

RECLAMATION DISTRICT NO. 1601

FINANCIAL STATEMENTS
AND
ACCOUNTANTS' COMPILATION REPORT

JULY 15, 2025

Butterfield + Co CPAs, Inc.



Accountants' Compilation Report

The Board of Trustees of
Reclamation District No. 1601

Management is responsible for the accompanying financial statements of **Reclamation District No. 1601** (the District), which comprise the statement of assets, liabilities and equity – modified cash basis as of July 15, 2025, and the related statement of revenue and expenses by project - modified cash basis for the period from July 1, 2025 through July 15, 2025, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information included in the budget vs. actual report for the period July 1, 2025 through July 15, 2025 and the general and administrative coverage ratio calculation for the period July 1, 2025 through July 15, 2025 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to **Reclamation District No. 1601**.

Butterfield + Co. CPAs, Inc.

Butterfield + Co. CPAS, Inc.
Certified Public Accountants
Stockton, California
July 15, 2025

Reclamation District 1601
Statement of Assets, Liabilities and Equity - Modified Cash
As of July 15, 2025

	<u>Jul 15, 25</u>
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Checking account	79,626.02
1025-00 · Savings account - Ag	637.70
1035-00 · BOS - General Revolving Account	82,091.03
1045-00 · BOS - Mitigation Site Trust	40,043.54
1070-00 · BOS - TIMES Project-TW 21-1	1,693,323.56
1072-00 · BOS - Phase 2 MBP -TW 24-1	901,188.15
1075-00 · BOS - Wetland Dev - SMFA	1,390,405.41
Total Checking/Savings	<u>4,187,315.41</u>
Accounts Receivable	
1220-00 · Accounts Receivable-Assessments	645,953.61
1225-00 · Accounts receivable - other	6,563.75
Total Accounts Receivable	<u>652,517.36</u>
Total Current Assets	<u>4,839,832.77</u>
TOTAL ASSETS	<u>4,839,832.77</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000-00 · Accounts Payable	53,104.56
Total Accounts Payable	<u>53,104.56</u>
Other Current Liabilities	
2022-00 · Warrants Payable	1,470,000.00
2200-00 · Payroll Liabilities	1,636.59
Total Other Current Liabilities	<u>1,471,636.59</u>
Total Current Liabilities	<u>1,524,741.15</u>
Total Liabilities	1,524,741.15
Equity	
3140-00 · Fund Balance	2,707,919.13
Net Income	607,172.49
Total Equity	<u>3,315,091.62</u>
TOTAL LIABILITIES & EQUITY	<u>4,839,832.77</u>

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 15, 2025

	21-1.0 TWERP	24-1.0 MBP Phase 2
Income		
4000-00 · Assessment Income	0.00	0.00
4075-00 · Land Lease (117 & 394.5)	0.00	0.00
4099-00 · Reimbursed	0.00	0.00
4099.10 · Rental Income	0.00	0.00
Total Income	0.00	0.00
Gross Profit	0.00	0.00
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	0.00
6022-30 · Workers compensation	0.00	0.00
Total 6022-00 · Insurance	0.00	0.00
6024-00 · Legal	0.00	1,564.68
6026-00 · Office expense	0.00	0.00
6028-01 · Wages	0.00	0.00
6028-02 · Payroll Taxes	0.00	0.00
6028-04 · Employee retirement	0.00	0.00
6029-00 · Payroll services fee	0.00	0.00
6030-00 · Repairs and Maintenance	0.00	0.00
6035-00 · Rent	0.00	0.00
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	0.00	0.00
6047-00 · Consulting	240.00	0.00
6048-00 · Construction	33,489.75	0.00
6053-00 · DWR expense	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	33,729.75	1,564.68
Total Expense	33,729.75	1,564.68
Net Income	-33,729.75	-1,564.68

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 15, 2025

	DWR Trust	General Administrative
Income		
4000-00 · Assessment Income	0.00	656,044.27
4075-00 · Land Lease (117 & 394.5)	0.00	5,049.52
4099-00 · Reimbursed	0.00	504.39
4099.10 · Rental Income	0.00	131.67
Total Income	0.00	661,729.85
Gross Profit	0.00	661,729.85
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	2,231.14
6022-30 · Workers compensation	0.00	1,458.22
Total 6022-00 · Insurance	0.00	3,689.36
6024-00 · Legal	0.00	2,636.56
6026-00 · Office expense	0.00	190.00
6028-01 · Wages	0.00	4,234.37
6028-02 · Payroll Taxes	0.00	333.33
6028-04 · Employee retirement	0.00	2,930.33
6029-00 · Payroll services fee	0.00	15.00
6030-00 · Repairs and Maintenance	0.00	786.21
6035-00 · Rent	0.00	350.00
6039-01 · Reimbursed expenses	0.00	594.90
6040-00 · Supplies	0.00	177.72
6047-00 · Consulting	0.00	0.00
6048-00 · Construction	0.00	0.00
6053-00 · DWR expense	851.36	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	851.36	15,937.78
Total Expense	851.36	15,937.78
Net Income	-851.36	645,792.07

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 15, 2025

	SMFA - Wetland Development	Subventions
Income		
4000-00 · Assessment Income	0.00	0.00
4075-00 · Land Lease (117 & 394.5)	0.00	0.00
4099-00 · Reimbursed	0.00	0.00
4099.10 · Rental Income	0.00	0.00
Total Income	0.00	0.00
Gross Profit	0.00	0.00
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	0.00
6022-30 · Workers compensation	0.00	0.00
Total 6022-00 · Insurance	0.00	0.00
6024-00 · Legal	245.44	0.00
6026-00 · Office expense	0.00	0.00
6028-01 · Wages	60.00	2,010.00
6028-02 · Payroll Taxes	4.59	153.76
6028-04 · Employee retirement	0.00	0.00
6029-00 · Payroll services fee	0.00	0.00
6030-00 · Repairs and Maintenance	0.00	0.00
6035-00 · Rent	0.00	0.00
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	0.00	0.00
6047-00 · Consulting	0.00	0.00
6048-00 · Construction	0.00	0.00
6053-00 · DWR expense	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	310.03	2,163.76
Total Expense	310.03	2,163.76
Net Income	-310.03	-2,163.76

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 15, 2025

	<u>TOTAL</u>
Income	
4000-00 · Assessment Income	656,044.27
4075-00 · Land Lease (117 & 394.5)	5,049.52
4099-00 · Reimbursed	504.39
4099.10 · Rental Income	131.67
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Total Income	661,729.85
Gross Profit	<hr/>
	661,729.85
Expense	
6000-00 · GENERAL AND ADMINISTRATIVE	
6022-00 · Insurance	
6022-20 · Health Insurance	2,231.14
6022-30 · Workers compensation	1,458.22
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Total 6022-00 · Insurance	3,689.36
6024-00 · Legal	4,446.68
6026-00 · Office expense	190.00
6028-01 · Wages	6,304.37
6028-02 · Payroll Taxes	491.68
6028-04 · Employee retirement	2,930.33
6029-00 · Payroll services fee	15.00
6030-00 · Repairs and Maintenance	786.21
6035-00 · Rent	350.00
6039-01 · Reimbursed expenses	594.90
6040-00 · Supplies	177.72
6047-00 · Consulting	240.00
6048-00 · Construction	33,489.75
6053-00 · DWR expense	851.36
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Total 6000-00 · GENERAL AND ADMINISTRATIVE	54,557.36
Total Expense	<hr/>
	54,557.36
Net Income	<hr/>
	607,172.49

Reclamation District 1601

Budget vs. Actual

July 1 - 15, 2025

	Jul 1 - 15, 25	Budget	\$ Over Budget	% of Budget
Income				
4000-00 · Assessment Income	656,044.27	328,022.14	328,022.13	200.0%
4075-00 · Land Lease (117 & 394.5)	5,049.52	83,280.63	-78,231.11	6.1%
4099-00 · Reimbursed	504.39	0.00	504.39	100.0%
4099.10 · Rental Income	131.67	790.00	-658.33	16.7%
Total Income	661,729.85	412,092.77	249,637.08	160.6%
Gross Profit	661,729.85	412,092.77	249,637.08	160.6%
Expense				
6000-00 · GENERAL AND ADMINISTRATIVE				
6010-00 · Accounting	0.00	25,000.00	-25,000.00	0.0%
6012-00 · Communications	0.00	3,000.00	-3,000.00	0.0%
6014-00 · Dues and Subscriptions	0.00	3,000.00	-3,000.00	0.0%
6016-00 · Equipment Rent	0.00	2,500.00	-2,500.00	0.0%
6020-00 · Engineering	0.00	32,500.00	-32,500.00	0.0%
6022-00 · Insurance				
6022-10 · General Insurance	0.00	7,500.00	-7,500.00	0.0%
6022-20 · Health Insurance	2,231.14	12,500.00	-10,268.86	17.8%
6022-30 · Workers compensation	1,458.22	4,500.00	-3,041.78	32.4%
6022-40 · Auto Insurance	0.00	4,000.00	-4,000.00	0.0%
Total 6022-00 · Insurance	3,689.36	28,500.00	-24,810.64	12.9%
6024-00 · Legal	2,636.56	27,500.00	-24,863.44	9.6%
6026-00 · Office expense	190.00	2,000.00	-1,810.00	9.5%
6028-01 · Wages	4,234.37	50,000.00	-45,765.63	8.5%
6028-02 · Payroll Taxes	333.33	4,000.00	-3,666.67	8.3%
6028-04 · Employee retirement	2,930.33	3,500.00	-569.67	83.7%
6029-00 · Payroll services fee	15.00	150.00	-135.00	10.0%
6030-00 · Repairs and Maintenance	786.21	15,000.00	-14,213.79	5.2%
6031-00 · Canal Cleaning	0.00	15,000.00	-15,000.00	0.0%
6035-00 · Rent	350.00	2,100.00	-1,750.00	16.7%
6036-00 · Utilities	0.00	65,000.00	-65,000.00	0.0%
6037-00 · Telephone	0.00	500.00	-500.00	0.0%
6039-01 · Reimbursed expenses	594.90	2,250.00	-1,655.10	26.4%
6040-00 · Supplies	177.72	3,000.00	-2,822.28	5.9%
6042-00 · Oil & Fuel				
6042-01 · Gasoline				
6042-15 · Ricky Carter Jr.	0.00	2,500.00	-2,500.00	0.0%
6042-21 · Salvador Ramos	0.00	1,500.00	-1,500.00	0.0%
Total 6042-01 · Gasoline	0.00	4,000.00	-4,000.00	0.0%
6042-02 · Diesel/Bulk Gas	0.00	4,000.00	-4,000.00	0.0%
6042-03 · Oil	0.00	1,000.00	-1,000.00	0.0%
Total 6042-00 · Oil & Fuel	0.00	9,000.00	-9,000.00	0.0%
6043-00 · Taxes and licenses	0.00	500.00	-500.00	0.0%
6044-00 · Interest Expense	0.00	7,500.00	-7,500.00	0.0%
6047-00 · Consulting	0.00	500.00	-500.00	0.0%
6050-00 · Permits, licenses & other fees	0.00	2,500.00	-2,500.00	0.0%
6051-01 · Pump station repair & maintenanc	0.00	5,000.00	-5,000.00	0.0%
6220-00 · Security Expense	0.00	3,000.00	-3,000.00	0.0%
6225-00 · Solar Array Project Expenses	0.00	86,892.77	-86,892.77	0.0%
6227-00 · Aerial Veg Control Expense	0.00	12,500.00	-12,500.00	0.0%
6230-00 · Website expense	0.00	200.00	-200.00	0.0%
Total 6000-00 · GENERAL AND ADMINISTRATIVE	15,937.78	412,092.77	-396,154.99	3.9%
Total Expense	15,937.78	412,092.77	-396,154.99	3.9%
Net Income	645,792.07	0.00	645,792.07	100.0%

Reclamation District 1601
General and Administrative Coverage Ratio
July 1, 2025 through July 15, 2025

(100% of G & A + 35% of Subvention Expenses - G & A Income)

Routine Levee Maintenance	-
Subvention Wages	<u>2,163.76</u>
Subvention Expenses	<u>2,163.76</u>
X 35%	<u><u>757.32</u></u>

G & A Expenses	15,937.78
35 % of Subvention Expenses	<u>757.32</u>
Total Non Reimbursable	<u>16,695.10</u>

Total G & A Income	661,729.85
Less State Assistance Income	-
Less Non Reimbursable Expenses	<u>(16,695.10)</u>
G & A Income	<u><u>645,034.75</u></u>