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

Report on Audits

Years Ended June 30, 2025 and 2024

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PBJ
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Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities of the Dixon/Solano RCD Water Quality Coalition (the Coalition), a component unit of the Dixon Resource Conservation District of Solano County, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Dixon/Solano RCD Water Quality Coalition (the Coalition), a component unit of the Dixon Resource Conservation District of Solano County, as of June 30, 2025 and 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Dixon/Solano RCD Water Quality Coalition (the Coalition), a component unit of the Dixon Resource Conservation District of Solano County, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information tha tmay raise substantial doubt shortly thereafter.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the plannced scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Perry, Bunch & Johnston, Inc.

Woodland, California
December 11, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS:

As management of the Dixon/Solano RCD Water Quality Coalition (Coalition), we offer readers of the Coalition's financial statements this narrative overview and analysis of the financial activities of the Coalition for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

FINANCIAL HIGHLIGHTS:

- The Coalition's Statement of Net Position totaled $247,255 at June 30, 2025 and $261,825 at June 30, 2024. Of these amounts, $247,255 and $261,825 (unrestricted net position) at June 30, 2025 and 2024, respectively, may be used to meet the Coalition's ongoing obligations to

- The Coalition's total net position decreased by $14,570 as a result of fiscal year 2025/2024 operations and increased by $56,704 as a result of fiscal year 2024/2023 operations.

- The Coalition's General Funds reported an ending fund balance of $247,255 at June 30, 2025 and $261,825 at June 30, 2024, of which the entire amount for each fiscal year is available for spending at the Coalition's discretion (unassigned fund balance).

- Like the Coalition's total net position, total fund balance decreased by $14,570 as a result of fiscal year 2025/2024 operations and increased by $56,704 as a result of fiscal year 2024/2023 operations.

OVERVIEW OF THE FINANCIAL STATEMENTS:

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

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

Dixon/Solano RCD Water Quality Coalition
A Component Unit of Dixon Resource Conservation District
Net Position
June 30, 2025, 2024, and 2023

	2025	2024	2023
Assets:			
Current and other assets	$ 272,795	$ 280,661	$ 234,034
Total Assets	$ 272,795	$ 280,661	$ 234,034
Liabilities:			
Current liabilities	$ 25,540	$ 18,836	$ 28,913
Total Liabilities	25,540	18,836	28,913
Net Position:			
Unrestricted	247,255	261,825	205,121
Total Net Position	247,255	261,825	205,121
Total Liabilities and Net Position:	$ 272,795	$ 280,661	$ 234,034

Changes in Net Position
Fiscal Years Ended June 30, 2025, 2024, and 2023

	2025	2024	2023
Program Expenses:			
Fees and permits	$ 178,427	$ 168,583	$ 156,515
Other	4,385	5,206	4,012
Professional and specialized services	305,270	273,820	282,550
Total Program Expenses	488,082	447,609	443,077
Program Revenues:			
Enrollment fees	456,684	491,809	448,774
Total Program Revenues	456,684	491,809	448,774
Net Program Income (Expense)	(31,398)	44,200	5,697
General Revenues:			
Revenues from the use of money and property	16,828	12,504	7,231
Total General Revenues	16,828	12,504	7,231
Change in Net Position	(14,570)	56,704	12,928
Net Position, Beginning of Year	261,825	205,121	192,193
Net Position, End of Year	$ 247,255	$ 261,825	$ 205,121

As noted earlier, net position may serve over time as a useful indicator of the coalition's financial position. In the case of the Dixon/Solano RCD Water Quality Coalition, assets exceeded liabilities by $247,255 and $261,825 at June 30, 2025 and 2024, respectively.

For the year ended June 30, 2025, current assets decreased by $7,866 while current liabilities increased by $6,704. Current assets decreased due to increases in expenditures, however they did not increase as much as expected due to offsets to regional expenses due to carryover from prior year. The increase in current liabilities is attributed to warrants accrued at June 30, 2025, but presented for payment during the subsequent year. For the year ended June 30, 2024, current assets increased $46,624 while current liabilities increased by $10,077. Current assets increased due to expenditures being less than expected, primarily in less staff time needed. The decrease in current liabilities is attributed to warrants accrued at June 30, 2024 but presented for payment during the subsequent year, which reflected less staff expenses.

Net position (unrestricted assets) decreased by $14,570 or 5.6 percent, for the year ended June 30, 2025. For the year ended June 30, 2024, net position increased by $56,704 or 27.6 percent.

Unrestricted assets increased at June 30, 2025 and at June 30, 2024 due to less than anticipated costs, largely due to carryover from the prior year for regional costs. The Advisory Committee reviewed the unrestricted asset level in June 2024 and June 2025 and confirmed the asset level to be appropriate due to future potential cash flow needs. For FY 2024 the policy continued to be to maintain a net asset level of $50,000 for unexpected costs and to minimize fluctuations in member fees year to year. For FY 2025 the Advisory Committee increased the minimum fund balance by $50,000 to $100,000. Program expenses related to specialized services decreased in 2023/2024 and increased in 2024/2025 to meet the variable year to year requirements in the permit.

THE FUND FINANCIAL STATEMENTS:

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

At June 30, 2025 and 2024, the Coalition reported an ending general fund balance of $247,255 and $261,825, respectively. This is a decrease of $14,570 and a increase of $56,704 for the years ended June 30, 2025 and 2024, respectively. Of the ending fund balance at June 30, 2025 and 2024, all was classified as unassigned and available for spending at the Coalition's discretion.

Governmental revenues totaled $473,512 for the year ended June 30, 2025, which represents a decrease of 6.1 percent from the prior year. Governmental revenues totaled $504,313 for the year ended June 30, 2024, which is an increase of 10.6 percent from the prior year. The Board approved an enrollment fee increase in September 2018 (from $3.00 per irrigated acre to $3.75 per irrigated acre). The enrollment fees have remained at $3.75 per irrigated acre since 2022/2023 through 2024/2025.

Governmental expenditures totaled $488,082, for the year ended June 30, 2025, which represents an increase of 9.0 percent from the prior year. Permit fees to the State Water Board and regional program costs to respond to requirements continue to increase. This has been offset by a decrease in local staff hours needed to assist members. At $447,609 in expenditures for the year ended June 30, 2024 were slightly more than in the prior year, due to need for more specialized services during a given year.

GENERAL FUND BUDGETARY HIGHLIGHTS:

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

During the fiscal year ended June 30, 2025, there were no changes between the original and final budgets. Actual revenues exceeded the final budgeted amount by $24,351. Actual expenditures were $62,925 less than the final budget.

During the fiscal year ended June 30, 2024, there were no changes between the original and final budgets. Actual revenues exceeded the final budgeted amount by $52,148. Actual expenditures were $59,984 less than the final budget.

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

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

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

STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS

June 30, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS:			
Cash	$ 269,986	$ -	$ 269,986
Accounts receivable	2,809	-	2,809
Total Assets	$ 272,795	$ -	$ 272,795
LIABILITIES:			
Due to related parties	$ 25,540	$ -	$ 25,540
Total Liabilities	25,540	-	25,540
FUND BALANCE/NET POSITION:			
Fund balance:			
Unassigned	247,255	(247,255)	-
Total Fund Balance	247,255	(247,255)	-
Total Liabilities and Fund Balance	$ 272,795		
Net position:			
Unrestricted		247,255	247,255
Total Net Position		247,255	247,255
Total Liabilities and Net Position		$ -	$ 272,795

June 30, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS:			
Cash	$ 280,661	$ -	$ 280,661
Total Assets	$ 280,661	$ -	$ 280,661
LIABILITIES:			
Due to related parties	$ 18,836	$ -	$ 18,836
Total Liabilities	18,836	-	18,836
FUND BALANCE/NET POSITION:			
Fund balance:			
Unassigned	261,825	(261,825)	-
Total Fund Balance	261,825	(261,825)	-
Total Liabilities and Fund Balance	$ 280,661		
Net position:			
Unrestricted		261,825	261,825
Total Net Position		261,825	261,825
Total Liabilities and Net Position		$ -	$ 280,661

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

Year Ended June 30, 2025

	General Fund	Adjustments	Statement of Activities
PROGRAM EXPENDITURES/EXPENSES:			
Documents and records	$ 1,200	$ -	$ 1,200
Fees and permits	178,427	-	178,427
Miscellaneous	1,554	-	1,554
Office	934	-	934
Postage	697	-	697
Professional and specialized services	305,270	-	305,270
Total Program Expenditures/Expenses	488,082	-	488,082
PROGRAM REVENUES:			
Enrollment fees	456,684	-	456,684
Total Program Revenues	456,684	-	456,684
Net Program Expense	(31,398)	-	(31,398)
GENERAL REVENUES:			
Interest income	16,828	-	16,828
Total General Revenues	16,828	-	16,828
Change in Fund Balance/Net Position	(14,570)	$ -	(14,570)
Fund Balance/Net Position, Beginning of Year	261,825		261,825
Fund Balance/Net Position, End of Year	$ 247,255		$ 247,255

Year Ended June 30, 2024

	General Fund	Adjustments	Statement of Activities
PROGRAM EXPENDITURES/EXPENSES:			
Documents and records	$ 1,200	$ -	$ 1,200
Fees and permits	168,583	-	168,583
Miscellaneous	1,064	-	1,064
Office	2,264	-	2,264
Postage	678	-	678
Professional and specialized services	273,820	-	273,820
Total Program Expenditures/Expenses	447,609	-	447,609
PROGRAM REVENUES:			
Enrollment fees	491,809	-	491,809
Total Program Revenues	491,809	-	491,809
Net Program Income	44,200	-	44,200
GENERAL REVENUES:			
Interest income	12,504	-	12,504
Total General Revenues	12,504	-	12,504
Change in Fund Balance/Net Position	56,704	$ -	56,704
Fund Balance/Net Position, Beginning of Year	205,121		205,121
Fund Balance/Net Position, End of Year	$ 261,825		$ 261,825

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

FINANCIAL REPORTING ENTITY AND NATURE OF ACTIVITIES:

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

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

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

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

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

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:

Fund Financial Statements:

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

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

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

- Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

- Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

- Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

- Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given.

- Unassigned fund balance - This is the residual classification of the General Fund.

Government-Wide Financial Statements:

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Enrollment fees are reported as revenue when received or accrued if determinable. Since participation in the program is voluntary, it is often doubtful whether the enrollment fee will be collected. Therefore, enrollments are considered to be earned when collected.

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

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

CASH:

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

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

The Coalition deposits cash in the Solano County Treasury. The deposits are part of an investment pool managed by the Solano County Treasurer (Treasurer). The Coalition's ability to withdraw large sums of cash may be subject to certain restrictions set by the Treasurer. The Coalition's collateralized deposits with the Treasurer that are not federally insured at June 30, 2025 and 2024 totaled $280,661 and $269,986, respectively.

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

CASH: (Continued)

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

ACCOUNTS RECEIVABLE:

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

ACCOUNTS PAYABLE:

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

OUTSTANDING WARRANTS:

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

NET POSITION/FUND BALANCE:

The statement of activates utilizes a net position presentation. Net position are categorized as unrestricted, restricted, and invested in capital assets - net of related debt. Unrestricted represents net assets of the Coalition not restricted for any project or purpose. At June 30, 2025 and 2024 the Coalition had no net assets categorized as restricted or net investment in capital assets.

The governmental fund balance sheet utilizes a fund balance presentation. Under GASB 54, fund balance is segregated and classified as follows: Nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. At June 30, 2025 and 2024 fund balance of the Coalition was entirely classified as unassigned, which represents residual fund balance after it is classified to the other categories.

USE OF ESTIMATES:

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

NOTE 2 - RISK MANAGEMENT:

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

NOTE 3 - RELATED PARTY TRANSACTIONS:

The Coalition reimburses the Dixon and Solano RCDs for administrative services and direct expenses associated with operating the Coalition. Total expenses to the Dixon RCD for the years ended June 30, 2025 and 2024 were $101,881 and $119,160, respectively. Amounts due to the Dixon RCD at June 30, 2025 and 2024 were $25,201 and $18,455, respectively. Total expense to the Solano RCD for the years ended June 30, 2025 and 2024 were $4,441 and $589, respectively. Amounts due to the Solano RCD at June 30, 2025 and 2024 were $339 and $381, respectively.

NOTE 4 - SUBSEQUENT EVENTS:

Management has considered all subsequent events for disclosure in the financial statements through December 11, 2025, which represents the date the financial statements were available to be issued.

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

Required Supplementary Information
Years Ended June 30, 2025 and 2024

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Budgetary Fund Balances, Beginning of Year	$ 261,825	$ 261,825	$ 261,825	$ -
RESOURCES (INFLOWS):				
Enrollment fees	445,061	445,061	456,684	11,623
Interest income	4,100	4,100	16,828	12,728
Amounts Available for Appropriation	710,986	710,986	735,337	24,351
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Documents and records	1,200	1,200	1,200	-
Fees and permits	174,292	174,292	178,427	(4,135)
Miscellaneous	2,050	2,050	1,554	496
Office	600	600	934	(334)
Postage	800	800	697	103
Professional and specialized services	372,065	372,065	305,270	66,795
Total Charges to Appropriations	551,007	551,007	488,082	62,925
Budgetary Fund Balances, End of Year	$ 159,979	$ 159,979	$ 247,255	$ 87,276

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

Sources/Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 735,337
Differences - Budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(261,825)
Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	$ 473,512
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 488,082
Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	$ 488,082

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2024

	Budgeted Amounts			Variance
	Original	**Final**	**Actual**	**Favorable (Unfavorable)**
Budgetary Fund Balances, Beginning of Year	$ 205,121	$ 205,121	$ 205,121	$ -
RESOURCES (INFLOWS):				
Enrollment fees	450,665	450,665	491,809	41,144
Interest income	1,500	1,500	12,504	11,004
Amounts Available for Appropriation	657,286	657,286	709,434	52,148
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Documents and records	1,600	1,600	1,200	400
Fees and permits	173,841	173,841	168,583	5,258
Miscellaneous	3,050	3,050	1,064	1,986
Office	600	600	2,264	(1,664)
Postage	1,500	1,500	678	822
Professional and specialized services	327,002	327,002	273,820	53,182
Total Charges to Appropriations	507,593	507,593	447,609	59,984
Budgetary Fund Balances, End of Year	$ 149,693	$ 149,693	$ 261,825	$ 112,132

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

Sources/Inflows of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 709,434
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.	(205,121)
Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	$ 504,313

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 447,609
Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	$ 447,609

BUDGETARY INFORMATION:

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