

RECLAMATION DISTRICT NO. 1601

FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

JULY 18, 2023

Butterfield + Co CPAs, Inc.



Independent 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 18, 2023, and the related statement of revenue and expenses by project - modified cash basis for the period from July 1, 2023 through July 18, 2023, 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, 2023 through July 18, 2023 and the general and administrative coverage ratio calculation for the period July 1, 2023 through July 18, 2023 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 18, 2023

Reclamation District 1601
Statement of Assets, Liabilities and Equity - Modified Cash
As of July 18, 2023

| | Jul 18, 23 |
|---|----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1000-00 · Checking account | 50,801.51 |
| 1025-00 · Savings account - Ag | 636.50 |
| 1035-00 · BOS - General Revolving Account | 464,508.93 |
| 1045-00 · BOS - Mitigation Site Trust | 40,043.54 |
| 1065-00 · BOS - Five Yr Plan-TW 18-1 | 256.56 |
| 1070-00 · BOS - TIMES Project-TW 21-1 | 109.56 |
| 1075-00 · BOS - Wetland Dev - SMFA | 1,135,507.99 |
| Total Checking/Savings | 1,691,864.59 |
| Accounts Receivable | |
| 1220-00 · Accounts Receivable-Assessments | 642,286.83 |
| 1225-00 · Accounts receivable - other | 11,005.75 |
| Total Accounts Receivable | 653,292.58 |
| Total Current Assets | 2,345,157.17 |
| Fixed Assets | |
| 1500-00 · FMV - Land- Chevron Point | 6,500,000.00 |
| 1510-00 · FMV - Machinery and Equipment | 578,068.00 |
| 1515-00 · FMV - Pump House and Pumps | 650,000.00 |
| 1520-00 · FMV - Warehouse | 150,000.00 |
| 1525-00 · FMV - Vehicles | 81,000.00 |
| Total Fixed Assets | 7,959,068.00 |
| TOTAL ASSETS | 10,304,225.17 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| 2200-00 · Payroll Liabilities | 146.02 |
| Total Other Current Liabilities | 146.02 |
| Total Current Liabilities | 146.02 |
| Total Liabilities | 146.02 |
| Equity | |
| 3100-00 · Fair Market Value of Assets | 7,959,068.00 |
| 3140-00 · Fund Balance | 1,912,317.86 |
| Net Income | 432,693.29 |
| Total Equity | 10,304,079.15 |
| TOTAL LIABILITIES & EQUITY | 10,304,225.17 |

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 18, 2023

| | 21-1.0 TIMES Project | DWR Trust |
|---|----------------------|----------------|
| Income | | |
| 4000-00 · Assessment Income | 0.00 | 0.00 |
| 4020-00 · Delta Levee Subvention Income | 0.00 | 0.00 |
| 4099.10 · Rental Income | 0.00 | 0.00 |
| | 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 | 7,135.00 | 0.00 |
| 6022-00 · Insurance | | |
| 6022-20 · Health Insurance | 0.00 | 0.00 |
| 6022-30 · Workers compensation | 0.00 | 0.00 |
| | 0.00 | 0.00 |
| Total 6022-00 · Insurance | 0.00 | 0.00 |
| 6024-00 · Legal | 716.56 | 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 · Rent | 0.00 | 0.00 |
| 6039-01 · Reimbursed expenses | 0.00 | 0.00 |
| 6046-00 · Contract Labor | 61,799.68 | 0.00 |
| 6047-00 · Consulting | 0.00 | 0.00 |
| 6053-00 · DWR expense | 0.00 | 826.72 |
| 6060-00 · Wetland Development expense | 0.00 | 0.00 |
| | 69,651.24 | 826.72 |
| Total 6000-00 · GENERAL AND ADMINISTRATIVE | 69,651.24 | 826.72 |
| 6222-00 · Shared habitat expense | 0.00 | 0.00 |
| 7000-00 · ROUTINE LEVEE MAINTENANCE | | |
| 7036-00 · Engineering Subvention Expense | 0.00 | 0.00 |
| | 0.00 | 0.00 |
| Total 7000-00 · ROUTINE LEVEE MAINTENANCE | 0.00 | 0.00 |
| Total Expense | 69,651.24 | 826.72 |
| Net Income | -69,651.24 | -826.72 |

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 18, 2023

| | General Administrative | SMFA - Wetland Development |
|---|------------------------|----------------------------|
| Income | | |
| 4000-00 · Assessment Income | 656,824.02 | 0.00 |
| 4020-00 · Delta Levee Subvention Income | 0.00 | 0.00 |
| 4099.10 · Rental Income | 131.67 | 0.00 |
| Total Income | 656,955.69 | 0.00 |
| Gross Profit | 656,955.69 | 0.00 |
| Expense | | |
| 6000-00 · GENERAL AND ADMINISTRATIVE | | |
| 6012-00 · Communications | 871.47 | 0.00 |
| 6020-00 · Engineering | 17,804.89 | 0.00 |
| 6022-00 · Insurance | | |
| 6022-20 · Health Insurance | 2,750.27 | 0.00 |
| 6022-30 · Workers compensation | 1,056.25 | 0.00 |
| Total 6022-00 · Insurance | 3,806.52 | 0.00 |
| 6024-00 · Legal | 2,592.12 | 0.00 |
| 6026-00 · Office expense | 160.00 | 0.00 |
| 6028-01 · Wages | 5,482.87 | 0.00 |
| 6028-02 · Payroll Taxes | 448.98 | 0.00 |
| 6028-04 · Employee retirement | 3,844.67 | 0.00 |
| 6029-00 · Payroll services fee | 7.00 | 0.00 |
| 6030-00 · Repairs and Maintenance | 2,740.74 | 0.00 |
| 6035-00 · Rent | 350.00 | 0.00 |
| 6039-01 · Reimbursed expenses | 349.09 | 0.00 |
| 6046-00 · Contract Labor | 0.00 | 0.00 |
| 6047-00 · Consulting | 2,083.33 | 0.00 |
| 6053-00 · DWR expense | 0.00 | 0.00 |
| 6060-00 · Wetland Development expense | 0.00 | 228,488.63 |
| Total 6000-00 · GENERAL AND ADMINISTRATIVE | 40,541.68 | 228,488.63 |
| 6222-00 · Shared habitat expense | 0.00 | 1,209.91 |
| 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 | 40,541.68 | 229,698.54 |
| Net Income | 616,414.01 | -229,698.54 |

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 18, 2023

| | 2023 Flood Event (Subventions) | Subventions - Other (Subventions) |
|---|-----------------------------------|--------------------------------------|
| Income | | |
| 4000-00 · Assessment Income | 0.00 | 0.00 |
| 4020-00 · Delta Levee Subvention Income | 0.00 | 124,352.00 |
| 4099.10 · Rental Income | 0.00 | 0.00 |
| Total Income | 0.00 | 124,352.00 |
| Gross Profit | 0.00 | 124,352.00 |
| 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 |
| 6022-30 · 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 | 0.00 | 2,497.00 |
| 6028-02 · Payroll Taxes | 0.00 | 211.84 |
| 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 |
| 6046-00 · Contract Labor | 0.00 | 0.00 |
| 6047-00 · Consulting | 0.00 | 0.00 |
| 6053-00 · DWR expense | 0.00 | 0.00 |
| 6060-00 · Wetland Development expense | 0.00 | 0.00 |
| Total 6000-00 · GENERAL AND ADMINISTRATIVE | 0.00 | 2,708.84 |
| 6222-00 · Shared habitat expense | 0.00 | 0.00 |
| 7000-00 · ROUTINE LEVEE MAINTENANCE | | |
| 7036-00 · Engineering Subvention Expense | 2,265.00 | 2,922.38 |
| Total 7000-00 · ROUTINE LEVEE MAINTENANCE | 2,265.00 | 2,922.38 |
| Total Expense | 2,265.00 | 5,631.22 |
| Net Income | -2,265.00 | 118,720.78 |

Reclamation District 1601
Statement of Revenue and Expenses by Project - Modified Cash
July 1 - 18, 2023

| | Total Subventions | TOTAL |
|---|-------------------|-------------------|
| Income | | |
| 4000-00 · Assessment Income | 0.00 | 656,824.02 |
| 4020-00 · Delta Levee Subvention Income | 124,352.00 | 124,352.00 |
| 4099.10 · Rental Income | 0.00 | 131.67 |
| Total Income | 124,352.00 | 781,307.69 |
| Gross Profit | 124,352.00 | 781,307.69 |
| Expense | | |
| 6000-00 · GENERAL AND ADMINISTRATIVE | | |
| 6012-00 · Communications | 0.00 | 871.47 |
| 6020-00 · Engineering | 0.00 | 24,939.89 |
| 6022-00 · Insurance | | |
| 6022-20 · Health Insurance | 0.00 | 2,750.27 |
| 6022-30 · Workers compensation | 0.00 | 1,056.25 |
| Total 6022-00 · Insurance | 0.00 | 3,806.52 |
| 6024-00 · Legal | 0.00 | 3,308.68 |
| 6026-00 · Office expense | 0.00 | 160.00 |
| 6028-01 · Wages | 2,497.00 | 7,979.87 |
| 6028-02 · Payroll Taxes | 211.84 | 660.82 |
| 6028-04 · Employee retirement | 0.00 | 3,844.67 |
| 6029-00 · Payroll services fee | 0.00 | 7.00 |
| 6030-00 · Repairs and Maintenance | 0.00 | 2,740.74 |
| 6035-00 · Rent | 0.00 | 350.00 |
| 6039-01 · Reimbursed expenses | 0.00 | 349.09 |
| 6046-00 · Contract Labor | 0.00 | 61,799.68 |
| 6047-00 · Consulting | 0.00 | 2,083.33 |
| 6053-00 · DWR expense | 0.00 | 826.72 |
| 6060-00 · Wetland Development expense | 0.00 | 228,488.63 |
| Total 6000-00 · GENERAL AND ADMINISTRATIVE | 2,708.84 | 342,217.11 |
| 6222-00 · Shared habitat expense | 0.00 | 1,209.91 |
| 7000-00 · ROUTINE LEVEE MAINTENANCE | | |
| 7036-00 · Engineering Subvention Expense | 5,187.38 | 5,187.38 |
| Total 7000-00 · ROUTINE LEVEE MAINTENANCE | 5,187.38 | 5,187.38 |
| Total Expense | 7,896.22 | 348,614.40 |
| Net Income | 116,455.78 | 432,693.29 |

Reclamation District 1601
Budget vs. Actual
July 1, 2023 - July 18, 2023

| | Jul 23 | Budget | \$ Over Budget | % of Budget |
|---|-------------------|-------------------|--------------------|--------------|
| Income | | | | |
| 4000-00 · Assessment Income | 656,824.02 | 656,824.02 | 0.00 | 100.0% |
| 4075-00 · Land Lease (117 & 394.5) | 0.00 | 78,700.00 | -78,700.00 | 0.0% |
| 4099.10 · Rental Income | 131.67 | 1,580.00 | -1,448.33 | 8.3% |
| Total Income | 656,955.69 | 737,104.02 | -80,148.33 | 89.1% |
| Gross Profit | 656,955.69 | 737,104.02 | -80,148.33 | 89.1% |
| Expense | | | | |
| 6000-00 · GENERAL AND ADMINISTRATIVE | | | | |
| 6010-00 · Accounting | 0.00 | 38,000.00 | -38,000.00 | 0.0% |
| 6012-00 · Communications | 871.47 | 6,000.00 | -5,128.53 | 14.5% |
| 6014-00 · Dues and Subscriptions | 0.00 | 5,250.00 | -5,250.00 | 0.0% |
| 6016-00 · Equipment Rent | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| 6020-00 · Engineering | 17,804.89 | 55,000.00 | -37,195.11 | 32.4% |
| 6022-00 · Insurance | | | | |
| 6022-10 · General Insurance | 0.00 | 25,000.00 | -25,000.00 | 0.0% |
| 6022-20 · Health Insurance | 2,750.27 | 35,000.00 | -32,249.73 | 7.9% |
| 6022-30 · Workers compensation | 1,056.25 | 5,000.00 | -3,943.75 | 21.1% |
| 6022-40 · Auto Insurance | 0.00 | 3,500.00 | -3,500.00 | 0.0% |
| Total 6022-00 · Insurance | 3,806.52 | 68,500.00 | -64,693.48 | 5.6% |
| 6023-00 · Contingency Reserve | 0.00 | 4,279.02 | -4,279.02 | 0.0% |
| 6024-00 · Legal | 2,592.12 | 20,000.00 | -17,407.88 | 13.0% |
| 6026-00 · Office expense | 160.00 | 4,000.00 | -3,840.00 | 4.0% |
| 6028-01 · Wages | 5,482.87 | 90,000.00 | -84,517.13 | 6.1% |
| 6028-02 · Payroll Taxes | 448.98 | 8,500.00 | -8,051.02 | 5.3% |
| 6028-04 · Employee retirement | 3,844.67 | 7,000.00 | -3,155.33 | 54.9% |
| 6029-00 · Payroll services fee | 7.00 | 250.00 | -243.00 | 2.8% |
| 6030-00 · Repairs and Maintenance | 2,740.74 | 50,000.00 | -47,259.26 | 5.5% |
| 6034-00 · Miscellaneous | 0.00 | 100.00 | -100.00 | 0.0% |
| 6035-00 · Rent | 350.00 | 4,200.00 | -3,850.00 | 8.3% |
| 6036-00 · Utilities | | | | |
| 6036-02 · Pump # 7964854299-5 | 0.00 | 120,000.00 | -120,000.00 | 0.0% |
| Total 6036-00 · Utilities | 0.00 | 120,000.00 | -120,000.00 | 0.0% |
| 6037-00 · Telephone | 0.00 | 2,500.00 | -2,500.00 | 0.0% |
| 6038-00 · Parking & Tolls | 0.00 | 25.00 | -25.00 | 0.0% |
| 6039-01 · Reimbursed expenses | 349.09 | 4,500.00 | -4,150.91 | 7.8% |
| 6040-00 · Supplies | 0.00 | 12,500.00 | -12,500.00 | 0.0% |
| 6042-00 · Oil & Fuel | | | | |
| 6042-01 · Gasoline | | | | |
| 6042-10 · Rick Carter | 0.00 | 4,000.00 | -4,000.00 | 0.0% |
| 6042-15 · Ricky Carter Jr. | 0.00 | 5,000.00 | -5,000.00 | 0.0% |
| Total 6042-01 · Gasoline | 0.00 | 9,000.00 | -9,000.00 | 0.0% |
| 6042-02 · Diesel/Bulk Gas | 0.00 | 9,000.00 | -9,000.00 | 0.0% |
| 6042-03 · Oil | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| Total 6042-00 · Oil & Fuel | 0.00 | 20,000.00 | -20,000.00 | 0.0% |
| 6043-00 · Taxes and licenses | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| 6047-00 · Consulting | 2,083.33 | 15,000.00 | -12,916.67 | 13.9% |
| 6050-00 · Permits, licenses & other fees | 0.00 | 4,500.00 | -4,500.00 | 0.0% |
| 6051-01 · Pump station repair & mainten | 0.00 | 100,000.00 | -100,000.00 | 0.0% |
| 6220-00 · Security Expense | 0.00 | 3,600.00 | -3,600.00 | 0.0% |
| 6225-00 · Solar Array Project Expenses | 0.00 | 50,000.00 | -50,000.00 | 0.0% |

Reclamation District 1601
Budget vs. Actual
July 1, 2023 - July 18, 2023

| | <u>Jul 23</u> | <u>Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|--------------------------|--------------------|--------------------------|----------------------|
| 6227-00 · Aerial Veg Control Expense | 0.00 | 40,000.00 | -40,000.00 | 0.0% |
| 6230-00 · Website expense | 0.00 | 400.00 | -400.00 | 0.0% |
| Total 6000-00 · GENERAL AND ADMINISTRATIVE | <u>40,541.68</u> | <u>737,104.02</u> | <u>-696,562.34</u> | <u>5.5%</u> |
| Total Expense | <u>40,541.68</u> | <u>737,104.02</u> | <u>-696,562.34</u> | <u>5.5%</u> |
| Net Income | <u>616,414.01</u> | <u>0.00</u> | <u>616,414.01</u> | <u>100.0%</u> |

Reclamation District 1601
General and Administrative Coverage Ratio
July 1, 2023 through July 18, 2023

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

| | |
|--------------------------------|---------------------------------|
| Routine Levee Maintenance | 5,187.38 |
| Subvention Wages | <u>2,708.84</u> |
| Subvention Expenses | <u>7,896.22</u> |
| X 35% | <u><u>2,763.68</u></u> |
| | |
| G & A Expenses | 40,541.68 |
| 35 % of Subvention Expenses | <u>2,763.68</u> |
| Total Non Reimbursable | <u>43,305.36</u> |
| | |
| Total G & A Income | 656,955.69 |
| Less State Assistance Income | - |
| Less Non Reimbursable Expenses | <u>(43,305.36)</u> |
| G & A Income | <u><u>613,650.33</u></u> |