Reclamation District No. 1601

Financial Statements
And
Accountants' Compilation Report

August 19, 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 August 19, 2025, and the related statement of revenue and expenses by project - modified cash basis for the period from July 1, 2025 through August 19, 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 August 19, 2025 and the general and administrative coverage ratio calculation for the period July 1, 2025 through August 19, 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
August 19, 2025

Reclamation District 1601
Statement of Assets, Liabilities and Equity - Modified Cash
As of August 19, 2025

	Aug 19, 25
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Checking account	63,374.24
1025-00 · Savings account - Ag	637.75
1035-00 · BOS - General Revolving Account	818,433.22
1045-00 · BOS - Mitigation Site Trust	40,043.54
1070-00 · BOS - TIMES Project-TW 21-1	1,598,306.72
1072-00 · BOS - Phase 2 MBP -TW 24-1	985,788.66
1075-00 · BOS - Wetland Dev - SMFA	1,390,405.41
Total Checking/Savings	4,896,989.54
Accounts Receivable	
1225-00 · Accounts receivable - other	2,017.56
Total Accounts Receivable	2,017.56
Total Current Assets	4,899,007.10
TOTAL ASSETS	**4,899,007.10**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000-00 · Accounts Payable	57,139.96
Total Accounts Payable	57,139.96
Other Current Liabilities	
2022-00 · Warrants Payable	1,420,000.00
2200-00 · Payroll Liabilities	1,890.38
Total Other Current Liabilities	1,421,890.38
Total Current Liabilities	1,479,030.34
Total Liabilities	1,479,030.34
Equity	
3140-00 · Fund Balance	2,680,994.29
Net Income	738,982.47
Total Equity	3,419,976.76
TOTAL LIABILITIES & EQUITY	**4,899,007.10**

See Accountant's Compilation Report

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	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	99,000.00
4075-00 · Land Lease (117 & 394.5)	0.00	0.00
4090-00 · Interest Income	3,996.97	0.00
4099-00 · Reimbursed	0.00	0.00
4099.10 · Rental Income	0.00	0.00
Total Income	3,996.97	99,000.00
Gross Profit	3,996.97	99,000.00
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6010-00 · Accounting	160.00	160.00
6012-00 · Communications	0.00	0.00
6014-00 · Dues and Subscriptions	0.00	0.00
6020-00 · Engineering	6,196.06	17,083.00
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	856.44	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
6036-00 · Utilities		
6036-02 · Pump # 7964854299-5	0.00	0.00
Total 6036-00 · Utilities	0.00	0.00
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	0.00	0.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-15 · Ricky Carter Jr.	0.00	0.00
6042-21 · Salvador Ramos	0.00	0.00
Total 6042-01 · Gasoline	0.00	0.00
6042-02 · Diesel/Bulk Gas	0.00	0.00
Total 6042-00 · Oil & Fuel	0.00	0.00
6044-00 · Interest Expense	0.00	0.00
6047-00 · Consulting	630.00	0.00
6048-00 · Construction	100,348.50	0.00
6053-00 · DWR expense	0.00	0.00
6059-00 · Habitat Mitigation Enhancement	8,629.25	0.00
6220-00 · Security Expense	0.00	0.00
6225-00 · Solar Array Project Expenses	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	116,820.25	18,807.68

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	21-1.0 TWERP	24-1.0 MBP Phase 2
7000-00 · ROUTINE LEVEE MAINTENANCE		
7014-00 · Repair & Grading of Levee Roads	0.00	0.00
7036-00 · Engineering Subvention Expense	0.00	0.00
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	0.00
Total Expense	116,820.25	18,807.68
Net Income	**-112,823.28**	**80,192.32**

See Accountant's Compilation Report

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	DWR Trust	General Administrative
Income		
4000-00 · Assessment Income	0.00	656,044.27
4010-00 · State Assistance Income	0.00	0.00
4075-00 · Land Lease (117 & 394.5)	0.00	-1.06
4090-00 · Interest Income	0.00	0.05
4099-00 · Reimbursed	0.00	1,008.78
4099.10 · Rental Income	0.00	263.34
Total Income	0.00	657,315.38
Gross Profit	0.00	657,315.38
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6010-00 · Accounting	0.00	5,661.00
6012-00 · Communications	0.00	1,259.45
6014-00 · Dues and Subscriptions	0.00	5.97
6020-00 · Engineering	0.00	2,975.80
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	4,458.72
6022-30 · Workers compensation	0.00	804.44
Total 6022-00 · Insurance	0.00	5,263.16
6024-00 · Legal	0.00	8,411.91
6026-00 · Office expense	0.00	340.13
6028-01 · Wages	0.00	13,358.77
6028-02 · Payroll Taxes	0.00	1,050.71
6028-04 · Employee retirement	0.00	2,930.33
6029-00 · Payroll services fee	0.00	45.00
6030-00 · Repairs and Maintenance	0.00	6,861.64
6035-00 · Rent	0.00	700.00
6036-00 · Utilities		
6036-02 · Pump # 7964854299-5	0.00	34,060.81
Total 6036-00 · Utilities	0.00	34,060.81
6039-01 · Reimbursed expenses	0.00	1,189.80
6040-00 · Supplies	0.00	757.91
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-15 · Ricky Carter Jr.	0.00	648.70
6042-21 · Salvador Ramos	0.00	379.45
Total 6042-01 · Gasoline	0.00	1,028.15
6042-02 · Diesel/Bulk Gas	0.00	1,577.14
Total 6042-00 · Oil & Fuel	0.00	2,605.29
6044-00 · Interest Expense	0.00	826.39
6047-00 · Consulting	0.00	0.00
6048-00 · Construction	0.00	0.00
6053-00 · DWR expense	2,079.94	0.00
6059-00 · Habitat Mitigation Enhancement	0.00	0.00
6220-00 · Security Expense	0.00	340.00
6225-00 · Solar Array Project Expenses	0.00	23,528.26
Total 6000-00 · GENERAL AND ADMINISTRATIVE	2,079.94	112,172.33

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	DWR Trust	General Administrative
7000-00 · ROUTINE LEVEE MAINTENANCE		
7014-00 · Repair & Grading of Levee Roads	0.00	0.00
7036-00 · Engineering Subvention Expense	0.00	0.00
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	0.00
Total Expense	2,079.94	112,172.33
Net Income	**-2,079.94**	**545,143.05**

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	SMFA - Wetland Development	2023 Flood Event (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
4090-00 · Interest Income	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		
6010-00 · Accounting	589.00	0.00
6012-00 · Communications	0.00	0.00
6014-00 · Dues and Subscriptions	0.00	0.00
6020-00 · Engineering	0.00	0.00
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	0.00
6028-02 · Payroll Taxes	4.59	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
6036-00 · Utilities		
6036-02 · Pump # 7964854299-5	0.00	0.00
Total 6036-00 · Utilities	0.00	0.00
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	0.00	0.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-15 · Ricky Carter Jr.	0.00	0.00
6042-21 · Salvador Ramos	0.00	0.00
Total 6042-01 · Gasoline	0.00	0.00
6042-02 · Diesel/Bulk Gas	0.00	0.00
Total 6042-00 · Oil & Fuel	0.00	0.00
6044-00 · Interest Expense	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
6220-00 · Security Expense	0.00	0.00
6225-00 · Solar Array Project Expenses	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	899.03	0.00

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	SMFA - Wetland Development	2023 Flood Event (Subventions)
7000-00 · ROUTINE LEVEE MAINTENANCE		
7014-00 · Repair & Grading of Levee Roads	0.00	0.00
7036-00 · Engineering Subvention Expense	0.00	246.50
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	246.50
Total Expense	899.03	246.50
Net Income	**-899.03**	**-246.50**

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	Subventions - Other (Subventions)	Total Subventions
Income		
4000-00 · Assessment Income	0.00	0.00
4010-00 · State Assistance Income	247,670.00	247,670.00
4075-00 · Land Lease (117 & 394.5)	0.00	0.00
4090-00 · Interest Income	0.00	0.00
4099-00 · Reimbursed	0.00	0.00
4099.10 · Rental Income	0.00	0.00
Total Income	247,670.00	247,670.00
Gross Profit	247,670.00	247,670.00
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6010-00 · Accounting	0.00	0.00
6012-00 · Communications	0.00	0.00
6014-00 · Dues and Subscriptions	0.00	0.00
6020-00 · Engineering	0.00	0.00
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	0.00
6026-00 · Office expense	0.00	0.00
6028-01 · Wages	6,225.40	6,225.40
6028-02 · Payroll Taxes	476.23	476.23
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
6036-00 · Utilities		
6036-02 · Pump # 7964854299-5	0.00	0.00
Total 6036-00 · Utilities	0.00	0.00
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	0.00	0.00
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-15 · Ricky Carter Jr.	0.00	0.00
6042-21 · Salvador Ramos	0.00	0.00
Total 6042-01 · Gasoline	0.00	0.00
6042-02 · Diesel/Bulk Gas	0.00	0.00
Total 6042-00 · Oil & Fuel	0.00	0.00
6044-00 · Interest Expense	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
6220-00 · Security Expense	0.00	0.00
6225-00 · Solar Array Project Expenses	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	6,701.63	6,701.63

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

	Subventions - Other (Subventions)	Total Subventions
7000-00 · ROUTINE LEVEE MAINTENANCE		
7014-00 · Repair & Grading of Levee Roads	3,054.09	3,054.09
7036-00 · Engineering Subvention Expense	8,218.43	8,464.93
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	11,272.52	11,519.02
Total Expense	17,974.15	18,220.65
Net Income	**229,695.85**	**229,449.35**

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through August 19, 2025

				TOTAL
Income				
4000-00 · Assessment Income				656,044.27
4010-00 · State Assistance Income				346,670.00
4075-00 · Land Lease (117 & 394.5)				-1.06
4090-00 · Interest Income				3,997.02
4099-00 · Reimbursed				1,008.78
4099.10 · Rental Income				263.34
Total Income				1,007,982.35
Gross Profit				1,007,982.35
Expense				
6000-00 · GENERAL AND ADMINISTRATIVE				
6010-00 · Accounting			6,570.00	
6012-00 · Communications			1,259.45	
6014-00 · Dues and Subscriptions			5.97	
6020-00 · Engineering			26,254.86	
6022-00 · Insurance				
6022-20 · Health Insurance		4,458.72		
6022-30 · Workers compensation		804.44		
Total 6022-00 · Insurance			5,263.16	
6024-00 · Legal			11,078.47	
6026-00 · Office expense			340.13	
6028-01 · Wages			19,644.17	
6028-02 · Payroll Taxes			1,531.53	
6028-04 · Employee retirement			2,930.33	
6029-00 · Payroll services fee			45.00	
6030-00 · Repairs and Maintenance			6,861.64	
6035-00 · Rent			700.00	
6036-00 · Utilities				
6036-02 · Pump # 7964854299-5		34,060.81		
Total 6036-00 · Utilities			34,060.81	
6039-01 · Reimbursed expenses			1,189.80	
6040-00 · Supplies			757.91	
6042-00 · Oil & Fuel				
6042-01 · Gasoline				
6042-15 · Ricky Carter Jr.	648.70			
6042-21 · Salvador Ramos	379.45			
Total 6042-01 · Gasoline		1,028.15		
6042-02 · Diesel/Bulk Gas		1,577.14		
Total 6042-00 · Oil & Fuel			2,605.29	
6044-00 · Interest Expense			826.39	
6047-00 · Consulting			630.00	
6048-00 · Construction			100,348.50	
6053-00 · DWR expense			2,079.94	
6059-00 · Habitat Mitigation Enhancement			8,629.25	
6220-00 · Security Expense			340.00	
6225-00 · Solar Array Project Expenses			23,528.26	
Total 6000-00 · GENERAL AND ADMINISTRATIVE				257,480.86

	TOTAL
7000-00 · ROUTINE LEVEE MAINTENANCE	
7014-00 · Repair & Grading of Levee Roads	3,054.09
7036-00 · Engineering Subvention Expense	8,464.93
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	11,519.02
Total Expense	268,999.88
Net Income	**738,982.47**

Reclamation District 1601
Budget vs. Actual
July 1 through August 19, 2025

	Jul 1 - Aug 19, 25	Budget	$ Over Budget	% of Budget
Income				
4000-00 · Assessment Income	656,044.27	656,044.27	0.00	100.0%
4075-00 · Land Lease (117 & 394.5)	-1.06	166,561.27	-166,562.33	-0.0%
4090-00 · Interest Income	0.05	0.00	0.05	100.0%
4099-00 · Reimbursed	1,008.78	0.00	1,008.78	100.0%
4099.10 · Rental Income	263.34	1,580.00	-1,316.66	16.7%
Total Income	657,315.38	824,185.54	-166,870.16	79.8%
Gross Profit	657,315.38	824,185.54	-166,870.16	79.8%
Expense				
6000-00 · GENERAL AND ADMINISTRATIVE				
6010-00 · Accounting	5,661.00	50,000.00	-44,339.00	11.3%
6012-00 · Communications	1,259.45	6,000.00	-4,740.55	21.0%
6014-00 · Dues and Subscriptions	5.97	6,000.00	-5,994.03	0.1%
6016-00 · Equipment Rent	0.00	5,000.00	-5,000.00	0.0%
6020-00 · Engineering	2,975.80	65,000.00	-62,024.20	4.6%
6022-00 · Insurance				
6022-10 · General Insurance	0.00	15,000.00	-15,000.00	0.0%
6022-20 · Health Insurance	4,458.72	25,000.00	-20,541.28	17.8%
6022-30 · Workers compensation	804.44	9,000.00	-8,195.56	8.9%
6022-40 · Auto Insurance	0.00	8,000.00	-8,000.00	0.0%
Total 6022-00 · Insurance	5,263.16	57,000.00	-51,736.84	9.2%
6024-00 · Legal	8,411.91	55,000.00	-46,588.09	15.3%
6026-00 · Office expense	340.13	4,000.00	-3,659.87	8.5%
6028-01 · Wages	13,358.77	100,000.00	-86,641.23	13.4%
6028-02 · Payroll Taxes	1,050.71	8,000.00	-6,949.29	13.1%
6028-04 · Employee retirement	2,930.33	7,000.00	-4,069.67	41.9%
6029-00 · Payroll services fee	45.00	300.00	-255.00	15.0%
6030-00 · Repairs and Maintenance	6,861.64	30,000.00	-23,138.36	22.9%
6031-00 · Canal Cleaning	0.00	30,000.00	-30,000.00	0.0%
6035-00 · Rent	700.00	4,200.00	-3,500.00	16.7%
6036-00 · Utilities				
6036-02 · Pump # 7964854299-5	34,060.81	0.00	34,060.81	100.0%
6036-00 · Utilities - Other	0.00	130,000.00	-130,000.00	0.0%
Total 6036-00 · Utilities	34,060.81	130,000.00	-95,939.19	26.2%
6037-00 · Telephone	0.00	1,000.00	-1,000.00	0.0%
6039-01 · Reimbursed expenses	1,189.80	4,500.00	-3,310.20	26.4%
6040-00 · Supplies	757.91	6,000.00	-5,242.09	12.6%
6042-00 · Oil & Fuel				
6042-01 · Gasoline				
6042-15 · Ricky Carter Jr.	648.70	5,000.00	-4,351.30	13.0%
6042-21 · Salvador Ramos	379.45	3,000.00	-2,620.55	12.6%
Total 6042-01 · Gasoline	1,028.15	8,000.00	-6,971.85	12.9%
6042-02 · Diesel/Bulk Gas	1,577.14	8,000.00	-6,422.86	19.7%
6042-03 · Oil	0.00	2,000.00	-2,000.00	0.0%
Total 6042-00 · Oil & Fuel	2,605.29	18,000.00	-15,394.71	14.5%

Reclamation District 1601
Budget vs. Actual
July 1 through August 19, 2025

	Jul 1 - Aug 19, 25	Budget	$ Over Budget	% of Budget
6043-00 · Taxes and licenses	0.00	1,000.00	-1,000.00	0.0%
6044-00 · Interest Expense	826.39	15,000.00	-14,173.61	5.5%
6047-00 · Consulting	0.00	1,000.00	-1,000.00	0.0%
6050-00 · Permits, licenses & other fees	0.00	5,000.00	-5,000.00	0.0%
6051-01 · Pump station repair & maintenan	0.00	10,000.00	-10,000.00	0.0%
6220-00 · Security Expense	340.00	6,000.00	-5,660.00	5.7%
6225-00 · Solar Array Project Expenses	23,528.26	173,785.54	-150,257.28	13.5%
6227-00 · Aerial Veg Control Expense	0.00	25,000.00	-25,000.00	0.0%
6230-00 · Website expense	0.00	400.00	-400.00	0.0%
Total 6000-00 · GENERAL AND ADMINISTRATIVE	112,172.33	824,185.54	-712,013.21	13.6%
Total Expense	112,172.33	824,185.54	-712,013.21	13.6%
Net Income	**545,143.05**	**0.00**	**545,143.05**	**100.0%**

Reclamation District 1601
General and Administrative Coverage Ratio
July 1, 2025 through August 19, 2025

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

Routine Levee Maintenance	11,519.02
Subvention Wages	6,701.63
Subvention Expenses	18,220.65
X 35%	6,377.23

G & A Expenses	112,172.33
35 % of Subvention Expenses	6,377.23
Total Non Reimburseable	118,549.56

Total G & A Income	657,315.38
Less State Assistance Income	-
Less Non Reimbursable Expenses	(118,549.56)
G & A Income	**538,765.82**