

RECLAMATION DISTRICT NO. 1601

FINANCIAL STATEMENTS
AND
ACCOUNTANTS' COMPILATION REPORT

JULY 21, 2026

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 21, 2026, and the related statement of revenue and expenses by project - modified cash basis for the period from July 1, 2026 through July 21, 2026, 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, 2026 through July 21, 2026 and the general and administrative coverage ratio calculation for the period July 1, 2026 through July 21, 2026 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 21, 2026

Reclamation District 1601
Statement of Assets, Liabilities and Equity - Modified Cash
As of July 21, 2026

	Jul 21, 26
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Checking account	59,875.37
1025-00 · Savings account - Ag	638.30
1041-00 · BOS - General MM Account	2,113,421.06
1045-00 · BOS - Mitigation Site Trust	40,043.54
1068-00 · BOS - TWERP Project-TW 21-1	511,319.76
1072-00 · BOS - Phase 2 MBP -TW 24-1	4,916,223.66
1075-00 · BOS - Wetland Dev - SMFA	1,254,045.61
Total Checking/Savings	8,895,567.30
Accounts Receivable	
1220-00 · Accounts Receivable-Assessments	644,107.30
1225-00 · Accounts receivable - other	7,013.40
Total Accounts Receivable	651,120.70
Total Current Assets	9,546,688.00
TOTAL ASSETS	9,546,688.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000-00 · Accounts Payable	260,457.05
Total Accounts Payable	260,457.05
Other Current Liabilities	
2022-00 · Warrants Payable	4,970,000.00
2200-00 · Payroll Liabilities	4,677.85
Total Other Current Liabilities	4,974,677.85
Total Current Liabilities	5,235,134.90
Total Liabilities	5,235,134.90
Equity	
3140-00 · Fund Balance	6,054,360.19
Net Income	-1,742,807.09
Total Equity	4,311,553.10
TOTAL LIABILITIES & EQUITY	9,546,688.00

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 21, 2026

	21-1.0 TWERP	24-1.0 MBP Phase 2
Income		
4000-00 · Assessment Income	0.00	0.00
4010-00 · State Assistance 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		
6012-00 · Communications	0.00	0.00
6020-00 · Engineering	0.00	260,454.29
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	0.00
6022-50 · Dental Insurance	0.00	0.00
Total 6022-00 · Insurance	0.00	0.00
6024-00 · Legal	0.00	0.00
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 · Lease Cost (Bldg. Rent)	0.00	0.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-14 · New - Ricky Carter Jr.	0.00	0.00
6042-21 · Salvador Ramos	0.00	0.00
6042-23 · Octavio Reynoso	0.00	0.00
Total 6042-01 · Gasoline	0.00	0.00
Total 6042-00 · Oil & Fuel	0.00	0.00
6044-00 · Interest Expense	0.00	0.00
6046-00 · Contract Labor	21,300.82	0.00
6047-00 · Consulting	600.00	0.00
6048-00 · Construction	0.00	2,108,941.13
6053-00 · DWR expense	0.00	0.00
6059-00 · Habitat Mitigation Enhancement	15,693.71	0.00
6225-00 · Solar Array Project Expenses	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	37,594.53	2,369,395.42
7000-00 · ROUTINE LEVEE MAINTENANCE		
7036-00 · Engineering Subvention Expense	0.00	0.00
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	0.00
Total Expense	37,594.53	2,369,395.42
Net Income	-37,594.53	-2,369,395.42

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 21, 2026

	DWR Trust	General Administrative
Income		
4000-00 · Assessment Income	0.00	657,572.02
4010-00 · State Assistance Income	0.00	0.00
4075-00 · Land Lease (117 & 394.5)	0.00	64,444.50
4099-00 · Reimbursed	0.00	504.39
4099.10 · Rental Income	0.00	140.00
Total Income	0.00	722,660.91
Gross Profit	0.00	722,660.91
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6012-00 · Communications	0.00	564.15
6020-00 · Engineering	0.00	12,455.68
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	6,685.42
6022-50 · Dental Insurance	0.00	211.52
Total 6022-00 · Insurance	0.00	6,896.94
6024-00 · Legal	0.00	2,186.49
6026-00 · Office expense	0.00	190.00
6028-01 · Wages	0.00	10,449.81
6028-02 · Payroll Taxes	0.00	852.33
6028-04 · Employee retirement	0.00	3,018.24
6029-00 · Payroll services fee	0.00	40.00
6030-00 · Repairs and Maintenance	0.00	66.21
6035-00 · Lease Cost (Bldg. Rent)	0.00	375.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-14 · New - Ricky Carter Jr.	0.00	202.80
6042-21 · Salvador Ramos	0.00	167.07
6042-23 · Octavio Reynoso	0.00	0.00
Total 6042-01 · Gasoline	0.00	369.87
Total 6042-00 · Oil & Fuel	0.00	369.87
6044-00 · Interest Expense	0.00	2,479.17
6046-00 · Contract Labor	0.00	0.00
6047-00 · Consulting	0.00	0.00
6048-00 · Construction	0.00	0.00
6053-00 · DWR expense	975.26	0.00
6059-00 · Habitat Mitigation Enhancement	0.00	0.00
6225-00 · Solar Array Project Expenses	0.00	16,394.50
Total 6000-00 · GENERAL AND ADMINISTRATIVE	975.26	56,338.39
7000-00 · ROUTINE LEVEE MAINTENANCE		
7036-00 · Engineering Subvention Expense	0.00	0.00
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	0.00
Total Expense	975.26	56,338.39
Net Income	-975.26	666,322.52

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 21, 2026

	SMFA - Wetland Development	Subventions
Income		
4000-00 · Assessment Income	0.00	0.00
4010-00 · State Assistance 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		
6012-00 · Communications	0.00	0.00
6020-00 · Engineering	0.00	0.00
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	0.00
6022-50 · Dental Insurance	0.00	0.00
Total 6022-00 · Insurance	0.00	0.00
6024-00 · Legal	63.44	0.00
6026-00 · Office expense	0.00	0.00
6028-01 · Wages	5,104.00	3,196.00
6028-02 · Payroll Taxes	522.40	244.52
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 · Lease Cost (Bldg. Rent)	0.00	0.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-14 · New - Ricky Carter Jr.	0.00	0.00
6042-21 · Salvador Ramos	0.00	0.00
6042-23 · Octavio Reynoso	127.95	0.00
Total 6042-01 · Gasoline	127.95	0.00
Total 6042-00 · Oil & Fuel	127.95	0.00
6044-00 · Interest Expense	0.00	0.00
6046-00 · Contract Labor	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
6059-00 · Habitat Mitigation Enhancement	0.00	0.00
6225-00 · Solar Array Project Expenses	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	5,817.79	3,440.52
7000-00 · ROUTINE LEVEE MAINTENANCE		
7036-00 · Engineering Subvention Expense	0.00	1,539.00
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	1,539.00
Total Expense	5,817.79	4,979.52
Net Income	-5,817.79	-4,979.52

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 21, 2026

	Systemwide - 7 Mile Slough	TOTAL
Income		
4000-00 · Assessment Income	0.00	657,572.02
4010-00 · State Assistance Income	11,062.91	11,062.91
4075-00 · Land Lease (117 & 394.5)	0.00	64,444.50
4099-00 · Reimbursed	0.00	504.39
4099.10 · Rental Income	0.00	140.00
Total Income	11,062.91	733,723.82
Gross Profit	11,062.91	733,723.82
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6012-00 · Communications	0.00	564.15
6020-00 · Engineering	1,430.00	274,339.97
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	6,685.42
6022-50 · Dental Insurance	0.00	211.52
Total 6022-00 · Insurance	0.00	6,896.94
6024-00 · Legal	0.00	2,249.93
6026-00 · Office expense	0.00	190.00
6028-01 · Wages	0.00	18,749.81
6028-02 · Payroll Taxes	0.00	1,619.25
6028-04 · Employee retirement	0.00	3,018.24
6029-00 · Payroll services fee	0.00	40.00
6030-00 · Repairs and Maintenance	0.00	66.21
6035-00 · Lease Cost (Bldg. Rent)	0.00	375.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-14 · New - Ricky Carter Jr.	0.00	202.80
6042-21 · Salvador Ramos	0.00	167.07
6042-23 · Octavio Reynoso	0.00	127.95
Total 6042-01 · Gasoline	0.00	497.82
Total 6042-00 · Oil & Fuel	0.00	497.82
6044-00 · Interest Expense	0.00	2,479.17
6046-00 · Contract Labor	0.00	21,300.82
6047-00 · Consulting	0.00	600.00
6048-00 · Construction	0.00	2,108,941.13
6053-00 · DWR expense	0.00	975.26
6059-00 · Habitat Mitigation Enhancement	0.00	15,693.71
6225-00 · Solar Array Project Expenses	0.00	16,394.50
Total 6000-00 · GENERAL AND ADMINISTRATIVE	1,430.00	2,474,991.91
7000-00 · ROUTINE LEVEE MAINTENANCE		
7036-00 · Engineering Subvention Expense	0.00	1,539.00
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	1,539.00
Total Expense	1,430.00	2,476,530.91
Net Income	9,632.91	-1,742,807.09

Reclamation District 1601

Budget vs. Actual

July 1 - 21, 2026

	Jul 1 - 21, 26	Budget	\$ Over Budget	% of Budget
Income				
4000-00 · Assessment Income	657,572.02	444,417.09	213,154.93	148.0%
4075-00 · Land Lease (117 & 394.5)	64,444.50	87,311.90	-22,867.40	73.8%
4099-00 · Reimbursed	504.39	0.00	504.39	100.0%
4099.10 · Rental Income	140.00	1,138.06	-998.06	12.3%
Total Income	722,660.91	532,867.05	189,793.86	135.6%
Gross Profit	722,660.91	532,867.05	189,793.86	135.6%
Expense				
6000-00 · GENERAL AND ADMINISTRATIVE				
6010-00 · Accounting	0.00	33,870.97	-33,870.97	0.0%
6012-00 · Communications	564.15	5,419.35	-4,855.20	10.4%
6014-00 · Dues and Subscriptions	0.00	4,741.94	-4,741.94	0.0%
6016-00 · Lease Cost (Equip. Rent)	0.00	13,548.39	-13,548.39	0.0%
6020-00 · Engineering	12,455.68	67,741.94	-55,286.26	18.4%
6022-00 · Insurance				
6022-10 · General Insurance	0.00	10,161.29	-10,161.29	0.0%
6022-20 · Health Insurance	6,685.42	44,032.26	-37,346.84	15.2%
6022-30 · Workers compensation	0.00	8,129.03	-8,129.03	0.0%
6022-40 · Auto Insurance	0.00	5,419.35	-5,419.35	0.0%
6022-50 · Dental Insurance	211.52	2,370.97	-2,159.45	8.9%
Total 6022-00 · Insurance	6,896.94	70,112.90	-63,215.96	9.8%
6023-00 · Contingency Reserve	0.00	-134,187.78	134,187.78	0.0%
6024-00 · Legal	2,186.49	33,870.97	-31,684.48	6.5%
6026-00 · Office expense	190.00	2,709.68	-2,519.68	7.0%
6028-01 · Wages	10,449.81	101,612.90	-91,163.09	10.3%
6028-02 · Payroll Taxes	852.33	5,419.35	-4,567.02	15.7%
6028-04 · Employee retirement	3,018.24	4,741.94	-1,723.70	63.6%
6029-00 · Payroll services fee	40.00	203.23	-163.23	19.7%
6030-00 · Repairs and Maintenance	66.21	13,548.39	-13,482.18	0.5%
6031-00 · Canal Cleaning	0.00	13,548.39	-13,548.39	0.0%
6035-00 · Lease Cost (Bldg. Rent)	375.00	3,048.39	-2,673.39	12.3%
6036-00 · Utilities	0.00	88,064.52	-88,064.52	0.0%
6037-00 · Telephone	0.00	677.42	-677.42	0.0%
6039-01 · Reimbursed expenses	0.00	2,709.68	-2,709.68	0.0%
6040-00 · Supplies	0.00	4,064.52	-4,064.52	0.0%
6042-00 · Oil & Fuel				
6042-01 · Gasoline				
6042-14 · New - Ricky Carter Jr.	202.80	3,387.10	-3,184.30	6.0%
6042-21 · Salvador Ramos	167.07	4,064.52	-3,897.45	4.1%
Total 6042-01 · Gasoline	369.87	7,451.62	-7,081.75	5.0%
6042-02 · Diesel/Bulk Gas	0.00	5,419.35	-5,419.35	0.0%
6042-03 · Oil	0.00	1,354.84	-1,354.84	0.0%
Total 6042-00 · Oil & Fuel	369.87	14,225.81	-13,855.94	2.6%
6043-00 · Taxes and licenses	0.00	1,354.84	-1,354.84	0.0%
6044-00 · Interest Expense	2,479.17	44,032.26	-41,553.09	5.6%
6047-00 · Consulting	0.00	10,161.29	-10,161.29	0.0%
6050-00 · Permits, licenses & other fees	0.00	3,387.10	-3,387.10	0.0%
6051-01 · Pump station repair & mainten	0.00	3,387.10	-3,387.10	0.0%
6220-00 · Security Expense	0.00	2,032.26	-2,032.26	0.0%
6225-00 · Solar Array Project Expenses	16,394.50	118,548.39	-102,153.89	13.8%
6230-00 · Website expense	0.00	270.97	-270.97	0.0%
Total 6000-00 · GENERAL AND ADMINISTRATIVE	56,338.39	532,867.11	-476,528.72	10.6%
Total Expense	56,338.39	532,867.11	-476,528.72	10.6%
Net Income	666,322.52	-0.06	666,322.58	-1,110,537,533.3%

Reclamation District 1601
General and Administrative Coverage Ratio
July 1, 2026 through July 21, 2026

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

Routine Levee Maintenance	1,539.00
Subvention Wages	<u>3,440.52</u>
Subvention Expenses	<u>4,979.52</u>
X 35%	<u><u>1,742.83</u></u>

G & A Expenses	56,338.39
35 % of Subvention Expenses	<u>1,742.83</u>
Total Non Reimbursable	<u>58,081.22</u>

Total G & A Income	722,660.91
Less State Assistance Income	-
Less Non Reimbursable Expenses	<u>(58,081.22)</u>
G & A Income	<u><u>664,579.69</u></u>