

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

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Report on Audits  
Years Ended June 30, 2019 and 2018

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

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CERTIFIED PUBLIC ACCOUNTANTS

John Perry, CPA  
Gary Bunch, CPA  
Rick Johnston, CPA

**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  
J.C. Sowers, III, EA  
Leslie Eisenhart, 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, 2019 and 2018, 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.

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

## **Opinion**

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 District as of June 30, 2019 and 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **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  
January 6, 2020

## **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, 2019 and 2018. 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 \$607,077 at June 30, 2019 and \$556,801 at June 30, 2018. Of these amounts, \$546,179 and \$495,278 (unrestricted net position) at June 30, 2019 and 2018, respectively, may be used to meet the District's ongoing obligations to citizens and creditors (Page 8).
- The District's total net position increased by \$50,276 as a result of the current year's operations and decreased by \$38,517 as a result of fiscal year ended June 30, 2018 operations.
- The District's governmental funds reported an ending fund balance of \$545,656 at June 30, 2019 and \$485,070 at June 30, 2018, of which \$50,156 and \$(10,430), respectively, are available for spending at the District's discretion (unassigned). At June 30, 2019, the remaining amount of \$25,500 is reserved for the imprest cash fund, and \$420,000 are designated for future capital improvements, and \$50,000 other general purposes, respectively. At June 30, 2018, the remaining amount of \$25,500 is reserved for the imprest cash fund, and \$420,000 are designated for future capital improvements, and \$50,000 other general purposes, respectively (Page 10).

### **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 \$607,077 and \$556,801 at June 30, 2019 and 2018, respectively.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Assets:</b>			
Current and other assets	\$ 640,815	\$ 543,959	\$ 566,263
Capital assets, net of accumulated depreciation	60,898	61,523	59,371
<b>Total Assets</b>	<u>\$ 701,713</u>	<u>\$ 605,482</u>	<u>\$ 625,634</u>
<b>Liabilities:</b>			
Current liabilities	\$ 84,874	\$ 42,324	\$ 21,757
Noncurrent liabilities	9,762	6,357	8,559
<b>Total Liabilities</b>	<u>94,636</u>	<u>48,681</u>	<u>30,316</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	60,898	61,523	59,371
Unrestricted	546,179	495,278	535,947
<b>Total Net Position</b>	<u>607,077</u>	<u>556,801</u>	<u>595,318</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 701,713</u>	<u>\$ 605,482</u>	<u>\$ 625,634</u>

The District's net investment in capital assets totaled \$60,898 and \$61,523 or approximately 10.0% and 11.0% of the District's net position for the fiscal years ended June 30, 2019 and 2018, respectively. The net 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 net 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 \$96,856 from fiscal year 2018 to 2019 and decreased by \$22,304 from fiscal year 2017 to 2018. The primary reason for the decrease from fiscal year 2017 to 2018 and the increase from 2018 to 2019 is attributable to the cyclical nature in expenditures associated with ditch maintenance and biennial audit. The increase in current assets from 2018 to 2019 is also attributed to additional revenues from grants, property taxes and fees.

**Current liabilities:** Current liabilities increased by \$42,550 and \$20,567 from fiscal year 2018 to 2019 and from fiscal year 2017 to 2018, respectively. The primary reason for the increase in both years is a large change in the liability associated with the number of year-end transactions including accounts receivable and outstanding warrants.

**Government Activities**

The District's net position increased by \$50,276 during fiscal year 2019, which represents an increase of 9.0% from fiscal year 2018 to fiscal year 2019. The change in net position for fiscal year 2018 was a decrease of \$38,517, which represents a 6.5% decrease from fiscal year 2017.

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

**Program/General Revenues:**

Revenues increased by \$45,612 between fiscal years 2018 and 2019. Revenues increased by \$32,205 from fiscal year 2017 to fiscal year 2018. The increase was attributable to a change in services.

**Program Expenditures:**

Expenditures decreased by \$43,181 from fiscal year 2018 to fiscal year 2019. Expenditures increased by \$115,475 between fiscal year 2017 and 2018. Variability was attributed to the cyclical nature in expenditures associated with ditch maintenance and biennial audit.

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

<b>Expenses:</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Communication	\$ 1,444	\$ 1,414	\$ 1,487
Depreciation	6,964	6,847	6,434
Employee services	249,757	232,782	220,375
Facility rent	16,485	18,049	16,762
Fees and permits	2,268	2,062	2,071
Insurance	3,558	3,336	2,728
Maintenance	1,767	548	1,053
Memberships	5,643	7,417	7,217
Non-capitalized equipment	1,292	847	455
Office expenses and supplies	10,281	10,025	5,409
Professional and specialized services	31,455	43,531	29,577
Property tax refunds	444	246	233
Special district expense	959	2,912	1,319
Supplies	92,518	138,738	57,764
Transportation and travel	3,590	2,852	3,247
<b>Total Program Expenses</b>	<b>428,425</b>	<b>471,606</b>	<b>356,131</b>
<b>Program Revenues:</b>			
Charges for services	297,462	289,815	285,855
<b>Total Program Revenues</b>	<b>297,462</b>	<b>289,815</b>	<b>285,855</b>
<b>Net Program Expenses (carried forward)</b>	<b>\$ (130,963)</b>	<b>\$ (181,791)</b>	<b>\$ (70,276)</b>

(Continued from page 5)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Program Expenses</b> (brought forward)	\$ (130,963)	\$ (181,791)	\$ (70,276)
<b>General Revenues:</b>			
Property taxes	121,959	112,112	107,225
Grant revenue	48,564	18,620	-
Revenues from the use of money and property	9,679	5,896	3,989
Miscellaneous revenues	1,037	6,646	3,815
<b>Total General Revenues</b>	<u>181,239</u>	<u>143,274</u>	<u>115,029</u>
<b>Change in Net Position</b>	50,276	(38,517)	44,753
Net Position, Beginning of Year	<u>556,801</u>	<u>595,318</u>	<u>550,565</u>
<b>Net Position, End of Year</b>	<u>\$ 607,077</u>	<u>\$ 556,801</u>	<u>\$ 595,318</u>

**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, 2019 and 2018, the District's governmental funds reported an ending fund balance of \$545,656 and \$485,070, respectively, resulting in an increase of \$60,586 and an decrease of \$59,436 for fiscal years ended June 30, 2019 and 2018, respectively. Of the ending fund balances at June 30, 2019 and 2018, \$50,156 and \$(10,430), respectively, constitutes unassigned fund balance, which are available for spending at the District's discretion.

Governmental revenues totaled \$484,981 in fiscal year 2019, and \$416,524 in fiscal year 2018. This represents an increase of 16.4% from fiscal year 2018 to 2019 and an increase of 3.9% from fiscal year 2017 to 2018. The primary factors resulting in the increase in the amount of \$68,457 from fiscal year 2018 to 2019 are due to increases in grant revenues for services provided and ditch maintenance fees.

The primary factors resulting in the increase in the amount of \$15,640 from fiscal years 2017 to 2018 are due to increase in grant revenues for services provided and ditch maintenance fees.

Conversely, governmental expenditures totaled \$424,395 in fiscal year 2019, and \$475,960 in fiscal year 2018. This represents a decrease of 10.8% from fiscal year 2018 to 2019 and an increase of 29.5% from fiscal year 2017 to 2018. The primary factor resulting in the decrease in governmental expenditures between fiscal years 2018 and 2019 is due to decreases in professional and specialized services in the amount of \$12,076 and supplies in the amount of \$46,220.

The primary factors resulting in the increase from fiscal years 2017 to 2018 are due to increases in, professional and specialized services in the amount of \$13,954 and increases in supplies in the amount of \$80,974.

**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 2019. For fiscal year 2019, revenues recognized were more than budget by \$23,401 and expenditures incurred were less than budget by \$37,172.

There were few changes between the original budget and the final amended budget of the General Fund in fiscal year 2018. For fiscal year 2018, revenues recognized were less than budgeted revenues by \$21,076 and expenditures incurred were less than budget by \$18,316.

**Capital Asset and Debt Administration**

Capital assets - The District's net investment in capital assets as of June 30, 2019 and 2018, amount to \$60,898 and \$61,523, respectively, (net of accumulated depreciation and related debt). This net investment in capital assets includes equipment, and infrastructure. The total decrease in the District's investment in capital assets from fiscal year 2018 to 2019 was 1.0% and the total increase in the District's investment in capital assets from fiscal year 2017 to 2018 was 3.6%.

The District's capital expenditures during the fiscal year 2019 and 2018 were for infrastructure improvements of \$6,339 and \$8,999.

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Infrastructure	\$ 59,791	\$ 59,466	\$ 56,364
Equipment	1,107	2,057	3,007
<b>Total Capital Assets</b>	<b>\$ 60,898</b>	<b>\$ 61,523</b>	<b>\$ 59,371</b>

Additional information on the District's capital assets can be found in Note 5 on page 19 of this report.

Long-term debt - At June 30, 2019 and 2018 the District had \$9,762 and \$6,357, 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 increase moderately. However, the program revenues associated with the services provided to other programs will remain relatively constant with services to the JPA management and the Water Quality Coalition. The District anticipated moderate variation in expenditures for capital improvements, ditch maintenance and 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.	2019	2018
<b>ASSETS</b>		
	<b>Total</b>	<b>Total</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
<b>ASSETS:</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 577,377	\$ 481,764
Accounts receivable	143	5,645
Due from other agencies	26,115	18,744
Due from related parties	37,180	37,806
	<u>640,815</u>	<u>543,959</u>
<b>Total Current Assets</b>		
<b>Non-Current Assets:</b>		
Capital assets, net		
Infrastructure	59,790	59,464
Equipment	1,108	2,059
	<u>60,898</u>	<u>61,523</u>
<b>Total Non-Current Assets</b>		
<b>Total Assets</b>	<u>\$ 701,713</u>	<u>\$ 605,482</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES:</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 46,310	\$ 31,224
Outstanding warrants	38,564	11,100
	<u>84,874</u>	<u>42,324</u>
<b>Total Current Liabilities</b>		
<b>Non-Current Liabilities:</b>		
Non-current portion of long term obligations	9,762	6,357
	<u>9,762</u>	<u>6,357</u>
<b>Total Non-Current Liabilities</b>		
<b>Total Liabilities</b>	<u>94,636</u>	<u>48,681</u>
<b>NET POSITION:</b>		
Net investment in capital assets	60,898	61,523
Unrestricted	546,179	495,278
	<u>607,077</u>	<u>556,801</u>
<b>Total Net Position</b>		
<b>Total Liabilities and Net Position</b>	<u>\$ 701,713</u>	<u>\$ 605,482</u>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**STATEMENTS OF ACTIVITIES**

Years Ended June 30,	2019	2018
	<u>Total Governmental Activities</u>	<u>Total Governmental Activities</u>
<b>PROGRAM EXPENSES:</b>		
Communication	\$ 1,444	\$ 1,414
Depreciation	6,964	6,847
Employee services	249,757	232,782
Facility rent	16,485	18,049
Fees and permits	2,268	2,062
Insurance	3,558	3,336
Maintenance	1,767	548
Memberships	5,643	7,417
Non-capitalized equipment	1,292	847
Office expenses and supplies	10,281	10,025
Professional and specialized services	31,455	43,531
Property tax refunds	444	246
Special district expense	959	2,912
Supplies	92,518	138,738
Transportation and travel	3,590	2,852
<b>Total Program Expenses</b>	<u>428,425</u>	<u>471,606</u>
<b>PROGRAM REVENUES:</b>		
Charges for services	<u>297,462</u>	<u>289,815</u>
<b>Total Program Revenues</b>	<u>297,462</u>	<u>289,815</u>
<b>Net Program Expense</b>	<u>(130,963)</u>	<u>(181,791)</u>
<b>GENERAL REVENUES:</b>		
Property taxes	121,959	112,112
Grant revenue	48,564	18,620
Revenues from the use of money and property	9,679	5,896
Miscellaneous	1,037	6,646
<b>Total General Revenues</b>	<u>181,239</u>	<u>143,274</u>
<b>Change in Net Position</b>	50,276	(38,517)
Net Position, Beginning of Year	<u>556,801</u>	<u>595,318</u>
<b>Net Position, End of Year</b>	<u>\$ 607,077</u>	<u>\$ 556,801</u>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**BALANCE SHEETS - GOVERNMENTAL FUNDS**

<b>June 30,</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
	<b>General</b>	<b>General</b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 577,377	\$ 481,764
Accounts receivable	143	5,645
Due from other agencies	15,830	2,179
Due from related parties	37,180	37,806
	<u>37,180</u>	<u>37,806</u>
<b>Total Assets</b>	<b><u>\$ 630,530</u></b>	<b><u>\$ 527,394</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 46,310	\$ 31,224
Outstanding warrants	38,564	11,100
	<u>38,564</u>	<u>11,100</u>
<b>Total Liabilities</b>	<b><u>84,874</u></b>	<b><u>42,324</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	50,156	(10,430)
	<u>50,156</u>	<u>(10,430)</u>
<b>Total Fund Balance</b>	<b><u>545,656</u></b>	<b><u>485,070</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 630,530</u></b>	<b><u>\$ 527,394</u></b>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

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

<b>Years Ended June 30,</b>	<b>2019</b>	<b>2018</b>
Governmental fund balance	\$ 545,656	\$ 485,070
Amounts reported for governmental activities in the statement of net assets are different because:		
Receivables not received within 60 days of fiscal year end are not financial resources and, therefore, not reported in the funds.		
Due from other agencies	10,285	16,565
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		
Infrastructure and equipment, net of \$105,596 and \$98,632 accumulated depreciation year ending 2019 and 2018, respectively.	60,898	61,523
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	<u>(9,762)</u>	<u>(6,357)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 607,077</u></b>	<b><u>\$ 556,801</u></b>

# DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY

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

<b>Years Ended June 30,</b>	<b>2019</b>	<b>2018</b>
	<b>General</b>	<b>General</b>
<b>REVENUES:</b>		
Charges for services	\$ 289,695	\$ 287,297
Miscellaneous revenues	6,191	1,492
Property taxes	121,959	112,112
Grant revenue	57,457	9,727
Revenues from the use of money and property	9,679	5,896
	<u>484,981</u>	<u>416,524</u>
<b>Total Revenues</b>	<b>484,981</b>	<b>416,524</b>
<b>EXPENDITURES:</b>		
Capital outlay	6,339	8,999
Communication	1,444	1,414
Employee services	246,352	234,984
Facility rents	16,485	18,049
Fees and permits	2,268	2,062
Insurance	3,558	3,336
Maintenance	1,767	548
Memberships	5,643	7,417
Non-capitalized equipment	1,292	847
Office expense and supplies	10,281	10,025
Professional and specialized services	31,455	43,531
Property tax refunds	444	246
Special district expenses	959	2,912
Supplies	92,518	138,738
Transportation and travel	3,590	2,852
	<u>424,395</u>	<u>475,960</u>
<b>Total Expenditures</b>	<b>424,395</b>	<b>475,960</b>
<b>Change in Fund Balance</b>	<b>60,586</b>	<b>(59,436)</b>
Fund Balance, Beginning of Year	<u>485,070</u>	<u>544,506</u>
<b>Fund Balance, End of Year</b>	<b><u>\$ 545,656</u></b>	<b><u>\$ 485,070</u></b>

**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**

<b>Years Ended June 30,</b>	<b>2019</b>	<b>2018</b>
Net change in fund balance	\$ 60,586	\$ (59,436)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds do not report revenue if it has not been received within 60 days of fiscal year end. However, in the statement of activities, revenue is recorded regardless of collection.		
Charges for services	10,285	2,518
Miscellaneous revenues	-	5,154
Grant revenue	-	8,893
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 2019 and 2018 and the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	6,339	8,999
Depreciation expense	(6,964)	(6,847)
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>(3,405)</u>	<u>2,202</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 66,841</u></b>	<b><u>\$ (38,517)</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2019 and 2018**

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**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.

The government-wide financial statements utilize a net position presentation. Net position is displayed in three components.

- 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.



**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2019 and 2018**

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

***Government-Wide Financial Statements: (Continued)***

- 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.

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.

***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.

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.
- 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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2019 and 2018**

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

***Fund Financial Statements: (Continued)***

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.

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, 2019 and 2018, the District reserved \$25,500 for imprest cash, \$420,000 for future capital improvements, and \$50,000 for other general purposes.

**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**

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**Years Ended June 30, 2019 and 2018**

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**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.

**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.

**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**

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**Years Ended June 30, 2019 and 2018**

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**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.

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**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2019 and 2018**

**NOTE 5 - DETAILED NOTES:**

**CAPITAL ASSETS:**

Capital assets activity for the fiscal year ended June 30, 2019 was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Capital assets being depreciated:	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2019</b>
Infrastructure	\$ 118,686	\$ 6,339	\$ -	\$ 125,025
Equipment	41,469	-	-	41,469
<b>Total Capital Assets Being Depreciated</b>	<u>160,155</u>	<u>6,339</u>	<u>-</u>	<u>166,494</u>
Less accumulated depreciation for:				
Infrastructure	59,220	6,014	-	65,234
Equipment	39,412	950	-	40,362
<b>Total Accumulated Depreciation</b>	<u>98,632</u>	<u>6,964</u>	<u>-</u>	<u>105,596</u>
<b>Total Capital Assets - Net of Depreciation</b>	<u>\$ 61,523</u>			<u>\$ 60,898</u>

Capital assets activity for the fiscal year ended June 30, 2018 was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Capital assets being depreciated:	<b>July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2018</b>
Infrastructure	\$ 109,687	\$ 8,999	\$ -	\$ 118,686
Equipment	41,469	-	-	41,469
<b>Total Capital Assets Being Depreciated</b>	<u>151,156</u>	<u>8,999</u>	<u>-</u>	<u>160,155</u>
Less accumulated depreciation for:				
Infrastructure	53,323	5,897	-	59,220
Equipment	38,462	950	-	39,412
<b>Total Accumulated Depreciation</b>	<u>91,785</u>	<u>6,847</u>	<u>-</u>	<u>98,632</u>
<b>Total Capital Assets - Net of Depreciation</b>	<u>\$ 59,371</u>			<u>\$ 61,523</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, 2019, was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Compensated absences	<b>July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2019</b>
	\$ 6,357	\$ 3,405	\$ -	\$ 9,762
<b>Total Long-Term Liabilities</b>	<u>\$ 6,357</u>	<u>\$ 3,405</u>	<u>\$ -</u>	<u>\$ 9,762</u>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2019 and 2018**

**NOTE 5 - DETAILED NOTES: (Continued)**

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2018</u>
<b>Governmental Activities:</b>				
Compensated absences	\$ 8,559	\$ -	\$ 2,202	\$ 6,357
<b>Total Long-Term Liabilities</b>	<u>\$ 8,559</u>	<u>\$ -</u>	<u>\$ 2,202</u>	<u>\$ 6,357</u>

**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>2019</u>	<u>2018</u>
<b>Assets:</b>		
Current and other assets	\$ 180,612	\$ 198,557
<b>Total Assets</b>	<u>\$ 180,612</u>	<u>\$ 198,557</u>
<b>Liabilities:</b>		
Due to Dixon RCD	\$ 37,180	\$ 37,806
Due to Solano RCD	4,739	3,162
<b>Total Liabilities</b>	<u>41,919</u>	<u>40,968</u>
<b>Net Position:</b>		
Unrestricted	138,693	157,589
<b>Total Net Position</b>	<u>138,693</u>	<u>157,589</u>
<b>Total Liabilities and Net Position:</b>	<u>\$ 180,612</u>	<u>\$ 198,557</u>

**Changes in Net Position**

	<u>2019</u>	<u>2018</u>
<b>Program Expenses:</b>		
Fees and permits	\$ 123,323	\$ 112,910
Other	8,219	6,606
Professional and specialized services	384,294	323,266
<b>Total Program Expenses</b>	<u>515,836</u>	<u>442,782</u>
<b>Program Revenues:</b>		
Enrollment fees	491,173	407,460
<b>Total Program Revenues</b>	<u>491,173</u>	<u>407,460</u>
<b>Net Program Revenues (Expenses)</b>	<u>(24,663)</u>	<u>(35,322)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2019 and 2018**

**NOTE 6 - DIXON/SOLANO RCD WATER QUALITY COALITION: (Continued)**

**Changes in Net Position**

	<u>2019</u>	<u>2018</u>
<b>General Revenues:</b>		
Revenues from the use of money and property	\$ 5,767	\$ 4,180
<b>Total General Revenues</b>	<u>5,767</u>	<u>4,180</u>
<b>Change in Net Position</b>	(18,896)	(31,142)
Net Position, Beginning of Year	<u>157,589</u>	<u>188,731</u>
<b>Net Position, End of Year</b>	<u>\$ 138,693</u>	<u>\$ 157,589</u>

**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. Eligible employees may participate in the District's SIMPLE IRA retirement plan. Eligible employees are defined as all employees who received at least \$5,000 in compensation from the District during any two preceding calendar years (whether consecutive or not consecutive) and who are reasonably expected to receive at least \$5,000 in compensation during the calendar year. The District will match dollar for dollar employee contributions to the District retirement plan up to 3 percent of the employee's gross salary. The employee contribution to the District's retirement plan shall be deducted, pre-tax, from the employee's monthly paycheck.

For fiscal years 2019 and 2018, the total employer contributions were \$6,008 and \$5,526, 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, 2019 and 2018 were \$141,126 and \$147,863, respectively. Amounts due from Dixon/Solano RCD Water Quality Coalition at June 30, 2019 and 2018 were \$37,180 and \$37,806, respectively.

**NOTE 10 - SUBSEQUENT EVENTS:**

Management has considered all subsequent events for disclosure in the financial statements through January 6, 2020, which represents the date the financial statements were available to be issued.

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

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Required Supplementary Information  
Years Ended June 30, 2019 and 2018



**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

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

**Years Ended June 30, 2019 and 2018**

	2019				2018			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final			Original	Final		
Fund Balance, Beginning of Year	\$ 485,070	\$ 485,070	\$ 485,070	\$ -	\$ 544,506	\$ 544,506	\$ 544,506	\$ -
<b>RESOURCES (INFLOWS):</b>								
Charges for services	312,340	312,340	289,695	(22,645)	287,945	278,281	287,297	9,016
Miscellaneous	2,500	2,500	6,191	3,691	2,500	2,500	1,492	(1,008)
Property taxes	117,910	117,910	121,959	4,049	110,450	110,450	112,112	1,662
Grant revenue	23,830	23,830	57,457	33,627	42,869	42,869	9,727	(33,142)
Revenues from the use of money and property	5,000	5,000	9,679	4,679	3,500	3,500	5,896	2,396
<b>Amounts Available for Appropriations</b>	<b>946,650</b>	<b>946,650</b>	<b>970,051</b>	<b>23,401</b>	<b>991,770</b>	<b>982,106</b>	<b>961,030</b>	<b>(21,076)</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>								
Advertising	2,000	2,000	-	2,000	2,000	2,000	1,405	595
Capital outlay	17,500	13,800	6,339	7,461	5,000	9,000	8,999	1
Communication	1,440	1,440	1,444	(4)	1,380	1,380	1,414	(34)
Employee services	243,744	247,194	246,352	842	244,454	244,454	234,984	9,470
Facility rent	15,663	15,663	16,485	(822)	16,806	16,806	18,049	(1,243)
Fees and permits	2,500	2,500	2,268	232	2,500	2,500	2,062	438
Insurance	3,515	3,515	3,558	(43)	3,336	3,336	3,336	-
Maintenance	500	500	1,767	(1,267)	500	500	548	(48)
Memberships	7,460	7,460	5,643	1,817	7,280	7,280	7,417	(137)
Non-capitalized equipment	3,125	3,125	1,292	1,833	2,000	2,000	847	1,153
Office expenses and supplies	10,900	10,900	10,049	851	10,600	10,600	8,620	1,980
Professional and specialized services	39,020	39,020	31,455	7,565	50,520	50,520	43,531	6,989
Property tax refunds	250	500	444	56	750	750	246	504
Special district expense	3,700	3,700	959	2,741	3,700	3,700	2,912	788
Supplies	105,000	105,000	92,518	12,482	88,055	133,450	138,738	(5,288)
Transportation and travel	4,750	4,750	3,590	1,160	5,500	5,500	2,852	2,648
Publications and legal notices	500	500	232	268	500	500	-	500
<b>Total Charges to Appropriations</b>	<b>461,567</b>	<b>461,567</b>	<b>424,395</b>	<b>37,172</b>	<b>444,881</b>	<b>494,276</b>	<b>475,960</b>	<b>18,316</b>
<b>Budgetary Fund Balances, End of Year</b>	<b>\$ 485,083</b>	<b>\$ 485,083</b>	<b>\$ 545,656</b>	<b>\$ 60,573</b>	<b>\$ 546,889</b>	<b>\$ 487,830</b>	<b>\$ 485,070</b>	<b>\$ (2,760)</b>

See accompanying notes.

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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**Years Ended June 30, 2019 and 2018**

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

	<u>2019</u>	<u>2018</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 970,051	\$ 961,030
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>(485,070)</u>	<u>(544,506)</u>
Total revenues as reported on the statements of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 484,981</u>	<u>\$ 416,524</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	<u>\$ 424,395</u>	<u>\$ 475,960</u>
Total expenditures as reported on the statements of revenues, expenditures and changes in fund balance - governmental funds.	<u>\$ 424,395</u>	<u>\$ 475,960</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.