

April 10, 2026
Sacramento, California

The Board of Trustees of the American River Flood Control District met in regular session at 11:00 a.m. on Friday, April 10, 2026. In attendance were Trustee Crush, Trustee Holloway, Trustee Johns, and Trustee Maviglio. Trustee Vander Werf was absent. Trustee Maviglio presided. Also present from the District were General Manager (GM) Tim Kerr, Legal Counsel Scott Shapiro, Superintendent Brian Morris, and Office Manager Malane Chapman. Randy Smith with River City Waterway Alliance was present. Three members of the public were present.

Item No. 1 Public Comments on Non-Agenda Items: Dr. Roland Brady thanked the Board for attending the CVFPB Steelhead Creek meeting. Ms. Lisa Sanchez shared with the Board pictures that were taken over the year of items removed from the waterways.

Item No. 2 Randy Smith, Arcade Creek and Steelhead Creek: Mr. Smith showed the Board aerial footage of both Arcade Creek and Steelhead Creek comparing March 2025 to April 2026. Noting that huge improvements have been made.

Item No. 3 Approval of Consent Agenda: On a motion by Trustee Holloway seconded by Trustee Crush, the Board unanimously approved items 3a) Minutes of Regular Meeting on March 13, 2026, 3b) Approval of Report of Investment Transactions February 2026 (City Pool, LAIF, River City) and Treasurer's Certification, 3c) District Financial Reports: Statement of Operations (March 2026) and Cash Flow Report, and 3d) Correspondence: None.

Item No. 4 Accounts Payable and General Fund Expenses (March 2026):

On a motion by Trustee Johns seconded by Trustee Holloway, the Board unanimously approved payments on the Schedule of Accounts Payable (March 2026) of \$87,063.26 and General Fund Expenses of \$130,739.18 (total aggregate sum \$217,802.44)

Item No. 5 Committee Updates: 5a) Encampment Committee: On a motion by Trustee Holloway seconded by Trustee Johns, the Board unanimously appointed Trustee Maviglio Encampment Committee Chair. Trustee Maviglio shared that the committee met to review the Department of Water Resources response to encampments in the floodway, 5b) Finance Committee: Finance Committee did not meet this month, 5c) Personnel and Benefits Committee: Personnel and Benefits Committee did not meet this month, 5d) Policy/Government Affairs Committee: Policy/Government Affairs Committee did not meet this month, and 5e) Public Outreach Committee: Trustee Maviglio reported that the committee met to discuss updates on the social media.

Item No. 6 MBK, Scope of Work: Hydraulic Modeling Steelhead Creek: GM Kerr briefed the Board on the scope of work. On a motion by Trustee Johns seconded by Trustee Crush, the Board unanimously approved the scope of work for both Task 1: Hydraulic Model Refinement and Task 2: Technical Memorandum.

Item No. 7 Administrative Staff Reports:

a) *General Manager Tim Kerr reported on the following:*

- General Manager's March Meeting Summary: SAFCA Glenn Hall Park Site Visit was discussed;
- USACE Final Inspection Report – American River Right Bank, NEMDC Levee System;
- Hydrologic Conditions: Folsom Lake at 90% of capacity with an outflow of 2,060 cfs. The gauge at I Street Bridge shows a water surface elevation of 7.0 feet above sea level;
- Next Board Meeting is scheduled for May 8, 2026.

b) *Legal Counsel Scott Shapiro*: Legal Counsel Shapiro suggested a resolution to change the language on the current 1-year residency requirement.

c) *Office Manager Malane Chapman*: Office Manager Chapman had nothing further to report.

Item No. 8 Operations and Maintenance Staff Reports:

Superintendent Brian Morris:

- Crew activities included down trees, and mowing.

Item No. 9 Questions and Comments by Trustees: There were no comments or questions by Trustees.

Item No. 10 Adjourn: There being no further business requiring action by the Board, the meeting was adjourned by Trustee Maviglio at 12:06 p.m.

Attest:

Secretary

President

**American River Flood Control District
Staff Report**

Investment Transactions Summary; March 2026

LAIF:

- There were no transactions for the month of March.

City Pool A

- Accrued Interest Receivable for the month of March was \$32,847.47.
- As of March 31, 2026, the balance of Interest Receivable in this account was \$244,793.82.

Interest Receivable is accrued and transferred to the Cash Balance at the discretion of the City.

River City Bank Money Market:

- On March 11, 2026, a payment was made to United Healthcare in the amount of \$30.28.
- On March 31, 2026, a monthly interest payment was received in the amount of \$2,092.47.

River City Bank Checking:

- On March 10, 2026, a deposit was received from County of Sacramento Teeter Payment in the amount of \$83,344.10.
- On March 31, 2026, a monthly interest payment was deposited in the amount of \$15.48.
- Total amount of Accounts Payable cleared during the month of March was \$146,847.66.

**American River Flood Control District
Investment Transaction Report
March 2026**

Balance and Transactions

Account		LAIF	City Pool A	River City Bank Money Market	River City Bank Checking
Beginning Balance	3/1/26	\$76,481.25	\$9,741,180.31	\$1,093,992.99	\$242,159.57
Transactions					
County of Sacramento Property Tax	3/10/26				\$83,344.10
United Health	3/11/26			(\$30.28)	
Interest	3/31/26		\$32,847.47	\$2,092.47	\$15.48
Accounts Payable (cleared)					(\$146,847.66)
Ending Balance:	3/31/26	\$76,481.25	\$9,741,180.31	\$1,096,055.18	\$178,671.49

**City Pool A Interest is accrued and deposited in the account at the discretion of the City.

Interest

Date:	Apr 2025	May 2025	June 2025	July 2025
LAIF	4.28	4.27	4.27	4.26
City Pool A	2.91	2.92	3.11	3.07
River City Bank Money Market	2.28	2.28	2.28	2.28
River City Bank Checking	0.08	0.08	0.08	0.08
Date:	Aug 2025	Sep 2025	Oct 2025	Nov 2025
LAIF	4.25	4.21	4.15	4.10
City Pool A	2.99	3.11	3.11	3.31
River City Bank Money Market	2.28	2.28	2.28	2.28
River City Bank Checking	0.08	0.08	0.08	0.08
Date:	Dec 2025	Jan 2026	Feb 2026	Mar-26
LAIF	4.03	3.93	3.87	3.83
City Pool A	3.25	3.32	3.79	3.89
River City Bank Money Market	2.28	2.28	2.28	2.28
River City Bank Checking	0.08	0.07	0.08	0.08

**American River
Flood Control
District**

AMERICAN RIVER FLOOD CONTROL DISTRICT

MONTHLY REVIEW – MARCH 2026

STRATEGY

The ARFCD funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

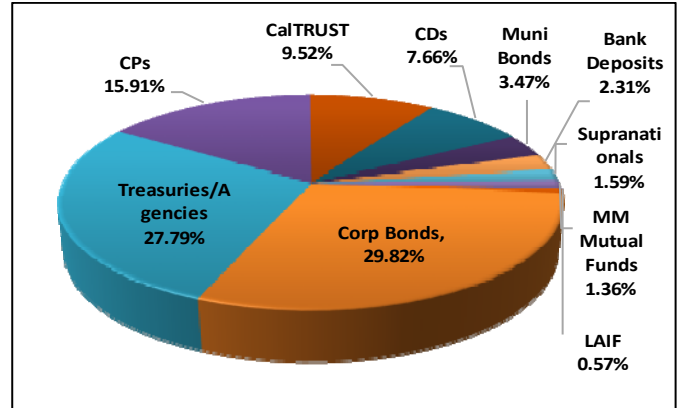
PORTFOLIO STATISTICS

Beginning Balance	9,953,127
Contributions	0
Withdrawals	0
Interest Earned	32,847
Ending Balance	9,985,974

PERFORMANCE COMPARISON

City Pool A	3.89%
LAIF	3.83%
90 Day T-Bill	3.68%
Federal Funds	3.75%

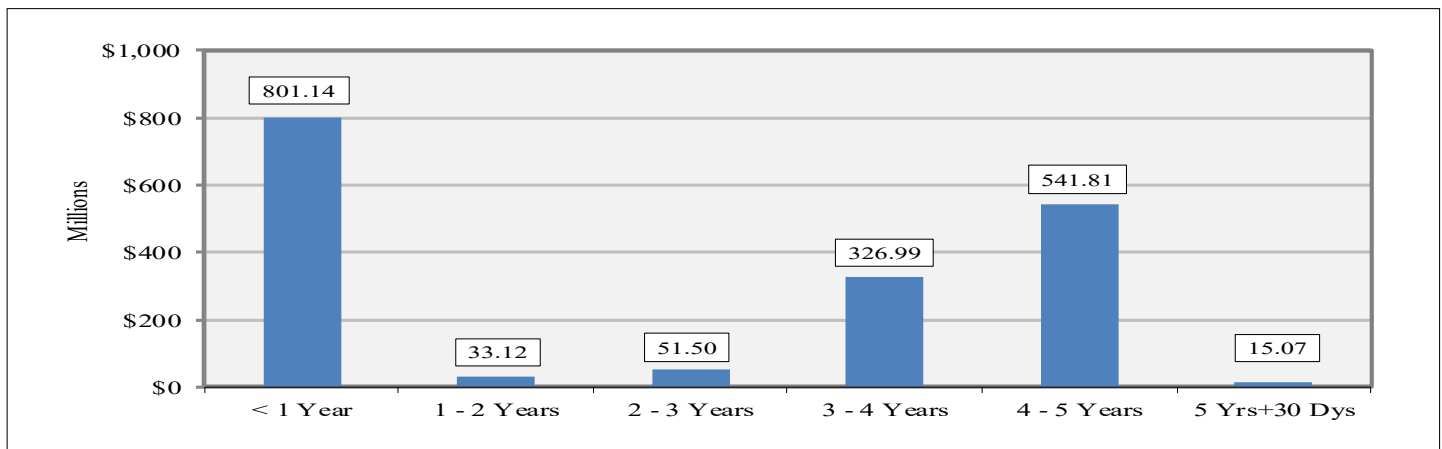
CITY POOL A PORTFOLIO COMPOSITION



CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	801,138,558	45.27%
1 - 2 Years	33,121,666	1.87%
2 - 3 Years	51,502,966	2.91%
3 - 4 Years	326,993,081	18.48%
4 - 5 Years	541,810,001	30.62%
5 Yrs+30 Dys	15,068,746	0.85%
Total	1,769,635,018	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	29.82%	3.75%
Treasuries/Agencies	27.79%	3.58%
CPs	15.91%	3.87%
CalTRUST	9.52%	3.86%
CDs	7.66%	3.80%
Muni Bonds	3.47%	3.90%
Bank Deposits	2.31%	3.89%
Supranationals	1.59%	4.47%
MM Mutual Funds	1.36%	3.28%
LAIF	0.57%	3.83%



City of Sacramento
 CASH LEDGER
 American River Flood Control District
 From 03-01-26 To 03-31-26

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
03-01-26				Beginning Balance		211,946.35
03-31-26	03-31-26	in		Pool A Cash	32,847.47	244,793.82
				Mar 2026 estimated Pool A interest		
					32,847.47	
03-31-26				Ending Balance		244,793.82
Pool A Cash						
03-01-26				Beginning Balance		9,741,180.31
03-31-26				Ending Balance		9,741,180.31

California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

April 01, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

AMERICAN RIVER FLOOD CONTROL DISTRICT

DISTRICT ENGINEER/MANAGER
165 COMMERCE CIRCLE, SUITE D
SACRAMENTO, CA 95815

[Tran Type Definitions](#)

Account Number: 90-34-002

March 2026 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	76,481.25
Total Withdrawal:	0.00	Ending Balance:	76,481.25

RETURN SERVICE REQUESTED

Last statement: February 28, 2026
This statement: March 31, 2026
Total days in statement period: 31AMERICAN RIVER FLOOD CONTROL DISTRICT
C/O ROBERT MERRITT, CPA
4000 MAGNOLIA HILLS DR
EL DORADO HILLS CA 95762-6561Page 1
0811100952
(0)Direct inquiries to:
916-567-2660

Public Fund Money Market

Account number	0811100952	Beginning balance	\$1,093,992.99
Low balance	\$1,093,962.71	Total additions	2,092.47
Average balance	\$1,093,972.48	Total subtractions	30.28
Avg collected balance	\$1,093,972	Ending balance	\$1,096,055.18
Interest paid year to date	\$4,773.65		

DEBITS

Date	Description	Subtractions
03-11	ACH Withdrawal UNITEDHEALTH INS PREM 260310	30.28

CREDITS

Date	Description	Additions
03-31	Interest Credit	2,092.47

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
02-28	1,093,992.99	03-11	1,093,962.71	03-31	1,096,055.18

INTEREST INFORMATION

Annual percentage yield earned	2.28%
Interest-bearing days	31
Average balance for APY	\$1,093,972.48
Interest earned	\$2,092.47

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

RETURN SERVICE REQUESTED

 Last statement: February 28, 2026
 This statement: March 31, 2026
 Total days in statement period: 31

 AMERICAN RIVER FLOOD CONTROL DISTRICT
 C/O ROBERT MERRITT, CPA
 4000 MAGNOLIA HILLS DR
 EL DORADO HILLS CA 95762-6561

 Page 1
 0811090736
 (38)

 Direct inquiries to:
 916-567-2660

Public Fund Interest Checking

Account number	0811090736	Beginning balance	\$242,159.57
Enclosures	38	Total additions	83,359.58
Low balance	\$178,656.01	Total subtractions	146,847.66
Average balance	\$227,767.43	Ending balance	\$178,671.49
Avg collected balance	\$227,767		

CHECKS

Number	Date	Amount	Number	Date	Amount
10911	03-05	6,796.00	10964	03-19	1,958.00
10922 *	03-06	119.00	10965	03-20	4,487.58
10924 *	03-03	1,247.27	10966	03-23	200.11
10938 *	03-09	47.96	10967	03-23	169.37
10940 *	03-02	1,547.25	10968	03-19	58.24
10942 *	03-03	1,102.69	10969	03-23	297.32
10948 *	03-02	775.27	10970	03-23	2,645.00
10950 *	03-02	35.00	10971	03-24	240.00
10952 *	03-25	32,034.82	10973 *	03-23	1,602.61
10953	03-19	153.00	10975 *	03-27	1,101.85
10954	03-20	744.28	10976	03-20	1,049.35
10955	03-20	338.49	10977	03-20	350.00
10956	03-20	1,042.44	10978	03-19	145.61
10957	03-31	1,679.21	10979	03-20	241.30
10958	03-25	298.19	10980	03-24	602.46
10960 *	03-20	1,643.77	10981	03-26	753.80
10961	03-19	3,145.50	10982	03-27	282.00
10962	03-19	640.03			
10963	03-23	3,186.62			

* Skip in check sequence

DEBITS

Date	Description	Subtractions
03-03	' ACH Withdrawal CALPERS 1900 100000018224916	281.92
03-03	' ACH Withdrawal CALPERS 1900 100000018224906	12,283.00
03-03	' ACH Withdrawal CALPERS 3100 100000018179956	3,078.67
03-03	' ACH Withdrawal CALPERS 3100 100000018179973	3,890.29
03-04	' ACH Withdrawal HEALTHEQUITY INC HealthEqui 260304	250.00
03-05	' ACH Withdrawal CALPERS 1900 100000018225847	1,588.04
03-10	Incoming Wire Fee 202603100085602 COUNTY OF SACRAMENMAIN ACCOUNT 700 H PROPERTY TAX DISTR	15.00
03-16	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 260316 946000047	42,782.37
03-18	' ACH Withdrawal CALPERS 3100 100000018202138	3,078.67
03-18	' ACH Withdrawal CALPERS 3100 100000018202183	3,890.29
03-19	' ACH Withdrawal HEALTHEQUITY INC HealthEqui 260319	252.95
03-19	' ACH Withdrawal CALPERS 1900 100000018245955	1,588.04
03-20	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 260320 946000047	1,107.03

CREDITS

Date	Description	Additions
03-10	Incoming Wire 202603100085602 COUNTY OF SACRAMENMAIN ACCOUNT 700 H PROPERTY TAX DISTR	83,344.10
03-31	' Interest Credit	15.48

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
02-28	242,159.57	03-05	209,284.17	03-16	249,663.94
03-02	239,802.05	03-06	209,165.17	03-18	242,694.98
03-03	217,918.21	03-09	209,117.21	03-19	234,753.61
03-04	217,668.21	03-10	292,446.31	03-20	223,749.37

Date	Amount	Date	Amount	Date	Amount
03-23	215,648.34	03-25	182,472.87	03-27	180,335.22
03-24	214,805.88	03-26	181,719.07	03-31	178,671.49

INTEREST INFORMATION

Annual percentage yield earned	0.08%
Interest-bearing days	31
Average balance for APY	\$227,767.43
Interest earned	\$15.48

OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

CERTIFICATION

The American River Flood Control District's investment portfolio [] is [is not] in compliance with the District's Financial Management Investments Plan.

The District's investment portfolio is not in compliance in the following respects:

A cash flow analysis confirms that the District [is] [is not] expected to be able to meet its expenditure requirements for the next six months.

The District's cash is insufficient to meet obligations for the next six months as a result of the following:

Attached hereto are the most recent statements of accounts of the following District accounts:

- LAIF Account, State Treasurer's Office **Dated February 2026**
- Investment Pool A Account, City of Sacramento **Dated February 2026**
- District Checking Account, River City Bank **Dated February 2026**
- District Repurchase Account, River City Bank **Dated February 2026**

Certified by: _____ Date: _____
Tim Crush, District Treasurer

American River Flood Control District
Statement of Operations
July 1, 2025 to April 30, 2026 (Ten Months Ending of Fiscal 2026)
For Internal Use Only

	Year to Date July 1, 2025 to April 30, 2026	Budget	Percent of Budget
Revenues			
Benefit assessment	\$ 707,960	\$ 1,429,792	49.51%
Consolidated capital assessment	-	980,000	0.00%
Interest	263,540	77,267	341.08%
Misc. income	485	-	Not budgeted
O & M agreements	-	312,057	0.00%
Total Revenues	971,985	2,799,116	34.72%
M & O Expenses			
Salaries and wages	921,706	1,178,081	78.24%
Payroll tax expense	72,961	94,246	77.42%
Pension expense	233,802	246,044	95.02%
Compensation insurance	28,190	58,904	47.86%
Medical/dental/vision	218,221	290,977	75.00%
Fuel/oil reimbursement	42,981	60,000	71.64%
Equipment rental	18,762	25,000	75.05%
Equipment repairs/parts	65,193	75,000	86.92%
Equipment purchases (< \$5,000)	-	7,500	0.00%
Shop supplies	4,842	10,000	48.42%
Levee maint. (supp. & material)	12,289	25,000	49.16%
Levee maint. chemicals	22,719	25,000	90.88%
Levee maint. services	28,593	40,000	71.48%
Rodent abatement (supplies & materials)	24,386	18,750	130.06%
Employee uniforms	5,531	6,500	85.09%
Staff training	424	6,500	6.52%
Regulation Compliance (OSHA)	15,754	20,000	78.77%
Miscellaneous	1,603	1,500	106.87%
Small tools & equipment	7,220	10,000	72.20%
Emergency preparedness program	1,949	25,000	7.80%
Engineering services	7,678	15,000	51.19%
Encroachment remediation	-	5,000	0.00%
Urban camp cleanup	34,550	35,000	98.71%
Total M & O Expenses	1,769,354	2,279,002	77.64%
Administration Expenses			
Board of trustees compensation	5,388	7,600	70.89%
Trustee expenses	1,909	2,400	79.54%
Trustee training	-	5,000	0.00%
Accounting services	350	16,500	2.12%
Legal services (general)	17,800	50,000	35.60%
Utilities	41,463	55,000	75.39%
Telephone	20,207	25,000	80.83%
Retiree benefits	120,774	148,109	81.54%
Office equipment/furniture	3,377	2,500	135.08%
Auto allowance	5,935	6,600	89.92%
Parking reimbursement	153	400	38.25%
General office expense	11,033	15,000	73.55%
Technology and software	14,469	10,000	144.69%
Dues and associations	30,960	25,000	123.84%
Property and liability insurance	93,493	65,000	143.84%
Public relations/information	25,307	30,000	84.36%
Miscellaneous	7,985	5,000	159.70%
Conference/Workshop/Seminar	1,362	2,500	54.48%
Employee morale/wellness	147	2,000	7.35%
Investment fees	9,779	20,000	48.90%
Community services	1,000	1,500	66.67%
Bookkeeping services	12,190	14,000	87.07%
Property taxes	1,855	2,000	92.75%
Building maintenance	9,827	20,000	49.14%
County Dtech fees for DLMS	25,275	30,000	84.25%
Interest expense	10	-	Not budgeted
Total Administration Expenses	462,048	561,109	82.35%
Special Projects Expenses			
Levee standards compliance	-	25,000	0.00%
Total Special Project Expenses	-	25,000	0.00%
Capital Outlay			
Equipment purchases (over \$5,000)	-	150,000	0.00%

Note: Amounts above are not audited

The above information is current through the last day of the previous month's bank activity.

Data has been verified by the bookkeeper and physical copies of checks have not been reviewed or received and some checks may not have cleared the bank account.

AMERICAN RIVER FLOOD CONTROL DISTRICT
Cash Flow Report
July 2025 through June 2026

Cash Flow Report

Maintenance and Operations Expens	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	TOTAL
500 · Salary/Wages	97,308.07	138,055.47	46,012.20	140,358.15	42,302.62	137,887.83	91,889.03	85,360.20	42,680.10	95,471.73	50,200.34	0.00	967,525.74
501 · Payroll Taxes	7,683.85	10,869.54	3,582.50	10,465.27	2,751.99	8,971.02	11,100.87	6,856.62	4,528.45	7,381.44	3,852.97	0.00	78,044.52
502 · Pension	24,539.69	20,834.56	17,700.20	20,792.90	24,865.18	27,170.74	15,834.31	23,187.11	24,583.70	23,656.49	17,945.37	0.00	241,110.25
503 · Compensation Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
504 · Medical/Dental/Vision	19,105.00	26,679.35	20,662.36	19,822.68	17,933.88	19,867.87	19,947.87	21,909.65	21,073.26	20,871.26	0.00	0.00	207,873.18
508 · Fuel/Oil	4,782.25	5,976.22	5,759.00	4,086.37	5,349.15	3,095.05	6,098.66	6,669.17	2,149.09	6,649.33	0.00	0.00	50,614.29
509 · Equipment Rental	5,536.50	4,140.00	9,277.50	5,292.00	0.00	0.00	0.00	0.00	0.00	52.27	0.00	0.00	24,298.27
510 · Equipment Purchase(< \$5000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
511 · Equipment Repair/Parts	2,379.61	2,453.17	6,644.69	10,394.35	2,604.12	9,018.19	9,835.46	6,943.52	2,635.32	12,304.07	0.00	0.00	65,212.50
512 · Shop Supplies	35.16	0.00	538.67	86.81	0.00	617.56	611.41	468.93	840.09	1,324.84	0.00	0.00	4,523.47
514 · Levee Maint(Supplies&Materi	835.79	15,572.23	952.08	46.45	387.90	144.79	456.23	750.51	323.48	1,488.42	0.00	0.00	20,957.88
515 · Levee Maintenance Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
516 · Employee Uniforms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
518 · Staff Training	1,102.27	0.00	0.00	28,000.00	0.00	0.00	215.95	377.01	0.00	0.00	0.00	0.00	29,695.23
519 · Miscellaneous O&M	4,762.05	1,222.51	0.00	488.89	0.00	0.00	280.14	0.00	0.00	0.00	0.00	0.00	6,753.59
521 · Small Tools & Equip	0.00	90.00	0.00	90.00	0.00	0.00	75.00	0.00	0.00	0.00	0.00	0.00	255.00
523 · Levee Maint. (Chemicals)	11,139.71	11,139.71	11,139.71	10,569.14	9,428.00	11,243.56	11,243.56	11,243.56	11,243.56	11,243.56	0.00	0.00	109,634.07
525 · Emergency Preparedness Pr	0.00	3,377.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,377.25
530 · Encroachment Remediation I	0.00	0.00	0.00	0.00	0.00	718.02	0.00	0.00	0.00	0.00	0.00	0.00	718.02
532 · Rodent Abatement	6.00	0.00	4.00	0.00	143.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	153.08
533 · Urban Camp Cleanup	1,256.38	480.71	1,214.70	1,592.86	1,502.42	1,380.37	972.92	932.35	969.24	1,343.45	0.00	0.00	11,645.40
605 · Engineering Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
615 · Survey Services	7,378.80	1,719.95	0.00	14,580.80	82,914.97	0.00	9,399.18	0.00	0.00	29,658.20	0.00	0.00	145,651.90
616 · Environmental Services/Studi	0.00	825.00	0.00	0.00	537.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,362.44
Total M&O Expense	187,851.13	243,435.67	123,487.61	266,666.67	190,720.75	220,115.00	177,960.59	164,698.63	111,026.29	211,445.06	71,998.68	0.00	1,969,406.08

Administrative Expenses	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	TOTAL
505 · Telephone	2,408.50	1,893.93	2,078.79	3,234.25	4,330.91	1,932.45	986.65	1,946.13	1,926.53	1,736.42	0.00	0.00	22,474.56
506 · Utility Charges	4,178.33	2,925.27	4,315.07	6,587.19	5,238.97	3,766.00	3,582.73	4,474.56	4,747.61	5,184.94	0.00	0.00	45,000.67
507 · Office/Shop Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
513 · Office Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
517 · Auto Allowance	1,102.27	0.00	0.00	28,000.00	0.00	0.00	215.95	377.01	0.00	0.00	0.00	0.00	29,695.23
520 · Retiree Benefits	550.00	825.00	275.00	825.00	275.00	825.00	550.00	550.00	275.00	550.00	275.00	0.00	5,775.00
522 · Office Equipment/Furniture	0.00	0.00	0.00	1,251.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,251.00
526 · Mileage/Parking Reimburs	0.00	0.00	0.00	0.00	0.00	0.00	22,719.41	0.00	0.00	0.00	0.00	0.00	22,719.41
527 · General Office Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
529 · Pre-funding Retiree Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
531 · Technology & Software	0.00	0.00	0.00	0.00	0.00	718.02	0.00	0.00	0.00	0.00	0.00	0.00	718.02
600 · Board of Trustees Compensa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
601 · Trustee Expenses	5,377.61	3,127.76	5,499.51	6,242.20	2,789.84	1,771.27	1,758.98	5,593.20	5,272.12	2,200.21	0.00	0.00	39,632.70
602 · Accounting Services	1,637.84	674.45	4,439.81	5,858.54	407.24	312.29	1,560.19	0.00	420.76	606.31	0.00	0.00	15,917.43
603 · Legal Fees (General)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
604 · Flood Litigation	380.00	380.00	380.00	475.00	475.00	475.00	475.00	380.00	475.00	380.00	0.00	0.00	4,275.00
606 · Legislative Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
607 · Dues and Assoc. Expens	117.76	130.00	141.26	187.46	0.00	166.49	837.13	0.00	214.96	208.98	0.00	0.00	2,004.04
608 · Insurance Premiums	117.76	130.00	141.26	187.46	0.00	166.49	837.13	0.00	214.96	208.98	0.00	0.00	2,004.04
609 · Conference /Workshops/Sem	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
610 · Public Relations Information	1,297.50	4,209.00	2,431.50	3,069.00	1,485.00	1,185.00	4,778.50	1,048.50	3,145.50	657.00	0.00	0.00	23,306.50
611 · Election Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
612 · District Annexations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	426.00	0.00	7,251.75	0.00	0.00	7,677.75
613 · Community Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
614 · Miscellaneous Admin	0.00	0.00	0.00	15,190.00	8,637.00	337.00	0.00	6,796.00	0.00	0.00	0.00	0.00	30,960.00
617 · Investment Fees	0.00	0.00	0.00	0.00	23.89	14,992.70	10,290.00	0.00	0.00	0.00	0.00	0.00	25,306.59
618 · Property Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
619 · Building Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
620 · Bookkeeping Services	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
621 · County Assessment Fees	269.22	1,115.62	1,500.01	1,688.35	410.93	357.46	136.65	282.37	558.16	801.03	183.75	0.00	7,303.55
622 · County DTEch Fees for DLMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

AMERICAN RIVER FLOOD CONTROL DISTRICT
Cash Flow Report
July 2025 through June 2026

623 · Employee Morale/Wellness	0.00	0.00	0.00	0.00	23.89	14,992.70	10,290.00	0.00	0.00	0.00	0.00	0.00	25,306.59
Total Administrative	17,436.79	16,411.03	21,202.21	72,795.45	24,097.67	41,997.87	59,018.32	21,873.77	17,250.60	19,785.62	458.75	0.00	312,328.08

Special Projects Expenses	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	TOTAL
702 · Engineering/Survey Studies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
703 · Encroachment Remediation §	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
704 · Vegetation Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
705 · Small Capital Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
707 · Levee Standards Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Special Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Capital Outlay: Flood Control	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	TOTAL
700 · Bank Protection	0.00	0.00	0.00	0.00	0.00	0.00	(166.05)	(100.91)	0.00	146.53	(8.06)	0.00	(128.49)
701 · Magpie Creek	2,417.77	0.00	11,330.00	0.00	0.00	0.00	0.00	0.00	11,330.00	0.00	0.00	0.00	25,077.77
706 · Property Acquisition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
709 · Equipment Purchase (> \$500)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Outlay: Flood Control	2,417.77	0.00	11,330.00	0.00	0.00	0.00	(166.05)	(100.91)	11,330.00	146.53	(8.06)	0.00	24,949.28

Income	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	TOTAL
120 · Benefit Assessment	0.00	29,791.38	0.00	0.00	0.00	0.00	0.00	647,128.55	83,344.10	0.00	0.00	0.00	760,264.03
122 · SAFCA CAD4	0.00	980,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	980,000.00
123 · Interest	2,480.84	1,719.95	1,661.26	2,520.83	1,632.66	1,510.56	2,003.15	1,517.02	2,107.95	2,403.32	0.00	0.00	19,557.54
124 · O&M Agreements	0.00	0.00	0.00	0.00	0.00	0.00	291,601.90	0.00	0.00	0.00	0.00	0.00	291,601.90
126 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	2,480.84	1,011,511.33	1,661.26	2,520.83	1,632.66	1,510.56	293,605.05	648,645.57	85,452.05	2,403.32	0.00	0.00	2,051,423.47

Fund Balance

District Operations Fund	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
Beginning Balance	280,735.24	77,928.16	829,592.79	686,564.23	349,622.94	136,437.18	(124,165.13)	(67,538.99)	394,534.18	351,709.34	122,881.98	0.00
Income	2,480.84	1,011,511.33	1,661.26	2,520.83	1,632.66	1,510.56	293,605.05	648,645.57	85,452.05	2,403.32	0.00	0.00
Expenses	205,287.92	259,846.70	144,689.82	339,462.12	214,818.42	262,112.87	236,978.91	186,572.40	128,276.89	231,230.68	72,457.43	0.00
Ending Balance	77,928.16	829,592.79	686,564.23	349,622.94	136,437.18	(124,165.13)	(67,538.99)	394,534.18	351,709.34	122,881.98	50,424.55	0.00

Capital Outlay Reserve Fund	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
Beginning Balance	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00	1,270,000.00

Retiree Health Benefit Reserve Fund	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
Beginning Balance	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00	3,552,014.00

Flood Emergency Response Reserve Fund	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
Beginning Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00

Emergency Repair Reserve Fund	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
Beginning Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00

Total Balance	7,899,942.16	8,651,606.79	8,508,578.23	8,171,636.94	7,958,451.18	7,697,848.87	7,754,475.01	8,216,548.18	8,173,723.34	7,944,895.98	7,872,438.55	7,822,014.00
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American River Flood Control District

Resolution No. 2026-04

**LEVYING A BENEFIT ASSESSMENT
ESTABLISHING THE RATES THEREOF
AND
REQUESTING COLLECTION OF BENEFIT ASSESSMENTS**

WHEREAS, the Board of Trustees of American River Flood Control District is authorized under various sections of the American River Flood Control District Act, as amended, to levy an assessment upon property in benefit zones within said District, to be apportioned in accordance with prescribed and adopted percentages for said zones, to carry out the objectives and purposes of said Act and to pay costs and expenses of maintaining, operating, extending, and repairing facilities, works, and improvements of said District for the ensuing fiscal year; and

WHEREAS, pursuant to Sections 17(a), 17(b), and 18 of said Act, as amended, the District is further authorized and empowered to elect to have its assessments collected by the County of Sacramento; and

WHEREAS, the Board of Trustees of the District has previously divided the District into zones of benefit (Zones A through C), which zones are designated on a map or plat of the District filed in the office of said Board of Trustees, a copy of which has been previously provided to the Auditor of the County of Sacramento; and

WHEREAS, no ballot or election is required under Article XIID of the California Constitution, since assessment rates are not being increased for the FY 2026-27 assessment; and

WHEREAS, the Board has duly considered the matter of the number of funds for the stated purposes, each and all of them, and being fully advised;

NOW THEREFORE BE IT RESOLVED as follows:

1. There above-referenced levied upon and against the lands within the American River Flood Control District a benefit assessment equal in rate to the rate previously established by the County Auditor-Controller for FY 1996-97 for each benefit zone (Zone A, Zone B, and Zone C) and land use category established by the above referenced Water Code sections.
2. For each benefit assessment Zone within the District, the assessment zone rate shall be as follows:
 - Zone A: 15.5456 for each benefit product (same as FY 96-97)
 - Zone B: 15.1251 for each benefit product (same as FY 96-97)
 - Zone C: 4.9696 for each benefit product (same as FY 96-97)

3. The Board of Trustees of District hereby elects to have the District's assessments collected by the County of Sacramento pursuant to Sections 17(a), 17(b), and 18 of the said District Act, as amended; said assessments to be collected at the same time and manner and subject to the same penalties and interest for delinquencies as shall apply to the taxes collected by the County.
4. The Secretary of the Board is hereby authorized and directed to transmit a certified copy of this Resolution to the Auditor, Municipal Services Agency, and County Executive of the County of Sacramento immediately upon adoption with the request that the County Municipal Services Agency compute and impose upon the respective Zones this District's benefit assessment, based on the above-prescribed rates.

PASSED AND UNANIMOUSLY ADOPTED this 8th day of May 2026.

ATTEST:

President
Board of Trustees

Secretary
Board of Trustees

American River Flood Control District

Resolution 2026-05

Adopting 2026-2027 Pay Ranges

WHEREAS, the American River Flood Control District (the “District”) retained Grace Consulting to conduct a salary study of comparable organizations in the relevant labor market for all positions in the District; and

WHEREAS, the results of that study and specific recommendations for the District are contained in the Salary Study of April 2023 (the “Study”); and

WHEREAS, consistent with the recommendations contained in the Study, the Board determines that it is in the best interests of the District to adopt new pay ranges for each position at the District. The pay ranges are established using the following methodology:

1. Use the Grace Consulting Study’s Market Average Midpoint plus 5% as the Midpoint for the District’s pay range for each position;
2. Using the District’s Midpoint as calculated in 1 above, establish a range of 35% from Bottom of Range (Minimum) to Top of Range (Maximum) for each position.

Therefore, the Board resolves that:

1. The monthly pay ranges for each position at the District as set forth in Exhibit “A” attached are hereby established and adopted using the methodology described above; and
2. The Employee Compensation and Benefits Policy is revised and adopted as set forth in Exhibit “B”, attached.

PASSED AND ADOPTED this 8th day of May 2026.

ATTEST:

President
Board of Trustees

Secretary
Board of Trustees

EXHIBIT "A"

**ARFCD Pay Ranges
Current and Proposed
FY 26-27**

JOB CLASS	Current ARFCD Pay Ranges			Proposed Pay Ranges 2026-2027		
	Min	Mid	Max	Min	Mid	Max
General Manager	13,296	15,623	17,950	13,695	16,092	18,488
Superintendent	9,426	11,075	12,724	9,708	11,407	13,106
Field Supervisor	6,723	7,900	9,077	6,925	8,137	9,349
Office Manager/Clerk of the Board	7,294	8,571	9,848	7,513	8,828	10,143
Vehicle and Equipment Maint Spec	5,711	6,711	7,711	5,883	6,912	7,942
Maintenance Worker Range B	5,533	6,501	7,469	5,699	6,696	7,693
Maintenance Worker Range A	4,677	5,496	6,315	4,818	5,661	6,504

EXHIBIT “B”

American River Flood Control District Employee Compensation and Benefits Policy (Revised June 2020)

This Employee Compensation and Benefits Policy is intended to serve as a guideline for District Management and the Board. The District seeks to recruit, retain, and promote employees of the highest caliber in terms of skills and ethics. The District also seeks to apply principles of equity and fairness in establishing the compensation of its employees. At the same time, District Management and the Board remain responsible stewards of District funds, consistent with their fiscal and legal responsibilities.

The Board should consider retaining an independent consultant to review the District’s employee compensation and benefits every four or five years, or more or less frequently if the Board deems it necessary or appropriate. Salary ranges may be established for each position based in part on the consultant’s review. Management and the Board may also be guided by their own experience and knowledge of the specific positions at the District in establishing both salary ranges and goal compensation. Salary ranges may be increased or decreased each year by applying an appropriate index, such as the labor market movement established by the U.S. Bureau of Labor Statistics.

Consistent with its goal to recruit and retain the highest caliber employees, the Board may be guided by the market average midpoint salary for each position as established by the consultant’s review. Salary caps and floors may be established by using a percentage, such as 10%, above and below the market average midpoint salary plus 5%. Alternatively, the Board may establish a range by using the market average midpoint salary plus 5% as the midpoint in the range, and then establishing a percentage range, such as 35%, between the bottom of the range (minimum) and the top of the range (maximum).

Management and the Board shall consider each individual employee’s performance to determine the employee’s actual salary within the approved ranges. Management and the Board may also take into consideration employee benefits, cost of living increases, merit increases, incentive bonuses, and longevity bonuses in establishing staff compensation.

The District guarantees every applicant for employment and every employee the right of equal treatment without regard to race, color, sex, age, religion, national origin, sexual preference, gender identity, disability or veteran status, or any other class protected by law. This policy extends to recruiting, hiring, working conditions, benefits, training programs, promotions, use of the District’s facilities, and all other terms and conditions of employment. In recruiting, selecting and promoting employees, it is the policy of the District to further the principles of equal employment opportunity by seeking talented and competent persons who are suited for a specific position by reason of training, experience, character, personality, intelligence, and general ability. Such action shall occur without regard to the individual’s protected status or class.



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GOVERNANCE LETTER

To the Board of Trustees
American River Flood Control District
Sacramento, California

We have audited the financial statements of the American River Flood Control District (the District) for the year ended June 30, 2025, and have issued our report thereon dated _____, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 19, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*

As stated in our engagement letter dated June 19, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the District. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We noted no internal control related matters that are required to be communicated under professional standards.

We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks, however, no such issues were noted during our audit.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated June 19, 2025.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. In fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences*, which resulted in the District being required to accrue sick leave expected to be used for time-off as part of the compensated absences liability. The restatement recorded due to the implementation of this Statement is discussed in Note I to the financial statements. The application of existing policies was not changed during 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were: the fair value of investments, depreciable lives and method used to depreciate capital assets, estimated sick leave usage, the amount receivable from the County for delinquent assessments, the other postemployment benefits and pension liabilities, and levee improvements constructed by the Army Corps of Engineers. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The accrual for postemployment benefits was determined by an actuarial valuation, which is required to be performed every two years. The most recent actuarial valuation was prepared for the June 30, 2024 audit. The accrual for the unfunded pension liability was determined by an actuarial valuation performed by CalPERS, which is performed annually.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

Pension Liability: Information on the District's pension plan, including the District's share of the net pension liability, is shown in Note E. The District's share of the net pension liability at June 30, 2024, the most recent measurement date, was \$1,648,210 which is reflected as a liability in the District's financial statements as of June 30, 2025.

Other Postemployment Benefits Liability: The other postemployment benefits (OPEB) liability disclosure in Note F shows the District's OPEB liability had decreased to \$2,591,978 as of June 30, 2025 due to the actuaries increasing the discount rate and changes in assumptions and experience. The District has budgeted reserve fund balance for retiree health benefits of \$3,552,014, but since this amount has not been deposited in an irrevocable trust to be used for retiree health benefits, this amount is not permitted to offset the OPEB liability for accounting purposes.

Assessments: Note H describes the tentative nature of assessments and fees collected under Proposition 218.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. One audit adjustment was proposed to reclassify the purchase of land as a capital asset in fiscal year 2025.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2026.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, other postemployment benefits schedule of funding progress, schedule of contributions to the OPEB plan, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, and schedule of revenue, expenditures and changes in fund balance - budget and actual – General Fund, which

are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the schedule of expenditures – budget and actual – General Fund, which accompanies the financial statements, but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

_____, 2026

DISCUSSION
DRAFT

AMERICAN RIVER FLOOD CONTROL DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2025

AMERICAN RIVER FLOOD CONTROL DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
American River Flood Control District
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the American River Flood Control District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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.

Change in Accounting Principle

As discussed in Note I to the financial statements, in fiscal year 2025 the District adopted new accounting guidance, GASBS No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 total OPEB liability and related ratios, and analysis and budgetary comparison information on pages 4 to 11 and 34 to 36 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 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 – budgeted and actual – General Fund 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 – budgeted and actual – General Fund 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 _____, 2026, 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, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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.

_____, 2026

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis

As management of the American River Flood Control District (District), we are providing readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2025. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements, footnotes, and supplementary information.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024/2025

- At the end of the current year, total net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) of the District was a positive \$18.8 million.
- During the year, the District's net position increased by approximately \$280 thousand. The increase was a result of the District's governmental activities (flood protection). The District has no business-type activities to report.
- At the end of the current year, the District's General Fund reported a total fund balance of \$11.9 million, a decrease of \$800 thousand from the previous year. The amount of the unassigned fund balance was \$4.0 million, and the remaining \$7.9 million was committed by the Board or in nonspendable form.
- The District's capital asset balance before depreciation was \$15.5 million at the end of the year.
- The District has recognized a net pension liability in the amount of \$1.6 million due to Governmental Accounting Standards Board Statement (GASB) 68. The liability balance was comparable to the prior year. See Note E of the basic financial statements.
- The District has recognized a liability in the amount of \$2.6 million for post-employment benefits due to Governmental Accounting Standards Board Statement (GASB) 75. This liability was also comparable to the prior year balance. See Note F of the basic financial statements.
- Effective July 1, 2024, the District implemented GASB Statement 101, *Compensated Absences*. This implementation resulted in an increase in the compensated absences liability and a decrease in total net position by \$74,128 as of July 1, 2024. See Note I of the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts, Management's Discussion and Analysis (this section), the Basic Financial Statements, and Required Supplementary information (RSI). The Basic Financial Statements include the government-wide financial statements and 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 all of the 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 are an indicator of whether its financial health is improving or deteriorating.

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

The government-wide financial statements of the District report on one category, Governmental activities, as the District has no business-type activities.

Governmental Activities – All of the District's basic services, which include the maintenance and operation of a flood control system, are considered to be governmental activities and are included here.

Assessment revenue, maintenance agreements, grants, and investment earnings finance the District's flood protection activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's significant funds. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, and to keep track of specific sources of funding and spending for particular purposes.

The District has one kind of fund:

General Fund – All of the District's basic services are included in the General Fund, which focuses on how resources flow in and out. The balances remaining at year-end are available for 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 described the relationship between governmental activities and governmental funds through the reconciliations on pages 15 and 17 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. The notes can be found beginning on page 18 of this report.

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 pension plan, other postemployment benefits, and budget and actual revenue and expenditures on a budgetary basis. The RSI can be found on pages 34 to 36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. The District's net position was \$18.8 million at the close of the most recent fiscal year. Of this amount \$11.1 million is invested in capital assets. The District uses these capital assets to provide flood protection services. Consequently, these assets are not available for future spending. All remaining net position is unrestricted. (See Table 1)

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management’s Discussion and Analysis (Continued)

Table 1
Statement of Net Position
June 30, 2025 and 2024
(in thousands)

	Governmental Activities	
	2025	2024
Current and other assets	\$ 12,413	\$ 13,254
Capital assets, net	11,082	10,229
Total assets	<u>23,495</u>	<u>23,483</u>
Deferred outflows of resources	521	689
Current and other liabilities	256	312
Long term liabilities:		
Compensated absences –long term	88	
Net pension liability	1,648	1,652
Other postemployment benefits liability	2,592	2,586
Total liabilities	<u>4,584</u>	<u>4,540</u>
Deferred inflows of resources	622	1,028
Net position:		
Net investment in capital assets	11,082	10,229
Unrestricted net position	7,728	8,375
Total net position	<u>\$ 18,810</u>	<u>\$ 18,604</u>

Capital Assets, Net of Related Debt

As part of the implementation of GASB Statement No. 34, the District chose to not retroactively recognize infrastructure assets. GASB Statement No. 34 requires prospective reporting of infrastructure and allows for retroactive application of assets not previously required to be reported. The District opted to not record infrastructure assets (predominantly levee improvements) due to the difficulty in obtaining accurate costs for the levees, many of which were constructed over 50 years ago.

During the fiscal year ended June 30, 2025, there were no major additions to capital assets from levees and improvements; however, during fiscal 2025 the District purchased a new field truck for \$101,000, and other levee maintenance and shop equipment totaling \$366,000. Included in this amount is a new field mower, brush cutter, and a field tractor/loader and trailer. Also during the year, the District purchased a section of land on Lathrop Way at a cost of \$732,000, adjacent to the American River and in proximity to the District headquarters. The purpose of this land is to store materials for levee maintenance operations. Depreciation expense of approximately \$346 thousand was recognized by the District during fiscal 2025. One fully depreciated field truck was sold during the year, resulting in a gain on sale of \$2,000.

Net Pension Liability

The District implemented GASB 68 during fiscal year 2015, which resulted in the District recording their share of the unfunded net pension liability. During fiscal year 2025, the District contributed \$215,000 for employer required contributions to the pension plan, and the unfunded net pension liability decreased \$4,000 from \$1,652,000 in the prior year to \$1,648,000 at June 30, 2025. In addition, the District has recorded deferred outflows and deferred inflows related to pensions of \$521,000 and \$38,000, respectively. See also Note E to the financial statements for additional information.

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management’s Discussion and Analysis (Continued)

Other Postemployment Benefits Liability

The most recent actuarial study performed for the District for its post-employment benefits indicates that their plan has an unfunded liability of \$2,592,000 at June 30, 2025. During 2025, the District paid \$144,000 against this liability, and the liability increased \$6,000 from \$2,586,000 at June 30, 2024 to \$2,592,000 at June 30, 2025. In addition, the District has recorded deferred inflows related to postemployment benefits of \$584,000. See also Note F to the financial statements for additional information. The next actuarial study is scheduled to be performed in 2026.

Restricted Net Position

The District has no restricted net position as of June 30, 2025.

Unrestricted Net Position

The District’s unrestricted net position at June 30, 2025 totaled \$7.7 million, a decrease of approximately \$573,000 from \$8.3 million (restated) at June 30, 2024. The entire unrestricted net position balance has been set aside by the Board for flood emergency, emergency repairs, future retiree health benefits, and future capital improvements.

Governmental Activities

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

Table 2
Statement of Activities
Years Ended June 30, 2025 and 2024
(in thousands)

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues		
O & M reimbursement agreements	\$ 292	\$ 321
FMAP grant	-	351
General Revenues		
Assessments	2,321	2,326
Investment earnings	526	482
Miscellaneous	2	40
Total revenues	<u>3,141</u>	<u>3,520</u>
Expenses:		
Flood protection	<u>2,861</u>	<u>2,218</u>
Change in net position	280	1,302
Net position – beginning of year (restated as of July 1, 2024)	<u>18,530</u>	<u>17,302</u>
Net position – end of year	<u>\$ 18,810</u>	<u>\$ 18,604</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

The District's change in net position was an increase of \$280 thousand during the current fiscal year. Overall revenues decreased from \$3,520,000 in 2024 to \$3,141,000 in 2025. O&M reimbursements decreased \$29,000, assessment revenues decreased \$5,000, investment earnings increased \$44,000, miscellaneous income decreased \$38,000, and there was no FMAP grant activity during fiscal 2025 in which the District was seeking reimbursement for. The primary reason for the increase in investment earnings during the year was because of the improvement in the fair market value adjustment to the District's investment balances. Included in miscellaneous income during 2025 is a gain on sale of \$2,000 from the sale of one of the District's field trucks. Flood protection expenses increased \$643,000 from \$2,218,000 in 2024 to \$2,861,000 in 2025. Major increases in flood protection were the results of increases in employee salaries and benefits, field equipment repairs, retiree health benefits, trustee election costs, and employee recruiting expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the fiscal year-end, the District's governmental funds reported a combined fund balance of \$11.9 million, a decrease of \$798,000 from the previous year's fund balance. The current year-end fund balance consists of \$7.8 million in committed funds for emergencies, capital improvements and retiree health benefits as follows:

The Board has designated \$1.5 million for the Emergency Flood Fight Fund to be used by the District to initiate a flood emergency response and \$1.5 million has been designated for the Emergency Repair Fund. These funds will be used to initiate immediate repairs to levees damaged during a flood event so that the District will be better prepared to provide protection should another flood event follow. The Board has also designated \$3.5 million for future retiree health benefits in the Retiree Health Benefits Fund. To fund improvements on District levees, \$1.3 million has been designated for the Capital Outlay Fund.

Of the remaining \$4.1 million, \$4.0 is unassigned and available for spending for flood protection purposes and approximately \$61,000 is nonspendable in the form of prepaid costs. The unassigned fund balance is included in the District's Operation and Maintenance Fund which is used for the annual costs associated with operating and maintaining the District's facilities, including administrative costs.

Revenues in the District's governmental fund (General Fund, which consists of the Board's four designated funds), were approximately \$3.2 million. Assessment revenue of \$2.3 million was the major source (73.2%) of revenue for the governmental fund. O & M reimbursements of \$321,000 accounted for 10.2% of revenues, and investment earnings of \$526,000 accounted for 16.6% of revenues. Expenditures from the governmental fund were \$4.0 million, which resulted in a decrease in fund balance of \$798,000.

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management’s Discussion and Analysis (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary Summary – Revenues/Financing Sources

Following is a summary of the current year budget and actual results for the District’s General Fund revenues and other financing sources. (See Table 3)

Table 3

Revenues and Other Funding Sources – General Fund
Year Ended June 30, 2025
(in thousands)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance From Final Budget</u>
Assessments	\$ 2,410	\$ 2,312	\$ (98)
O & M reimbursement agreements	312	321	9
Use of money and other income	<u>77</u>	<u>527</u>	<u>450</u>
	<u>\$ 2,799</u>	<u>\$ 3,160</u>	<u>\$ 361</u>

During the year the District received approximately \$2,000 in proceeds for the sale of some of its field equipment. This amount was not budgeted for and resulted in a gain on sale of \$2,000.

Changes from Amounts Originally Budgeted

There were no changes made to the original budget.

Actual Revenues/Financing Sources Compared with Final Budget Amounts

Actual revenues and other financing sources recognized by the District’s General Fund were \$363,000 more than budget. The variance was primarily due to the investment earnings from the District’s investment balances. Investment earnings were \$450,000 more than budgeted and \$44,000 higher than amounts recognized during fiscal 2024. Much of the increase in investment earnings was because of the improvement in the fair market value adjustment to the District’s investment balances that occurs at the end of each fiscal year.

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management’s Discussion and Analysis (Continued)

Budgetary Summary – Expenditures/Other Financing Uses

Following is a summary of the current year budget and actual results for the District’s General Fund expenditures. (See Table 4)

Table 4

Expenditures – General Fund
Year Ended June 30, 2025
(in thousands)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance From Final Budget</u>
Current:			
Flood protection			
Operations	\$ 2,179	\$ 2,012	\$ 167
Administration	687	748	(61)
Capital outlay	<u>1,340</u>	<u>1,199</u>	<u>141</u>
	<u>\$ 4,206</u>	<u>\$ 3,959</u>	<u>\$ 247</u>

Changes from Amounts Originally Budgeted

There were no changes made to the original budget.

Actual Expenditures Compared with Final Budget Amount

Actual expenditures from the District’s General Fund were \$247,000 less than budgeted. Favorable variances from budget were noted in maintenance and operations activities and capital outlay, while total administration had an unfavorable budget variance. Under maintenance and operations, significant budget savings were in salaries, workers compensation, employee health benefits and non capitalized levee projects. Under capital outlay, the District acquired field truck and levee equipment valued at \$467,000, and vacant land for materials storage at a cost of \$732,000, totaling \$1.2 million compared to a planned budget of \$1,340,000. Under administration, unfavorable budget variances were in election costs, County assessment fees, and employee recruitment expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District has \$11.1 million invested in capital assets including levees and equipment. As allowed by GASB Statement No. 34, land and infrastructure has not been included for acquisitions prior to the implementation of the standard. The District’s capital assets increased modestly from the prior fiscal year as shown in Table 5 below:

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management’s Discussion and Analysis (Continued)

Table 5
Capital Assets

	As of June 30, 2025	As of June 30, 2024	Increase (Decrease)
Land	\$ 1,053,760	\$ 321,463	\$ 732,297
Levees and improvements	9,544,047	9,544,047	-
Building	2,181,520	2,181,520	-
Equipment	2,640,092	2,198,530	441,562
Building improvements	90,365	90,365	-
	<u>\$ 15,509,784</u>	<u>\$ 14,335,925</u>	<u>\$ 1,173,859</u>

As stated above, during the fiscal year ended June 30, 2025, there were no major additions to capital assets from levees and improvements; however, the District acquired a field truck and levee equipment valued at \$467,000, and vacant land for materials storage at a cost of \$732,000, totaling \$1.2 million. Also, a fully depreciated field truck was sold during the year resulting in a gain on sale of \$2,000.

The District depreciates capital assets using the straight-line method over the estimated lives of the assets. Accumulated depreciation as of June 30, 2025 is \$4,428,151 and depreciation expense for the year was \$346,412.

See Note C for more information on the District’s capital assets.

As of June 30, 2025, the District has designated \$1,270,000 for future capital outlay expenditures.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, 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 any questions about this report or need additional information, contact the District office at:

American River Flood Control District

185 Commerce Circle

Sacramento, CA 95815

Arfcd.org

AMERICAN RIVER FLOOD CONTROL DISTRICT

STATEMENT OF NET POSITION

June 30, 2025

ASSETS		
Cash and investments - Note B		\$ 11,018,932
Receivables:		
Assessments		60,000
Interest		2,089
Due from other agencies		1,271,602
Prepaid expenses		60,658
Capital assets, net - Note C		11,081,633
	TOTAL ASSETS	<u>23,494,914</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan		521,478
	TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>521,478</u>
LIABILITIES		
Accounts payable		47,527
Accrued payroll		48,210
Unearned revenue		80,000
Compensated absences, current		80,742
Long-term liabilities:		
Compensated absences, noncurrent		87,685
Net pension liability - Note E		1,648,210
OPEB liability - Note F		2,591,978
	TOTAL LIABILITIES	<u>4,584,352</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan		38,121
OPEB plan		584,164
	TOTAL DEFERRED INFLOWS OF RESOURCES	<u>622,285</u>
NET POSITION		
Net investment in capital assets		11,081,633
Unrestricted		7,728,122
	TOTAL NET POSITION	<u>\$ 18,809,755</u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

PROGRAM EXPENSES	
Governmental activities:	
Flood protection	\$ 2,860,895
PROGRAM REVENUES	
Charges for services	<u>291,602</u>
	NET PROGRAM EXPENSES (2,569,293)
GENERAL REVENUES	
Assessments	2,320,685
Interest earnings	526,246
Gain on sale of capital assets	1,980
Miscellaneous	399
	TOTAL GENERAL REVENUES <u>2,849,310</u>
CHANGE IN NET POSITION	280,017
Net position at beginning of year	18,603,866
Restatement for change in accounting principles - Note I	<u>(74,128)</u>
Net position at beginning of year - as restated	<u>18,529,738</u>
	NET POSITION AT END OF YEAR <u>\$ 18,809,755</u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

BALANCE SHEET – GENERAL FUND

June 30, 2025

ASSETS	
Cash and cash equivalents	\$ 11,018,932
Receivables:	
Assessments	60,000
Interest	2,089
Due from other agencies	1,271,602
Prepaid costs	<u>60,658</u>
TOTAL ASSETS	<u>\$ 12,413,281</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 47,527
Accrued payroll	48,210
Unearned revenue	<u>80,000</u>
TOTAL LIABILITIES	<u>175,737</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>321,800</u>
FUND BALANCE	
Nonspendable	60,658
Committed	7,822,014
Unassigned	<u>4,033,072</u>
TOTAL FUND BALANCE	<u>11,915,744</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 12,413,281</u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2025

Fund balance - total governmental funds, June 30, 2025		\$ 11,915,744
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Governmental capital assets	\$ 15,509,784	
Less: accumulated depreciation	<u>(4,428,151)</u>	11,081,633
Deferred outflows of resources related to the pension plan will be recognized as expense in the future.		
Pension plan		521,478
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(168,427)
Net pension liability		(1,648,210)
OPEB liability		(2,591,978)
Deferred inflows of resources related to the pension and OPEB plans will be recognized as a reduction of expense in the future.		
Pension plan		(38,121)
OPEB plan		(584,164)
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>321,800</u>
Net position - governmental activities, June 30, 2025		<u><u>\$ 18,809,755</u></u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND

For the Year Ended June 30, 2025

REVENUES		
Assessments		\$ 2,311,783
O & M reimbursements		321,268
Use of money		526,246
Other revenues		399
	TOTAL REVENUES	<u>3,159,696</u>
EXPENDITURES		
Current:		
Flood protection		
Maintenance and operations		2,012,578
Administration		747,543
Capital outlay		<u>1,199,069</u>
	TOTAL EXPENDITURES	<u>3,959,190</u>
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets		<u>1,980</u>
	NET CHANGE IN FUND BALANCE	(797,514)
Fund balance at beginning of year		<u>12,713,258</u>
	FUND BALANCE AT END OF YEAR	<u><u>\$ 11,915,744</u></u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

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

For the Year Ended June 30, 2025

Net change in fund balance - total governmental funds for the year
ended June 30, 2025 \$ (797,514)

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	\$ 1,199,069	
Depreciation expense	<u>(346,412)</u>	852,657

Revenues and expenses in the Government-wide Statement
of Activities that do not provide current financial resources are
not reported as revenues and expenses in the governmental funds.

Change in unavailable revenue		(20,764)
Change in compensated absences		8,710
Change in deferred outflows of resources related to pension plan		(167,142)
Change in net pension liability		3,956
Change in OPEB liability		(5,893)
Change in deferred inflows of resources related to pension plan		33,609
Change in deferred inflows of resources related to OPEB plan		<u>372,398</u>

Change in net position - governmental activities for the year ended June 30, 2025 \$ 280,017

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the American River Flood Control District (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 in 1927. The District is governed by a five member elected Board of Trustees and operates and maintains levees in Sacramento County.

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 properly excluded among program revenues are 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.

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

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 other than reimbursement revenues to be available if they are collected within 60 days of the end of the current fiscal period. For reimbursement revenues, amounts collected within 180 days of the end of the current fiscal period are considered available. Amounts not received within the 60 or 180 day 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.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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 the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Capital assets are depreciated using the straight-line method over the estimated useful lives.

Levees and improvements	100 years
Construction equipment and mowers	7-10 years
Vehicles	7 years
Shop and levee maintenance equipment	7-10 years
Office equipment and furniture	5-10 years
Computers and accessories	5 years
Building improvements	7-15 years
Buildings	30 years

The District’s capitalization threshold is \$5,000 with no minimum for infrastructure assets and other real property. 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 capital 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.

Compensated Absences: The District’s policies regarding vacation, sick leave, floating holidays and compensatory time-off permit employees to accumulate earned, but unused amounts. Vacation, floating holidays and compensatory time-off are fully payable at separation. The District’s policy for sick-pay

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, floating holidays, compensatory time-off 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.

Net Position: The government-wide financial statements report net position. Net position is categorized as the net 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 reduce 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 Balance: In the General Fund financial statements, the District reports the following fund balances:

Nonspendable fund balances are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid costs.

Committed fund balances include 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.

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

The District's committed 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. Committed fund balances consist of the following:

Capital Outlay Projects 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 the District's ability to monitor the system and respond in a flood emergency. As of June 30, 2025, \$1,270,000 has been committed by the Board.

Emergency Repair Fund – Funds designated for necessary repairs due to substantial damage from high flows. As of June 30, 2025, \$1,500,000 has been committed by the Board.

Emergency Flood Fight Fund – Funds designated to fight flood emergencies and to help prevent the need for future special assessments. As of June 30, 2025, \$1,500,000 has been committed by the Board.

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retiree Health Benefits Fund – Funds designated to fund future retiree health benefit costs. As of June 30, 2025, \$3,552,014 has been designated by the Board.

Commitments of fund balance are established by and may be changed only through a Resolution of the Board of Trustees.

Assessments: The District made assessments against properties within the District in accordance with requirements of State law and the American River Flood Control District Act. Assessments are processed through Sacramento County 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 County uses 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 statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position 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 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.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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.

Other Postemployment Benefits (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.

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.

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The provisions of this Statement were implemented for year ended June 30, 2025. The effect of this change is disclosed in Note I.

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 year ended June 30, 2025 but did not have a material impact to the District.

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, presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The provisions of this Statement are effective for year ended June 30, 2026.

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.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*, which is designed to improve the financial reporting requirements for subsequent events. The requirements of Statement 105 are effective for fiscal years beginning after June 15, 2026.

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

NOTE B – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2025:

Cash on hand		\$	235
Deposits with financial institutions			1,230,651
	Total cash		1,230,886
City of Sacramento Pool A			9,713,905
Local Agency Investment Fund (LAIF)			74,141
	Total investments		9,788,046
	Total cash and investments	\$	11,018,932

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE B – CASH AND INVESTMENTS (Continued)

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 year ended June 30, 2025, the District’s permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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 the 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.

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 fair value invested by all public agencies in the City’s cash and investment pool is \$1,795,312,263 at June 30, 2025. 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.

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE B – CASH AND INVESTMENTS (Continued)

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 \$179,918,091,940 which is managed by the State Treasurer. Of that amount, 3.81% 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.

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, 2025, the weighted average maturity of the investments contained in the City's investment pool was approximately 1.86 years. As of June 30, 2025, the weighted average maturity of the investment in LAIF was approximately 248 days.

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 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, 2025, the carrying amount and the balances in financial institutions of the District's deposits were \$1,230,651 and \$1,237,632 respectively. Of the balances in financial institutions, \$250,000 is 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.

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 321,463	\$ 732,297	\$ -	\$ 1,053,760
Total capital assets not being depreciated, net	<u>321,463</u>	<u>732,297</u>	<u>-</u>	<u>1,053,760</u>
Capital assets being depreciated:				
Levees and improvements	9,544,047	-	-	9,544,047
Building	2,181,520	-	-	2,181,520
Levee maintenance equipment	1,383,826	365,872	-	1,749,698
Vehicles	757,930	100,900	(25,210)	833,620
Office equipment	56,774	-	-	56,774
Building improvements	90,365	-	-	90,365
Total capital assets being depreciated	<u>14,014,462</u>	<u>466,772</u>	<u>(25,210)</u>	<u>14,456,024</u>
Less accumulated depreciation for:				
Levees and improvements	(1,911,481)	(95,426)	-	(2,006,907)
Building	(572,461)	(79,688)	-	(652,149)
Levee maintenance equipment	(1,122,284)	(95,374)	-	(1,217,658)
Vehicles	(405,976)	(64,942)	25,210	(445,708)
Office equipment	(51,376)	(4,182)	-	(55,558)
Building improvements	(43,371)	(6,800)	-	(50,171)
Total accumulated depreciation	<u>(4,106,949)</u>	<u>(346,412)</u>	<u>25,210</u>	<u>(4,428,151)</u>
Total capital assets being depreciated, net	<u>9,907,513</u>	<u>120,360</u>	<u>-</u>	<u>10,027,873</u>
Capital assets, net	<u>\$ 10,228,976</u>	<u>\$ 852,657</u>	<u>\$ -</u>	<u>\$ 11,081,633</u>

Depreciation expense of \$346,412 for the year ended June 30, 2025 was charged to the flood protection function.

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2025.

	Restated Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 177,137	\$ -	\$ (8,710)	\$ 168,427	\$ 80,742
Net pension liability	1,652,166	-	(3,956)	1,648,210	-
OPEB liability	2,586,085	5,893	-	2,591,978	-
	<u>\$ 4,415,388</u>	<u>\$ 5,893</u>	<u>\$ (12,666)</u>	<u>\$ 4,408,615</u>	<u>\$ 80,742</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE E –PENSION PLAN

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

- Miscellaneous Rate Plan
- PEPRA Miscellaneous Rate Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at 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 PEPRA Miscellaneous Risk Pool) 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 are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous Risk Pool	PEPRA Miscellaneous Risk Pool
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 – 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	12.52%	7.87%

In addition to the contribution rates above, the District was also required to make payments of \$127,766 towards its unfunded actuarial liability during the year ended June 30, 2025.

The Miscellaneous Risk Pool is closed to new members that are not already CalPERS 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 Plan 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.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE E – PENSION PLAN (Continued)

For the year ended June 30, 2025, the contributions made to the Plan were \$215,056.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$1,648,210.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, 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, 2023 rolled forward to June 30, 2024 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 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 June 30, 2025 and 2024 was as follows:

Proportion - June 30, 2024	0.03304%
Proportion - June 30, 2025	0.03408%
Change - Increase	0.00104%

For the year ended June 30, 2025, the District recognized pension expense of \$344,633. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 215,056	\$ -
Differences between actual and expected experience	142,503	(5,561)
Changes in assumptions	42,362	-
Change in employer's proportion	26,672	-
Differences between the employer's contribution and the employer's proportionate share of contributions	-	(32,560)
Net differences between projected and actual earnings on plan investments	<u>94,885</u>	<u>-</u>
Total	<u>\$ 521,478</u>	<u>\$ (38,121)</u>

The \$215,056 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 year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

AMERICAN RIVER FLOOD CONTROL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE E – PENSION PLAN (Continued)

<u>Year Ended June 30</u>	
2026	\$ 91,500
2027	208,072
2028	1,246
2029	<u>(32,517)</u>
	<u>\$ 268,301</u>

Actuarial Assumptions: The total pension liability at June 30, 2025 was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service (1)
Investment Rate of Return	6.90%
Mortality	Developed using CalPERS Membership Data for all funds

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

The underlying mortality assumptions and all other actuarial assumptions were based on the results of a 2021 actuarial experience study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90%. 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.

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

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE E – PENSION PLAN (Continued)

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	New Strategic Allocation	Real Return Years 1 - 10(a)
Global Equity - Cap Weighted	30.00%	4.54%
Global Equity Non - Cap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

(a) An expected inflation of 2.30% was 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:

1% Decrease	5.90%
Net Pension Liability	\$ 2,564,126
Current Discount Rate	6.90%
Net Pension Liability	\$ 1,648,210
1% Increase	7.90%
Net Pension Liability	\$ 894,277

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE E – PENSION PLAN (Continued)

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, 2025, the District had no payable for the outstanding contributions to the pension plan.

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description: The District’s defined benefit OPEB plan (OPEB Plan) provides OPEB benefits for all permanent full-time employees and part-time employees, who work at least 1,000 hours per year, for the District. Benefits are set and may be amended by the Board of Trustees. The OPEB Plan is a single employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As of June 30, 2025, the District has \$3,552,014 designated in its Retiree Benefits Fund for future OPEB obligations. Since these funds are not held in an irrevocable trust to provide benefits to plan members, these funds do not meet the criteria in paragraph 4 of Statement 75.

Benefits Provided: The OPEB Plan provides healthcare and insurance benefits to all permanent full-time employees and eligible part-time employees who retire directly from the District. The District provides benefits through the Association of California Water Agencies. Eligible employees’ surviving spouses are also eligible for benefits. For employees hired before November 15, 2006, the District pays 100% of the health insurance premium for employees and their eligible spouses and dependents. Employees hired after November 15, 2006 must have provided a minimum of five years of service to be eligible for benefits. The District pays a portion of the husband and wife medical insurance premium rate for employees who have completed five or more years of service. The District pays 25% of the husband and wife medical insurance premium rate for retirees who have five to ten years of service completed. The District pays an additional 2.5% of the husband and wife medical insurance premium rate for each additional year of service over ten years, up to a maximum of 50% for twenty or more years of service. Retirees must enroll in Medicare Parts A, Part B, and Part D when they are eligible for Medicare and must pay all Medicare Premiums at their own costs to be eligible for benefits.

Employees Covered by Benefit Terms: As of the June 30, 2024 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	9
Active employees	<u>10</u>
Total	<u><u>19</u></u>

Total OPEB Liability: The District's total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

AMERICAN RIVER FLOOD CONTROL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial assumptions:

Inflation	4.00%
Salary increases	Varies with age, grading down to 3.00% annually
Discount rate	4.00%
Mortality rate	Derived using CalPERS Membership Data
Pre-retirement turnover	Derived using CalPERS Membership Data
Healthcare trend rate	4.00%

The discount rate was based on the anticipated long-term yield on a 20-year municipal bond index and represents a change in assumptions from the 3.50% used at the June 30, 2022 valuation date.

Mortality information was based on the CalPERS Experience Study dated 2021 Tables based on the results from an actuarial experience study report. The experience study report may be accessed on the CALPERS website at <https://www.calpers.ca.gov>.

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

	<u>Increase (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance at July 1, 2023	\$ 2,586,085
Changes in the year:	
Service cost	65,534
Interest	90,513
Implied subsidy	(16,154)
Benefit payments	<u>(134,000)</u>
Net changes	<u>5,893</u>
Balance at June 30, 2024	<u>\$ 2,591,978</u>

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:

	<u>1% Decrease 3.00%</u>	<u>Current Discount Rate 4.00%</u>	<u>1% Increase 5.00%</u>
Total OPEB liability	\$ 2,931,978	\$ 2,591,978	\$ 2,321,978

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE F – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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:

	1% Decrease 3.00%	Current Healthcare Cost Trend Rates 4.00%	1% Increase 5.00%
Total OPEB liability	\$ 2,330,978	\$ 2,591,978	\$ 2,917,978

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2025, the District recognized OPEB expense of (\$216,349). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ (392,164)
Changes in assumptions	-	(192,000)
Total	<u>\$ -</u>	<u>\$ (584,164)</u>

The amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	
2026	\$ (372,396)
2027	(105,884)
2028	(105,884)
	<u>\$ (584,164)</u>

Payable to the OPEB Plan: At June 30, 2025, the District had no contributions payable to the Plan.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2025

NOTE G – INSURANCE (Continued)

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District’s deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and auto liability (includes public official’s liability)	\$ 5,000,000	\$ 50,000,000	None
Cyber liability	5,000,000	None	\$50,000-100,000
Property damage	10,000,000	140,000,000	500 to 100,000
Crime	100,000	None	1,000
Workers compensation liability	2,000,000	Statutory	None

NOTE H – CONTINGENCIES AND COMMITMENTS

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.

In November 2024, the District approved equipment purchases totaling \$103,000.

NOTE I – CHANGE IN ACCOUNTING PRINCIPLE

The District implemented GASB Statement 101, *Compensated Absences*, during the year ended June 30, 2025, which resulted in sick leave payable being accrued for expected time used for illnesses. As a result of this change in accounting principle, the compensated absences liability increased at July 1, 2024 by \$74,128.

	June 30, 2024 As previously Reported	Change in Accounting Principle for GASB 101	June 30, 2024 As Restated
Net Position	\$ 18,603,866	\$ (74,128)	\$ 18,529,738
Compensated absences	\$ 103,009	\$ 74,128	\$ 177,137

REQUIRED SUPPLEMENTARY INFORMATION

AMERICAN RIVER FLOOD CONTROL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.03408%	0.03304%	0.03231%	0.03410%	0.02949%	0.02815%	0.02688%	0.02619%	0.02476%	0.02269%
Proportionate share of the net pension liability	\$ 1,648,210	\$ 1,652,166	\$ 1,512,049	\$ 647,552	\$ 1,243,850	\$ 1,127,332	\$ 1,012,099	\$ 1,032,329	\$ 860,019	\$ 622,519
Covered payroll - measurement period	885,799	749,193	856,323	710,821	710,821	643,366	596,436	577,710	667,525	657,579
Proportionate share of the net pension liability as a percentage of covered payroll	186.07%	220.53%	176.57%	79.42%	174.99%	175.22%	169.69%	178.69%	128.84%	94.67%
Plan fiduciary net position as a percentage of the total pension liability	75.72%	74.75%	75.46%	88.69%	77.44%	78.22%	79.22%	77.94%	78.90%	83.70%

Notes to Schedule:

Valuation date: June 30, 2023
 Measurement date: June 30, 2024
 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 7.50% in 2015 to 7.65% in 2016 and 2017, to 7.15% in 2018 and to 6.90% in 2023.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 215,056	\$ 186,437	\$ 176,494	\$ 174,138	\$ 157,120	\$ 131,043	\$ 107,726	\$ 88,435	\$ 80,014	\$ 82,858
Contributions in relation to the actuarially determined contributions	(215,056)	(186,437)	(176,494)	(174,138)	(157,120)	(131,043)	(107,726)	(88,435)	(80,014)	(82,858)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 927,883	\$ 885,799	\$ 749,193	\$ 856,323	\$ 815,021	\$ 710,821	\$ 643,366	\$ 596,436	\$ 577,710	\$ 667,525
Contributions as a percentage of covered payroll	23.18%	21.05%	23.56%	20.34%	19.28%	18.44%	16.74%	14.83%	13.85%	12.41%

Notes to Schedule:

Contribution 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

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry age normal cost method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Varies by rate plan, but not more than 30 years
Asset valuation method	Market value
Inflation	2.30%
Salary increases	2.30%
Investment rate of return/discount rate	6.80%
Payroll growth	2.80%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study
Mortality	Most recent CalPERS Experience Study

AMERICAN RIVER FLOOD CONTROL DISTRICT

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

For the Measurement Periods Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 65,534	\$ 72,741	\$ 61,288	\$ 117,722	\$ 64,885	\$ 151,484	\$ 53,163	\$ 63,795
Interest	90,513	90,513	108,174	106,867	106,687	134,577	110,202	129,920
Changes in assumptions	-	(614,000)	441,000	(441,000)	135,800	543,200	-	-
Differences between expected and actual experience	-	(220,898)	(135,520)	(891,567)	(76,105)	(304,421)	-	-
Implied subsidy	(16,154)	(18,785)	(18,785)	(12,924)	(12,924)	-	-	-
Benefit payments	(134,000)	(137,328)	(133,000)	(132,413)	(141,830)	(141,943)	(97,502)	(157,174)
Net change in total OPEB liability	5,893	(827,757)	323,157	(1,253,315)	76,513	382,897	65,863	36,541
Total OPEB liability - beginning	2,586,085	3,413,842	3,090,685	4,344,000	4,267,487	3,884,590	3,818,727	3,782,186
Total OPEB liability - ending	\$ 2,591,978	\$ 2,586,085	\$ 3,413,842	\$ 3,090,685	\$ 4,344,000	\$ 4,267,487	\$ 3,884,590	\$ 3,818,727
Covered-employee payroll - measurement period	\$ 927,883	\$ 885,799	\$ 749,193	\$ 856,323	\$ 815,021	\$ 710,821	\$ 643,366	\$ 596,436
Total OPEB liability as percentage of Covered-employee payroll	279.34%	291.95%	455.67%	360.93%	532.99%	600.36%	603.79%	640.26%

Notes to schedule:

Valuation date

Measurement period - fiscal year ended

Discount Rate

June 30, 2024	June 30, 2024	June 30, 2022	June 30, 2020	June 30, 2018
June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2021	June 30, 2019
4.00%	4.00%	3.50%	2.50%	3.50%
			2.50%	3.50%

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits and the actuary did not report actuarially required contributions. Consequently, a Schedule of Contributions to the OPEB Plan is not reported.

Benefit changes. None since June 30, 2017.

Changes in assumptions. The discount rate was revised from 3.50% to 2.50% in 2020, from 2.50% to 3.50% in 2022, and from 3.5% to 4.00% in 2024.

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.

AMERICAN RIVER FLOOD CONTROL DISTRICT

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

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 2,409,792	\$ 2,409,792	\$ 2,311,783	\$ (98,009)
O & M reimbursements	312,057	312,057	321,268	9,211
Use of money	77,267	77,267	526,246	448,979
Other revenues	-	-	399	399
TOTAL REVENUES	<u>2,799,116</u>	<u>2,799,116</u>	<u>3,159,696</u>	<u>360,580</u>
EXPENDITURES				
Current:				
Flood protection				
Maintenance and operations	2,179,213	2,179,213	2,012,578	166,635
Administration	687,030	687,030	747,543	(60,513)
Capital outlay	1,339,864	1,339,864	1,199,069	140,795
TOTAL EXPENDITURES	<u>4,206,107</u>	<u>4,206,107</u>	<u>3,959,190</u>	<u>246,917</u>
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	1,980	1,980
NET CHANGE IN FUND BALANCE	(1,406,991)	(1,406,991)	(797,514)	609,477
Fund balance at beginning of year	<u>12,713,258</u>	<u>12,713,258</u>	<u>12,713,258</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 11,306,267</u>	<u>\$ 11,306,267</u>	<u>\$ 11,915,744</u>	<u>\$ 609,477</u>

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

OTHER SUPPLEMENTARY INFORMATION

AMERICAN RIVER FLOOD CONTROL DISTRICT

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2025

	Final Budget	Actual	Variance Positive (Negative)
Maintenance and Operations:			
Salaries	\$ 1,115,429	\$ 1,018,877	\$ 96,552
Payroll taxes	89,234	79,866	9,368
Pension	232,802	245,205	(12,403)
Workers compensation insurance	55,771	30,312	25,459
Group insurance	290,977	229,943	61,034
Fuel and oil	55,000	51,580	3,420
Equipment rental	20,000	41,997	(21,997)
Equipment repairs	65,000	112,666	(47,666)
Equipment purchases	7,500	9,668	(2,168)
Shop supplies	10,000	7,853	2,147
Levee maintenance supplies	20,000	26,050	(6,050)
Levee maintenance chemicals	25,000	22,031	2,969
Levee maintenance services	40,000	37,286	2,714
Employee uniforms	6,000	7,692	(1,692)
Staff training	5,000	6,171	(1,171)
Miscellaneous	1,500	1,248	252
Small tools and equipment	10,000	9,607	393
Rodent abatement	15,000	11,517	3,483
Urban camp cleanup	30,000	43,211	(13,211)
Emergency preparedness	25,000	8,566	16,434
Encroachment remediation	5,000	-	5,000
Engineering services	10,000	11,232	(1,232)
Not-capitalized projects			
Levee Standards Compliance	25,000	-	25,000
Engineering and survey studies	20,000	-	20,000
	<u>2,179,213</u>	<u>2,012,578</u>	<u>166,635</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT

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

For the Year Ended June 30, 2025

	Final Budget	Actual	Variance Positive (Negative)
Administration:			
Utilities	\$ 55,000	\$ 54,005	\$ 995
Telephone	25,000	26,868	(1,868)
Retiree benefits	148,109	143,774	4,335
Yard land lease	3,821	1,910	1,911
Office equipment and furniture	2,500	-	2,500
Auto allowance	6,600	7,103	(503)
Parking reimbursement	500	-	500
Technology and software	12,500	10,666	1,834
Regulation Compliance (OSHA)	40,000	13,761	26,239
Trustee fees	7,600	7,090	510
Trustee expenses	7,400	2,487	4,913
Accounting services	15,000	30,725	(15,725)
Legal services (general)	50,000	47,302	2,698
Election expense	75,000	102,486	(27,486)
Dues and association expenses	25,000	31,784	(6,784)
Insurance premiums	65,000	78,427	(13,427)
Public relations	30,000	771	29,229
Investment fees	20,000	18,195	1,805
General office	15,000	16,070	(1,070)
Bookkeeping services	14,000	15,367	(1,367)
County assessment fees	-	36,000	(36,000)
Community services	1,500	-	1,500
Building maintenance	20,000	35,933	(15,933)
County Dtech fees	35,000	24,632	10,368
Property taxes	3,000	4,834	(1,834)
Interest and finance charges	-	55	(55)
Employee morale and wellness	2,000	233	1,767
Conferences	2,500	1,487	1,013
Miscellaneous	5,000	35,578	(30,578)
	<u>687,030</u>	<u>747,543</u>	<u>(60,513)</u>
Capital outlay:			
Capitalized equipment	449,864	466,772	(16,908)
Capitalized building	90,000	-	90,000
Property acquisition	800,000	732,297	67,703
	<u>1,339,864</u>	<u>1,199,069</u>	<u>140,795</u>
Total expenditures	<u>\$ 4,206,107</u>	<u>\$ 3,959,190</u>	<u>\$ 246,917</u>

COMPLIANCE REPORT

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
American River Flood Control District
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 American River Flood Control District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____, 2026.

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 entity'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. 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 or significant deficiencies may exist that were not identified.

To the Board of Trustees
American River Flood Control District

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, 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2026

_____, 2026

Richardson & Company, LLP
550 Howe Avenue, Suite 210
Sacramento, CA 95825

This representation letter is provided in connection with your audit of the financial statements of American River Flood Control District (District), which comprise the respective financial position of the governmental and fund activities as of June 30, 2025, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of _____, 2026, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 19, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.

- c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
- o Management,
 - o Employees who have significant roles in internal control, or
 - o Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of law, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of

the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures..

- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all fiduciary activities required by GASBS 84, as amended.
- 31) The financial statements properly classify all funds and activities in accordance with GABS 34, as amended.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 37) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 43) With respect to the Schedule of Expenditures- Budget and Actual – General Fund.
 - a) We acknowledge our responsibility for presenting the Schedule of Expenditures-Budget and Actual in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedule of Expenditures- Budget and Actual, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedule of Expenditures- Budget and Actual have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: _____

Title: _____

**American River Flood Control District
FY 2026-2027**

FY 2026-27 Budget Summary Page

	2026-2027
	Approved Budget
Income	
ARFCD Benefit Assessment	1,429,792
Consolidated Capital Assessment District	980,000
O&M Agreements	300,000
Interest	250,000
Reserve Fund Transfers	-
Miscellaneous	-
Total Budgeted Income	2,959,792
Expense	
Operations and Maintenance	2,195,489
Administration	712,610
Special Projects	-
Capital Outlay: Flood Control	150,000
Capital Outlay: District Headquarters Facilities	-
Retiree Health Benefits (OPEB Transfer)	-
Emergency Repair	-
Reserve Fund Transfers	-
Flood Emergency Response	-
Total Budgeted Expenses	3,058,099

	2026-2027
	Approved Budget
Income	
ARFCD Benefit Assessment	1,429,792
Consolidated Capital Assessment District	980,000
O&M Agreements	300,000
Interest	250,000
Reserve Fund Transfers	-
Miscellaneous	-
Total Income	2,959,792

	2026-2027
	Approved Budget
Operations and Maintenance Expense	
Salary/Wages	1,098,789
Payroll Taxes	87,903
Pension	252,450
Compensation Insurance	54,939
Medical/Dental/Vision	268,207
Fuel & Oil	75,000
Equipment Rental	25,000
Equipment Repair/Parts	75,000
Equipment Purchase (less than \$5,000)	7,500
Shop Supplies	10,000
Levee Maintenance (Supplies & Materials)	25,000
Levee Maintenance (Chemicals)	27,500
Levee Maintenance (Services)	40,000
Rodent Abatement (Supplies & Materials)	20,000
Employee Uniforms	5,200
Staff Training	6,500
Regulation Compliance (OSHA & CARB)	20,000
Miscellaneous	1,500
Small Tools and Equipment	10,000
Emergency Preparedness and Response	25,000
Engineering Services	15,000
Environmental Services/Studies	-
Survey Services	-
Encroachment Remediation	5,000
Urban Camp Cleanup, Contract & Expenses	40,000
Total Operations and Maintenance	2,195,489

American River Flood Control District

FY 2026-2027

Special Projects Expense	
Engineering Studies/Survey Studies	-
Levee Standards Compliance	15,000
Encroachment Remediation	-
Vegetation Management	-
Small Capital Projects	-

	2026-2027 Approved Budget
Administration Expense	
Board of Trustees Compensation	7,600
Trustee Expenses	2,400
Trustee Training	5,000
Accounting Services	16,500
Legal Services (General)	50,000
Utilities	55,000
Telephone	25,000
Retiree Benefits	137,381
Office/Shop/Yard Lease	-
Office Equipment/Furniture	2,500
Auto Allowance	6,600
Parking & Mileage Reimbursement	400
General Office Expense	15,000
Technology and Software	10,000
Dues and Association Expenses	31,000
Property & Liability Insurance Premiums	75,000
Conference/Workshop/Seminar	-
Public Relations/Information	30,000
Miscellaneous	5,000
Election Expenses	153,729
Investment Fees	15,000
Community Services	1,500
Bookkeeping	14,000
Property Taxes	2,000
Building Maintenance	20,000
DLMS Fees and Services	30,000
Employee Morale/Wellness	2,000
Total Administration	712,610

	2026-2027 Approved Budget
Capital Outlay: Flood Control	
Bank Protection	-
Magpie Creek	-
Property Acquisition	-
Equipment Purchase (over \$5,000)	150,000
Miscellaneous	-
Total Capital Outlay: Flood Control	150,000
Capital Outlay: District Facilities	
Building Improvements/Maintenance	-
La Riviera Improvements/Maintenance	-
Reserve Fund Transfer	-
Total Capital Outlay: District Facilities	-
Retiree Health Benefit Expense	
Retiree Health Benefit Expense (OPEB Transfer)	-
Reserve Fund Transfer	-
Total Retiree Health Benefit Expense	-
Emergency Repair Expense	
Emergency Repair Expense	-
Total Emergency Repair Expense	-
Flood Emergency Response Expense	
Flood Fight Expenses	-
Flood Litigation	-
Total Flood Emergency Response Expense	-
Total Budgeted Expenses	3,058,099

5-year Budget Projection Summary Page

Income	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
ARFCD Benefit Assessment	1,429,792	1,451,239	1,473,007	1,495,103	1,517,529
Consolidated Capital Assessment District	980,000	980,000	980,000	980,000	980,000
O&M Agreements	300,000	304,500	309,068	313,704	318,409
Interest	250,000	253,750	257,556	261,420	265,341
Reserve Fund Transfers	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Budgeted Income	2,959,792	2,989,489	3,019,631	3,050,226	3,081,279
Expense					
Operations and Maintenance	2,195,489	2,205,733	2,269,023	2,335,942	2,406,800
Administration	712,610	586,674	772,286	643,092	837,368
Special Projects	15,000	-	-	-	-
Capital Outlay: Flood Control	150,000	-	150,000	-	150,000
Capital Outlay: District Headquarters	-	-	100,000	-	100,000
Retiree Health Benefits	-	-	-	-	-
Emergency Repair	-	-	-	-	-
Flood Emergency Response	-	-	-	-	-
Total Budgeted Expenses	3,073,099	2,792,407	3,291,309	2,979,034	3,494,168
Difference	(113,307)	197,082	(271,678)	71,191	(412,889)
Income	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
ARFCD Benefit Assessment	1,429,792	1,451,239	1,473,007	1,495,103	1,517,529
Consolidated Capital Assessment District	980,000	980,000	980,000	980,000	980,000
O&M Agreements	300,000	304,500	309,068	313,704	318,409
Interest	250,000	253,750	257,556	261,420	265,341
Reserve Fund Transfers	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Income	2,959,792	2,989,489	3,019,631	3,050,226	3,081,279

American River Flood Control District

5-year Budget Projection

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	% Increase (Escalation Factor)
Operations and Maintenance Expense						
Salary/Wages	1,098,789	1,115,271	1,132,000	1,148,980	1,166,215	1.5%
Payroll Taxes	87,903	89,222	90,560	91,918	93,297	1.5%
Pension	252,450	257,499	262,649	267,902	273,260	2.0%
Compensation Insurance	54,939	55,764	56,600	57,449	58,311	1.5%
Medical/Dental/Vision	268,207	295,028	324,531	356,984	392,682	10.0%
Fuel & Oil	75,000	77,250	79,568	81,955	84,413	3.0%
Equipment Rental	25,000	25,750	26,523	27,318	28,138	3.0%
Equipment Repair/Parts	75,000	77,250	79,568	81,955	84,413	3.0%
Equipment Purchase (less than \$5,000)	7,500	7,725	7,957	8,195	8,441	0.0%
Shop Supplies	10,000	10,300	10,609	10,927	11,255	3.0%
Levee Maintenance (Supplies & Materials)	25,000	25,750	26,523	27,318	28,138	3.0%
Levee Maintenance (Chemicals)	27,500	28,325	29,175	30,050	30,951	3.0%
Levee Maintenance (Services)	40,000	41,200	42,436	43,709	45,020	3.0%
Rodent Abatement (Supplies & Materials)	20,000	20,600	21,218	21,855	22,510	3.0%
Employee Uniforms	5,200	6,500	6,500	6,500	6,500	0.0%
Staff Training	6,500	5,000	5,000	5,000	5,000	0.0%
Miscellaneous	1,500	2,000	2,000	2,000	2,000	0.0%
Small Tools and Equipment	10,000	10,300	10,609	10,927	11,255	0.0%
Emergency Preparedness	25,000	25,000	25,000	25,000	25,000	0.0%
Engineering Services	15,000	15,000	15,000	15,000	15,000	0.0%
Environmental Services/Studies	-	-	-	-	-	0.0%
Survey Services	-	-	-	-	-	0.0%
Encroachment Remediation	5,000	15,000	15,000	15,000	15,000	0.0%
Urban Camp Cleanup, Contract & Expenses	40,000	35,000	35,000	35,000	35,000	100.0%
Regulation Compliance (OSHA & CARB)	20,000	6,000	6,000	6,000	6,000	0.0%
Total Operations and Maintenance	2,195,489	2,205,733	2,269,023	2,335,942	2,406,800	
Special Projects Expense						
Engineering Studies/Survey Studies	-	-	-	-	-	0.0%
Levee Standards Compliance	15,000	-	-	-	-	0.0%
Encroachment Remediation	-	-	-	-	-	0.0%
Vegetation Management	-	-	-	-	-	0.0%
Small Capital Projects	-	-	-	-	-	0.0%
Total Special Projects Expense	15,000	-	-	-	-	

American River Flood Control District

5-year Budget Projection

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	% Increase (Escalation Factor)
Administration Expense						
Board of Trustees Compensation	7,600	7,600	7,600	7,600	7,600	3.0%
Trustee Expenses	2,400	2,400	2,400	2,400	2,400	3.0%
Trustee Training	5,000	5,000	5,000	5,000	5,000	3.0%
Accounting Services	16,500	16,995	17,505	18,030	18,571	3.0%
Legal Services (General)	50,000	51,500	53,045	54,636	56,275	3.0%
Utilities	55,000	56,650	58,350	60,100	61,903	3.0%
Telephone/Internet	25,000	25,750	26,523	27,318	28,138	3.0%
Retiree Benefits	137,381	151,119	166,231	182,854	201,140	10.0%
Office/Shop/Yard Lease	-	-	-	-	-	3.0%
Office Equipment/Furniture	2,500	2,500	2,500	2,500	2,500	24.0%
Auto Allowance	6,600	6,600	6,600	6,600	6,600	0.0%
Parking & Mileage Reimbursement	400	150	150	150	150	0.0%
General Office Expense	15,000	15,450	15,914	16,391	16,883	3.0%
Technology and Software	10,000	10,300	10,609	10,927	11,255	3.0%
Dues and Association Expenses	31,000	31,930	32,888	33,875	34,891	3.0%
Property & Liability Insurance Premiums	75,000	77,250	79,568	81,955	84,413	3.0%
Conference/Workshop/Seminar	-	2,500	2,500	2,500	2,500	3.0%
Public Relations/Information	30,000	30,900	31,827	32,782	33,765	3.0%
Miscellaneous	5,000	5,150	5,305	5,464	5,628	3.0%
Employee Morale/Wellness	2,000	2,000	2,000	2,000	2,000	0.0%
Election Expenses	153,729	-	158,341	-	163,091	3.0%
Investment Fees	15,000	15,450	15,914	16,391	16,883	3.0%
Community Services	1,500	1,500	1,500	1,500	1,500	0.0%
Bookkeeping	14,000	14,420	14,853	15,298	15,757	3.0%
Property Taxes	2,000	2,060	2,122	2,185	2,251	3.0%
Building Maintenance	20,000	20,600	21,218	21,855	22,510	3.0%
County DTech Fees for DLMS	30,000	30,900	31,827	32,782	33,765	3.0%
Total Administration	712,610	586,674	772,286	643,092	837,368	

American River Flood Control District

5-year Budget Projection

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	% Increase (Escalation Factor)
Capital Outlay: Flood Control						
Bank Protection	-	-	-	-	-	0.0%
Magpie Creek	-	-	-	-	-	0.0%
Property Acquisition	-	-	-	-	-	0.0%
Equipment Purchase (over \$5,000)	150,000	-	150,000	-	150,000	0.0%
Miscellaneous	-	-	-	-	-	0.0%
Total Capital Outlay: Flood Control	150,000	-	150,000	-	150,000	
Capital Outlay: District Headquarters						
Building Improvements/Maintenance	-	-	100,000	-	100,000	0.0%
La Riviera Improvements/Maintenance	-	-	-	-	-	0.0%
Reserve Fund Transfer	-	-	-	-	-	0.0%
Architect/Building Design	-	-	-	-	-	0.0%
General Construction Contractors	-	-	-	-	-	0.0%
Permitting	-	-	-	-	-	0.0%
Legal Fees	-	-	-	-	-	0.0%
Total Capital Outlay: District Headquarters Build-Out	-	-	100,000	-	100,000	
Retiree Health Benefit Expense						
Retiree Health Benefit Expense (OPEB Transfer)	-	-	-	-	-	0.0%
Reserve Fund Transfer	-	-	-	-	-	
Total Retiree Health Benefit Expense	-	-	-	-	-	
Emergency Repair Expense						
Emergency Repair Expense	-	-	-	-	-	0.0%
Total Emergency Repair Expense	-	-	-	-	-	
Flood Emergency Response Expense						
Flood Fight Expenses	-	-	-	-	-	0.0%
Flood Litigation	-	-	-	-	-	0.0%
Total Flood Emergency Response Expense	-	-	-	-	-	
Total Budgeted Expenses	3,073,099	2,792,407	3,291,309	2,979,034	3,494,168	

AMERICAN RIVER FLOOD CONTROL DISTRICT

Credit Card Policy

Summary

The American River Flood Control District seeks to establish a concise policy regarding the use of District credit cards. This policy serves to clarify the appropriate personnel authorized to use District credit cards and identifies the process to obtain permission for use of a District credit card.

Authorized Users

The credit card is issued to the General Manager only. District credit cards are not permitted to be issued to Board members. Field operations staff and administration staff may use the Home Depot credit card for emergency repair supplies and other work related purchases with the prior approval of the General Manager.

Use of District Credit Cards

Cash advances are prohibited. Personal usage of a District credit card is not allowed. If personal expenses are charged to a District credit card unintentionally, those expenses must be reimbursed to the District within ten days of discovery.

Please see Appendix A for a detailed description of the process required to use a District Credit Card.

Recurring Payments

The District has monthly, quarterly, and yearly recurring payments to Adobe, DocuSign, Intuit, Microsoft, Pitney Bowes, and Zoom, receipts are not required for these transactions.

Account Reconciliation

Receipts for all purchases must be turned in to the Office Manager immediately following a purchase for reconciliation against the monthly credit bill. The General Manager is responsible for verifying all transactions on credit accounts.

AMERICAN RIVER FLOOD CONTROL DISTRICT

Credit Card Policy

APPENDIX A

This appendix describes the detailed process required for District personnel to use a District credit card:

1. The employee requests approval from a supervisor to create a purchase order for a necessary item.
2. The purchase order is checked out by filling in the purchase information on the purchase order check out sheet. This sheet is located in the front of the purchase order binder kept on the Field Supervisor's desk.
3. The purchase order form is completed by the employee.
4. The employee requests that the General Manager approve the purchase order.
5. Upon approval of the purchase order by the General Manager, the employee requests that the Office Manager issue the appropriate credit card. The Office Manager keeps all proprietary credit cards in the Office Manager's lock box. The credit card is kept by the General Manager.
6. The employee makes the necessary purchase with the credit card and keeps the receipt.
7. The employee returns immediately to the office and gives the credit card and receipt to the Office Manager.
8. The Office Manager locks the credit card in the Office Manager's lockbox.
9. The Office Manager compares the receipt with the purchase order and compares the receipt with the monthly credit card bill.
10. The General Manager then verifies all items on receipts and then reconciles the receipts with each monthly credit card bill prior to submittal of the Accounts Payable ledger to the Board of Trustees.

Investment Policy
American River Flood Control District

Purpose

This policy statement governs the prudent management and investment of the funds of American River Flood Control District, Sacramento, California.

Objective

District funds in excess of short-term expenses for operations, administrative, and special project costs will be invested in accounts which provide a revenue return and maintain, in priority: first, the safety; second, the liquidity of the assets; and third, the rate of return.

Policy

The District's General Manager will implement the investment policy with the review and approval of the District's Treasurer and Board of Trustees (Board).

The General Manager and Office Manager will:

- a. Receive and deposit all revenues
- b. Make deposits, withdrawals, and transfers of District funds among its various accounts
- c. Submit a monthly list of accounts payable for review and approval by the Board
- d. Submit a monthly statement of expenses and revenues to the Board
- e. Submit monthly statements to the Board for the District's accounts with banks, the Local Agency Investment Fund (LAIF) administered by the California State Treasurer's Office, the City of Sacramento Investment Pool A (City Pool A), and to the extent that District funds are invested in other instruments, the items of information required by Government Code section 53646
- f. Submit a monthly certification for the District Treasurer's signature that states whether the District's investments are in compliance with this statement of investment policy
- g. Submit an annual report summarizing investment performance as part of the annual budget review
- h. Submit the investment policy for the Board's review annually at a public meeting. The Board may recommend changes or that the existing investment policy remain in place.

District funds will be deposited as follows:

- a. One or more checking accounts
- b. One or more interest paying accounts with an FDIC insured institution
- c. Investment accounts with the Local Agency Investment Fund (LAIF) of the State Treasurer's Office
- d. Investment accounts with the City of Sacramento Investment Pool A
- e. One or more investment instruments consistent with the objective of this investment policy and approved by the Board.

The checking account will be used for payment of monthly accounts payable approved by the Board, payroll, payroll taxes, and miscellaneous administrative expenses of the District. The balance in the checking account will be sufficient to pay short-term obligations. This account will be used for the initial deposit of District assessment and revenues for District contract services to others prior to transfer to the District investment accounts.

The LAIF and City Pool A accounts will be the District's principal investment instruments. The operation of these accounts will be in accordance with the rules established by the State Treasurer and the City Treasurer's Office. Up to 100 percent of the District's funds in excess of short-term obligations may be deposited in these accounts.

As approved by the Board all other investments of the District will be made as opportunity occurs for increased yield, but consistent with the primary objective of safety and secondary objective of liquidity.

District funds not invested with LAIF or City Pool A may be invested with state or federal banks or savings and loan institutions, or in government securities and debt obligations that carry the full faith and credit of the governmental agency.

District funds will not be invested in stocks, bonds, real estate investment properties, commodity futures, currency futures, or options contracts, except as such investments may be made by LAIF or City Pool A.

All District investments will be insured or collateralized as required by law and the District Treasurer may request certification or evidence of such insurance or collateral.

Income from all District investments is considered general revenue of the District and may be allocated by the Board to any legitimate and legal purpose of the District.

The revenues and expenditures of the District will be accounted for in accordance with generally accepted accounting practices within designated funds established by the Board, as follows:

- a. The Operations and Maintenance Reserve Fund (including administrative and contingency expenses)
- b. The Capital Outlay Reserve Fund (for general capital expenses of the District)
- c. The Emergency Flood Fight Reserve Fund (for short-term expenses of emergency flood fight activities, including contractors employed during emergencies)
- d. The Emergency Repair Reserve Fund (for unplanned, unexpected, short-term repairs for damages sustained during flood emergencies)
- e. The Retiree Health Benefit Reserve Fund (for post employment benefits as required by the Government Accounting Standards Board Rule 75)
- f. Any other funds which the Board may establish

The Board may allocate revenues from any source to any of the District accounts or transfer funds from one account to another as required for the prudent management of the District and implementation of its programs.

Depositories having custody of District funds will provide monthly activity statements and written confirmation of all deposits, transfers, and other transactions.

The District will not use brokers or dealers in placing investments.

American River Flood Control District Reserve Fund Policy

Summary

The American River Flood Control District Board of Trustees adopted Resolution 2003-05 in June 2003 to establish a Flood Emergency Response Fund, an Emergency Repair Reserve Fund, and a Capital Outlay Reserve Fund. Any funds not included in the three reserve funds were held in the District's undesignated Operations and Maintenance Fund. In December 2007 the Board directed staff to establish a Retiree Health Benefit Reserve Fund, and adopted Resolution 2008-03 to create this fund. The allocation among District funds shall be reviewed on an annual basis when adopting the budget for each fiscal year. The followings sections summarize the fund descriptions and uses.

The structure of investment accounts for individual reserve funds is shown in Appendix A.

Flood Emergency Response Fund

The District has agreements with local contractors to respond with materials, equipment and labor during a flood emergency on a 24-hour/7-day a week basis. As the "first responder" to a flood emergency, the District must be prepared to underwrite the costs for an initial flood fight without assistance from other local agencies, the State or Federal governments. In 2003, the District prepared a hypothetical flood scenario which estimated the District's costs for a flood emergency response could be approximately \$1 million. This estimate anticipates the Corp of Engineers assumes control of the flood fight at the most critical sites after two days while the District continues operations at less critical sites.

The Flood Emergency Response Fund may be used, but is not limited to the following:

- Purchase and deployment of materials for flood fighting
- Purchase of flood fight equipment and vehicles
- Overtime for District staff
- Supplemental staff from outside agencies
- Rental of equipment and vehicles for use during a flood emergency response
- Payment to contractors for labor, equipment and materials
- Construction observation services to monitor contractor's activities and prepare records of work done including labor, equipment and materials
- Retention of consultants or other experts to assist the District in evaluating its facilities, recommending an emergency action or otherwise managing the flood emergency response
- Use of California Conservation Corps or Department of Forestry and Fire Protection workforce to prepare for a flood such as filling sandbags and/or actually conducting a flood fight
- Payment for the care (food and shelter) of volunteers and/or paid flood responders
- Services rendered to document flood damages and prepare damage reports or other records necessary to request federal and state disaster assistance funds

- Any other purpose as approved by the Board of Trustees

Since the District's Flood Emergency Reserve Fund was established, Hurricane Katrina demonstrated the need for higher funding levels to carry out effective emergency response measures in a major flood event. The District shall strive to maintain a high level of funding as in its Flood Emergency Reserve Fund. The target funding level for this reserve fund is between \$1 million and \$2 million.

Emergency Repair Fund

Following a flood, interim repairs to damaged or breached levees are necessary to strengthen the system before more complete repairs can be made at the end of flood season. In addition, the District would be responsible for the local cost share of permanent repairs conducted by the Corps of Engineers under Public Law 84-99. The local cost share for levee repairs following a major flood was estimated to be between \$600,000 and \$1,000,000 in 2003. Levee repair unit costs have grown in recent years due to the large number of critical erosion repair projects leading to a higher demand for materials in addition to higher fuel costs.

The Emergency Repair Fund may be used for, but is not limited to the following:

- Labor, equipment and materials to repair damaged levees or other District facilities
- Equipment rental by District staff needed for repairs
- Consulting services including legal, environmental, design, survey, geotechnical and construction management
- Services needed to conduct damage survey assessments to submit for federal and state disaster assistance.
- Management and consultant services needed to negotiate an agreement with Corps of Engineers and then managing the work thereafter
- Any other purpose as approved by the Board of Trustees.

The target funding level for this reserve fund is between \$1 million and \$2 million.

Capital Outlay Fund

The District may undertake capital improvement projects to repair damaged levees, improve the reliability of the system and/or increase the District's ability to monitor the system and respond in a flood emergency. In the recent past, the majority of the capital improvements have been erosion protection placed on levee and riverbank slopes. High velocity flows during floods which scour the river banks and levee slopes are responsible for the damage. Along the American River, the flows are regulated by Folsom Dam. Construction of the Folsom Dam auxiliary spillway will provide additional overall flood protection, however it will also result in moderate flood releases more often and for longer durations which will potentially increase erosion damage on the levees. Erosion also affects the river's banks, and if not arrested, will eventually begin erosion of the levee itself. Currently significant bank protection work has been done along the American River primarily by the Corps of Engineers, the Reclamation Board, and the Sacramento Area Flood Control Agency. The District may undertake smaller

erosion repair projects on its own at sites that are not included in the federal bank protection program.

The Capital Outlay Fund may be used for, but is not limited to the following:

- Staff time to plan, design and manage various capital improvement projects
- Consulting services including real estate, environmental, design, survey, geotechnical and construction management associated with capital improvement projects
- Preparation of environmental documents, construction documents and all securing all required permits.
- Securing all easements and rights of way necessary to implement the project
- Relocation of any utility which conflicts with the proposed project
- All construction costs associated with the project
- Required environmental mitigation
- Any other purpose as approved by the Board

The target funding level for this reserve fund is between \$1 million and \$2 million.

Retiree Health Benefit Reserve Fund

In 2007, the District commissioned an actuarial study to determine its liability for retiree health benefits to comply with the Government Accounting Standards Board Rules 75. The Board of Trustees is reviewing options for establishing a trust fund for this purpose. In the interim, the Board directed staff to set aside the Annual Required Contribution in a Retiree Health Benefit Reserve Fund. This reserve fund may be reallocated to other uses such as flood emergency response until the Board formally approves enrolling in a trust fund to be used for retiree health benefits. The target funding level for this reserve fund shall be based on recommendations from an actuarial study to be performed every three years.

General Manager's Meeting Summary

April 2026

4/10: American River Flood Control District Board of Trustees meeting. The Board met in regular session. The agenda items consisted of Committee updates and a Scope of Work for MBK Engineers to perform a hydraulic analysis of encampments in Steelhead Creek.

4/17: MBK Coordination meeting. I met with Pro Mitra from MBK Engineers to work on responses to the USACE Routine Inspection Report for the American River North Levee, NEMDC, Arcade Creek South Levee System.

4/20: CVFPB Inspection Review meeting. I met with staff from the Central Valley Flood Protection Board and Pro Mitra from MBK Engineers to go over our responses to the USACE Routine Inspection for the AR North – NEMDC Inspection.

4/20: SAFCA Flood Coordination meeting. I met with staff from SAFCA, the City Department of Utilities, and the County of Sacramento Department of Water Resources to discuss FEMA certification, ULDC certification, and the status of USACE projects in the Sacramento region.

4/24: Central Valley Flood Protection Board meeting. I attended this meeting to support the USACE Inspection team and assist in their presentation of the American River North Levee – NEMDC Levee System Inspection.

4/28: USACE Levee Safety meeting. I attended this online meeting to hear a USACE staff presentation to the national Safety Oversight Group on the risk assessment for the AR North-NEMDC- Arcade Creek South levee system.