

*DIXON RESOURCE CONSERVATION DISTRICT  
OF SOLANO COUNTY*

---

Report on Audits  
Years Ended June 30, 2013 and 2012

# *DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY*

## **TABLE OF CONTENTS**

---

**June 30, 2013 and 2012**

---

**Page**

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	21
Notes to the Required Supplementary Information	22

---

## 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, 2013 and 2012, 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, 2013 and 2012, 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.

## 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 21–22 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  
March 6, 2014

## 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, 2013 and 2012. 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 \$572,128 at June 30, 2013 and \$537,026 at June 30, 2012. Of these amounts, \$517,790 and \$471,350 (unrestricted net position) at June 30, 2013 and 2012, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$35,102 as a result of the current year's operations and increased by \$22,900 as a result of fiscal year ended June 30, 2012 operations.
- The District's governmental funds reported an ending fund balance of \$528,396 at June 30, 2013 and \$476,568 at June 30, 2012, of which \$152,996 and \$101,168, respectively, are available for spending at the District's discretion (unassigned). At June 30, 2013, the remaining amount of \$15,000 is reserved for the imprest cash fund, and \$310,400 and \$50,000 are designated for future capital improvements, and other purposes, respectively. At June 30, 2012, the remaining amount of \$15,000 is reserved for the imprest cash fund, and \$310,400 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 14–20 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 21–22 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 \$572,128 and \$537,062 at June 30, 2013 and 2012, respectively.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Assets:</b>			
Current and other assets	\$ 567,567	\$ 510,745	\$ 494,948
Cash and receivables – Yolo Bypass	681,873	237,744	111,125
Capital assets, net of accumulated depreciation	<u>54,338</u>	<u>65,676</u>	<u>67,998</u>
<b>Total Assets</b>	<u><u>\$ 1,303,778</u></u>	<u><u>\$ 814,165</u></u>	<u><u>\$ 674,071</u></u>
<b>Liabilities:</b>			
Current liabilities	\$ 39,171	\$ 34,177	\$ 40,592
Noncurrent liabilities	10,606	5,218	8,228
Yolo Bypass liability	<u>681,873</u>	<u>237,744</u>	<u>111,125</u>
<b>Total Liabilities</b>	<u>731,650</u>	<u>277,139</u>	<u>159,945</u>
<b>Net Position:</b>			
Invested in Capital Assets, Net	54,338	65,676	67,998
Unrestricted	<u>517,790</u>	<u>471,350</u>	<u>446,128</u>
<b>Total Net Position</b>	<u>572,128</u>	<u>537,026</u>	<u>514,126</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 1,303,778</u></u>	<u><u>\$ 814,165</u></u>	<u><u>\$ 674,071</u></u>

The District's investment in capital assets totaled \$54,338 and \$65,676 or approximately 9.5% and 12.2% of the District's net position for the fiscal years ended June 30, 2013 and 2012, 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 \$500,951 from fiscal year 2012 to 2013 and increased by \$142,416 from fiscal year 2011 to 2012. The primary reason for the increase from fiscal year 2012 to 2013 and from fiscal year 2011 to 2012 is attributable to the cash on hand relating to the Yolo Bypass Wildlife Area.

**Current liabilities:** Current liabilities increased by \$499,123 and increased by \$120,204 from fiscal year 2012 to 2013 and from fiscal year 2011 to 2012, respectively. The primary reason for the increase 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 \$35,102 during fiscal year 2013, which represents an increase of 6.5% from fiscal year 2012 to fiscal year 2013. The change in net position for fiscal year 2012 was an increase of \$22,900, which represents a 4.5% increase from fiscal year 2011.

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

**Program/General Revenues:**

Revenues increased by \$11,642 between fiscal years 2012 and 2013. Revenues increased by \$15,156 from fiscal year 2011 to fiscal year 2012. The increase was attributable to an increase in services.

**Program Expenditures:**

Expenditures decreased from fiscal year 2012 to fiscal year 2013. Expenditures increased between fiscal year 2011 and 2012.

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

<b>Expenses:</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Communication	\$ 2,449	\$ 2,320	\$ 1,747
Depreciation	11,338	11,011	10,508
Employee services	162,289	145,019	149,771
Fees and permits	1,943	1,943	1,452
Insurance	4,447	4,503	4,596
Maintenance	271	398	86
Memberships	9,606	6,830	6,807
Non-capitalized equipment	3,094	594	1,796
Office expenses and supplies	5,320	5,928	3,100
Professional and specialized services	34,960	48,862	27,418
Property tax refunds	745	426	676
Special district expense	2,615	3,298	2,141
Supplies	70,845	80,427	73,681
Transportation and travel	3,485	2,408	2,064
<b>Total Program Expenses</b>	<b>313,407</b>	<b>313,967</b>	<b>285,843</b>
<b>Program Revenues:</b>			
Charges for services	163,820	157,071	151,774
Charges for services - Yolo Bypass	90,008	87,897	79,935
<b>Total Program Revenues</b>	<b>253,828</b>	<b>244,968</b>	<b>231,709</b>
<b>Net Program Expenses (carried forward)</b>	<b>\$ (59,579)</b>	<b>\$ (68,999)</b>	<b>\$ (54,134)</b>

(Continued from page 5)

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Net Program Expenses (brought forward)</b>	<b>\$ (59,579)</b>	<b>\$ (68,999)</b>	<b>\$ (54,134)</b>
<b>General Revenues:</b>			
Property taxes	87,828	85,428	84,865
Revenues from the use of money and property	2,598	2,565	3,078
Miscellaneous revenues	4,255	3,906	2,059
<b>Total General Revenues</b>	<b>94,681</b>	<b>91,899</b>	<b>90,002</b>
<b>Change in Net Position</b>	<b>35,102</b>	<b>22,900</b>	<b>35,868</b>
Net Position, Beginning of Year	537,026	514,126	478,258
<b>Net Position, End of Year</b>	<b>\$ 572,128</b>	<b>\$ 537,026</b>	<b>\$ 514,126</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, 2013 and 2012, the District's governmental funds reported an ending fund balance of \$528,396 and \$476,568, respectively, resulting in an increase of \$51,828 and an increase of \$22,212 for fiscal years ended June 30, 2013 and 2012, respectively. Of the ending fund balances at June 30, 2013 and 2012, \$152,996 and \$101,168, respectively, constitutes unassigned fund balance, which are available for spending at the District's discretion.

Governmental revenues totaled \$348,509 in fiscal year 2013, and \$336,867 in fiscal year 2012. This represents an increase of 3.5% from fiscal year 2012 to 2013 and an increase of 4.7% from fiscal year 2011 to 2012. The primary factors resulting in the increase from fiscal year 2012 to 2013 are due to increases in the services provided by the District in the amount of \$8,860.

The primary factors resulting in the increase from fiscal years 2011 to 2012 are due to increases in the services provided by the District in the amount of \$13,259.

Conversely, governmental expenditures totaled \$296,681 in fiscal year 2013, and \$314,655 in fiscal year 2012. This represents a decrease of 6% from fiscal year 2012 to 2013 and an increase of 12.9% from fiscal year 2011 to 2012. The primary factor resulting in the decrease in governmental expenditures between fiscal years 2012 and 2013 is due to decreases in professional and specialized services in the amount of \$13,902.

The primary factors resulting in the increase from fiscal years 2011 to 2012 are due to increases in supplies in the amount of \$6,746, professional and specialized services in the amount of \$21,444, as well as employee services in the amount of \$2,738.

**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 21–22 in the Required Supplementary Information (RSI) section of this report.



There were no changes between the original budget and the final amended budget of the General Fund in fiscal year 2013. For fiscal year 2013, revenues recognized were more than budget by \$18,163 and expenditures incurred were less than budget by \$36,666, thus eliminating the need to draw upon existing fund balance.

There were no changes between the original budget and the final amended budget of the General Fund in fiscal year 2012. For fiscal year 2012, revenues recognized exceeded budget by \$6,867 and expenditures incurred were less than budget by \$34,555, thus eliminating the need to draw upon existing fund balance.

**Capital Asset and Debt Administration**

Capital assets – The District’s investment in capital assets as of June 30, 2013 and 2012, amount to \$54,338 and \$65,676, 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 2012 to 2013 was 20.9% and the total decrease in the District’s investment in capital assets from fiscal year 2011 to 2012 was 3.5%.

The District’s most significant capital expenditure during the fiscal year 2013 and 2012 was the purchase of a computer server and network in conjunction with Solano Resource Conservation District.

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Infrastructure	\$ 45,794	\$ 49,788	\$ 44,766
Equipment	8,544	15,888	23,232
<b>Total Capital Assets</b>	<b>\$ 54,338</b>	<b>\$ 65,676</b>	<b>\$ 67,998</b>

Additional information on the District’s capital assets can be found in Note 6 on page 18 of this report.

Long-term debt – At June 30, 2013 and 2012 the District had \$10,606 and \$5,218, 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 6 on pages 18 and 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. However, the program revenues associated with the services provided to other programs and the charges for ditch fees will remain consistent. The current economic conditions will not appear to impact these revenue sources. However, the District plans to continue monitoring operating costs to ensure they remain in line 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,**

**2013**

**2012**

**ASSETS**

**ASSETS:**

**Current Assets:**

Cash and cash equivalents	\$ 477,327	\$ 480,478
Cash - Yolo Bypass	677,718	235,916
Accounts receivable - Yolo Bypass	4,155	1,828
Due from other agencies	14,004	10,157
Due from related parties	76,236	20,110

**Total Current Assets**

1,249,440      748,489

**Non-Current Assets:**

Capital assets, net		
Infrastructure	45,794	49,788
Equipment	8,544	15,888

**Total Non-Current Assets**

54,338      65,676

**Total Assets**

\$ 1,303,778      \$ 814,165

**LIABILITIES AND NET POSITION**

**LIABILITIES:**

**Current Liabilities:**

Accounts payable	\$ 25,502	\$ 19,936
Outstanding warrants	12,980	12,972
Due to other agencies	689	1,269
Yolo Bypass liability	681,873	237,744

**Total Current Liabilities**

721,044      271,921

**Non-Current Liabilities:**

Non-current portion of long term obligations	10,606	5,218
--	--------	-------

**Total Non-Current Liabilities**

10,606      5,218

**Total Liabilities**

731,650      277,139

**NET POSITION:**

Invested in capital assets, net	54,338	65,676
Unrestricted	517,790	471,350

**Total Net Position**

572,128      537,026

**Total Liabilities and Net Position**

\$ 1,303,778      \$ 814,165

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**STATEMENTS OF ACTIVITIES**

Years Ended June 30,	2013	2012
	Total Governmental Activities	Total Governmental Activities
<b>PROGRAM EXPENSES:</b>		
Communication	\$ 2,449	\$ 2,320
Depreciation	11,338	11,011
Employee services	162,289	145,019
Fees and permits	1,943	1,943
Insurance	4,447	4,503
Maintenance	271	398
Memberships	9,606	6,830
Non-capitalized equipment	3,094	594
Office expenses and supplies	5,320	5,928
Professional and specialized services	34,960	48,862
Property tax refunds	745	426
Special district expense	2,615	3,298
Supplies	70,845	80,427
Transportation and travel	3,485	2,408
<b>Total Program Expenses</b>	<b>313,407</b>	<b>313,967</b>
<b>PROGRAM REVENUES:</b>		
Charges for services	163,820	157,071
Charges for services - Yolo Bypass	90,008	87,897
<b>Total Program Revenues</b>	<b>253,828</b>	<b>244,968</b>
<b>Net Program Expense</b>	<b>(59,579)</b>	<b>(68,999)</b>
<b>GENERAL REVENUES:</b>		
Property taxes	87,828	85,428
Revenues from the use of money and property	2,598	2,565
Miscellaneous	4,255	3,906
<b>Total General Revenues</b>	<b>94,681</b>	<b>91,899</b>
<b>Change in Net Position</b>	<b>35,102</b>	<b>22,900</b>
Net Position, Beginning of Year	537,026	514,126
<b>Net Position, End of Year</b>	<b>\$ 572,128</b>	<b>\$ 537,026</b>

*DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY*

**BALANCE SHEETS - GOVERNMENTAL FUNDS**

<b>June 30,</b>	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
	<b>General</b>	<b>General</b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 477,327	\$ 480,478
Cash - Yolo Bypass	677,718	235,916
Accounts receivable	4,155	1,828
Due from other agencies	14,004	10,157
Due from related parties	76,236	20,110
	<u>76,236</u>	<u>20,110</u>
<b>Total Assets</b>	<u><u>\$ 1,249,440</u></u>	<u><u>\$ 748,489</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 25,502	\$ 19,936
Outstanding warrants	12,980	12,972
Due to other agencies	689	1,269
Yolo Bypass liability	681,873	237,744
	<u>681,873</u>	<u>237,744</u>
<b>Total Liabilities</b>	<u>721,044</u>	<u>271,921</u>
<b>FUND BALANCE:</b>		
Committed:		
Future capital improvements	310,400	310,400
General	50,000	50,000
Imprest cash	15,000	15,000
Unassigned	152,996	101,168
	<u>152,996</u>	<u>101,168</u>
<b>Total Fund Balance</b>	<u>528,396</u>	<u>476,568</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 1,249,440</u></u>	<u><u>\$ 748,489</u></u>

*DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY*

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

---

**Years Ended June 30, 2013 and 2012**

---

	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Governmental fund balance	<u>\$ 528,396</u>	<u>\$ 476,568</u>
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.</p>		
Infrastructure and equipment, net of \$62,261 and \$50,923 accumulated depreciation year ending 2013 and 2012, respectively.	54,338	65,676
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences	<u>(10,606)</u>	<u>(5,218)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 572,128</u></u>	<u><u>\$ 537,026</u></u>

*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>2013</b>	<b>2012</b>
	<u>General</u>	<u>General</u>
<b>REVENUES:</b>		
Charges for services	\$ 163,820	\$ 157,071
Charges for services - Yolo Bypass	90,008	87,897
Miscellaneous revenues	4,255	3,906
Property taxes	87,828	85,428
Revenues from the use of money and property	<u>2,598</u>	<u>2,565</u>
<b>Total Revenues</b>	<u>348,509</u>	<u>336,867</u>
<b>EXPENDITURES:</b>		
Capital outlay	-	8,689
Communication	2,449	2,320
Employee services	156,901	148,029
Fees and permits	1,943	1,943
Insurance	4,447	4,503
Maintenance	271	398
Memberships	9,606	6,830
Non-capitalized equipment	3,094	594
Office expense and supplies	5,320	5,928
Professional and specialized services	34,960	48,862
Property tax refunds	745	426
Special district expenses	2,615	3,298
Supplies	70,845	80,427
Transportation and travel	<u>3,485</u>	<u>2,408</u>
<b>Total Expenditures</b>	<u>296,681</u>	<u>314,655</u>
<b>Change in Fund Balance</b>	51,828	22,212
Fund Balance, Beginning of Year	<u>476,568</u>	<u>454,356</u>
<b>Fund Balance, End of Year</b>	<u>\$ 528,396</u>	<u>\$ 476,568</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**

---

**Years Ended June 30, 2013 and 2012**

---

	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Net change in fund balance	<u>\$ 51,828</u>	<u>\$ 22,212</u>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
<p>This is the amount by which capital outlay exceeded depreciation expense in the fiscal years 2013 and 2012 and the amount by which depreciation expense exceeded capital outlay in the current period.</p>		
Capital outlay	-	8,689
Depreciation expense	(11,338)	(11,011)
<p>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.</p>		
Compensated absences	<u>(5,388)</u>	<u>3,010</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 35,102</u></u>	<u><u>\$ 22,900</u></u>

NOTES TO THE FINANCIAL STATEMENTS

---

Years Ended June 30, 2013 and 2012

---

**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.

***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.



NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

**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.

NOTES TO THE FINANCIAL STATEMENTS

---

Years Ended June 30, 2013 and 2012

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

**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.

**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.

**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.

- Invested 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.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Years Ended June 30, 2013 and 2012**

---

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

- 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, 2013 and 2012, the District reserved \$15,000 for imprest cash, \$310,000 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.

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 – YOLO BYPASS WILDLIFE AREA AGREEMENT:**

As per the agreement with California Department of Fish and Game, the District provides services in regards to the Yolo Bypass Wildlife Area. To recognize the Districts access to the Wildlife’s funds and related revenues, these amounts have been separated out in the financial statements where applicable. To offset the recognized cash asset an equal amount of liability is recorded to represent the Districts liability to the Wildlife Area for management of the cash. The recognized revenue is a 15% charge the District applies to the Wildlife Area’s lease income. This charge is for services provided to the Department of Fish and Game of management of the Wildlife area.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

NOTE 5 – 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.

NOTE 6 – DETAILED NOTES:

**CAPITAL ASSETS:**

Capital assets activity for the fiscal year ended June 30, 2013 was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Capital assets being depreciated:	<b>July 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2013</b>
Infrastructure	\$ 79,880	\$ -	\$ -	\$ 79,880
Equipment	36,719	-	-	36,719
<b>Total Capital Assets Being Depreciated</b>	<b>116,599</b>	<b>-</b>	<b>-</b>	<b>116,599</b>
Less accumulated depreciation for:				
Infrastructure	30,092	3,994	-	34,086
Equipment	20,831	7,344	-	28,175
<b>Total Accumulated Depreciation</b>	<b>50,923</b>	<b>11,338</b>	<b>-</b>	<b>62,261</b>
<b>Total Capital Assets – Net of Depreciation</b>	<b>\$ 65,676</b>			<b>\$ 54,338</b>

Capital assets activity for the fiscal year ended June 30, 2012 was as follows:

<b>Governmental Activities:</b>	<b>Balance at</b>			<b>Balance at</b>
Capital assets being depreciated:	<b>July 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2012</b>
Infrastructure	\$ 71,191	\$ 8,689	\$ -	\$ 79,880
Equipment	36,719	-	-	36,719
<b>Total Capital Assets Being Depreciated</b>	<b>107,910</b>	<b>8,689</b>	<b>-</b>	<b>116,599</b>
Less accumulated depreciation for:				
Infrastructure	26,425	3,667	-	30,092
Equipment	13,487	7,344	-	20,831
<b>Total Accumulated Depreciation</b>	<b>39,912</b>	<b>11,011</b>	<b>-</b>	<b>50,923</b>
<b>Total Capital Assets – Net of Depreciation</b>	<b>\$ 67,998</b>			<b>\$ 65,676</b>

**DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2013 and 2012**

**NOTE 6 – DETAILED NOTES: (Continued)**

**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, 2013, was as follows:

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
<b>Governmental Activities:</b>				
Compensated absences	\$ 5,218	\$ 5,388	\$ -	\$ 10,606
<b>Total Long-Term Liabilities</b>	<u>\$ 5,218</u>	<u>\$ 5,388</u>	<u>\$ -</u>	<u>\$ 10,606</u>

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
<b>Governmental Activities:</b>				
Compensated absences	\$ 8,228	\$ -	\$ 3,010	\$ 5,218
<b>Total Long-Term Liabilities</b>	<u>\$ 8,228</u>	<u>\$ -</u>	<u>\$ 3,010</u>	<u>\$ 5,218</u>

**NOTE 7 – 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>2013</u>	<u>2012</u>
<b>Assets:</b>		
Current and other assets	\$ 81,578	\$ 97,225
<b>Total Assets</b>	<u>\$ 81,578</u>	<u>\$ 97,225</u>
<b>Liabilities:</b>		
Due to Dixon RCD	\$ 14,572	\$ 13,899
Due to Solano RCD	4,298	5,783
<b>Total Liabilities</b>	<u>18,870</u>	<u>19,682</u>
<b>Net Position:</b>		
Unrestricted	62,708	77,543
<b>Total Net Position</b>	<u>62,708</u>	<u>77,543</u>
<b>Total Liabilities and Net Position:</b>	<u>\$ 81,578</u>	<u>\$ 97,225</u>

**Changes in Net Position**

	<u>2013</u>	<u>2012</u>
<b>Program Expenses:</b>		
Fees and permits	\$ 63,767	\$ 64,880
Other	2,673	2,169
Professional and specialized services	177,471	131,548
<b>Total Program Expenses</b>	<u>243,911</u>	<u>198,597</u>
<b>Program Revenues:</b>		
Enrollment fees	228,169	237,885
<b>Total Program Revenues</b>	<u>228,169</u>	<u>237,885</u>
<b>Net Program Revenue (Expense) (carried forward)</b>	<u>\$ (15,742)</u>	<u>\$ 39,288</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Years Ended June 30, 2013 and 2012**

**NOTE 7 – DIXON/SOLANO RCD WATER QUALITY COALITION: (Continued)**

<b>Changes in Net Position</b>		
	<b>2013</b>	<b>2012</b>
<b>Net Program Revenue (Expense) (brought forward)</b>	<u>\$ (15,742)</u>	<u>\$ 39,288</u>
<b>General Revenues:</b>		
Revenues from the use of money and property	<u>907</u>	<u>855</u>
<b>Total General Revenues</b>	<u>907</u>	<u>855</u>
<b>Change in Net Position</b>	(14,835)	40,143
Net Position, Beginning of Year	<u>77,543</u>	<u>37,400</u>
<b>Net Position, End of Year</b>	<u>\$ 62,708</u>	<u>\$ 77,543</u>

**NOTE 8 – 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 9 – 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. Federated Investors manages these funds.

For fiscal years 2013 and 2012, the total employer contributions were \$3,892 and \$3,366, respectively.

**NOTE 10 – 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, 2013 and 2012 were \$58,637 and \$52,981, respectively. Amounts due to Dixon RCD at June 30, 2013 and 2012 were \$14,572 and \$13,899, respectively.

The District provides services to California Department of Fish and Game in which the District receives a 15% management fee on lease income from the Yolo Bypass Wildlife Area. Amounts received from Fish and Game for the years ended June 30, 2013 and 2012 were \$90,008 and \$87,897, respectively. Amounts due to Dixon RCD at June 30, 2013 and 2012 were \$61,664 and \$6,211, respectively.

**NOTE 11 – SUBSEQUENT EVENTS:**

Management has considered subsequent events for disclosure in the financial statements through March 6, 2014, which represents the date the financial statements were available to be issued.

*DIXON RESOURCE CONSERVATION DISTRICT  
OF SOLANO COUNTY*

---

Supplementary Information  
Years Ended June 30, 2013 and 2012

*DIXON RESOURCE CONSERVATION DISTRICT OF SOLANO COUNTY*

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

**Years Ended June 30, 2013 and 2012**

	2013				2012			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final			Original	Final		
Fund Balance, Beginning of Year	\$ 476,568	\$ 476,568	\$ 476,568	\$ -	\$ 454,356	\$ 454,356	\$ 454,356	\$ -
<b>RESOURCES (INFLOWS):</b>								
Charges for services	242,548	242,548	253,828	11,280	244,098	244,098	244,968	870
Miscellaneous	2,500	2,500	4,255	1,755	2,500	2,500	3,906	1,406
Property taxes	82,298	82,298	87,828	5,530	80,402	80,402	85,428	5,026
Revenues from the use of money and property	3,000	3,000	2,598	(402)	3,000	3,000	2,565	(435)
<b>Amounts Available for Appropriations</b>	<b>806,914</b>	<b>806,914</b>	<b>825,077</b>	<b>18,163</b>	<b>784,356</b>	<b>784,356</b>	<b>791,223</b>	<b>6,867</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>								
Advertising	2,000	2,000	-	2,000	-	-	-	-
Capital outlay	21,000	21,000	-	21,000	21,000	21,000	8,689	12,311
Communication	2,520	2,520	2,449	71	2,400	2,400	2,320	80
Employee services	156,276	156,276	156,901	(625)	150,440	150,440	148,029	2,411
Fees and permits	2,000	2,000	1,943	57	2,000	2,000	1,943	57
Insurance	4,750	4,750	4,447	303	4,750	4,750	4,503	247
Maintenance	500	500	271	229	500	500	398	102
Memberships	7,112	7,112	9,606	(2,494)	6,900	6,900	6,830	70
Non-capitalized equipment	2,250	2,250	3,094	(844)	750	750	594	156
Office expenses and supplies	8,350	8,350	5,320	3,030	8,600	8,600	5,928	2,672
Professional and specialized services	40,789	40,789	34,960	5,829	59,250	59,250	48,862	10,388
Property tax refunds	1,500	1,500	745	755	1,500	1,500	426	1,074
Special district expense	4,450	4,450	2,615	1,835	4,500	4,500	3,298	1,202
Supplies	76,550	76,550	70,845	5,705	83,820	83,820	80,427	3,393
Transportation and travel	2,800	2,800	3,485	(685)	2,800	2,800	2,408	392
Publications and legal notices	500	500	-	500	-	-	-	-
<b>Total Charges to Appropriations</b>	<b>333,347</b>	<b>333,347</b>	<b>296,681</b>	<b>36,666</b>	<b>349,210</b>	<b>349,210</b>	<b>314,655</b>	<b>34,555</b>
<b>Budgetary Fund Balances, End of Year</b>	<b>\$ 473,567</b>	<b>\$ 473,567</b>	<b>\$ 528,396</b>	<b>\$ 54,829</b>	<b>\$ 435,146</b>	<b>\$ 435,146</b>	<b>\$ 476,568</b>	<b>\$ 41,422</b>



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**Years Ended June 30, 2013 and 2012**

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

	<u>2013</u>	<u>2012</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 825,077	\$ 791,223
<b>Differences – Budget to GAAP:</b>		
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>(476,568)</u>	<u>(454,356)</u>
Total revenues as reported on the statements of revenues, expenditures and changes in fund balance – governmental funds.	<u>\$ 348,509</u>	<u>\$ 336,867</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	<u>\$ 296,681</u>	<u>\$ 314,655</u>
Total expenditures as reported on the statements of revenues, expenditures and changes in fund balance – governmental funds.	<u>\$ 296,681</u>	<u>\$ 314,655</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.