

RECLAMATION DISTRICT NO. 150

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023



CROCE, SANGUINETTI, & VANDER VEEN

INC.

CERTIFIED PUBLIC ACCOUNTANTS

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CROCE, SANGUINETTI, & VANDER VEEN^{INC.}

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 150** (the District) as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Reclamation District No. 150**, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Reclamation District No. 150**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Reclamation District No. 150's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **Reclamation District No. 150's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Reclamation District No. 150's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

The District has omitted Management's Discussion and Analysis 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the statement of revenues, expenditures and changes in fund balance - budget and actual - governmental funds on pages 22 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplemental 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants
Stockton, California
April 12, 2024

RECLAMATION DISTRICT NO. 150

Statement of Net Position

June 30, 2023

	<u>Governmental activities</u>
Assets	
Cash and investments	\$ 69,851
State assistance receivable - subventions	337,344
Prepaid insurance	13,470
Capital assets, net of accumulated depreciation of \$674,927	<u>371,207</u>
Total assets	<u>791,872</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	<u>17,465</u>
Total liabilities	<u>17,465</u>
Deferred inflows of resources	<u>-</u>
Net position	
Net investment in capital assets	371,207
Unrestricted	<u>403,200</u>
Total net position	<u>\$ 774,407</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 150

Statement of Activities

For the year ended June 30, 2023

	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net revenues (expenses) and changes in net position</u>
Governmental activities			
Operations	\$ 406,661	\$ 514,778	\$ <u>108,117</u>
Net program revenues (expenses)			<u>108,117</u>
General revenues			
Assessments			208,485
Rent			12,000
Other			9,488
Interest			<u>3,931</u>
Total general revenues			<u>233,904</u>
Change in net position			342,021
Net position, beginning of year			<u>432,386</u>
Net position, end of year			<u>\$ 774,407</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 150

Balance Sheet - Governmental Funds

June 30, 2023

	<u>General Fund</u>
Assets	
Assets	
Cash and investments	\$ 69,851
State assistance receivable - subventions	213,257
Prepaid insurance	<u>13,470</u>
Total assets	<u>\$ 296,578</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 17,465</u>
Total liabilities	<u>17,465</u>
Fund balance	
Nonspendable:	
Prepaid insurance	13,470
Unassigned	<u>265,643</u>
Total fund balance	<u>279,113</u>
Total liabilities and fund balance	<u>\$ 296,578</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 150

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

June 30, 2023

Total fund balance - governmental funds \$ 279,113

Amounts reported for governmental activities in the statement of net position are different from those reported in the governmental funds because of the following:

State assistance receivable is not available to pay current period expenditures and, therefore, not reported in the governmental funds balance sheet. 124,087

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

Capital assets	\$ 1,046,134	
Less accumulated depreciation	<u>(674,927)</u>	
	<u>\$ 371,207</u>	<u>371,207</u>

Net position of governmental activities \$ 774,407

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 150

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the year ended June 30, 2023

	<u>General Fund</u>
Revenues	
State assistance	\$ 213,257
Assessments	208,485
Rent	12,000
Other	9,488
Interest	<u>3,931</u>
Total revenues	<u>447,161</u>
Expenditures	
Levee repairs and maintenance	139,006
Utilities	65,103
Engineering	61,755
Equipment rental	40,591
Equipment maintenance	29,763
Salaries and wages	17,384
Miscellaneous	11,179
Dues	9,054
Insurance	5,216
Legal and accounting	5,095
Trustee fees	2,040
Payroll taxes	1,566
Office	1,404
Capital outlay	<u>177,434</u>
Total expenditures	<u>566,590</u>
Net change in fund balance	(119,429)
Fund balance, beginning of year	<u>398,542</u>
Fund balance, end of year	<u>\$ 279,113</u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 150

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance -
Governmental Funds to the Statement of Activities**

For the year ended June 30, 2023

Net change in fund balance - governmental funds	\$ (119,429)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities.	177,434
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until such time as they are considered a current financial resource.	301,521
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds.	<u>(17,505)</u>
Change in net position of governmental activities	<u><u>\$ 342,021</u></u>

The accompanying notes are an integral part of this financial statement.

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Reclamation District No. 150 (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

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.

The District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activity of the primary government.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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. Assessments and other revenues not classified as program revenues are presented as general revenues.

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.

Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund and one major fund as follows.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

General fund - This 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.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period and apply to the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent that they have matured.

Assessments and state assistance are considered to be susceptible to accrual and, therefore, have been recognized as revenues provided they were collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Budgetary accounting

The District does not adopt an appropriated budget and is not required to adopt such a budget by law. However, the District does adopt a non-appropriated budget annually, which is approved by the Board of Trustees.

Cash and investments

For the purpose of financial reporting “cash and cash investments” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Capital assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The District's policy is to capitalize all assets with costs exceeding \$10,000 and with useful lives exceeding one year. The District has elected not to retroactively capitalize infrastructure capital assets acquired prior to July 1, 2003, as allowed by GASB Statement No. 34.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the statement of net position as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Structures and Improvements	30-60 years
Equipment	5-15 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Contributed assets are reported at fair market value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Net position (deficit)

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in the other components of net position.

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.

Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision making authority.

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Trustees, District manager or their designee.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

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.

Assessments

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

Demand warrants

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

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note A - Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The state assistance receivable - subventions in the amount of \$337,344 as reported on the statement of net position and \$213,257 as reported on the balance sheet - governmental funds as of June 30, 2023 represents management's estimates of reimbursable state assistance for subvention eligible expenses relative to the fiscal year ended June 30, 2023 and 2022. Although considerable variability is inherent in this estimate, management believes that the accrual for state assistance receivable is adequate.

Note B - Cash and Investments

As of June 30, 2023, the carrying amount in the District's investment in external investment pool with Yolo County Treasury was \$69,851. The carrying amount approximates fair value as of June 30, 2023.

Deposit and Investment Policy

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600. As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety, (2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments (Continued)

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. The table below identifies the investment types that are authorized for the District by the California Government Code, Section 53600 (or District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Other Municipal Obligations	5 years	None	None
Repurchase Agreements	90 days	None	None
Bankers Acceptances	180 days	40%	5%
Commercial Paper - Select Agencies	270 days	25%	5%
Commercial Paper - Other Agencies	270 days	40%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-Negotiable Certificates of Deposit	180 days	None	5%
Medium Term Corporate Notes	5 years	30%	5%
Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	None
Reverse Repurchase Agreements	92 days	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pools	N/A	None	None

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District does not maintain a formal investment policy.

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment type</u>	<u>Total</u>	<u>Remaining maturity (in months)</u>					<u>More than 60 months</u>
		<u>12 months or less</u>	<u>13 - 24 months</u>	<u>25 - 36 months</u>	<u>37-48 months</u>	<u>49-60 months</u>	
Yolo County							
Treasurer	\$ 69,851	\$ 69,851	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 69,851</u>	<u>\$ 69,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Yolo County							
Treasurer	\$ 69,851	N/A	\$ -	\$ -	\$ -	\$ -	\$ 69,851
Total	<u>\$ 69,851</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,851</u>

(Continued)

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note B - Cash and Investments (Continued)

Concentration of Credit Risk

The District had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District's investments are concentrated in external investment pools which are not subject to investment limits.

Investment in External Investment Pool

The District's investment in the Yolo County investment pool is managed by the Yolo County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the Yolo County Treasury 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 by 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. In accordance with applicable State laws, the Yolo County Treasurer may invest in derivative securities. However, at June 30, 2023, the Yolo County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Fair value hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District's investment in the County of Yolo Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of Yolo, which is calculated as the fair value divided by the amortized cost of the investment pool.

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note C - Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2023</u>
Non-depreciable capital assets				
Land	\$ 10,925	\$ -	\$ -	\$ 10,925
Total non-depreciable capital assets	<u>10,925</u>	<u>-</u>	<u>-</u>	<u>10,925</u>
Depreciable capital assets				
Structures and improvements	32,775	-	-	32,775
Equipment	<u>825,000</u>	<u>177,434</u>	<u>-</u>	<u>1,002,434</u>
Total depreciable capital assets	857,775	177,434	-	1,035,209
Less accumulated depreciation	<u>(657,422)</u>	<u>(17,505)</u>	<u>-</u>	<u>(674,927)</u>
Total depreciable capital assets, net	<u>200,353</u>	<u>159,929</u>	<u>-</u>	<u>360,282</u>
Total capital assets, net	<u>\$ 211,278</u>	<u>\$ 159,929</u>	<u>\$ -</u>	<u>\$ 371,207</u>

Note D - Registered Warrants

The District entered into an agreement to issue \$250,000 of registered warrants through January 15, 2025 on a revolving line of credit with Farmers & 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 January 15, 2029. As of June 30, 2023, none of the warrants are outstanding.

Note E - State Assistance

The District is participating in the California Delta Levee Subventions Program. This program provides funding on a cost share basis to local levee maintaining agencies for rehabilitation and maintenance of levees in the Delta.

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note F - Joint Venture (Joint Powers Agreement)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; risk of loss to employees; and natural disasters. In order to insure for risks of loss, the District participates in a joint venture under a joint powers agreement with the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA). The relationship between the District and the JPRIMA is such that the JPRIMA is not a component unit of the District for financial reporting purposes. The JPRIMA arranges for and provides property, liability, crime, auto, and worker's compensation coverage for its member districts. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPRIMA. The District's share of surpluses and deficits cannot be determined, although District management does not expect such amounts, if any, to be material in relation to the financial statements. As of June 30, 2023, 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. The District also has an excess liability policy with additional liability limits of \$1,000,000 per occurrence and \$1,000,000 in the aggregate.

Yolo Subbasin Groundwater Agency

The District is a member of the Yolo Subbasin Groundwater Agency (the Agency). The Agency was established to provide dynamic, cost-effective, flexible and collegial organization to ensure compliance with the "Sustainable Groundwater Management Act" (SGMA) compliance within the Subbasin. The District provided \$2,147 of funding to the Agency for the fiscal year ended June 30, 2023. Financial statements for the Agency are available at the office of the Yolo Subbasin Groundwater Agency.

Note G - Governing Board

As of June 30, 2023, the five members of the District's Board of Trustees were as follows:

<u>Trustee</u>	<u>Term expires</u>
Warren Bogle	December 2025
David Ogilvie	December 2027
Roger Berry	December 2025
Claire Connor	December 2027
Peter Anderson	December 2025

RECLAMATION DISTRICT NO. 150

Notes to Financial Statements

June 30, 2023

Note H - Related Party Transactions

The District paid Bogle Vineyards \$54,024 for levee repairs and maintenance and equipment maintenance during the year ended June 30, 2023. Warren Bogle is an owner of Bogle Vineyards and served on the District's Board of Trustees during the year ended June 30, 2023.

Note I - Future Minimum Rentals

The District leases real property, buildings, and fixtures to a tenant under a lease agreement expiring on June 30, 2028. Rent is \$1,000 per month. Effective July 1, 2023, rent is \$1,100 per month. The rental income received as of June 30, 2023 was \$12,000.

The following is a schedule of future minimum rentals to be received for each of the five succeeding fiscal years on leases with terms exceeding a one-year period.

<u>Year ending June 30,</u>	
2024	\$ 13,200
2025	14,400
2026	15,600
2027	16,800
2028	18,000

REQUIRED SUPPLEMENTAL INFORMATION

RECLAMATION DISTRICT NO. 150

**Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Governmental Funds**

Year ended June 30, 2023

	General fund		
	Budgeted amounts <u>original/final</u>	Actual amounts <u> </u>	Variance with final budget positive/ <u>(negative)</u>
Revenues			
State assistance	\$ 249,750	\$ 213,257	\$ (36,493)
Assessments	208,609	208,485	(124)
Rent	11,400	12,000	600
Other	1	9,488	9,487
Interest	<u>800</u>	<u>3,931</u>	<u>3,131</u>
Total revenues	<u>470,560</u>	<u>447,161</u>	<u>(23,399)</u>
Expenditures			
Levee repairs and maintenance	355,000	139,006	215,994
Utilities	30,000	65,103	(35,103)
Engineering	60,000	61,755	(1,755)
Equipment rental	8,000	40,591	(32,591)
Equipment maintenance	10,200	29,763	(19,563)
Salaries and wages	18,000	17,384	616
Miscellaneous	20,200	11,179	9,021
Dues	12,000	9,054	2,946
Insurance	14,950	5,216	9,734
Legal and accounting	14,500	5,095	9,405
Trustee fees	2,100	2,040	60
Payroll taxes	1,680	1,566	114
Office	550	1,404	(854)
Licenses and permits	500	-	500
Professional services - other	1,500	-	1,500
Capital outlay	<u>177,434</u>	<u>177,434</u>	<u>-</u>
Total expenditures	<u>726,614</u>	<u>566,590</u>	<u>160,024</u>
Net change in fund balance	(256,054)	(119,429)	136,625
Fund balance, beginning of year	<u>398,542</u>	<u>398,542</u>	<u>-</u>
Fund balance, end of year	<u>\$ 142,488</u>	<u>\$ 279,113</u>	<u>\$ 136,625</u>

RECLAMATION DISTRICT NO. 150

Notes to Required Supplemental Information

June 30, 2023

The District prepares a budget annually which is approved by the Board of Trustees setting forth the contemplated fiscal requirements. The District's budget is maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted and the final adopted amounts. There were no amendments to the budget during the year ended June 30, 2023. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for certain line items may vary significantly from the budget due to timing of such expenditures.