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**RECLAMATION DISTRICT NO. 150
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

RECLAMATION DISTRICT NO. 150

JUNE 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Reclamation District No. 150
Clarksburg, California

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of Reclamation District No. 150 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Reclamation District No. 150's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund of Reclamation District No. 150 as of June 30, 2020, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 2, as well as compliance requirements, prescribed by the State Controller, governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.



Don Cole and Company
Sacramento, California

February 17, 2021

**RECLAMATION DISTRICT NO. 150
BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

RECLAMATION DISTRICT NO. 150
GOVERNMENT-WIDE STATEMENT OF NET POSITION – CASH BASIS
JUNE 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash in county treasury	<u>\$ 246,988</u>
Total assets	<u>\$ 246,988</u>
NET POSITION	
Restricted	\$ 9,016
Unrestricted	<u>237,972</u>
Total net position	<u>\$ 246,988</u>

The accompanying notes are an integral part of these financial statements

**RECLAMATION DISTRICT NO. 150
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		Program Revenues		
	Operating Expenses	Grants and Contributions		Net (Expenses) Revenues
GOVERNMENTAL ACTIVITIES:		Operating	Capital	
Flood protection - operations	\$ 370,665	\$ 180,961	\$ 119,036	<u>\$ (70,668)</u>
General revenues:				
Assessments				203,521
Interest				2,906
Rent				9,525
Other				<u>151</u>
Total general revenues				<u>216,103</u>
Change in net position				145,435
Net position:				
Beginning of the year				<u>101,553</u>
End of the year				<u><u>\$ 246,988</u></u>

The accompanying notes are an integral part of these financial statements

**RECLAMATION DISTRICT NO. 150
GOVERNMENTAL FUND BALANCE SHEET – CASH BASIS
JUNE 30, 2020**

	<u>General Fund</u>	<u>5 Year Plan Fund</u>	<u>FSRP Gravel Roadway Project Fund</u>	<u>Total</u>
ASSETS				
Cash in county treasury	\$ 237,972	\$ 9,016	\$ -	\$ 246,988
Total assets	<u>\$ 237,972</u>	<u>\$ 9,016</u>	<u>\$ -</u>	<u>\$ 246,988</u>
FUND BALANCE				
Restricted	\$ -	\$ 9,016	\$ -	\$ 9,016
Unassigned	<u>237,972</u>	<u>-</u>	<u>-</u>	<u>237,972</u>
Total fund balance	<u>\$ 237,972</u>	<u>\$ 9,016</u>	<u>\$ -</u>	<u>\$ 246,988</u>

The accompanying notes are an integral part of these financial statements

**RECLAMATION DISTRICT NO. 150
GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE – CASH BASIS
JUNE 30, 2020**

	General Fund	5 Year Plan Fund	FSRP Gravel Roadway Project Fund	Total
REVENUES				
Assessments	\$ 203,521	\$ -	\$ -	\$ 203,521
State assistance – subventions	154,711	-	-	154,711
Operating grants	-	26,250	-	26,250
Capital grants	-	-	119,036	119,036
Interest	2,906	-	-	2,906
Rent	9,525	-	-	9,525
Other	<u>151</u>	<u>-</u>	<u>-</u>	<u>151</u>
Total revenues	<u>370,814</u>	<u>26,250</u>	<u>119,036</u>	<u>516,100</u>
EXPENDITURES				
Buildings and grounds contracts	128,394	-	99,436	227,830
Building improvements	8,992	-	-	8,992
Equipment maintenance	395	-	-	395
Engineering	28,163	17,234	19,600	64,997
Utilities	17,281	-	-	17,281
Insurance	9,636	-	-	9,636
Legal and accounting	10,477	-	-	10,477
Salaries	15,842	-	-	15,842
Dues	11,004	-	-	11,004
Trustee fees	1,860	-	-	1,860
Payroll taxes	1,856	-	-	1,856
Office	469	-	-	469
Election supplies/services	-	-	-	-
Other	<u>26</u>	<u>-</u>	<u>-</u>	<u>26</u>
Total expenditures	<u>234,395</u>	<u>17,234</u>	<u>119,036</u>	<u>370,665</u>
Excess of revenues over expenditures	136,419	9,016	-	145,435
Cash basis fund balance, beginning of period	<u>101,553</u>	<u>-</u>	<u>-</u>	<u>101,553</u>
Cash basis fund balance, end of period	<u>\$ 237,972</u>	<u>\$ 9,016</u>	<u>\$ -</u>	<u>\$ 246,988</u>

The accompanying notes are an integral part of these financial statements

RECLAMATION DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. ORGANIZATION

The District formed on March 28, 1868 and is now governed under Section 50000 et seq. of the California State Water Code. The District is situated in the southeastern corner of Yolo County and provides ongoing levee maintenance and drainage services to the area under its jurisdiction. It is governed by a five-member board of trustees, each elected by the landowners or appointed by the County Board of Supervisors to a four-year term.

2. SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

Separate financial statements are provided for the District's General Fund. The General Fund is the primary operating fund of the District and is its only major fund.

The General fund is established to account for resources devoted to financing the general services that the District performs. State assistance, assessments and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

**RECLAMATION DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statement (the statement of net position – cash basis and the statement of activities – cash basis) report information on all of the cash receipts and disbursements activity of the primary government.

The statement of activities demonstrates the degree to which cash disbursements of a given function or segment are offset by program cash receipts. Cash disbursements are those that are clearly identifiable with a specific function or segment. Program cash receipts include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other receipts not classified as program receipts are presented as general receipts.

The District's government-wide net position is divided into two components:

- Restricted net position – consist of net position that are restricted by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net positions are reported in this category.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. FUND ACCOUNTING

The accounts of the District are organized in accordance with principles of fund accounting under standards issued by the Governmental Accounting Standards Board (GASB). Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established in accordance with their nature and purpose. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

RECLAMATION DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

2. SIGNIFICANT ACCOUNT POLICIES (continued)

D. FUND ACCOUNTING (continued)

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

- Non-spendable – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the City Manager or Department Heads with City Council approval.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

E. BUDGETS AND BUDGETARY ACCOUNTING

The District does not utilize formal budgetary procedures and is not required to adopt such procedures by law. Accordingly, budgetary comparison information is not required or presented.

F. DEMAND WARRANTS

The District is authorized under the California State Water Code to issue demand warrants.

G. ASSESSMENTS

Assessments are levied at the discretion of the Board of Trustees. Assessments are based on the total land or acreage held by the landowners within the District.

H. USE OF ESTIMATES

The preparation of the basic financial statements in conformity with cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**RECLAMATION DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

3. CASH AND INVESTMENTS

Cash with Yolo County

As of June 30, 2020, the carrying amount in the District's investment in external investment pool with Yolo County Treasury (the County) was \$246,988. The carrying amount approximates fair value as of June 30, 2020.

Cash held by the County is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.yolocounty.org>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained in the Pool.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. The value of District shares in the Pool, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the Pool. The District's investment in the Pool is unrated, stated at amortized cost which approximates fair value and available upon demand. The District does not maintain a formal investment policy.

4. REGISTERED WARRANTS

The District entered into an agreement to issue \$250,000 of registered warrants through July 2020 on a revolving line of credit with Farmers and Merchants Bank. The interest rate on the warrants will be equal to the Five-Year Treasury Note Yield plus 125 basis points (1.25%) per annum. The warrants will be issued in denominations of \$10,000 each and will be registered against a special account. All outstanding warrants will be paid within four years of issuance, with the latest maturity date being November 15, 2024. As of June 30, 2020 none of the warrants are outstanding.

5. STATE ASSISTANCE

The District is participating in the California Delta Levee Subventions Program (AB-360). This program provides state financial assistance to local agencies responsible for maintenance of non-project levees in the Sacramento-San Joaquin Delta.

6. INSURANCE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to insure for risks of loss, the District purchases insurance through commercial insurance carriers. As of June 30, 2020, the District's insurance coverage includes general liability insurance with liability limits of \$1,000,000 per occurrence and \$10,000,000 in the aggregate.

**RECLAMATION DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

7. GOVERNING BOARD

As of June 30, 2020, the five members of the District's Board of Trustees were as follows:

<u>Trustee</u>	<u>Term Expires</u>
Warren Bogle	December 2021
Matt Hemly	December 2021
Roger Berry	December 2021
David Ogilvie	December 2023
Claire Connor	December 2023

8. RELATED PARTY TRANSACTIONS

The District paid Bogle Vineyards \$52,944 for equipment and levee maintenance during the year ended June 30, 2020. Warren Bogle is an owner of Bogle Vineyards and served on the District's Board of Trustees during the year ended June 30, 2020.

9. SUBSEQUENT EVENTS

Management of the District has evaluated the events subsequent to June 30, 2020 for disclosure and has determined that as of February 17, 2021 there are no material subsequent events that should be disclosed. If events requiring disclosure have occurred between the balance sheet date and the date the financial statements were available to be issued, they would be disclosed here.

REQUIRED SUPPLEMENTARY INFORMATION

**RECLAMATION DISTRICT NO. 150
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

1. BUDGETARY INFORMATION

The following is the budget comparison schedule for the District's General Fund.

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 203,000	\$ 203,000	\$ 203,521	\$ 521
State assistance – subventions	60,000	60,000	154,711	94,711
Interest	800	800	2,906	2,106
Rent	10,200	10,200	9,525	(675)
Other	<u>200</u>	<u>200</u>	<u>151</u>	<u>(49)</u>
Total revenues	<u>274,200</u>	<u>274,200</u>	<u>370,814</u>	<u>96,614</u>
EXPENDITURES				
Buildings and grounds contracts	120,000	120,000	128,394	(8,394)
Building improvements	5,000	5,000	8,992	(3,992)
Equipment maintenance	5,200	5,200	395	4,805
Engineering	45,000	45,000	28,163	16,837
Utilities	30,000	30,000	17,281	12,719
Insurance	12,450	12,450	9,636	2,814
Legal and accounting	20,000	20,000	10,477	9,523
Salaries	18,000	18,000	15,842	2,158
Dues	12,500	12,500	11,004	1,496
Trustee fees	2,100	2,100	1,860	240
Payroll taxes	1,680	1,680	1,856	(176)
Office	550	550	469	81
Election	-	-	-	-
Other	<u>200</u>	<u>200</u>	<u>26</u>	<u>174</u>
Total expenditures	<u>272,680</u>	<u>272,680</u>	<u>234,395</u>	<u>38,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,520</u>	<u>\$ 1,520</u>	<u>\$ 136,419</u>	<u>\$ 134,899</u>