

RECLAMATION DISTRICT NO. 1601

FINANCIAL STATEMENTS
AND
ACCOUNTANTS' COMPILATION REPORT

SEPTEMBER 15, 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 September 15, 2026, and the related statement of revenue and expenses by project - modified cash basis for the period from July 1, 2026 through September 15, 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 September 15, 2026 and the general and administrative coverage ratio calculation for the period July 1, 2026 through September 15, 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
September 15, 2026

Reclamation District 1601
Statement of Assets, Liabilities and Equity - Modified Cash
As of September 15, 2026

	Sep 15, 26
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Checking account	109,766.70
1025-00 · Savings account - Ag	638.40
1041-00 · BOS - General MM Account	794,139.10
1045-00 · BOS - Mitigation Site Trust	40,043.54
1068-00 · BOS - TWERP Project-TW 21-1	471,613.68
1072-00 · BOS - Phase 2 MBP -TW 24-1	3,226,095.41
1075-00 · BOS - Wetland Dev - SMFA	1,222,230.46
Total Checking/Savings	5,864,527.29
Accounts Receivable	
1225-00 · Accounts receivable - other	11,605.40
Total Accounts Receivable	11,605.40
Total Current Assets	5,876,132.69
TOTAL ASSETS	5,876,132.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000-00 · Accounts Payable	355,077.28
Total Accounts Payable	355,077.28
Other Current Liabilities	
2022-00 · Warrants Payable	2,930,000.00
2200-00 · Payroll Liabilities	2,576.99
Total Other Current Liabilities	2,932,576.99
Total Current Liabilities	3,287,654.27
Total Liabilities	3,287,654.27
Equity	
3140-00 · Fund Balance	6,053,673.20
Net Income	-3,465,194.78
Total Equity	2,588,478.42
TOTAL LIABILITIES & EQUITY	5,876,132.69

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 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
4020-00 · Delta Levee Subvention Income	0.00	0.00
4075-00 · Land Lease (117 & 394.5)	0.00	0.00
4080-00 · Miscellaneous Income	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	160.00	320.00
6012-00 · Communications	0.00	0.00
6014-00 · Dues and Subscriptions	0.00	0.00
6016-00 · Lease Cost (Equip. Rent)	0.00	0.00
6018-00 · Equipment Purchases	0.00	0.00
6020-00 · Engineering	381.25	594,679.51
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	0.00
6022-30 · Workers compensation	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
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	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
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
6046-00 · Contract Labor	42,601.64	0.00
6047-00 · Consulting	1,500.00	0.00
6048-00 · Construction	0.00	3,751,094.88
6053-00 · DWR expense	0.00	0.00
6059-00 · Habitat Mitigation Enhancement	32,823.21	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	77,466.10	4,346,094.39

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	21-1.0 TWERP	24-1.0 MBP Phase 2
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	77,466.10	4,346,094.39
Net Income	-77,466.10	-4,346,094.39

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	DWR Trust	General Administrative
Income		
4000-00 · Assessment Income	0.00	657,572.02
4010-00 · State Assistance Income	0.00	0.00
4020-00 · Delta Levee Subvention Income	0.00	0.00
4075-00 · Land Lease (117 & 394.5)	0.00	64,444.50
4080-00 · Miscellaneous Income	0.00	294.80
4090-00 · Interest Income	0.00	1,623.54
4099-00 · Reimbursed	0.00	1,513.17
4099.10 · Rental Income	0.00	280.00
Total Income	0.00	725,728.03
Gross Profit	0.00	725,728.03
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6010-00 · Accounting	0.00	8,577.50
6012-00 · Communications	0.00	1,294.80
6014-00 · Dues and Subscriptions	0.00	25.92
6016-00 · Lease Cost (Equip. Rent)	0.00	0.00
6018-00 · Equipment Purchases	0.00	160.55
6020-00 · Engineering	0.00	42,897.18
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	20,056.26
6022-30 · Workers compensation	0.00	17,332.03
6022-50 · Dental Insurance	0.00	634.56
Total 6022-00 · Insurance	0.00	38,022.85
6024-00 · Legal	0.00	7,013.01
6026-00 · Office expense	0.00	1,098.50
6028-01 · Wages	0.00	26,838.34
6028-02 · Payroll Taxes	0.00	2,174.13
6028-04 · Employee retirement	0.00	4,110.47
6029-00 · Payroll services fee	0.00	100.00
6030-00 · Repairs and Maintenance	0.00	7,824.55
6035-00 · Lease Cost (Bldg. Rent)	0.00	1,125.00
6039-01 · Reimbursed expenses	0.00	3,058.25
6040-00 · Supplies	0.00	1,465.63
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-14 · New - Ricky Carter Jr.	0.00	1,750.50
6042-21 · Salvador Ramos	0.00	1,032.30
6042-23 · Octavio Reynoso	0.00	0.00
Total 6042-01 · Gasoline	0.00	2,782.80
6042-02 · Diesel/Bulk Gas	0.00	4,756.14
Total 6042-00 · Oil & Fuel	0.00	7,538.94
6044-00 · Interest Expense	0.00	53,907.73
6046-00 · Contract Labor	0.00	0.00
6047-00 · Consulting	0.00	1,233.34
6048-00 · Construction	0.00	0.00
6053-00 · DWR expense	2,859.40	0.00
6059-00 · Habitat Mitigation Enhancement	0.00	0.00
6220-00 · Security Expense	0.00	1,268.80
6225-00 · Solar Array Project Expenses	0.00	40,791.73
Total 6000-00 · GENERAL AND ADMINISTRATIVE	2,859.40	250,527.22

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	DWR Trust	General Administrative
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	2,859.40	250,527.22
Net Income	-2,859.40	475,200.81

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	SMFA - Wetland Development	Subventions
Income		
4000-00 · Assessment Income	0.00	0.00
4010-00 · State Assistance Income	0.00	0.00
4020-00 · Delta Levee Subvention Income	0.00	510,447.00
4075-00 · Land Lease (117 & 394.5)	0.00	0.00
4080-00 · Miscellaneous Income	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	510,447.00
Gross Profit	0.00	510,447.00
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6010-00 · Accounting	510.00	0.00
6012-00 · Communications	0.00	0.00
6014-00 · Dues and Subscriptions	0.00	0.00
6016-00 · Lease Cost (Equip. Rent)	0.00	7,636.70
6018-00 · Equipment Purchases	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
6022-50 · Dental Insurance	0.00	0.00
Total 6022-00 · Insurance	0.00	0.00
6024-00 · Legal	164.84	0.00
6026-00 · Office expense	0.00	0.00
6028-01 · Wages	13,191.00	7,276.00
6028-02 · Payroll Taxes	1,141.06	556.62
6028-04 · Employee retirement	0.00	0.00
6029-00 · Payroll services fee	0.00	0.00
6030-00 · Repairs and Maintenance	1,552.96	0.00
6035-00 · Lease Cost (Bldg. Rent)	0.00	0.00
6039-01 · Reimbursed expenses	0.00	0.00
6040-00 · Supplies	969.17	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	709.76	0.00
Total 6042-01 · Gasoline	709.76	0.00
6042-02 · Diesel/Bulk Gas	0.00	0.00
Total 6042-00 · Oil & Fuel	709.76	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
6220-00 · Security Expense	0.00	0.00
6225-00 · Solar Array Project Expenses	0.00	0.00
Total 6000-00 · GENERAL AND ADMINISTRATIVE	18,238.79	15,469.32

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	SMFA - Wetland Development	Subventions
7000-00 · ROUTINE LEVEE MAINTENANCE		
7036-00 · Engineering Subvention Expense	0.00	3,665.75
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	3,665.75
Total Expense	18,238.79	19,135.07
Net Income	-18,238.79	491,311.93

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	Systemwide - 7 Mile Slough	TOTAL
Income		
4000-00 · Assessment Income	0.00	657,572.02
4010-00 · State Assistance Income	15,654.91	15,654.91
4020-00 · Delta Levee Subvention Income	0.00	510,447.00
4075-00 · Land Lease (117 & 394.5)	0.00	64,444.50
4080-00 · Miscellaneous Income	0.00	294.80
4090-00 · Interest Income	0.00	1,623.54
4099-00 · Reimbursed	0.00	1,513.17
4099.10 · Rental Income	0.00	280.00
Total Income	15,654.91	1,251,829.94
Gross Profit	15,654.91	1,251,829.94
Expense		
6000-00 · GENERAL AND ADMINISTRATIVE		
6010-00 · Accounting	160.00	9,727.50
6012-00 · Communications	0.00	1,294.80
6014-00 · Dues and Subscriptions	0.00	25.92
6016-00 · Lease Cost (Equip. Rent)	0.00	7,636.70
6018-00 · Equipment Purchases	0.00	160.55
6020-00 · Engineering	2,543.75	640,501.69
6022-00 · Insurance		
6022-20 · Health Insurance	0.00	20,056.26
6022-30 · Workers compensation	0.00	17,332.03
6022-50 · Dental Insurance	0.00	634.56
Total 6022-00 · Insurance	0.00	38,022.85
6024-00 · Legal	0.00	7,177.85
6026-00 · Office expense	0.00	1,098.50
6028-01 · Wages	0.00	47,305.34
6028-02 · Payroll Taxes	0.00	3,871.81
6028-04 · Employee retirement	0.00	4,110.47
6029-00 · Payroll services fee	0.00	100.00
6030-00 · Repairs and Maintenance	0.00	9,377.51
6035-00 · Lease Cost (Bldg. Rent)	0.00	1,125.00
6039-01 · Reimbursed expenses	0.00	3,058.25
6040-00 · Supplies	0.00	2,434.80
6042-00 · Oil & Fuel		
6042-01 · Gasoline		
6042-14 · New - Ricky Carter Jr.	0.00	1,750.50
6042-21 · Salvador Ramos	0.00	1,032.30
6042-23 · Octavio Reynoso	0.00	709.76
Total 6042-01 · Gasoline	0.00	3,492.56
6042-02 · Diesel/Bulk Gas	0.00	4,756.14
Total 6042-00 · Oil & Fuel	0.00	8,248.70
6044-00 · Interest Expense	0.00	53,907.73
6046-00 · Contract Labor	0.00	42,601.64
6047-00 · Consulting	0.00	2,733.34
6048-00 · Construction	0.00	3,751,094.88
6053-00 · DWR expense	0.00	2,859.40
6059-00 · Habitat Mitigation Enhancement	0.00	32,823.21
6220-00 · Security Expense	0.00	1,268.80
6225-00 · Solar Array Project Expenses	0.00	40,791.73
Total 6000-00 · GENERAL AND ADMINISTRATIVE	2,703.75	4,713,358.97

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 through September 15, 2026

	Systemwide - 7 Mile Slough	TOTAL
7000-00 · ROUTINE LEVEE MAINTENANCE		
7036-00 · Engineering Subvention Expense	0.00	3,665.75
Total 7000-00 · ROUTINE LEVEE MAINTENANCE	0.00	3,665.75
Total Expense	2,703.75	4,717,024.72
Net Income	12,951.16	-3,465,194.78

Reclamation District 1601
Budget vs. Actual
July 1 through September 15, 2026

	Jul 1 - Sep 15, 26	Budget	\$ Over Budget	% of Budget
Income				
4000-00 · Assessment Income	657,572.02	656,044.27	1,527.75	100.2%
4075-00 · Land Lease (117 & 394.5)	64,444.50	128,889.00	-64,444.50	50.0%
4080-00 · Miscellaneous Income	294.80	0.00	294.80	100.0%
4090-00 · Interest Income	1,623.54	0.00	1,623.54	100.0%
4099-00 · Reimbursed	1,513.17	0.00	1,513.17	100.0%
4099.10 · Rental Income	280.00	1,680.00	-1,400.00	16.7%
Total Income	725,728.03	786,613.27	-60,885.24	92.3%
Gross Profit	725,728.03	786,613.27	-60,885.24	92.3%
Expense				
6000-00 · GENERAL AND ADMINISTRATIVE				
6010-00 · Accounting	8,577.50	50,000.00	-41,422.50	17.2%
6012-00 · Communications	1,294.80	8,000.00	-6,705.20	16.2%
6014-00 · Dues and Subscriptions	25.92	7,000.00	-6,974.08	0.4%
6016-00 · Lease Cost (Equip. Rent)	0.00	20,000.00	-20,000.00	0.0%
6018-00 · Equipment Purchases	160.55	0.00	160.55	100.0%
6020-00 · Engineering	42,897.18	100,000.00	-57,102.82	42.9%
6022-00 · Insurance				
6022-10 · General Insurance	0.00	15,000.00	-15,000.00	0.0%
6022-20 · Health Insurance	20,056.26	65,000.00	-44,943.74	30.9%
6022-30 · Workers compensation	17,332.03	12,000.00	5,332.03	144.4%
6022-40 · Auto Insurance	0.00	8,000.00	-8,000.00	0.0%
6022-50 · Dental Insurance	634.56	3,500.00	-2,865.44	18.1%
Total 6022-00 · Insurance	38,022.85	103,500.00	-65,477.15	36.7%
6023-00 · Contingency Reserve	0.00	-198,086.73	198,086.73	0.0%
6024-00 · Legal	7,013.01	50,000.00	-42,986.99	14.0%
6026-00 · Office expense	1,098.50	4,000.00	-2,901.50	27.5%
6028-01 · Wages	26,838.34	150,000.00	-123,161.66	17.9%
6028-02 · Payroll Taxes	2,174.13	8,000.00	-5,825.87	27.2%
6028-04 · Employee retirement	4,110.47	7,000.00	-2,889.53	58.7%
6029-00 · Payroll services fee	100.00	300.00	-200.00	33.3%
6030-00 · Repairs and Maintenance	7,824.55	20,000.00	-12,175.45	39.1%
6031-00 · Canal Cleaning	0.00	20,000.00	-20,000.00	0.0%
6035-00 · Lease Cost (Bldg. Rent)	1,125.00	4,500.00	-3,375.00	25.0%
6036-00 · Utilities	0.00	130,000.00	-130,000.00	0.0%
6037-00 · Telephone	0.00	1,000.00	-1,000.00	0.0%
6039-01 · Reimbursed expenses	3,058.25	4,000.00	-941.75	76.5%
6040-00 · Supplies	1,465.63	6,000.00	-4,534.37	24.4%
6042-00 · Oil & Fuel				
6042-01 · Gasoline				
6042-14 · New - Ricky Carter Jr.	1,750.50	5,000.00	-3,249.50	35.0%
6042-21 · Salvador Ramos	1,032.30	6,000.00	-4,967.70	17.2%
Total 6042-01 · Gasoline	2,782.80	11,000.00	-8,217.20	25.3%
6042-02 · Diesel/Bulk Gas	4,756.14	8,000.00	-3,243.86	59.5%
6042-03 · Oil	0.00	2,000.00	-2,000.00	0.0%
Total 6042-00 · Oil & Fuel	7,538.94	21,000.00	-13,461.06	35.9%
6043-00 · Taxes and licenses	0.00	2,000.00	-2,000.00	0.0%
6044-00 · Interest Expense	53,907.73	65,000.00	-11,092.27	82.9%
6047-00 · Consulting	1,233.34	15,000.00	-13,766.66	8.2%
6050-00 · Permits, licenses & other fees	0.00	5,000.00	-5,000.00	0.0%
6051-01 · Pump station repair & mainten	0.00	5,000.00	-5,000.00	0.0%
6220-00 · Security Expense	1,268.80	3,000.00	-1,731.20	42.3%
6225-00 · Solar Array Project Expenses	40,791.73	175,000.00	-134,208.27	23.3%
6230-00 · Website expense	0.00	400.00	-400.00	0.0%
Total 6000-00 · GENERAL AND ADMINISTRATIVE	250,527.22	786,613.27	-536,086.05	31.8%
Total Expense	250,527.22	786,613.27	-536,086.05	31.8%
Net Income	475,200.81	0.00	475,200.81	100.0%

Reclamation District 1601
General and Administrative Coverage Ratio
July 1, 2026 through September 15, 2026

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

Routine Levee Maintenance	11,302.45
Subvention Wages	<u>7,832.62</u>
Subvention Expenses	<u>19,135.07</u>
X 35%	<u><u>6,697.27</u></u>

G & A Expenses	250,527.22
35 % of Subvention Expenses	<u>6,697.27</u>
Total Non Reimbursable	<u>257,224.49</u>

Total G & A Income	725,728.03
Less State Assistance Income	-
Less Non Reimbursable Expenses	<u>(257,224.49)</u>
G & A Income	<u><u>468,503.54</u></u>