

**RECLAMATION DISTRICT NO. 1000, CALIFORNIA**

Audited Financial Statements  
and Other Reports

June 30, 2024 and 2023

(This page intentionally left blank.)

RECLAMATION DISTRICT NO.1000, CALIFORNIA

Audited Financial Statements  
and Other Reports

June 30, 2024 and 2023

Audited Financial Statements

Independent Auditor’s Report..... 1  
Management’s Discussion and Analysis..... 4

Government-wide Financial Statements:

Statement of Net Position ..... 16  
Statement of Activities..... 17

Fund Financial Statements:

Balance Sheet – General Fund..... 18  
Reconciliation of the Balance Sheet – General Fund to the  
Government-wide Statement of Net Position ..... 19  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
– General Fund..... 20  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance – General Fund to the Government-wide  
Statement of Activities..... 21  
Notes to Basic Financial Statements..... 22

Required Supplementary Information (Unaudited):

Schedule of the Proportionate Share of the Net Pension Liability –  
Miscellaneous Plan ..... 45  
Schedule of Contributions to the Pension Plan – Miscellaneous Plan..... 45  
Schedule of Changes in the Net OPEB Liability and Related Ratios ..... 46  
Schedule of Contributions to the OPEB Plan ..... 47  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual – General Fund..... 48

Other Supplementary Information:

Schedule of Expenditures – Budget and Actual – General Fund..... 49

Other Reports

Independent Auditor’s Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards*..... 51

(This page intentionally left blank.)



550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
FAX: (916) 564-8728

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Reclamation District No. 1000  
Sacramento, California

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Reclamation District No. 1000 (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's 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 and each major fund of the District as of June 30, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

### **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the District, 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 the District'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 opinions. 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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Contributions to the Pension Plan, Schedule of Changes in the Net OPEB Liability, Schedule of Contributions to the OPEB Plan and budgetary comparison information 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 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 our audit of the basic

To the Board of Trustees  
Reclamation District 1000

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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures – budget and actual – is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

November 26, 2024

RECLAMATION DISTRICT 1000, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024 and 2023

Our discussion and analysis of the Reclamation District No. 1000, California (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024 and 2023. Please read it in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024**

- At the end of the year, the District's net position is \$50.0 million, of which \$39.9 million is invested in capital assets and \$10.1 million is unrestricted.
- As of June 30, 2024, the District's General Fund reported a total fund balance of \$10.7 million, of which \$10.6 million has been assigned by the Board.
- The District's capital asset balances were \$39.9 million at year-end, decreasing slightly due to \$263 thousand in capital additions, offset by \$1.3 million in depreciation expense.
- The District has no long-term debt.
- The District has recognized a net pension liability in the amount of \$1.8 million due to Governmental Accounting Standards Board Statement (GASB) 68. The liability increased approximately \$165 thousand from the prior year. See Note E of the basic financial statements.
- The District has recognized a liability in the amount of \$496 thousand for post employment benefits (OPEB) due to Governmental Accounting Standards Board Statement (GASB) 75. The liability decreased approximately \$38 thousand from the prior year. See Note F of the basic financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Annual Report consists of three parts, Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplemental Information (RSI). The Basic Financial Statements include the Government-wide financial statements and the Fund Financial Statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes the entire District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference representing net position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

The government-wide financial statements of the District report on one category, Governmental activities, as the District does not have business-type activities.

Governmental Activities - All of the District's basic services are included here. Assessment revenues and restricted capital project reimbursements finance almost all of the District's flood protection activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's significant funds. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has one type of fund, the Governmental Fund.



Governmental Fund – All of the District’s basic services are included in the Governmental Fund, which focuses on how resources flow in and out. The balance remaining at year-end is available for future spending. The governmental fund statements provide a detailed short-term view to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s activities. Because this information does not encompass the additional long-term focus of the government-wide statements, we describe the relationship between governmental activities and governmental funds through the reconciliations and in the notes to the basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the Basic Financial Statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the District’s budget and actual on a budgetary basis, as well as required pension and OPEB schedules.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve as a useful indicator of a government’s financial position over time. In the case of the District, assets and deferred outflows of resources less liabilities and deferred inflows of resources equaled \$50.0 million at the close of the most recent fiscal year.

The largest portion of the District’s net position (80%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment) with the majority being levees, canals or pump stations. The District uses these capital assets to provide flood protection services. Consequently, these assets are not available for future spending. There is no related debt associated with the District’s investments in its capital assets.

**TABLE 1**  
**Condensed Statement of Net Position**  
June 30, 2024, 2023 and 2022  
(in thousands)

	2024	2023	2022
Current and other assets	\$ 11,462	\$ 10,711	\$ 11,442
Capital assets	<u>39,909</u>	<u>40,897</u>	<u>42,192</u>
Total assets	<u>51,371</u>	<u>51,608</u>	<u>53,634</u>
Deferred outflows of resources	<u>1,644</u>	<u>1,613</u>	<u>1,112</u>
Current and other liabilities	<u>2,831</u>	<u>2,995</u>	<u>2,178</u>
Deferred inflows of resources	<u>194</u>	<u>261</u>	<u>795</u>
Net position:			
Net investment in capital assets	39,909	40,897	42,192
Unrestricted net position	<u>10,081</u>	<u>9,068</u>	<u>9,581</u>
Total net position	<u>\$ 49,990</u>	<u>\$ 49,965</u>	<u>\$ 51,773</u>

Current and other assets increased approximately \$751 thousand from June 30, 2023 to June 30, 2024. The primary reason for the increase was because of the increase in cash and investments, and assessments receivable balances. Interest and other receivables at June 30, 2024 were comparable to the prior year balances. At the end of the prior fiscal year, cash and investment balances were \$10.2 million compared

to \$10.7 million at the end of the current fiscal year. During 2024, the District recognized almost \$1.8 million more in overall revenues compared to 2023, and total flood protection expenses were \$6.6 million in 2024 compared to \$6.7 million in 2023. This activity resulted in an improvement in the change in net position from a deficit of \$1.8 million in 2023 to a surplus of \$26 thousand in 2024.

### Capital Assets, Net of Related Debt

As part of the implementation of GASB Statement No. 34, the District retroactively recognized infrastructure assets not previously required to be recognized. GASB Statement No. 34 requires prospective reporting of infrastructure but allows for retroactive application. The District opted to record infrastructure (predominantly levee improvements) retroactively to 1984, the earliest year in which documentation of historical costs were available.

The 2023-2024 capital purchases and additions were:

- District facilities: security system, \$41,000
- Levee improvements: SCADA system improvements, \$2,500
- Equipment and vehicles: Utility tractor and light field truck, \$195,000
- Shop equipment: vehicle repair equipment, \$25,000

The 2022-2023 capital purchases and additions were:

- District facilities: audio and visual equipment for the district's boardroom, \$53,100
- Levee improvements: SCADA system improvements, \$12,600

Field equipment and vehicles with an original cost of \$171,000 was surplusd during fiscal 2022/23 resulting in a gain of \$107,000; these assets were fully depreciated at the time of sale.

The District depreciates capital assets using the straight-line method over the estimated lives of the assets. During the 2024 and 2023 fiscal year, \$1,250,876 and \$1,361,195 respectively in depreciation expense was recognized.

There is no associated debt with any capital assets.

## Change in Net Position for Governmental Activities

The following table indicates the changes in net position for the governmental activities:

**TABLE 2**  
**Condensed Statement of Activities**  
Years Ended June 30, 2024, 2023 and 2022  
(in thousands)

	2024	2023	2022
Program Revenues:			
Charges for services	\$ 126	\$ 285	\$ 107
Operating grants and contributions	1,471	1,449	1,421
Developer impact fees	-	-	104
Capital contributions and grants	489	146	886
General Revenues:			
Assessment revenues	3,961	2,441	2,300
Investment earnings	518	182	(27)
Miscellaneous and other income	85	375	35
Total Revenues	<u>6,650</u>	<u>4,878</u>	<u>4,826</u>
Expenses:			
Flood Protection	<u>6,625</u>	<u>6,686</u>	<u>6,435</u>
Change in net position	25	(1,808)	(1,609)
Net position, beginning of year	<u>49,965</u>	<u>51,773</u>	<u>53,382</u>
Net position, end of year	<u>\$ 49,990</u>	<u>\$ 49,965</u>	<u>\$ 51,773</u>

The District's net position increased by \$25,899 during the current fiscal year; the increase was a result of total revenues exceeding flood protection expenses. Even though flood protection expenses were comparable to 2023, as stated above, overall revenues increased from \$4.9 million in 2023 to \$6.6 million in 2024. This resulted in an improvement in the change in net position from a deficit of \$1.8 million in 2023 to a modest deficit of \$25 thousand in 2024. The most significant change in revenues came from an increase in assessment revenues, which increased from \$2.4 million in 2023 to \$4.0 million in 2024. During 2023, the District successfully completed a Proposition 218 rate increase, and those rates became effective during 2024. This additional fee is used to fund the operation of the District's interior drainage system. Other revenue increases came from interest and investment earnings, which was offset by decreases in charges for services and miscellaneous income.

The most significant changes in revenues from fiscal years 2022 to 2023 was a decreases in capital contributions and grants of \$740 thousand primarily from FMAP activities, an increase of \$340 thousand in miscellaneous and other income primarily from the sale of capital assets resulting in a gain of \$106 thousand, and insurance proceeds of \$265 thousand from electrical damage at pumping plant II, and an increase in investment earnings of \$209 thousand. Flood protection expenses increased in the areas of employee related costs, power, security patrol, public relations, and election costs.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At fiscal year end, the District's governmental fund reported a combined fund balance of almost \$10.7 million, an increase of \$836,866 from the previous year's fund balance. The increase is due to current year revenues exceeding current year expenses. The combined fund balance at the end of fiscal 2022/23 was \$9.9 million, a decrease of \$436,467 from the June 30, 2022 fund balance. This decrease was due to prior year expenses exceeding prior year revenues. Total revenues increased from \$4.9 million in 2023 to \$6.4 million in 2024. Significant increases in revenues were from property assessments of \$1.4 million, capital grants and contributions of \$149 thousand, and use of money and property of \$333 thousand. Fees

for services and other revenues decreased \$160 thousand and \$183 thousand respectively. In the area of flood protection services, maintenance and operations expenses increased \$236 thousand from 2023 to 2024, and administration expenses decreased \$252 thousand. Increases in maintenance and operations were in security patrol expenses, FMAP activities, and capital facilities expenses. Administration expenses decreased in the areas of public relations and election costs. Of the total \$10.7 million in fund balances, approximately \$10.6 million has been assigned for specific purposes, and \$80 thousand in prepaid expenses are considered non-spendable.

At the end of fiscal year 2023, the District’s governmental fund reported a combined fund balance of almost \$9.9 million, a decrease of \$436,467 from the previous year’s fund balance. This decrease was due to prior year expenses exceeding prior year revenues. Total revenues increased from \$4.5 million in 2022 to \$4.9 million in 2023. Significant increases in revenues were from property assessments of \$144 thousand, fees for services of \$177 thousand, use of money and property of \$221 thousand, and other revenues of \$233 thousand. Capital grants and contributions decreased \$432 thousand mainly due to a decrease in FMAP activity. Flood protection expenses increased \$423 thousand from \$4.9 million in 2022 to \$5.4 million in 2023. Flood protection expenses increased in the areas of employee related costs, power, security patrol, public relations, and election costs. Of the total \$9.9 million in fund balances, approximately \$9.7 million has been assigned for specific purposes, and \$177 thousand in prepaid expenses are considered non-spendable.

In 2024 revenues in the District’s governmental fund were \$6.4 million. Assessment revenue of \$3.8 million represents 60% of revenue for the governmental fund compared to 50% in 2023. Expenditures from governmental funds were \$5.6 million, which resulted in an increase in fund balance of \$836,866.

Fund Balances

The Board has adopted a policy establishing various types of fund balances. Assignments and balances are determined by board action and General Manager discretion based on the type of fund. These individual fund assignments can be unassigned by the Board of Trustees. The emergency flood fight fund has been established by the General Manager and the other assigned funds by Resolution 2012-6 of the Board of Trustees.

Fund balances as of June 30, 2024, and 2023 are non-spendable and assigned as follows:

**TABLE 3**  
**Fund Balances**  
June 30, 2024 and 2023

<u>Fund Type</u>	<u>June 30, 2024 Fund Balance</u>	<u>June 30, 2023 Fund Balance</u>
Nonspendable fund balance	80,314	176,544
Assigned fund balances:		
Emergency Flood Fight	1,500,000	1,500,000
General capital	4,268,139	2,427,918
Operating reserve	<u>4,868,298</u>	<u>5,775,423</u>
Total assigned fund balances	<u>10,636,437</u>	<u>9,703,341</u>
Total fund balances	<u>\$10,716,751</u>	<u>\$ 9,879,885</u>

GENERAL BUDGETARY HIGHLIGHTS

The following is a summary of budget and actual results for the District’s General Fund revenues for the years ended June 30, 2024, and 2023:

**TABLE 4**  
**Fund Revenues - Budget to Actual Comparisons**  
**Year Ended June 30, 2024**

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Assessments	\$ 4,025,874	\$ 3,844,424	\$ (181,450)
Capital contributions and grants	521,000	398,008	(122,992)
Fees for service	-	101,534	101,534
O & M reimbursement from SAFCA	1,463,950	1,471,161	7,211
Use of money and property	104,000	543,316	439,316
Other	<u>-</u>	<u>85,331</u>	<u>85,331</u>
Total	<u>\$ 6,114,824</u>	<u>\$ 6,443,774</u>	<u>\$ 328,950</u>

**Fund Revenues - Budget to Actual Comparisons**  
**Year Ended June 30, 2023**

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Property Assessments	\$ 2,250,000	\$ 2,443,436	\$ 193,436
Capital contributions and grants	-	249,493	249,493
Fees for service	-	261,392	261,392
O & M reimbursement from SAFCA	1,421,000	1,449,420	28,420
Use of money and property	59,000	210,525	151,525
Other	<u>-</u>	<u>267,932</u>	<u>267,932</u>
Total	<u>\$ 3,730,000</u>	<u>\$ 4,882,198</u>	<u>\$ 1,152,198</u>

Changes from the Amounts Originally Budgeted

There were no changes made to the original budgets.

Actual Revenues Compared with Final Budgeted Amounts

Total revenues recognized by the District’s Governmental Fund were \$328,950 more than budget in fiscal year 2023/24. Fees for service, and other revenues were not budgeted for in 2023/24 and totaled \$187,000; the same revenues were approximately \$342,000 less than the amounts in fiscal year 2022/23. Capital contributions and grants represent FMAP activities and FEMA/OES reimbursements for storm disaster reimbursements; fees for service represent District services for the Natomas Basin MOU and activities performed for developers, mainly engineering; use of money and property include facility rentals and interest income; and other revenues primarily represent insurance proceeds for facility damage during 2024.

Total revenues recognized by the District's Governmental Fund were \$1,152,198 more than budget in fiscal year 2022/23. Capital contributions and grants, fees for service, and other revenues were not budgeted for in 2022/23 and totaled \$779,000; the same revenues were approximately \$22,000 less than the amounts in fiscal year 2021/22.

Actual Expenditures/Other Financing Uses Compared with Final Budgeted Amounts

Following is a summary of current year and prior year budget and actual results for the District's General Fund expenditures.

**TABLE 5**  
**Fund Expenditures – Budget to Actual Comparisons**  
**Year Ended June 30, 2024**

	Budget	Actual	Favorable (Unfavorable) Variance
O & M	\$ 5,264,776	\$ 4,134,166	\$ 1,130,610
Administration	1,354,936	1,209,496	145,440
Capital outlay	<u>335,000</u>	<u>263,246</u>	<u>71,754</u>
Total expenditures	<u>\$ 6,954,712</u>	<u>\$ 5,606,908</u>	<u>\$ 1,347,804</u>

During the year, the District experienced approximately \$1.3 million in favorable budget variances for expenditures. For operations and maintenance, capital facilities, facility repairs, FMAP operations, and field services experienced the highest budget savings, while power, security patrol expenses, and employee compensation had unfavorable budget variances. For administration, office improvements, election costs, public relations and legal expenses had favorable budget variances of \$258 thousand, while annuitant healthcare and engineering and administrative consultants had unfavorable budget variances of \$192 thousand.

**Fund Expenditures – Budget to Actual Comparisons**  
**Year Ended June 30, 2023**

	Budget	Actual	Favorable (Unfavorable) Variance
O & M	\$ 7,037,722	\$ 3,898,059	\$ 3,139,663
Administration	1,137,882	1,461,654	(323,772)
Capital outlay	<u>75,000</u>	<u>65,665</u>	<u>9,335</u>
Total expenditures	<u>\$ 8,250,604</u>	<u>\$ 5,425,378</u>	<u>\$ 2,825,226</u>

During the 2023 fiscal year, the District experienced approximately \$2.8 million in favorable budget variances for expenditures. For operations and maintenance, capital facilities, FMAP operations, and facility repairs experienced the highest budget savings, while employee related expenses and power had unfavorable budget variances. For administration, public relations related expenses had an unfavorable budget variance of \$341 thousand. These expenses were the result from the successful 218 activity which allowed the District to collect additional revenue starting in fiscal 2023/24.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2024, the District has \$68.2 million invested in capital assets including land, buildings, infrastructure, and equipment before depreciation (See Table 6).

**Table 6**  
**Changes in Capital Assets**

	As of June 30, 2024	As of June 30, 2023	Increase (Decrease)
Lands and rights of way	\$ 2,221,333	\$ 2,221,333	\$ -
Buildings, pump plants and improvements (including construction in progress)	33,698,850	33,655,021	43,829
Infrastructure	27,653,802	27,653,802	-
Equipment and vehicles	<u>4,597,894</u>	<u>4,378,477</u>	<u>219,417</u>
Total capital assets	<u>\$ 68,171,879</u>	<u>\$ 67,908,633</u>	<u>\$ 263,246</u>

During the year the District invested \$41 thousand into a security system for its facilities and an additional \$2,500 for the SCADA project. Also a utility tractor and light field truck was purchased for \$195 thousand and vehicle repair equipment for \$25 thousand. No assets were sold or disposed of during the 2023-24 fiscal year. Depreciation expense for the year amounted to \$1,250,876.

**Table 7**  
**Changes in Capital Assets**

	As of June 30, 2023	As of June 30, 2022	Increase (Decrease)
Lands and rights of way	\$ 2,221,333	\$ 2,221,333	\$ -
Buildings, pump plants and improvements (including construction in progress)	33,655,021	33,642,423	12,598
Infrastructure	27,653,802	27,653,802	-
Equipment and vehicles	<u>4,378,477</u>	<u>4,496,142</u>	<u>(117,665)</u>
Total capital assets	<u>\$ 67,908,633</u>	<u>\$ 68,013,700</u>	<u>\$ (105,067)</u>

Capital asset activity for fiscal 2023 was modest compared to prior years. \$53 thousand in audio and visual equipment was purchased for the District's boardroom, and another \$13 thousand was added to the SCADA project. A field excavator, two trucks, and a trailer were sold during the year resulting in a gain of \$107 thousand. At the time of sale, these assets were fully depreciated. Depreciation expense for the year amounted to \$1,361,195.

### Debt Administration

As of June 30, 2024, the District had no long-term debt.

## CAPITAL PROJECTS

- *Capital Improvement Plan (update)*

The Board of Trustees approved a Professional Services Agreement with Kjeldesn, Sinnock & Neudeck, INC. (KSN) on November 8, 2019 to update the District's Capital Improvement Plan. KSN completed the Capital Improvement Plan Update (CIP) in August 2020.

Focusing on the pumping system, to identify improvements to allow the District to carry out its mission of flood protection, the CIP was developed by the following methods:

- Ranking how critical a Pumping Plant is by the capacity to remove precipitation from the basin and the importance of the area it serves – a criticality rating or consequence of failure.
- Determining how likely a Pumping Plant is to fail to perform as designed, or likelihood of failure.
- Determining relative risk for each Pumping Plant, which is a combination of the consequence of failure and likelihood of failure.

Potential projects to address potential deficiencies were identified by the following methods:

- Field condition assessment of each Pumping Plant
- Establishing of the Level of Service each plant would optimally provide and comparing performance against the criteria
- Defining the typical life cycle for the major Pumping Plant components, including major cost- effective maintenance items to extend the useful life.

In several cases two or more of the above methods identified potential projects at pumping plants. The results of the Condition assessment, Level of Service, and Life Cycle Analysis showed that the system is overall in good working order, with several of its plants replaced within the last decade. Of the District's two most critical Pumping Plants, Plant 1B was found to be in very good working order, with some projects needed to maintain its condition, while Plant 8 has several life cycle replacements that are coming due concurrently resulting in a major overhaul project, plus the outfall pipe has premature wearing and is recommended for evaluation and remediation up to replacement.

Kjeldesn, Sinnock & Neudeck, INC. (KSN) is currently working on a Pumping Plant #8 preliminary design and construction phasing plan. The electrical and structural teams are in the process of determining site alternatives, which include pump operations and pump bay improvements.

As the most critical plants, major replacements are recommended for Plant 8 and a handful of smaller improvement and life cycle replacements for Plant 1B. Other replacements mostly tied to life cycle and upgrades such as backup power generation were recommended to increase the reliability of the overall system. Over a 30-year planning horizon, a program of upgrades to maintain reliability of the system resulted in the following un-escalated CIP expenditures for Pumping Plants:

- \$30.9 million (M) in the first decade 2021-2030, with \$28.1M planned in the first 6 years.
- \$8.1M over years 2031-2040
- \$26.9M over years 2041-2050, with several recently replaced critical components reaching the end of their useful lives.



In addition to \$65.9M for Pumping Plants over 30 years, the following expenditures are recommended to be budgeted:

- Annual budget of \$55,000 to perform cost-effective preventive maintenance is recommended for the duration of the CIP, or \$1.65M over 30 years.
- Annual budget of \$900,000 for life cycle replacement of culverts and drains, or \$27M over 30 years.

The net recommended budget for the portion evaluated is \$94.55M from 2021-2050, or an average of nearly \$3.2M per year. The above costs were left un-escalated so implementation can be modified and adjusted into the District's financial plan which is currently being formulated.

- ***Significant Capital Projects on District Facilities Undertaken By Others***

The Natomas Levee Improvement Project (NLIP):

NLIP is funded by the Sacramento Area Flood Control Agency (SAFCA) and Natomas Basin Project (Federal Project) funded by the United States Army Corps of Engineers (USACE) with State and SAFCA cost sharing. The goal of the combined levee system improvements protecting the Natomas Basin is to provide at least 200-year flood protection as required by the State's Urban Level of Flood Protection (ULOP) standards. Levee improvements and associated works completed to date have been funded through a combination of SAFCA funds (voter approved SAFCA Capital Assessment Districts) and State funds from the Proposition 1E Bond. These funds have been sufficient to complete 50% of the total levee improvements needed to provide the 200-year flood protection between 2006 and 2013. It should be noted the improvements completed to date addressed the highest risk areas based on studies done to date, as well as previous experience during flood events.

The remaining work will be completed by the USACE as part of the Natomas Basin Levee Project authorized by Congress in the 2014 Water Resources Reform and Development Act (WRRDA). Construction by the USACE commenced in 2017 after delays due to construction contracting issues. As of June 30, 2022, approximately 50% of the remaining levee work has been completed. An additional 25% is currently under construction and the remaining 25% is in design with construction to commence in the next few years. In addition to levee work, the USACE Natomas Levee Project includes improvements to all of the RD 1000 Pumping Plants to meet USACE design standards and provide the 200-year flood protection. Pumping Plant No 2 was reconstructed during the SAFCA NLIP construction. Pumping Plants 4 and 5 will be fully reconstructed and the remaining plants (1A, 1B, 3, 6 and 8) will have significant modifications. During the fiscal year ending June 30, 2024, significant work was done on the Natomas East Main Drain Canal and Sacramento River levees. The contract to complete the levee work on the Sacramento River was awarded in September of 2021 with construction commencing in June 2022. In addition, during the past fiscal year significant work was done to the RD 1000 Pumping Plant Nos. 3 and 4.

Completion of the entire project is anticipated by 2026 or 2027. However, this schedule is dependent on annual federal appropriations, the timely acquisition of necessary rights of way, relocation of utilities, and acquisition of specialized equipment particularly related to the pumping plant modifications.

## **OPERATIONS AND MAINTENANCE**

The District experienced normal rainfall during the 2023-2024 flood season. The District experienced a modest decrease in stormwater pumping as compared to the previous year, resulting in reduced utility expenses and overtime for field personnel.

Outside of the flood season, the District performed normal operations and maintenance activities including canal erosion repairs, road repairs, mowing canals/levees; spraying both terrestrial and aquatic pesticides to manage vegetation, minor repairs to facilities, garbage/debris removal and pump station maintenance. Since 2019, the District continues to experience a considerable increase in unauthorized encampment activity within its floodways. This activity resulted in a significant increase in trash and debris removal, which impacted the District's efficiency in other operations due to the presence of unauthorized encampments within the floodway.

As noted in previous years, the District has assumed full operations and maintenance responsibility for all 21 miles of levee improvements completed to date as part of the NLIP, including the remaining grassland vegetation along the levees. In addition, several levee reaches have also now been completed by the USACE and turned back to the District for full operations and maintenance. While the levees are improved and significantly reduce the flood risk in the District, they include a much larger footprint, more access roads and access control gates to operate and maintain. The District is currently studying options for the most efficient method to maintain the expanded levee footprint and is developing an Annual Operations and Maintenance Plan to determine the resources needed to meet its responsibility.

## **PLANNING**

The District solicited requests for qualifications for a Comprehensive Financial Plan and Assessment Rate Study on March 2, 2020. The District received Statements of Qualifications from three (3) firms including NBS on April 3, 2020 in accordance with the Request for Qualifications. The District's Finance Committee reviewed the submittals on April 21, 2020. NBS was recommended by the Finance Committee for award of a Professional Services Agreement for the project. On May 8, 2020 the Board of Trustees approved retention of NBS, Inc. to perform a comprehensive financial plan in 2020-2021.

In general, the District was seeking a qualified financial consultant to evaluate the District's current and forecasted financial position, develop a comprehensive financial plan, evaluate existing assessment rate structure, and if needed based on results of the comprehensive financial plan, develop legally defensible assessment rates. The broad objective of the study is to ensure the financial stability to fund operations and needed capital investments, including rehabilitation, replacement and modernization of the District's infrastructure.

1. Conduct a detailed review of the District's operating and capital improvement budgets and develop a Comprehensive (10-year) Finance Plan that promotes financial sustainability and maintains adequate reserve levels.
2. Evaluate the existing assessment rate structure and model assessment rate structure.
3. Meet and/or confer with staff as needed and attend up to three daytime meetings/workshops with the Financial Committee and three evening meetings/workshops with the District Board of Directors to present and discuss results of the studies and obtain their input. Attend the public hearing where the water rates are considered for adoption.
4. Obtain all necessary records, data, and statistics from District and conduct analyses as required to address the scope of work.
5. Preliminary Reports
  - a. Prepare preliminary finance plan.
  - b. Prepare a comprehensive administrative record that shows the calculations for cost of service and allocation of costs;
  - c. Prepare preliminary reports of assumptions for assessment rate, and provide tentative rate recommendations; and
  - d. Present preliminary reports and tentative rates to the Financial Committee and the District's Board of Directors.

6. Draft Final Reports
  - a. Incorporate changes pursuant to comments received from the District's Board; and
  - b. Present revised reports and rate recommendations to the District Board of Trustees at a regularly scheduled Board meeting.
7. Final Reports
  - a. Incorporate changes pursuant to comments received at the Board meeting presentation;
  - b. Provide an electronic copy of the report, with spreadsheets in Excel format; and
  - c. Present the final reports and recommended rates to the Board of Trustees and members of the public at a formal public hearing.
8. Supply a schedule for deliverables.
9. Provide an easy-to-use rate model of the final rate structure for the District to use in rate forecasting.

NBS completed Phase 1 of the Financial Plan which was subsequently adopted by the Board of Trustees on January 15, 2021. Subsequently, the District awarded a contract to NBS for Phase 2 of the project on May 4, 2021. Phase 2 evaluated funding options for the District and was presented to the Board of Trustees in May 2022. The District published a Public Draft of the Fee Study for Public Comment during September 2022. The Proposition 218 process was completed in March 2023. The new fee was approved by the property owners and certified by the board in April 2023. The new Stormwater Fee was applied to the Fiscal Year 2023/2024 Secured Tax Bills, generating approximately \$3 million in new revenue to the District.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District office at:

Reclamation District No. 1000, California  
1633 Garden Highway  
Sacramento, CA 95833

Submitted by:

Kevin L. King  
General Manager

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and investments	\$ 10,727,720	\$ 10,182,191
Receivables:		
Assessments	248,306	16,000
Interest	116,624	127,861
Amounts due from FEMA	90,665	-
Other receivables	23,984	34,475
Prepaid expenses and other assets	80,314	176,544
Inventory	174,241	174,241
Capital assets, net	39,909,197	40,896,827
	<u>51,371,051</u>	<u>51,608,139</u>
<b>TOTAL ASSETS</b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	789,336	788,974
Other postemployment benefits	854,712	823,527
	<u>1,644,048</u>	<u>1,612,501</u>
<b>LIABILITIES</b>		
Accounts payable	271,815	145,464
Accrued payroll expense	66,287	48,850
Deposits	9,752	25,872
Unearned revenues	-	421,000
Accrued vacation	161,864	159,873
Net pension liability	1,824,988	1,659,681
Net OPEB liability	496,040	534,130
	<u>2,830,746</u>	<u>2,994,870</u>
<b>TOTAL LIABILITIES</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	60,435	106,052
Other postemployment benefits	133,474	155,173
	<u>193,909</u>	<u>261,225</u>
<b>NET POSITION</b>		
Net investment in capital assets	39,909,197	40,896,827
Unrestricted	10,081,247	9,067,718
	<u>49,990,444</u>	<u>49,964,545</u>
<b>TOTAL NET POSITION</b>		

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
PROGRAM EXPENSES		
Governmental activities:		
Flood protection	\$ 6,624,883	\$ 6,685,857
PROGRAM REVENUES		
Charges for services	126,443	284,499
Operating grants and contributions	1,471,161	1,449,420
Capital grants and contributions	<u>488,673</u>	<u>145,634</u>
NET PROGRAM EXPENSES	(4,538,606)	(4,806,304)
GENERAL REVENUES		
Assessments	3,960,767	2,441,436
Investment earnings	518,407	181,821
Gain on sale of capital assets	-	106,713
Miscellaneous	85,331	267,932
TOTAL GENERAL REVENUES	<u>4,564,505</u>	<u>2,997,902</u>
CHANGE IN NET POSITION	25,899	(1,808,402)
Net position at beginning of year	<u>49,964,545</u>	<u>51,772,947</u>
NET POSITION AT END OF YEAR	<u><u>\$ 49,990,444</u></u>	<u><u>\$ 49,964,545</u></u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

BALANCE SHEETS – GENERAL FUND

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,727,720	\$ 10,182,191
Receivables:		
Assessments	248,306	16,000
Interest	116,624	127,861
Amounts due from FEMA	90,665	-
Other	23,984	34,475
Other assets	<u>80,314</u>	<u>176,544</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 11,287,613</u></u>	<u><u>\$ 10,537,071</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 271,815	\$ 145,464
Accrued payroll expense	66,287	48,850
Deposits	9,752	25,872
Unearned revenues	<u>-</u>	<u>421,000</u>
<b>TOTAL LIABILITIES</b>	<u>347,854</u>	<u>641,186</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue	<u>223,008</u>	<u>16,000</u>
<b>FUND BALANCES</b>		
Nonspendable	80,314	176,544
Assigned	10,636,437	9,703,341
<b>TOTAL FUND BALANCES</b>	<u>10,716,751</u>	<u>9,879,885</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 11,287,613</u></u>	<u><u>\$ 10,537,071</u></u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

RECONCILIATIONS OF THE BALANCE SHEETS – GENERAL FUND TO THE  
GOVERNMENT-WIDE STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Fund balance - total governmental funds, June 30,	\$ 10,716,751	\$ 9,879,885
Amounts reported for governmental activities in the statement of net position are different because:		
Assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Capital assets, net of accumulated depreciation	39,909,197	40,896,827
Inventory	174,241	174,241
Deferred outflows related to pensions and OPEB are not reported in the government funds		
	1,644,048	1,612,501
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued vacation	(161,864)	(159,873)
Net pension liability	(1,824,988)	(1,659,681)
Net OPEB liability	(496,040)	(534,130)
Deferred inflows related to pensions and OPEB are not reported in the government funds		
	(193,909)	(261,225)
Some revenues are not recognized in governmental funds because they do not represent current financial resources that are recognized in the Statement of Activities:		
Unavailable revenue	<u>223,008</u>	<u>16,000</u>
Net position - governmental activities, June 30,	<u>\$ 49,990,444</u>	<u>\$ 49,964,545</u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GENERAL FUND

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUES		
Property assessments	\$ 3,844,424	\$ 2,443,436
O & M reimbursements	1,471,161	1,449,420
Capital grants and contributions	398,008	249,493
Fees for services	101,534	261,392
Use of money and property	543,316	210,525
Other revenues	85,331	267,932
TOTAL REVENUES	<u>6,443,774</u>	<u>4,882,198</u>
EXPENDITURES		
Current:		
Flood protection		
Maintenance and operations	4,134,166	3,898,059
Administration	1,209,496	1,461,654
Capital outlay	263,246	65,665
TOTAL EXPENDITURES	<u>5,606,908</u>	<u>5,425,378</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	836,866	(543,180)
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets	-	106,713
OTHER FINANCING SOURCES	<u>-</u>	<u>106,713</u>
NET CHANGE IN FUND BALANCE	836,866	(436,467)
Fund balance at beginning of year	<u>9,879,885</u>	<u>10,316,352</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,716,751</u>	<u>\$ 9,879,885</u>

The accompanying notes are an integral part of these financial statements.



RECLAMATION DISTRICT NO. 1000, CALIFORNIA

RECONCILIATIONS OF THE STATEMENTS OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net change in fund balance - total governmental funds for the year ended June 30	\$ 836,866	\$ (436,467)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital outlay	263,246	65,665
Depreciation expense	(1,250,876)	(1,361,195)
Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the statement of activities		
Change in unavailable revenue	207,008	(111,456)
Some expenses in the Government-wide Statement of Activities that do not require the use of current financial resources are not reported as expenses in the governmental funds.		
Change in accrued vacation	(1,991)	(19,948)
Change in deferred outflows of resources related to employee pensions and OPEB	31,547	500,109
Change in deferred inflows of resources related to employee pensions and OPEB	67,316	534,333
Change in the net pension liability	(165,307)	(949,171)
Change in the OPEB liability	38,090	(30,272)
Change in net position - governmental activities for the year ended June 30	<u>\$ 25,899</u>	<u>\$ (1,808,402)</u>

The accompanying notes are an integral part of these financial statements.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Reclamation District No. 1000 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Background: The District was formed under an Act of the Legislature of the State of California on April 18, 1911. The District is governed under a Board of Trustees and operates and maintains seven pumping stations, 42.61 miles of federal project levees, ten miles of non-project levees in the Pleasant Grove area, and 180 miles of canals and ditches in Sacramento and Sutter Counties.

Basis of Presentation – 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 non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the 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 to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items were properly excluded from program revenues and were reported instead as general revenues.

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.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

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 District considers all revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property assessments. Property assessments are considered to be available if they are collected within 60 days of the current fiscal period. Amounts not received within the availability period are reported as unavailable revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Payable balances consist primarily of payables to vendors.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax assessment revenues, reimbursement revenues, grants, fees for services and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District, or collected within the availability period.

The District reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the District and accounts for revenues collected to provide services and finance the fundamental operations of the District. The Fund is charged with all costs of operations.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles and in accordance with the District’s policies and procedures. Budgetary control is exercised by major object. Budgetary changes, if any, during the fiscal year require the approval of the District’s Board of Trustees. Unencumbered budget appropriations lapse at the end of the fiscal year.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported in the fund financial statements as nonspendable fund balance to indicate they do not constitute resources available for appropriation.

Inventory: The District has on-hand significant amounts of large rock for emergency levee repair. Estimated remaining balances are recorded at cost on a first-in, first-out basis. During the years ended June 30, 2024, and 2023, inventory was not included in the fund financial statements as these are not considered current financial resources.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are capitalized and reported in the government-wide financial statements. Capital assets owned by the District are stated at historical cost or estimated historical cost, if actual historical cost is not available. Contributed capital assets are recorded at their estimated fair market value at the time received. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Infrastructure	100 years
Building and improvements	20-40 years
Pumping equipment and improvements	7-50 years
Equipment and vehicles	5-10 years

The District’s capitalization threshold is \$5,000. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase the values, change capacities, or extend the useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Vacation and Sick Leave: The District's policies regarding vacation and sick leave permit employees to accumulate earned, but unused vacation and sick leave. The District's policy for sick-pay states that upon retirement, an employee may be paid one-third (up to a maximum of 400 hours) of their accumulated unused sick leave balance. The remaining balance of the employees' sick leave is then available for service credit under the District's pension plan. Alternatively, the employees may elect to use their entire balance of accumulated unused sick leave for service credit under the District's pension plan. All vacation and an estimate of the probable sick leave pay-out is accrued when incurred. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate compensated absences. All of the accrued vacation and sick leave is considered long-term.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and any outstanding debt related to the purchase of capital assets reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The District does not have any restricted net position.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

Fund Equity: In the General Fund financial statements, the District reports the following fund balances:

Non-spendable fund balances – This category presents amounts not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid costs and deposits.

Committed fund balances – This category includes amounts that can be used only for specific purposes determined by a formal action of the Board. The Board has authority to establish, modify, or rescind a fund balance commitment through a resolution of the Board. The District does not have committed fund balances.

Assigned funds balances – This category includes amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance – This category represents the residual classification for the District's funds and includes all spendable amounts not contained in the other classifications.

The Board establishes, modifies or rescinds fund balance commitments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District's committed, assigned or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

RECLAMATION DISTRICT 1000, CALIFORNIA  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A resolution of the Board delegates authority to management to establish various reserves, which are considered assigned fund balances. Assigned fund balances consist of the following at June 30:

	2024	2023
Emergency Flood Fight Fund – Funds designated to fight flood emergencies and to help prevent the need for future special assessments.	\$ 1,500,000	\$ 1,500,000
General Capital Fund – To accumulate funds for future capital projects. Such projects represent capital improvement projects to repair damaged levees, improve the reliability of the system and/or increase in the District’s ability to monitor the system and respond in a flood	4,268,139	2,427,918
Operation and Maintenance (O&M) Fund - Reserve balance set at 70% of the current year annual expenditure budget.	4,868,298	5,775,423
	\$ 10,636,437	\$ 9,703,341

Assessments: The District made assessments against properties within the District in accordance with requirements of State law. Assessments are processed through Sacramento and Sutter Counties based on the parcel size and designated land use of the parcels. Assessments are payable with the property owner’s property taxes. The assessments are typically levied on or before the first day of September each year and become a lien on real property upon levy. Assessments are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. The District recognizes assessments when the individual installments are due provided they are collected within 60 days after year end.

The Counties use the Alternative Method of Property Tax Apportionment (Teeter). Under this method of property tax apportionment for assessments collected as part of property taxes, the County purchases the delinquent secured property taxes at June 30 of each fiscal year and guarantees the District 100% of its annual assessment.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statements of net position and balance sheets – General Fund reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources in the statements of net position and balance sheets – General Fund represent amounts deferred related to the District’s pension and OPEB plans as described in Notes E and F, and for revenue not received within the availability period.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note E.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deletions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note F.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for the year ended June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will implement changes to the financial reporting model including the Management's Discussion and Analysis, Unusual or Infrequent Items, and Budgetary Comparison Information. The provisions of this Statement are effective for the year ended June 30, 2026.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. This statement is effective for the year ended June 30, 2026.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

As of June 30, 2024 and 2023, cash and investments consisted of the following:

	2024	2023
Deposits in financial institutions	\$ 3,251,012	\$ 940,064
Sacramento County Pooled Investment Fund	3,474,740	4,467,956
City of Sacramento Pool A	294,978	2,146,093
Local Agency Investment Fund (LAIF)	1,229,330	2,628,078
California Class	2,477,660	-
Total cash and investments	<u>\$ 10,727,720</u>	<u>\$ 10,182,191</u>

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentrations of credit risk. During the years ended June 30, 2024 and 2023, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
Local agency bonds	5 years	None	None
U.S. Treasury securities	5 years	None	None
U.S. Agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates and time deposits	5 years	30%	None
Repurchase agreements	92 days	20%	None
Medium term corporate notes	5 years	30%	None
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
Pooled investment funds	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, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

Investment in the Sacramento County Pooled Fund: The District maintains a portion of its cash in Sacramento County's cash investment pool, which is managed by the Sacramento County Treasurer. The amount invested by all public agencies in Sacramento County's cash and investment pool is \$7,792,158,009 and \$7,269,768,765 at June 30, 2024 and 2023, respectively. Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County's cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Sacramento County that 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. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value.

Investment in the City of Sacramento's Investment Pool: The District maintains a portion of its cash in the City of Sacramento's cash and investment pool which is managed by the City Treasurer. The District's cash balances invested in the City Treasurer's cash and investment pool are stated at fair value. The amount invested by all public agencies in the City's cash and investment pool is \$1,701,779,718 and \$1,634,696,639 at June 30, 2024 and 2023, respectively. The City does not invest in any derivative financial products directly. However, they do invest in investment pools, which may invest in derivative financial products. The City Council has oversight responsibility for the cash and investment pool. The value of pool shares in the City that 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.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasurer through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$179,046,993,600 and \$177,045,532,802 at June 30, 2024 and 2023, respectively, managed by the State Treasurer. Of that amount, 2.76% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in California CLASS: The California Liquid Asset Securities System (California CLASS) is a Joint Powers Authority (JPA) Local Government Investment Pool. The sponsors of the JPA were the California Special Districts Association (CSDA) and the League of California Cities. California CLASS Prime is a money market style, liquid cash management fund with a stable net asset value and a variable yield that is reflective of short term, fixed income rates.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian. California CLASS currently has assets under management of \$1.7 billion. Investments held in the pool are recorded at fair value. The fund is rated AAAM by Standard and Poor and has a weighted average maturity of less than 60 days.



RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

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. As of June 30, 2024 and 2023, the weighted average maturity of the investments contained in the County's investment pool was approximately 274 days and 267 days, respectively. As of June 30, 2024 and 2023, the weighted average maturity of the investments contained in the City's investment pool was approximately 1.19 and 1.78 years, respectively. As of June 30, 2024 and 2023, the weighted average maturity of the investment in LAIF was approximately 217 and 260 days, respectively.

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 issued by a nationally recognized statistical rating organization. The County's investment pool, City's investment pool and LAIF do not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024 and 2023, the carrying amount of the District's deposits were \$3,251,012 and \$940,064 and the balances in financial institutions were \$3,708,817 and \$1,217,215, respectively. Of the balance in financial institutions, \$250,000 at June 30, 2024 and 2023 was covered by federal depository insurance and amounts in excess of this balance are covered by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2024 and 2023 was as follows:

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 2,221,333				\$ 2,221,333
Construction in progress	12,598	\$ 2,469	-		15,067
Total capital assets, not being depreciated	<u>2,233,931</u>	<u>2,469</u>	<u>-</u>	<u>-</u>	<u>2,236,400</u>
Capital assets being depreciated:					
Infrastructure	27,653,802				27,653,802
Building and improvements	2,508,856	41,360			2,550,216
Pump equipment and improvements	31,133,567				31,133,567
Equipment and vehicles	4,378,477	219,417			4,597,894
Total capital assets, being depreciated	<u>65,674,702</u>	<u>260,777</u>	<u>-</u>	<u>-</u>	<u>65,935,479</u>
Less accumulated depreciation for:					
Infrastructure	(5,851,510)	(275,466)			(6,126,976)
Building and improvements	(1,212,706)	(77,554)			(1,290,260)
Pump equipment and improvements	(16,746,249)	(487,715)			(17,233,964)
Equipment and vehicles	(3,201,341)	(410,141)			(3,611,482)
Total accumulated depreciation	<u>(27,011,806)</u>	<u>(1,250,876)</u>	<u>-</u>	<u>-</u>	<u>(28,262,682)</u>
Total capital assets, being depreciated, net	<u>38,662,896</u>	<u>(990,099)</u>	<u>-</u>	<u>-</u>	<u>37,672,797</u>
Capital assets, net	<u>\$ 40,896,827</u>	<u>\$ (987,630)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,909,197</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE C – CAPITAL ASSETS (Continued)

	Balance July 1, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 2,221,333				\$ 2,221,333
Construction in progress	-	\$ 12,598			12,598
Total capital assets, not being depreciated	<u>2,221,333</u>	<u>12,598</u>	<u>-</u>	<u>-</u>	<u>2,233,931</u>
Capital assets being depreciated:					
Infrastructure	27,653,802				27,653,802
Building and improvements	2,508,856				2,508,856
Pump equipment and improvements	31,133,567				31,133,567
Equipment and vehicles	4,496,142	53,067	\$ (170,732)		4,378,477
Total capital assets, being depreciated	<u>65,792,367</u>	<u>53,067</u>	<u>(170,732)</u>	<u>-</u>	<u>65,674,702</u>
Less accumulated depreciation for:					
Infrastructure	(5,576,045)	(275,465)			(5,851,510)
Building and improvements	(1,138,134)	(74,572)			(1,212,706)
Pump equipment and improvements	(16,248,253)	(497,996)			(16,746,249)
Equipment and vehicles	(2,858,911)	(513,162)	170,732		(3,201,341)
Total accumulated depreciation	<u>(25,821,343)</u>	<u>(1,361,195)</u>	<u>170,732</u>	<u>-</u>	<u>(27,011,806)</u>
Total capital assets, being depreciated, net	<u>39,971,024</u>	<u>(1,308,128)</u>	<u>-</u>	<u>-</u>	<u>38,662,896</u>
Capital assets, net	<u>\$ 42,192,357</u>	<u>\$ (1,295,530)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,896,827</u>

Depreciation expense of \$1,250,876 and \$1,361,195 for the years ended June 30, 2024 and 2023, respectively, was charged to the flood protection function.

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the years ended June 30, 2024 and 2023:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Accrued vacation	\$ 159,873	\$ 1,991	\$ -	\$ 161,864
Net pension liability	1,659,681	165,307	-	1,824,988
Net OPEB liability	534,130	-	(38,090)	496,040
	<u>\$ 2,353,684</u>	<u>\$ 167,298</u>	<u>\$ (38,090)</u>	<u>\$ 2,482,892</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE D – LONG-TERM LIABILITIES (Continued)

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Accrued vacation	\$ 139,925	\$ 19,948	\$ -	\$ 159,873
Net pension liability	710,510	949,171	-	1,659,681
Net OPEB liability	503,858	30,272	-	534,130
	<u>\$ 1,354,293</u>	<u>\$ 999,391</u>	<u>\$ -</u>	<u>\$ 2,353,684</u>

NOTE E – PENSION PLANS

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). The District has the following cost-sharing Plans:

- Miscellaneous Rate Plan
- Miscellaneous Second Tier Rate Plan
- PEPRAs Miscellaneous Rate Plan

Benefit provisions under the Plans are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRAs Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

RECLAMATION DISTRICT 1000, CALIFORNIA  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

The Plans’ provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

	Miscellaneous Rate Plan Prior to August 30, 2011	Miscellaneous Second tier Rate Plan August 30, 2011 to December 31, 2012	PEPRA Miscellaneous Rate Plan On or after January 1, 2013
Hire date			
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	52-67	52-67	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates:			
2024	7.00%	7.00%	7.75%
2023	7.00%	7.00%	6.75%
Required employer contribution rates:			
2024	12.47%	10.10%	7.68%
2023	10.87%	8.63%	7.47%

In addition to the contribution rates above, the District was also required to make payments of \$113,161 and \$123,378 towards its unfunded actuarial liability during the years ended June 30, 2024 and 2023, respectively. The Miscellaneous rate plans are closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2024 and 2023, the contributions made to the Plan were \$231,565 and \$221,710 respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2024 and 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan of \$1,824,988 and \$1,659,681, respectively.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability as of June 30, 2024 is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The net pension liability as of June 30, 2023 is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 20, 2022 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of the measurement dates was as follows:

Proportion - June 30, 2023	0.01437%
Proportion - June 30, 2024	0.01463%
Change - Increase	0.00026%
Proportion - June 30, 2022	0.01314%
Proportion - June 30, 2023	0.01437%
Change - Increase	0.00123%

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$350,892 and \$122,466, respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to all Plans combined from the following sources:

	<u>2024</u>		<u>2023</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 231,565		\$ 221,710	
Differences between actual and expected experience	93,230	\$ (14,462)	33,330	\$ (22,323)
Changes in assumptions	110,183		170,069	
Change in employer's proportion	58,876		59,856	
Differences between the employer's contribution and the employer's proportionate share of contributions		(45,973)		(83,729)
Net differences between projected and actual earnings on plan investments	<u>295,482</u>		<u>304,009</u>	
Total	<u>\$ 789,336</u>	<u>\$ (60,435)</u>	<u>\$ 788,974</u>	<u>\$ (106,052)</u>

The \$231,565 and \$221,710 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

RECLAMATION DISTRICT 1000, CALIFORNIA  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

<u>Year Ended June 30</u>	
2025	\$ 153,272
2026	106,027
2027	229,558
2028	<u>8,479</u>
	<u>\$ 497,336</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for each of the Plans were determined using the following actuarial assumptions:

	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>		
Discount Rate	6.90% (2)	6.90% (2)
Inflation	2.30%	2.30%
Projected Salary Increase	(1)	(1)
Mortality	Developed using CalPERS Membership Data for all funds	Developed using CalPERS Membership Data for all funds
Post-retirement benefit	Contract COLA up to 2.50% until purchasing power protection allowance applies	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used for the June 30, 2023 and 2022 measurement date include 15 years of projected on-going mortality improvement using 80% and 90% respectively of Scale MP 2020 and MP 2016 respectively published by the Society of Actuaries. For more details on this table, please refer to the 2021 and 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% at June 30, 2024 and 2023. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	2024	
	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity -Cap Weighted	30.0%	4.54%
Global Equity Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.



RECLAMATION DISTRICT 1000, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – PENSION PLANS (Continued)

Asset Class	2023	
	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity -Cap Weighted	30.0%	4.45%
Global Equity Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.3% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2024	2023
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 2,812,648	\$ 2,585,714
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 1,824,988	\$ 1,659,681
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 1,012,059	\$ 897,785

Pension Plan Fiduciary Net Position: Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2024, the District had \$12,728 payable to the pension plan. At June 30, 2023, the District had no amounts outstanding in contributions payable to the pension plan.

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description: The District’s defined benefit postemployment healthcare plan provides medical benefits to employees who have attained age 50 with five years of service, or under PEPRRA after 10 years of service, increasing 2% per year up to 100% of the benefit after 20 years of service. The plan also provides for dependent coverage. In fiscal year 2012/13, the District modified its contract with CalPERS Public Employees Healthcare to a 75%/25% employer/employee cost share for current employees and retirees. Employees hired after January 1, 2013 cost share under the State Vesting Plan as contracted by the District, which is 50% contribution at 10 years of service plus 5% per additional year of service to 100% at 20 or more years.

The District contracts with CalPERS to administer its retiree health benefits plan (an agent multiple-employer defined benefit plan) and to provide an investment vehicle, the California Employees’ Retiree Benefit Trust Fund (CERBT), to prefund future OPEB costs. The District chooses from a menu of benefit provisions and adopts certain benefits provisions by Board statute within the Public Employees’ Retirement Law. By participating in CERBT, the District is also obligated to follow the actuarial assumptions established by the CalPERS Board of Administration. CalPERS issues a Comprehensive Annual Financial Report for the retirement plans. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, CA, 95814.

Contributions: The Board grants the authority to establish and amend the contribution requirements of the District. During the year ended June 30, 2024, the District’s cash contributions to the trust were \$218,684, benefit payments were \$81,600 and the implied subsidy was \$16,000, resulting in total payments of \$316,284. During the year ended June 30, 2023, the District’s cash contributions to the trust were \$75,205, benefit payments were \$84,416 and the implied subsidy was \$28,000, resulting in total payments of \$187,621.

Employees Covered by Benefit Terms: As of the June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Inactive employees or beneficiaries currently receiving benefit payments	10
Active employees	<u>12</u>
Total	<u><u>22</u></u>

Total OPEB Liability: The District’s total OPEB liability as of June 30, 2024 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. The District’s total OPEB liability as of June 30, 2023 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs: The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2024	2023
Valuation date	June 30, 2023	June 30, 2021
Measurement date	June 30, 2023	June 30, 2022
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	6.25%	6.25%
Inflation	2.5%	2.5%
Salary increases	2.75% per year	2.75% per year
Investment rate of return	6.25	5.5%
Mortality rate	Derived using CalPERS membership data	Derived using CalPERS membership data
Pre-retirement turnover	Derived using CalPERS membership data	Derived using CalPERS membership data
Healthcare trend rate non-Medicare	8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076	6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Healthcare trend rate Medicare	Non-Kaiser 7.5% and Kaiser 6.25% for 2025, both decreasing to an ultimate rate of 3.45% in 2076	Non-Kaiser 5.85% and Kaiser 4.75% for 2022, both decreasing to an ultimate rate of 3.75% in 2076

Mortality information was based on the CalPERS 2000-2019 Experience Study for the 2023 valuation and CalPERS 1997-2015 Experience Study for the 2021 valuation. The experience study report may be accessed on the CalPERS website at <https://www.calpers.ca.gov>. Mortality is projected fully generational with Scale MP-2021 and Scale MP-2020 for the 2023 and 2024 valuations, respectively.

The assumed gross return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	49.0%	4.56%
All Fixed Income	23.0%	1.56%
Real Estate Investment Trusts	20.0%	4.06%
All Commodities	3.0%	1.22%
Treasury Inflation Protected Securities (TIPS)	5.0%	(0.08%)
	<u>100.0%</u>	

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 6.25% for June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current and active employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2023	\$ 1,750,337	\$ 1,216,207	\$ 534,130
Changes in the year:			
Service cost	101,767		101,767
Interest	112,254		112,254
Contributions - employer		187,621	(187,621)
Net investment income		77,502	(77,502)
Experience losses	14,606		14,606
Assumption changes	(2,296)		(2,296)
Expected benefit payments to retirees (estimate)	(112,067)	(112,067)	
Administrative expenses		(702)	702
Net changes	114,264	152,354	(38,090)
Balance at June 30, 2024	\$ 1,864,601	\$ 1,368,561	\$ 496,040

RECLAMATION DISTRICT 1000, CALIFORNIA  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2022	\$ 1,823,515	\$ 1,319,657	\$ 503,858
Changes in the year:			
Service cost	114,722		114,722
Interest	103,371		103,371
Contributions - employer		198,672	(198,672)
Net investment income		(183,986)	183,986
Assumption changes	(173,753)		(173,753)
Expected benefit payments to retirees (estimate)	(117,518)	(117,518)	
Administrative expenses		(618)	618
Net changes	<u>(73,178)</u>	<u>(103,450)</u>	<u>30,272</u>
Balance at June 30, 2023	<u>\$ 1,750,337</u>	<u>\$ 1,216,207</u>	<u>\$ 534,130</u>

The following changes in assumptions were made in the June 30, 2023 valuation, June 30, 2023 measurement date: medical trend was increased, demographic assumptions and salary merit increase were updated to CalPERS 2000-2019 Experience Study, and experience and mortality improvement scale was updated to Scale MP-2020.

The following changes in the June 30, 2021 valuation, June 30, 2022 measurement date: The District moved assets from CERBT Strategy 2 to CERBT Strategy 1. As a result, a higher discount rate was used. In addition, CalPERS approved new CERBT asset allocations in March 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	2024		
	Current		
	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB liability	\$ 756,246	\$ 496,040	\$ 280,102

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

	2023		
	Current		
	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB liability	\$ 771,603	\$ 534,130	\$ 337,256

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	2024		
	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net OPEB liability	\$ 241,535	\$ 496,040	\$ 815,688

	2023		
	Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Net OPEB liability (asset)	\$ 290,678	\$ 534,130	\$ 838,945

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CERBT financial report at [www.calpers.gov](http://www.calpers.gov).

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$225,310 and \$231,866, respectively. At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 316,284		\$ 187,621	
Difference between expected and actual experience	162,204	\$ (2,846)	175,851	\$ (3,985)
Changes in assumptions	279,977	(130,628)	339,546	(151,188)
Net differences between projected and actual earnings on plan investments	96,247		120,509	
Total	<u>\$ 854,712</u>	<u>\$(133,474)</u>	<u>\$ 823,527</u>	<u>\$(155,173)</u>

RECLAMATION DISTRICT 1000, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	
2025	\$ 87,664
2026	85,527
2027	115,408
2028	64,666
2029	45,995
Thereafter	<u>5,694</u>
	<u>\$ 404,954</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in the total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. The net difference between expected and actual experience is recognized over the expended average remaining service lifetime (EARS�), which was 8.2 years at the June 30, 2023 valuation date and 7.7 years at the June 30, 2021 valuation date.

NOTE G – RISK MANAGEMENT

The District participates in the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA), a joint powers agency providing the water and wastewater industry with general, property, automobile, employment practices and public officials’ errors and omissions insurance. Loss contingency reserves established by the JPRIMA are funded by contributions from member agencies. The District pays an annual contribution to the JPRIMA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPRIMA.

RECLAMATION DISTRICT 1000, CALIFORNIA  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE G – RISK MANAGEMENT (Continued)

The District’s self-insured retention level and maximum coverage under the JPRIMA are as follows:

	Pool Coverage	Self-Insured Retention
General	\$ 10,000,000	
Property	33,905,306	\$ 5,000
Automobile liability	1,000,000	
Employers liability	1,000,000	
Public officials	10,000,000	
Cyber liability	1,000,000	
Commercial crime	250,000	

NOTE H – CONTINGENCIES

Prop 218: Proposition 218, which was approved by the voters in November 1996, regulates the District’s ability to impose, increase, and extend assessments and fees. Any new or increased assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the District’s ability to finance the services for which the property assessments were imposed may be significantly impaired. However, the District may also have the ability to assess certain government owned properties which were previously rendered exempt. The effect Proposition 218 will have on the District’s ability to maintain or increase the revenue it receives from assessments and fees in the future is unknown.



REQUIRED SUPPLEMENTAL INFORMATION

(This page intentionally left blank.)

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023 and 2022

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - MISCELLANEOUS PLAN  
Last 10 Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.01463%	0.01437%	0.01314%	0.01257%	0.01251%	0.01235%	0.01256%	0.01256%	0.01240%	0.01360%
Proportionate share of the net pension liability	\$ 1,824,988	\$ 1,659,681	\$ 710,510	\$ 1,368,174	\$ 1,281,711	\$ 1,189,937	\$ 1,245,857	\$ 1,086,420	\$ 848,318	\$ 846,161
Covered payroll - measurement period	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262	\$ 826,547	\$ 858,126	\$ 852,087	\$ 630,170
Proportionate share of the net pension liability as a percentage of covered payroll	157.16%	152.88%	68.62%	136.22%	138.28%	133.81%	150.73%	126.60%	99.56%	134.27%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	75.31%	74.06%	78.40%	79.21%

Notes to Schedule:

Reporting valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Change in Benefit Terms:	The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).									

Changes in assumptions: The discount rate was changed from 7.5% in 2015 to 7.65% in 2016 and 2017, and to 7.15% in 2018. In 2023, the discount rate was reduced from 7.15% to 6.90%.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN  
Last 10 Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 231,565	\$ 221,710	\$ 195,167	\$ 172,665	\$ 155,951	\$ 174,925	\$ 150,162	\$ 139,989	\$ 130,747	\$ 100,907
Contributions in relation to the actuarially determined contributions	(231,565)	(221,710)	(195,167)	(172,665)	(155,951)	(174,925)	(150,162)	(139,989)	(130,747)	(100,907)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 1,219,474	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262	\$ 826,547	\$ 858,126	\$ 630,170
Contributions as a percentage of covered payroll	18.99%	19.09%	17.98%	16.68%	15.53%	18.87%	16.89%	16.94%	15.24%	16.01%

Notes to Schedule:

Valuation date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:										
Amortization method						Entry age normal				
Remaining amortization period						Level percentage of payroll, closed				
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.30%	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases						Varies by rate plan, not more than 30 years				
Payroll growth	2.40%	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.80%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For the Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 101,767	\$ 114,722	\$ 36,990	\$ 36,000	\$ 30,024	\$ 29,220	\$ 28,438
Interest	112,254	103,371	83,852	79,958	61,951	59,499	57,189
Experience (gains)/losses	14,606	-	28,377	3,981	241,370	-	-
Assumption changes	(2,296)	(173,753)	458,684	-	-	-	-
Benefit payments	(112,067)	(117,518)	(74,859)	(79,186)	(43,424)	(59,354)	(42,393)
Net change in total OPEB liability	114,264	(73,178)	533,044	40,753	289,921	29,365	43,234
Total OPEB liability - beginning	1,750,337	1,823,515	1,290,471	1,249,718	959,797	930,432	887,198
Total OPEB liability - ending (a)	\$ 1,864,601	\$ 1,750,337	\$ 1,823,515	\$ 1,290,471	\$ 1,249,718	\$ 959,797	\$ 930,432
Plan fiduciary net position							
Contributions - employer	\$ 187,621	\$ 198,672	\$ 75,205	\$ 49,497	\$ 43,424	\$ 28,000	\$ 38,795
Net investment income	77,502	(183,986)	218,171	58,110	70,619	60,324	66,639
Benefit payments (estimate)	(112,067)	(117,518)	(74,859)	(79,186)	(43,424)	(59,354)	(42,393)
Administrative expenses	(702)	(618)	(642)	(530)	(216)	(912)	(801)
Net change in plan fiduciary net position	152,354	(103,450)	217,875	27,891	70,403	28,058	62,240
Plan fiduciary net position - beginning	1,216,207	1,319,657	1,101,782	1,073,891	1,003,488	975,430	913,190
Plan fiduciary net position - ending (b)	\$ 1,368,561	\$ 1,216,207	\$ 1,319,657	\$ 1,101,782	\$ 1,073,891	\$ 1,003,488	\$ 975,430
Net OPEB liability (asset) - ending (a)-(b)	\$ 496,040	\$ 534,130	\$ 503,858	\$ 188,689	\$ 175,827	\$ (43,691)	\$ (44,998)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	73.40%	69.48%	72.37%	85.38%	85.93%	104.55%	104.84%
Covered-employee payroll - measurement period	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 826,547	\$ 861,202
Net OPEB liability (asset) as percentage of covered-employee payroll	42.72%	49.20%	48.66%	18.79%	18.97%	(5.29%)	(5.23%)
Notes to schedule:							
Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Discount Rate	6.25%	6.25%	5.50%	6.50%	6.50%	6.50%	6.50%

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes. None.

Changes in assumptions. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)**

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution - employer fiscal year	\$ 174,657	\$ 171,634	\$ 75,205	\$ 49,497	\$ 79,186	\$ 65,512	\$ 59,354
Contributions in relation to the statutorily required contributions	(316,284)	(187,621)	(198,672)	(75,205)	(128,683)	(65,512)	(87,354)
Contribution deficiency (excess)	\$ (141,627)	\$ (15,987)	\$ (123,467)	\$ (25,708)	\$ (49,497)	\$ -	\$ (28,000)
Covered-employee payroll - employer fiscal year	\$ 1,219,474	\$ 1,161,215	\$ 1,085,593	\$ 1,035,417	\$ 1,004,351	\$ 926,881	\$ 889,262
Contributions as a percentage of covered-employee payroll	25.94%	16.16%	18.30%	7.26%	12.81%	7.07%	9.82%

**Notes to Schedule:**

Valuation date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal, level % of pay						
Amortization method	Level dollar						
Asset valuation method	Market value of assets						
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Medical trend	6.75% to 3.75%	6.75% to 3.75%	6.75% to 3.75%	4.00%	4.00%	4.00%	4.00%
Discount rate	6.25%	6.25%	5.50%	6.50%	6.50%	6.50%	6.50%

An actuarially determined contribution rate was not calculated. The required contributions reported represent retiree premium payments.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property assessments	\$ 4,025,874	\$ 4,025,874	\$ 3,844,424	\$ (181,450)
O & M reimbursement revenue from SAFCA	1,463,950	1,463,950	1,471,161	7,211
Capital contributions and grants	521,000	521,000	398,008	(122,992)
Fees for services	-	-	101,534	101,534
Use of money and property	104,000	104,000	543,316	439,316
Other revenues	-	-	85,331	85,331
<b>TOTAL REVENUES</b>	<b>6,114,824</b>	<b>6,114,824</b>	<b>6,443,774</b>	<b>328,950</b>
<b>EXPENDITURES</b>				
Current				
Flood protection:				
Maintenance and operations	5,264,776	5,264,776	4,134,166	1,130,610
Administration	1,354,936	1,354,936	1,209,496	145,440
Capital outlay	335,000	335,000	263,246	71,754
<b>TOTAL EXPENDITURES</b>	<b>6,954,712</b>	<b>6,954,712</b>	<b>5,606,908</b>	<b>1,347,804</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(839,888)</b>	<b>(839,888)</b>	<b>836,866</b>	<b>1,676,754</b>
Fund balance at beginning of year	9,879,885	9,879,885	9,879,885	-
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 9,039,997</b>	<b>\$ 9,039,997</b>	<b>\$ 10,716,751</b>	<b>\$ 1,676,754</b>

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)



RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended June 30, 2024

	Final Budget	Actual	Variance
Maintenance and Operations:			
Power	\$ 460,000	\$ 594,115	\$ (134,115)
Herbicides	160,000	223,586	(63,586)
Field services	260,500	129,589	130,911
Field operations consultants	16,200	18,247	(2,047)
Materials and supplies	23,000	23,248	(248)
Refuse collection	50,000	41,179	8,821
Compensation	1,264,664	1,332,780	(68,116)
Payroll taxes	93,356	98,777	(5,421)
Group insurance	161,096	146,947	14,149
Dental/vision insurance	28,628	23,277	5,351
Workers' compensation insurance	35,000	23,889	11,111
Pension - defined benefit and 457 plans	340,941	243,932	97,009
Fuel	85,000	75,334	9,666
Equipment repairs and services	40,000	25,767	14,233
Equipment parts and supplies	35,000	49,837	(14,837)
Shop equipment (not vehicles)	30,000	12,224	17,776
Government fees and permits	3,500	12,897	(9,397)
Facility repairs	561,000	334,195	226,805
Assessments/CAD	11,500	13,834	(2,334)
Field utilities	16,891	27,347	(10,456)
Equipment rental and other	4,000	2,800	1,200
Field equipment	17,000	529	16,471
Security patrol	155,000	247,020	(92,020)
FMAP - operations and maintenance	421,000	283,341	137,659
Capital - facilities	975,000	128,745	846,255
FEMA permits	11,500	-	11,500
Other	5,000	20,730	(15,730)
	<u>\$ 5,264,776</u>	<u>\$ 4,134,166</u>	<u>\$ 1,130,610</u>
Administration:			
Office supplies	\$ 25,000	\$ 9,111	\$ 15,889
Computer	42,600	40,024	2,576
Liability and auto insurance	197,000	201,901	(4,901)
Annuitant healthcare	172,836	300,284	(127,448)
Memberships	37,600	40,783	(3,183)
Legal	102,500	58,451	44,049
Engineering/Administrative consultants	188,500	253,447	(64,947)
Public relations, legislative analyst	90,000	24,286	65,714
Accounting and audit services	57,000	52,388	4,612

RECLAMATION DISTRICT NO. 1000, CALIFORNIA

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -  
GENERAL FUND (Continued)

For the Year Ended June 30, 2024

	Final Budget	Actual	Variance
Administration (continued):			
Administrative services	\$ 24,500	\$ 16,983	\$ 7,517
Trustee fees	30,000	25,219	4,781
Mitigation land taxes	5,500	4,995	505
Election costs	45,500	5,466	40,034
Utilities	35,700	28,375	7,325
Office maintenance and repair	33,700	22,172	11,528
Continuing education	12,000	7,259	4,741
Payroll service	4,500	2,921	1,579
Small office and computer equipment	20,750	19,565	1,185
Government fees and permits	21,950	5,186	16,764
Assessment management fees	-	42,213	(42,213)
Professional development	60,000	23,092	36,908
Temporary administration	20,000	5,736	14,264
Office improvements	125,000	17,005	107,995
Other	2,800	2,634	166
	<u>\$ 1,354,936</u>	<u>\$ 1,209,496</u>	<u>\$ 145,440</u>
Capital outlay:			
Capital - office facility repair	\$ 75,000	\$ 41,360	\$ 33,640
Capital equipment	260,000	221,886	38,114
	<u>335,000</u>	<u>263,246</u>	<u>71,754</u>
Total expenditures	<u>\$ 6,954,712</u>	<u>\$ 5,606,908</u>	<u>\$ 1,347,804</u>

## OTHER REPORTS

(This page intentionally left blank.)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Reclamation District No. 1000  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Reclamation District No. 1000 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

To the Board of Trustees  
Reclamation District No. 1000

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Richardson & Company, LLP*

November 26, 2024