,365</b>	<b>104,542</b>
<b>Change in Net Position</b>	44,753	(95,563)	57,392
Net Position, Beginning of Year	535,865	646,127	588,735
<b>Net Position, End of Year</b>	<b>\$ 580,618</b>	<b>\$ 550,564</b>	<b>\$ 646,127</b>

**Financial Analysis of the District's Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The General Fund is a governmental fund type that is used to account for general government functions of the District. The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2017 and 2016, the District's governmental funds reported an ending fund balance of \$544,506 and \$511,238, respectively, resulting in an increase of \$33,268 and an decrease of \$122,281 for fiscal years ended June 30, 2017 and 2016, respectively. Of the ending fund balances at June 30, 2017 and 2016, \$49,006 and \$15,378, respectively, constitutes unassigned fund balance, which are available for spending at the District's discretion.

Governmental revenues totaled \$400,884 in fiscal year 2017, and \$417,303 in fiscal year 2016. This represents a decrease of 3.9% from fiscal year 2016 to 2017 and a decrease of 10.9% from fiscal year 2015 to 2016. The primary factors resulting in the decrease from fiscal year 2016 to 2017 are due to decreases in the services provided by the District in the amount of \$16,083.

The primary factors resulting in the decrease from fiscal years 2015 to 2016 are due to decreases in the services provided by the District in the amount of \$61,929.

Conversely, governmental expenditures totaled \$367,616 in fiscal year 2017, and \$539,584 in fiscal year 2016. This represents a decrease of 32.1% from fiscal year 2016 to 2017 and an increase of 34.7% from fiscal year 2015 to 2016. The primary factor resulting in the decrease in governmental expenditures between fiscal years 2016 and 2017 is due to decreases in professional and specialized services in the amount of \$60,576 and supplies in the amount of \$34,555.

The primary factors resulting in the increase from fiscal years 2015 to 2016 are due to increases in, professional and specialized services in the amount of \$26,237 and increases in supplies in the amount of \$41,525.

**General Fund Budgetary Highlights**

The General Fund budgets (Original and Final versions) are reflected in the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, as presented on pages 22-23 in the Required Supplementary Information (RSI) section of this report.



There were a few changes between the original budget and the final amended budget of the General Fund in fiscal year 2017. For fiscal year 2017, revenues recognized were less than budget by \$34,156 and expenditures incurred were less than budget by \$57,058..

There were few changes between the original budget and the final amended budget of the General Fund in fiscal year 2016. For fiscal year 2016, revenues recognized were less than budgeted revenues by \$23,902 and expenditures incurred were less than budget by \$8,754.

**Capital Asset and Debt Administration**

Capital assets - The District's investment in capital assets as of June 30, 2017 and 2016, amount to \$59,371 and \$65,805, respectively, (net of accumulated depreciation and related debt). This investment in capital assets includes equipment, and infrastructure. The total decrease in the District's investment in capital assets from fiscal year 2016 to 2017 was 9.8% and the total increase in the District's investment in capital assets from fiscal year 2015 to 2016 was 55.1%.

The District's most significant capital expenditure during the fiscal year 2016 was infrastructure improvements of \$24,310.

**Dixon Resource Conservation District of Solano County  
Capital Assets  
(net of accumulated depreciation)**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Infrastructure	\$ 56,364	\$ 61,848	\$ 42,023
Equipment	3,007	3,957	396
<b>Total Capital Assets</b>	<b>\$ 59,371</b>	<b>\$ 65,805</b>	<b>\$ 42,419</b>

Additional information on the District's capital assets can be found in Note 6 on page 19 of this report.

Long-term debt - At June 30, 2017 and 2016 the District had \$8,559 and \$26,478, respectively, of long-term debt owed for compensated absences. This amount is entirely backed by the full faith and credit of the District. For more information see Note 5 on page 19 of this report.

**Economic Factors and Next Year's Operating Activities**

The District's management anticipates a moderate increase in various general revenue sources in the upcoming fiscal year, more specifically, property taxes and interest income. The program revenues associated with the charges for ditch fees will remain consistent. However, the program revenues associated with the services provided to other programs will decrease due to the conclusion of the Yolo Bypass Wildlife Area agreement and reduced service to the JPA management programs. The reduction in revenue is largely offset by the increase service to the Water Quality Coalition. The District anticipated significant expenditures for capital improvements, increased ditch maintenance and new office lease expenses. The District plans to continue to monitor other operating costs to ensure they remain inline with budgeted amounts.

**Requests for Information**

This financial report is designed to provide a general overview of the District'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 District's Board of Directors, 1170 North Lincoln St., Suite 110, Dixon, CA 95620.

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**STATEMENTS OF NET POSITION**

June 30.	2017	2016
<b>ASSETS</b>		
	<b>Total Governmental Activities</b>	<b>Total Governmental Activities</b>
<b>ASSETS:</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 522,136	\$ 476,877
Due from other agencies	11,226	30,884
Due from related parties	32,901	39,475
<b>Total Current Assets</b>	<u>566,263</u>	<u>547,236</u>
<b>Non-Current Assets:</b>		
Capital assets, net		
Infrastructure	56,363	61,848
Equipment	3,008	3,957
<b>Total Non-Current Assets</b>	<u>59,371</u>	<u>65,805</u>
<b>Total Assets</b>	<u>\$ 625,634</u>	<u>\$ 613,041</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES:</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 21,301	\$ 35,998
Outstanding warrants	456	-
<b>Total Current Liabilities</b>	<u>21,757</u>	<u>35,998</u>
<b>Non-Current Liabilities:</b>		
Non-current portion of long term obligations	8,559	26,478
<b>Total Non-Current Liabilities</b>	<u>8,559</u>	<u>26,478</u>
<b>Total Liabilities</b>	<u>30,316</u>	<u>62,476</u>
<b>NET POSITION:</b>		
Invested in capital assets, net	59,371	65,805
Unrestricted	535,947	484,760
<b>Total Net Position</b>	<u>595,318</u>	<u>550,565</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 625,634</u>	<u>\$ 613,041</u>

# DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY

## STATEMENTS OF ACTIVITIES

Years Ended June 30,	2017	2016
	Total Governmental Activities	Total Governmental Activities
<b>PROGRAM EXPENSES:</b>		
Communication	\$ 1,487	\$ 976
Depreciation	6,434	6,672
Employee services	220,375	279,850
Facility rent	16,762	16,152
Fees and permits	2,071	2,037
Insurance	2,728	2,761
Maintenance	1,053	263
Memberships	7,217	7,639
Non-capitalized equipment	455	638
Office expenses and supplies	5,409	7,781
Professional and specialized services	29,577	90,153
Property tax refunds	233	347
Special district expense	1,319	2,593
Supplies	57,764	92,318
Transportation and travel	3,247	2,685
<b>Total Program Expenses</b>	<u>356,131</u>	<u>512,865</u>
<b>PROGRAM REVENUES:</b>		
Charges for services	<u>285,855</u>	<u>301,938</u>
<b>Total Program Revenues</b>	<u>285,855</u>	<u>301,938</u>
<b>Net Program Expense</b>	<u>(70,276)</u>	<u>(210,927)</u>
<b>GENERAL REVENUES:</b>		
Property taxes	107,225	102,367
Revenues from the use of money and property	3,989	3,222
Miscellaneous	3,815	9,776
<b>Total General Revenues</b>	<u>115,029</u>	<u>115,365</u>
<b>Change in Net Position</b>	44,753	(95,562)
Net Position, Beginning of Year	<u>550,565</u>	<u>646,127</u>
<b>Net Position, End of Year</b>	<u><u>\$ 595,318</u></u>	<u><u>\$ 550,565</u></u>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**BALANCE SHEETS - GOVERNMENTAL FUNDS**

<b>June 30,</b>	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
	<b>General</b>	<b>General</b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 522,136	\$ 476,877
Due from other agencies	11,227	30,884
Due from related parties	<u>32,900</u>	<u>39,475</u>
<b>Total Assets</b>	<b><u>\$ 566,263</u></b>	<b><u>\$ 547,236</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 21,301	\$ 35,998
Outstanding warrants	<u>456</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>21,757</u></b>	<b><u>35,998</u></b>
<b>FUND BALANCE:</b>		
Committed:		
Future capital improvements	420,000	420,000
General	50,000	50,000
Imprest cash	25,500	25,500
Unassigned	<u>49,006</u>	<u>15,738</u>
<b>Total Fund Balance</b>	<b><u>544,506</u></b>	<b><u>511,238</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 566,263</u></b>	<b><u>\$ 547,236</u></b>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**RECONCILIATION OF THE BALANCE SHEETS OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENTS OF NET POSITION**

<u>Years Ended June 30,</u>	<u>2017</u>	<u>2016</u>
Governmental fund balance	\$ 544,506	\$ 511,238
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		
Infrastructure and equipment, net of \$91,785 and \$85,350 accumulated depreciation year ending 2017 and 2016, respectively.	59,371	65,805
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	<u>(8,559)</u>	<u>(26,478)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 595,318</u></b>	<b><u>\$ 550,565</u></b>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

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

Years Ended June 30,	2017	2016
	<u>General</u>	<u>General</u>
<b>REVENUES:</b>		
Charges for services	\$ 285,855	\$ 301,938
Miscellaneous revenues	3,815	9,776
Property taxes	107,225	102,367
Revenues from the use of money and property	<u>3,989</u>	<u>3,222</u>
<b>Total Revenues</b>	<u>400,884</u>	<u>417,303</u>
<b>EXPENDITURES:</b>		
Capital outlay	-	30,060
Communication	1,487	976
Employee services	238,294	283,180
Facility rents	16,762	16,152
Fees and permits	2,071	2,037
Insurance	2,728	2,761
Maintenance	1,053	263
Memberships	7,217	7,639
Non-capitalized equipment	455	638
Office expense and supplies	5,409	7,781
Professional and specialized services	29,577	90,153
Property tax refunds	233	347
Special district expenses	1,319	2,593
Supplies	57,764	92,319
Transportation and travel	<u>3,247</u>	<u>2,685</u>
<b>Total Expenditures</b>	<u>367,616</u>	<u>539,584</u>
<b>Change in Fund Balance</b>	33,268	(122,281)
Fund Balance, Beginning of Year	<u>511,238</u>	<u>633,519</u>
<b>Fund Balance, End of Year</b>	<u>\$ 544,506</u>	<u>\$ 511,238</u>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES**

<u>Years Ended June 30,</u>	<u>2017</u>	<u>2016</u>
Net change in fund balance	\$ 33,268	\$ (122,281)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
This is the amount by which capital outlay exceeded depreciation expense in the fiscal years 2017 and 2016 and the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	-	30,060
Depreciation expense	(6,434)	(6,672)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		
Compensated absences	<u>17,919</u>	<u>3,331</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 44,753</u></b>	<b><u>\$ (95,562)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

---

Years Ended June 30, 2017 and 2016

---

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

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

The Dixon Resource Conservation District (District) of Solano County was organized on September 2, 1952, and operates under the Public Resources Code. The District was formed to construct, operate, and maintain a seventy-mile-long system of ditches designed to provide winter drainage, reduce duration of flooding, and diminish ponding of winter water on agricultural lands. The District also strives to make available technical, financial and educational resources, whatever their source, and focus or coordinate them so that they meet the needs of the local land manager for conservation of soil, water and related natural resources.

The Board of Directors consisting of five (5) members, serving four-year terms, governs the District. The Board of Supervisors of Solano County approves the appointment of each Director, in-lieu of an election. The District defines its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the District (the primary government) and its component unit.

GAAP requires that component units be separated into blended or discretely presented units for reporting purposes. Per GASB 14, discretely presented component units are reported in the notes to the financial statements of the primary government to emphasize that they are legally separate from them.

The Dixon/Solano RCD Water Quality Coalition (Coalition), which is overseen by a separate advisory committee, is a discretely presented component unit in the District's basic financial statements. The Coalition was formed solely to implement and manage the Irrigated Lands Regulatory Program that provides services entirely to the owners of irrigated lands.

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

##### ***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 District.

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 or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead 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. Property taxes are recognized as revenues in the year for which they are levied.

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



# DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

---

Years Ended June 30, 2017 and 2016

---

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

**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 District 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.

The District 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 District 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.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

The amounts reported as program revenues in the statement of activities include charges to customers for goods and services, grant funding, lease revenue, and program enrollment fees. General revenues include all taxes (property) and interest income.

**BUDGETS:**

Budgets are adopted on a basis consistent with generally accepted accounting principles. All budgetary changes during the fiscal year required the approval of the District's Board of Commissioners. The District's budgetary period is from July 1st to June 30th. All unencumbered annual appropriations lapse at the end of each fiscal year.

**ACCOUNTS RECEIVABLE:**

Property taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

**DUE FROM OTHER AGENCIES:**

Due from other agencies represents amounts owed from governmental entities outside the District.

**CAPITAL ASSETS:**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$3,000. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of the donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Vehicles and equipment	5 - 20 years
Buildings and improvements	12 - 20 years

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2017 and 2016**

---

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

**ASSESSMENTS:**

Program revenue consists entirely of property tax assessments. Solano County, through the Auditor-Controller's office and the Treasurer-Tax Collector, is responsible for assessing, collecting and distributing property taxes with enabling legislation. The County apportions property taxes according to the alternative method of distribution known as the Teeter Plan. Under the Teeter Plan, the current year's secured property tax levy is distributed to participating agencies within the County without consideration of delinquency factors. The District recognizes property taxes as revenue when the County distributes the funds. Funds are distributed as follows: 50 percent in December, 45 percent in April and 5 percent in June.

**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 payment of the warrant.

**DUE TO OTHER AGENCIES:**

Due to other agencies represents amounts owed to governmental entities outside the District.

**COMPENSATED ABSENCES:**

It is the District's policy to permit permanent employees to accumulate earned but unused vacation and sick leave benefits. Accrued vacation and compensated time is paid at the time of the employee's termination based on established District limitations. Compensated absences leave is accrued when incurred in the government-wide financial statements. A liability is reported in the governmental fund only if unused vacation and compensated time after limitations are expected to be liquidated (paid out due to an employee separating from service with the District) with expendable available financial resources.

**IMPREST CASH:**

The Board of the District reserves a fixed balance by regular replenishments that is used for small routine operating expenses and recurring payroll expenses.

**FUND BALANCE/NET POSITION:**

Under GASB 54, fund balances are 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. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2017 and 2016**

---

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

**Unassigned Fund Balance** - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets - net of related debt, restricted and unrestricted.

- Net Investment in Capital Assets - This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt, attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.
- Restricted - This category represents net assets of the District that are legally restricted for special projects as defined by various agreements.
- Unrestricted - This category represents net assets of the District, not restricted for any project or other purpose.

In the fund financial statements, reservations of fund balance segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by GAAP and by actions of the Board.

As of June 30, 2017 and 2016, the District reserved \$25,500 for imprest cash, \$420,000 for future capital improvements, and \$50,000 for other general purposes.

**USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - ACCOUNTS AND RECORDS:**

The Auditor-Controller of Solano County maintains records of the District's transactions. The Solano County Treasurer collects the District's property tax revenues. The District submits claims for expenditures to the Solano County Auditor-Controller's Office for processing and payment.

**NOTE 3 - CASH AND CASH EQUIVALENTS:**

The District deposits its cash in the Solano County Treasury. Funds deposited with the County are part of an investment pool that is managed by the County Treasurer. The District's equity in the County's investment pool is determined by the dollar amount of its deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Accrued interest and realized and unrealized gains, net of expenses, are apportioned to the District each quarter. Income from the County's pooled investments is allocated to the District based on the District's average daily cash balance for each quarter in relationship to the total of the pooled cash and investments.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2017 and 2016**

---

**NOTE 3 - CASH AND CASH EQUIVALENTS: (Continued)**

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6, Section 27131 of the California Government Code. The Board of Supervisors reviews and approves the investment policy annually. The oversight committee reviews investment activity and results quarterly. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs, and fair value.

See Solano County's Comprehensive Annual Financial Report (CAFR) 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.

**NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

**PROPERTY TAXES:**

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distributing receipts from a one percent tax levy among the counties, cities, school districts, and other districts.

Secured property taxes are apportioned in advance of collection. All other taxes are apportioned after collection.

**GANN APPROPRIATIONS LIMIT:**

Article XIII B of the California Constitution provides exceptions for some special districts for establishing an appropriations limit. As per Article XIII B, the District is not subject to the appropriations limit because the District's tax levy for fiscal year 1978 and 1977 was below 12 1/2 cents per \$100 of assessed valuation.

**INTENTIONALLY LEFT BLANK**

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2017 and 2016**

**NOTE 5 - DETAILED NOTES:**

**CAPITAL ASSETS:**

Capital assets activity for the fiscal year ended June 30, 2017 was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Capital assets being depreciated:	<b>July 1, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2017</b>
Infrastructure	\$ 109,687	\$ -	\$ -	\$ 109,687
Equipment	41,469	-	-	41,469
<b>Total Capital Assets Being Depreciated</b>	<u>151,156</u>	<u>-</u>	<u>-</u>	<u>151,156</u>
Less accumulated depreciation for:				
Infrastructure	47,839	5,484	-	53,323
Equipment	37,512	950	-	38,462
<b>Total Accumulated Depreciation</b>	<u>85,351</u>	<u>6,434</u>	<u>-</u>	<u>91,785</u>
<b>Total Capital Assets - Net of Depreciation</b>	<u>\$ 65,805</u>			<u>\$ 59,371</u>

Capital assets activity for the fiscal year ended June 30, 2016 was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Capital assets being depreciated:	<b>July 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2016</b>
Infrastructure	\$ 84,377	\$ 25,310	\$ -	\$ 109,687
Equipment	36,719	4,750	-	41,469
<b>Total Capital Assets Being Depreciated</b>	<u>121,096</u>	<u>30,060</u>	<u>-</u>	<u>151,156</u>
Less accumulated depreciation for:				
Infrastructure	42,355	5,484	-	47,839
Equipment	36,324	1,188	-	37,512
<b>Total Accumulated Depreciation</b>	<u>78,679</u>	<u>6,672</u>	<u>-</u>	<u>85,351</u>
<b>Total Capital Assets - Net of Depreciation</b>	<u>\$ 42,417</u>			<u>\$ 65,805</u>

**LONG-TERM LIABILITIES:**

The District's long-term liability consists entirely of compensated absences.

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Compensated absences	<b>July 1, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2017</b>
Compensated absences	\$ 26,478	\$ -	\$ 17,919	\$ 8,559
<b>Total Long-Term Liabilities</b>	<u>\$ 26,478</u>	<u>\$ -</u>	<u>\$ 17,919</u>	<u>\$ 8,559</u>

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Compensated absences	<b>July 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2016</b>
Compensated absences	\$ 29,809	\$ -	\$ 3,331	\$ 26,478
<b>Total Long-Term Liabilities</b>	<u>\$ 29,809</u>	<u>\$ -</u>	<u>\$ 3,331</u>	<u>\$ 26,478</u>

# DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2017 and 2016

### NOTE 6 - DIXON/SOLANO RCD WATER QUALITY COALITION:

The following is condensed financial statement information from the Dixon/Solano RCD Water Quality Coalition, a component unit of the District.

#### Statements of Net Position

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current and other assets	\$ 221,632	\$ 160,266
<b>Total Assets</b>	<u>\$ 221,632</u>	<u>\$ 160,266</u>
<b>Liabilities:</b>		
Due to Dixon RCD	\$ 32,901	\$ 39,475
<b>Total Liabilities</b>	<u>32,901</u>	<u>39,475</u>
<b>Net Position:</b>		
Unrestricted	188,731	120,791
<b>Total Net Position</b>	<u>188,731</u>	<u>120,791</u>
<b>Total Liabilities and Net Position:</b>	<u>\$ 221,632</u>	<u>\$ 160,266</u>

#### Changes in Net Position

	<u>2017</u>	<u>2016</u>
<b>Program Expenses:</b>		
Fees and permits	\$ 94,713	\$ 96,427
Other	5,081	5,426
Professional and specialized services	229,378	251,824
<b>Total Program Expenses</b>	<u>329,172</u>	<u>353,677</u>
<b>Program Revenues:</b>		
Enrollment fees	394,718	394,575
<b>Total Program Revenues</b>	<u>394,718</u>	<u>394,575</u>
<b>Net Program Revenues (Expenses)</b>	<u>65,546</u>	<u>40,898</u>
<b>General Revenues:</b>		
Revenues from the use of money and property	2,394	1,318
<b>Total General Revenues</b>	<u>2,394</u>	<u>1,318</u>
<b>Change in Net Position</b>	67,940	42,216
Net Position, Beginning of Year	120,791	78,575
<b>Net Position, End of Year</b>	<u>\$ 188,731</u>	<u>\$ 120,791</u>

# **DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

## **NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2017 and 2016**

---

### **NOTE 7 - RISK MANAGEMENT:**

The District 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 District 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 District pays an annual premium to SDRMA for its General and Auto Liability, Public Officials' and Employees' Errors and Omissions, Employment Practices Liability, and Workers' Compensation insurance coverage, among others. There have been no known losses during the past 4 years.

### **NOTE 8 - EMPLOYEE RETIREMENT PLAN:**

#### **PLAN DESCRIPTION:**

The District participates in a retirement plan for its employees. The District contributes up to 3% of an employee's gross annual salary to a Simple IRA. Each employee is required to match that amount. Employees who work more than 20 hours weekly are considered eligible to participate. Edward Jones manages these funds.

For fiscal years 2017 and 2016, the total employer contributions were \$5,934 and \$6,077, respectively.

### **NOTE 9 - RELATED PARTY TRANSACTIONS:**

The District is reimbursed by Dixon/Solano RCD Water Quality Coalition for administration services and direct expenses associated with operating the Coalition. Amounts received from the Coalition for the years ended June 30, 2017 and 2016 were \$123,854 and \$126,090, respectively. Amounts due to Dixon RCD at June 30, 2017 and 2016 were \$32,901 and \$39,475, respectively.

### **NOTE 10 - SUBSEQUENT EVENTS:**

Management has considered all subsequent events for disclosure in the financial statements through February 7, 2018, which represents the date the financial statements were available to be issued.

***DIXON RESOURCE CONSERVATION DISTRICT  
OF SOLANO COUNTY***

---

Required Supplementary Information  
Years Ended June 30, 2017 and 2016



**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Years Ended June 30, 2017 and 2016

	2017			2016			
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	
	Original	Final		Original	Final		
Fund Balance, Beginning of Year	\$ 500,542	\$ 500,542	\$ 511,238	\$ 10,696	\$ 606,234	\$ 633,519	\$ 27,285
<b>RESOURCES (INFLOWS):</b>							
Charges for services	277,176	325,346	285,855	(39,491)	336,465	301,938	(37,127)
Miscellaneous	2,500	2,500	3,815	1,315	2,500	9,776	7,276
Property taxes	100,013	105,194	107,225	2,031	97,100	102,367	5,267
Revenues from the use of money and property	2,000	2,000	3,989	1,989	2,000	3,222	1,222
<b>Amounts Available for Appropriations</b>	<b>882,231</b>	<b>935,582</b>	<b>912,122</b>	<b>(23,460)</b>	<b>1,044,299</b>	<b>1,050,822</b>	<b>3,923</b>

**CHARGES TO APPROPRIATIONS (OUTFLOWS):**

Advertising	1,000	1,000	-	1,000	2,000	-	2,000
Capital outlay	-	1,815	-	1,815	14,750	30,060	190
Communication	1,900	1,900	1,487	413	3,200	976	2,224
Employee services	231,411	247,663	238,294	9,369	260,888	283,180	(10,725)
Facility rent	16,119	16,119	16,762	(643)	15,488	16,152	(664)
Fees and permits	2,500	2,500	2,071	429	2,500	2,037	463
Insurance	2,872	2,872	2,728	144	2,762	2,761	1
Maintenance	500	500	1,053	(553)	500	263	237
Memberships	6,130	7,130	7,217	(87)	8,830	7,639	1,191
Non-capitalized equipment	-	-	455	(455)	-	638	(638)
Office expenses and supplies	7,200	7,200	5,409	1,791	9,200	7,781	1,419
Professional and specialized services	38,620	38,620	29,577	9,043	76,353	90,153	1,815
Property tax refunds	750	750	233	517	1,500	347	1,153
Special district expense	4,300	4,300	1,319	2,981	4,000	2,593	1,407
Supplies	88,055	88,055	57,764	30,291	56,485	92,319	6,666
Transportation and travel	3,750	3,750	3,247	503	4,200	2,685	1,515
Publications and legal notices	500	500	-	500	500	-	500
<b>Total Charges to Appropriations</b>	<b>405,607</b>	<b>424,674</b>	<b>367,616</b>	<b>57,058</b>	<b>463,156</b>	<b>539,584</b>	<b>8,754</b>
<b>Budgetary Fund Balances, End of Year</b>	<b>\$ 476,624</b>	<b>\$ 510,908</b>	<b>\$ 544,506</b>	<b>\$ 33,598</b>	<b>\$ 581,143</b>	<b>\$ 511,238</b>	<b>\$ 12,677</b>

# DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Years Ended June 30,

### Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>2017</u>	<u>2016</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 912,122	\$ 1,050,822
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.	<u>(511,238)</u>	<u>(633,519)</u>
Total revenues as reported on the statements of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 400,884</u>	<u>\$ 417,303</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	<u>\$ 367,616</u>	<u>\$ 539,584</u>
Total expenditures as reported on the statements of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 367,616</u>	<u>\$ 539,584</u>

### Budgetary Information:

Although the District is not required to utilize formal budgetary procedures, the District follows the County budget requirement and calendar. An operating budget is prepared on a modified accrual basis each fiscal year for the General Fund. The final budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). The District has established budgetary control at the object code level within the District's financial accounting system. All annual appropriations lapse at fiscal year end.