

March 12, 2021
Sacramento, California

In Compliance with CA Executive Orders N-25-20 and N-29-20 the Board of Trustees of the American River Flood Control District met in regular session at 11:00 a.m. on Friday, March 12, 2021 by teleconference. In attendance were Trustee Shah, Trustee Johns, Trustee Holloway, and Trustee L'Ecluse. Trustee Shah presided. Trustee Vander Werf arrived at the beginning of item 4. Also present from the District were General Manager (GM) Tim Kerr, Superintendent Ross Kawamura, Field Supervisor Scott Webb, Legal Counsel Austin Cho, and Office Manager Malane Chapman. One member of the public was present.

Item No. 1 Public Comments on Non-Agenda Items: No public comment on non-agenda items.

Item No. 2 Approval of Consent Agenda: On a motion by Trustee Holloway seconded by Trustee L'Ecluse, the Board unanimously approved items 2a) Minutes of Regular Meeting on February 12, 2021, 2b Approval of Report of Investment Transactions January 2021 (City Pool, LAIF, River City) and Treasurer's Certification, 2c) District Financial Reports: Statement of Operations (February 2021) and Cash Flow Report, 2d) Correspondence: None

Roll Call Vote:

Trustee Holloway:	AYE	Trustee L'Ecluse:	AYE
Trustee Johns:	AYE	Trustee Shah:	AYE

Item No. 3 Accounts Payable and General Fund Expenses (February 2021): Trustee Holloway inquired about payments to Rua & Sons Mechanical, Inc. Following explanation by staff and on a motion by Trustee Johns seconded by Trustee Holloway, the Board unanimously approved payments on the Schedule of Accounts Payable (February 2021) of \$100,224.43 and General Fund Expenses of \$88,760.36 (total aggregate sum \$188,984.79)

Roll Call Vote:

Trustee Holloway:	AYE	Trustee L'Ecluse:	AYE
Trustee Johns:	AYE	Trustee Shah:	AYE

Item No. 4 Endorsement of CA Central Valley Flood Board Permit; Applicant: Caltrans; Description: American River Bridge Widening: GM Kerr briefed the Board on Caltrans' plans to widen the existing Business 80 Bridge crossing of the American River and adding an additional pedestrian lane with access ramps to the levee. Trustee Shah asked about the timeline and what impacts the project would have with the District's maintenance. Trustee Johns inquired on the ownership of the maintenance along this part of the trail long term and suggested endorsement of the application with conditions or comments. Legal Counsel Cho will work with GM Kerr to draft the comments prior to the Board signing the endorsement. On a motion by Trustee Shah seconded by Trustee

Johns, the Board unanimously approved endorsement of the application with the addition of comments regarding the District's concern about ownership and maintenance of that portion of the trail.

Roll Call Vote:

Trustee Holloway:	AYE	Trustee Vander Werf:	AYE
Trustee Johns:	AYE	Trustee Shah:	AYE
Trustee L'Ecluse:	AYE		

Item No. 5 Water Forum Stakeholder Participation: GM Kerr provided the Board with a recap of the presentation from the February 2021 Board Meeting. Trustee Shah inquired about the time commitment. Trustee Holloway stated the minimum time commitment is roughly 2-6 hours. On a motion by Trustee Holloway seconded by Trustee L'Ecluse, the Board unanimously approved Trustee L'Ecluse to represent the District with the Water Forum with Trustee Vander Werf and GM Kerr as alternates.

Roll Call Vote:

Trustee Holloway:	AYE	Trustee Vander Werf:	AYE
Trustee Johns:	AYE	Trustee Shah:	AYE
Trustee L'Ecluse:	AYE		

Item No. 6 Administrative Staff Reports:

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

- General Manager's February Meeting Summary: Sacramento County Local Hazard Mitigation Plan Web meeting was discussed;
- Urban Encampments Policy;
- Hydrologic Conditions: Folsom 36% of total capacity with an outflow of 2,921 cfs. The gauge at I Street Bridge shows a water surface elevation of 6.0 feet above sea level;
- Next Board Meeting is scheduled for April 9, 2021

b) *Legal Counsel Austin Cho* informed the Board that the Two Rivers Trail encroachment permit agreement is currently with the City of Sacramento for review.

c) *Office Manager Malane Chapman:*

- Form 700: Forms are due by March 31, 2021
- Newsletter Update: Public Outreach Committee met to begin work on the Spring 2021 Newsletter.

Item No. 7 Operations and Maintenance Staff Reports:

a) *Superintendent Ross Kawamura:*

- Crew activities including spring maintenance, gate repair, annual trash pickup, mowing, downed trees, vegetation management, rodent abatement, and equipment maintenance.

Item No. 8 Questions and Comments by Trustees: Trustee Vander Werf informed the Board of their appointment to the LAFCo Board. Trustee L'Ecluse had an opportunity to speak to the Sheriff's bus crews and encouraged other Trustees to do the same.

Item No. 9 Adjourn: There being no further business requiring action by the Board, the meeting was adjourned by Trustee Shah at 11:50 a.m.

Attest:

Secretary

President

DRAFT

**American River Flood Control District
Staff Report**

Investment Transactions Summary; February 2021

LAIF:

- There were no transactions in this account during the month of February.

City Pool A

- Accrued Interest Receivable for the month of February was \$7,453.48.
- As of February 28, 2021, the balance of Interest Receivable in this account was \$76,399.06.

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

River City Bank Money Market:

- On February 28, 2021 a monthly interest payment was deposited in the amount of \$75.82.

River City Bank Checking:

- On February 28, 2021 a monthly interest payment was deposited in the amount of \$19.71.
- Total amount of Accounts Payable cleared during the month of February was \$200,991.89.

**American River Flood Control District
Investment Transaction Report
February 2021**

Item 2b

Balance and Transactions

Account		LAIF	City Pool A	River City Bank Money Market	River City Bank Checking
Beginning Balance	2/1/21	\$66,735.60	\$8,823,516.56	\$651,059.89	\$424,376.42
Transactions					
City Pool A Interest	2/28/21		\$7,453.48		
River City Bank Interest	2/28/21			\$75.82	\$19.71
Accounts Payable (cleared)					(\$200,991.89)
Ending Balance:	2/28/21	\$66,735.60	\$8,823,516.56	\$651,135.71	\$223,404.24

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

Interest

Date:	Mar 2020	Apr 2020	May 2020	June 2020
LAIF	1.79	1.65	1.36	1.22
City Pool A	2.22	1.97	1.81	1.77
River City Bank Money Market	1.57	1.26	1.13	0.90
River City Bank Checking	0.10	0.10	0.10	0.10
Date:	Jul 2020	Aug 2020	Sep 2020	Oct 2020
LAIF	1.22	0.78	0.69	0.62
City Pool A	1.77	1.44	1.57	1.29
River City Bank Money Market	0.69	0.60	0.40	0.30
River City Bank Checking	0.09	0.10	0.10	0.10
Date:	Nov 2020	Dec 2020	Jan 2021	Feb 2021
LAIF	0.58	0.54	0.46	0.41
City Pool A	1.23	1.08	1.08	1.09
River City Bank Money Market	0.26	0.00	0.20	0.15
River City Bank Checking	0.10	0.10	0.10	0.08

**American River
Flood Control
District**

AMERICAN RIVER FLOOD CONTROL DISTRICT

MONTHLY REVIEW – FEBRUARY 2021

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.

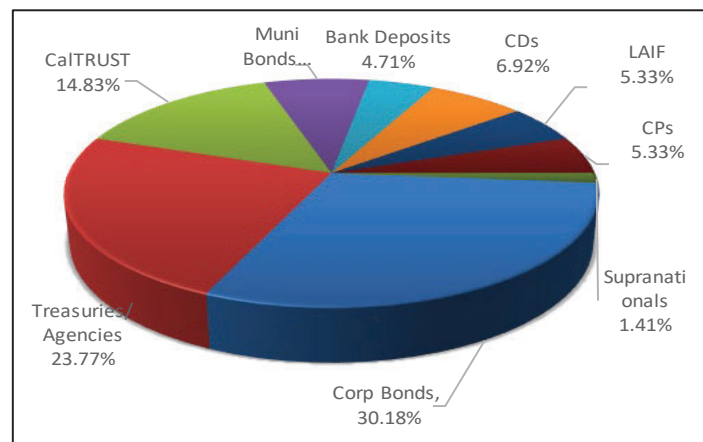
PORTFOLIO STATISTICS

Beginning Balance	8,892,462
Contributions	0
Withdrawals	0
Interest Earned	7,453
Ending Balance	8,899,915

PERFORMANCE COMPARISON

City Pool A	1.09%
LAIF	0.41%
90 Day T-Bill	0.03%
Federal Funds	0.08%

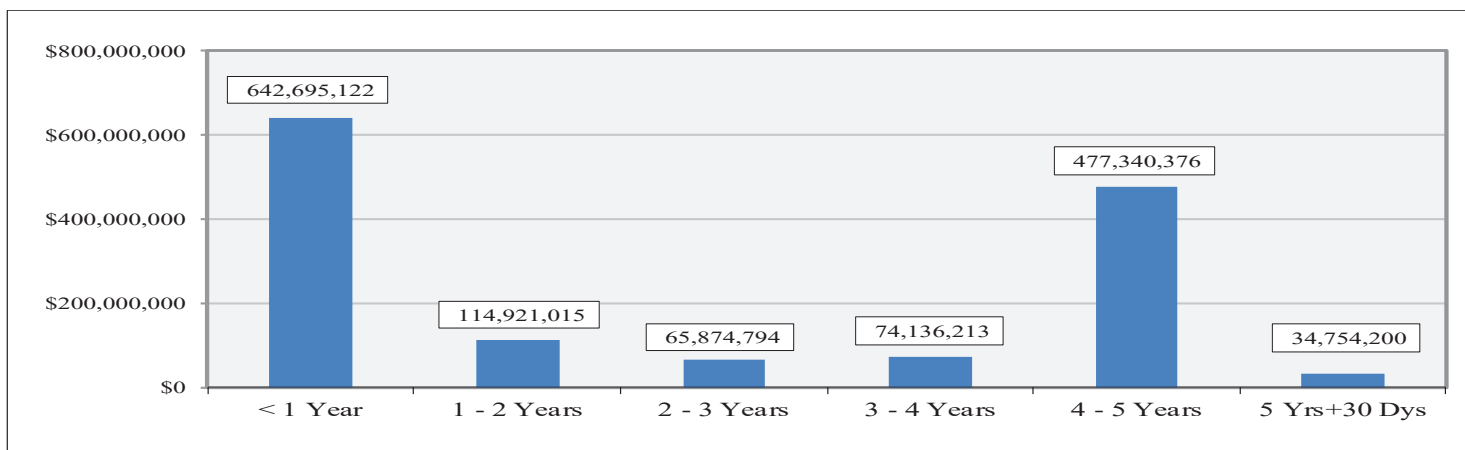
CITY POOL A PORTFOLIO COMPOSITION



CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	642,695,122	45.59%
1 - 2 Years	114,921,015	8.15%
2 - 3 Years	65,874,794	4.67%
3 - 4 Years	74,136,213	5.26%
4 - 5 Years	477,340,376	33.86%
5 Yrs+30 Dys	34,754,200	2.47%
Total	1,409,721,720	100.00%

Asset Type	Pct. Assets	YTM
Corp Bonds	30.18%	1.73%
Treasuries/Agencies	23.77%	0.71%
CalTRUST	14.83%	0.39%
Muni Bonds	7.52%	1.81%
Bank Deposits	4.71%	0.43%
CDs	6.92%	0.78%
LAIF	5.33%	0.41%
CPs	5.33%	0.26%
Supranationals	1.41%	0.92%



City of Sacramento
CASH LEDGER
American River Flood Control District
From 02-01-21 To 02-28-21

All Cash Accounts

Trade Date	Settle Date	Tran Code	Quantity	Security	Amount	Cash Balance
Pool A Interest Receivable						
02-01-21				Beginning Balance		68,945.58
02-28-21	02-28-21	in		Pool A Cash	7,453.48	76,399.06
				Feb 2021 estimated Pool A interest		
					7,453.48	
02-28-21				Ending Balance		76,399.06
Pool A Cash						
02-01-21				Beginning Balance		8,823,516.56
02-28-21				Ending Balance		8,823,516.56

California State Treasurer *Fiona Ma, CPA*



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

March 01, 2021

[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

February 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	66,735.60
Total Withdrawal:	0.00	Ending Balance:	66,735.60



River City Bank

WWW.RIVERCITYBANK.COM
PO Box 15247, Sacramento, CA 95851-0247
Return Service Requested

Item 2b



Last statement: January 31, 2021
This statement: February 28, 2021
Total days in statement period: 28

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

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0811100952
(0)

Direct inquiries to:
916-567-2836

Public Fund Money Market

Account number	0811100952	Beginning balance	\$651,059.89
Low balance	\$651,059.89	Total additions	75.82
Average balance	\$651,059.89	Total subtractions	0.00
Avg collected balance	\$651,059	Ending balance	\$651,135.71
Interest paid year to date	\$86.52		

CREDITS

Date	Description	Additions
02-28	Interest Credit	75.82

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
01-31	651,059.89	02-28	651,135.71		

INTEREST INFORMATION

Annual percentage yield earned	0.15%
Interest-bearing days	28
Average balance for APY	\$651,059.89
Interest earned	\$75.82

AMERICAN RIVER FLOOD CONTROL DISTRICT
February 28, 2021

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0811100952

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



Last statement: January 31, 2021
This statement: February 28, 2021
Total days in statement period: 28

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

Page 1
0811090736
(60)

Direct inquiries to:
916-567-2836

Public Fund Interest Checking

Account number	0811090736	Beginning balance	\$424,376.42
Enclosures	60	Total additions	19.71
Low balance	\$223,387.89	Total subtractions	200,991.89
Average balance	\$317,634.80	Ending balance	\$223,404.24
Avg collected balance	\$317,634		

CHECKS

Number	Date	Amount	Number	Date	Amount
8006	02-04	197.94	8065	02-24	16.43
8012 *	02-04	46.00	8066	02-18	2,399.35
8013	02-02	533.40	8067	02-16	10,000.00
8032 *	02-18	87.00	8068	02-18	2,293.39
8038 *	02-04	901.85	8069	02-17	672.83
8041 *	02-01	203.66	8070	02-19	3,143.00
8049 *	02-10	50.00	8071	02-18	507.56
8050	02-24	1,036.66	8072	02-16	7,274.50
8051	02-18	32,310.22	8073	02-17	195.75
8052	02-25	41.73	8074	02-22	412.50
8053	02-17	519.38	8075	02-17	664.74
8054	02-24	702.48	8076	02-16	6.51
8055	02-23	373.64	8077	02-26	600.00
8056	02-22	135.20	8078	02-17	958.01
8057	02-18	657.46	8079	02-17	30.00
8058	02-23	193.40	8080	02-24	594.95
8059	02-22	106.70	8081	02-19	80.43
8060	02-18	442.00	8082	02-17	9,300.00
8061	02-25	231.42	8083	02-18	1,800.00
8062	02-17	2,189.50	8084	02-19	11,714.40
8063	02-18	93.95	8085	02-24	979.00
8064	02-17	58.00	8086	02-19	23.34

AMERICAN RIVER FLOOD CONTROL DISTRICT
February 28, 2021

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0811090736

Number	Date	Amount	Number	Date	Amount
8087	02-19	1,194.32	8097	02-23	983.07
8088	02-17	4,426.50	8098	02-18	529.96
8089	02-22	274.49	8099	02-22	1,200.00
8090	02-25	1,495.11	8100	02-17	318.82
8091	02-18	875.78	8101	02-22	92.00
8093 *	02-23	203.66	8102	02-25	438.99
8094	02-23	936.00	8103	02-22	325.00
8095	02-17	810.85			
8096	02-23	259.50			

* Skip in check sequence

DEBITS

Date	Description	Subtractions
02-01	' ACH Withdrawal HEALTH EQUITY INC HealthEqui 210201	152.95
02-01	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 210201 946000047	32,899.51
02-02	' ACH Withdrawal HEALTH EQUITY INC HealthEqui 210202	150.00
02-02	' ACH Withdrawal CALPERS 1900 100000016318327	2,942.04
02-02	' ACH Withdrawal CALPERS 3100 100000016262122	2,213.18
02-02	' ACH Withdrawal CALPERS 3100 100000016262082	2,995.91
02-16	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 210216 946000047	34,863.83
02-17	' ACH Withdrawal CALPERS 1900 100000016317841	127.94
02-17	' ACH Withdrawal CALPERS 3100 100000016290824	2,434.52
02-17	' ACH Withdrawal CALPERS 3100 100000016290792	3,084.12
02-17	' ACH Withdrawal CALPERS 1900 100000016317825	6,404.99
02-18	' ACH Withdrawal HEALTH EQUITY INC HealthEqui 210218	152.95
02-18	' ACH Withdrawal CALPERS 1900 100000016338208	2,995.74
02-19	' ACH Withdrawal INTUIT PAYROLL S QUICKBOOKS 210219 946000047	428.52
02-28	' Service Charge ADDITIONAL DEBITS	3.36

AMERICAN RIVER FLOOD CONTROL DISTRICT
February 28, 2021

CREDITS

Date	Description	Additions
02-28	Interest Credit	19.71

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
01-31	424,376.42	02-16	328,945.14	02-23	229,524.66
02-01	391,120.30	02-17	296,749.19	02-24	226,195.14
02-02	382,285.77	02-18	251,603.83	02-25	223,987.89
02-04	381,139.98	02-19	235,019.82	02-26	223,387.89
02-10	381,089.98	02-22	232,473.93	02-28	223,404.24

INTEREST INFORMATION

Annual percentage yield earned	0.08%
Interest-bearing days	28
Average balance for APY	\$317,634.80
Interest earned	\$19.71

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	<u>Dated February 2021</u>
Investment Pool A Account, City of Sacramento	<u>Dated February 2021</u>
District Checking Account, River City Bank	<u>Dated February 2021</u>
District Repurchase Account, River City Bank	<u>Dated February 2021</u>

Certified by: _____ Date: _____
 Rachelanne Vander Werf, District Treasurer

American River Flood Control District
Statement of Operations
July 1, 2020 to March 31, 2021 (Nine Months Ending of Fiscal 2021)
For Internal Use Only

	Year to Date July 1, 2020 to March 31, 2021	Budget	Percent of Budget
Revenues			
Benefit assessment	\$ 751,485	\$ 1,429,793	52.56%
Consolidated capital assessment	-	980,000	0.00%
Interest	80,638	77,267	104.36%
O & M agreements	-	231,801	0.00%
Miscellaneous	26,732	-	Not budgeted
Total Revenues	<u>858,855</u>	<u>2,718,861</u>	31.59%
M & O Expenses			
Salaries and wages	651,019	833,238	78.13%
Payroll tax expense	46,895	66,659	70.35%
Pension expense	143,020	189,428	75.50%
Compensation insurance	13,562	41,662	32.55%
Medical/dental/vision	195,591	216,125	90.50%
Fuel/oil reimbursement	20,681	35,000	59.09%
Equipment rental	7,320	20,000	36.60%
Equipment repairs/parts	49,666	50,000	99.33%
Equipment purchases (< \$5,000)	1,037	15,000	6.91%
Shop supplies	31,324	20,000	156.62%
Levee maint. (supp. & material)	16,878	20,000	84.39%
Levee maint. chemicals	24,346	27,500	88.53%
Levee maint. services	104,636	80,000	130.80%
Rodent abatement (supplies & materials)	6,380	10,000	63.80%
Employee uniforms	6,227	7,500	83.03%
Staff training	3,342	7,500	44.56%
Regulation Compliance (OSHA)	10,506	6,000	175.10%
Miscellaneous	1,125	2,000	56.25%
Small tools & equipment	6,118	7,500	81.57%
Emergency preparedness program	5,932	35,000	16.95%
Engineering services	17,139	20,000	85.70%
Environmental services/studies	-	5,000	0.00%
Encroachment remediation	-	15,000	0.00%
Urban camp cleanup	15,134	50,000	30.27%
Total M & O Expenses	<u>1,377,878</u>	<u>1,780,112</u>	77.40%
Administration Expenses			
Board of trustees compensation	4,499	7,600	59.20%
Trustee expenses	-	2,400	0.00%
Trustee training	-	5,000	0.00%
Accounting services	12,175	15,000	81.17%
Legal services (general)	18,181	50,000	36.36%
Utilities	33,852	40,000	84.63%
Telephone	12,707	25,000	50.83%
Retiree benefits	117,638	143,000	82.26%
Office/shop/yard lease	5,400	7,200	75.00%
Office equipment/furniture	479	7,500	6.39%
Auto allowance	5,314	6,600	80.52%
Parking reimbursement	-	500	0.00%
General office expense	9,796	15,000	65.31%
Technology and software	13,127	10,000	131.27%
Dues and associations	23,724	25,000	94.90%
Property and liability insurance	28,476	42,000	67.80%
Public relations/information	-	30,000	0.00%
Miscellaneous	2,902	5,000	58.04%
Election expense	145,993	99,723	146.40%
Employee morale/wellness	-	2,000	0.00%
Investment fees	4,412	20,000	22.06%
Community services	-	1,500	0.00%
Bookkeeping services	7,538	14,000	53.84%
Property taxes	1,710	3,000	57.00%
Building maintenance	12,025	10,000	120.25%
County Dtech fees for DLMS	23,920	55,000	43.49%
County assessment fees	19,178	-	Not budgeted
Interest expense	414	-	Not budgeted
Total Administration Expenses	<u>503,460</u>	<u>642,023</u>	78.42%
Special Projects Expenses			
Engineering studies/survey studies	3,963	170,000	2.33%
Levee standards compliance	-	25,000	0.00%
Small capital projects	-	50,000	0.00%
Total Special Project Expenses	<u>3,963</u>	<u>245,000</u>	1.62%
Capital Outlay			
Equipment purchases (over \$5,000)	<u>212,405</u>	<u>100,000</u>	212.41%
Total Capital Outlay	<u>212,405</u>	<u>100,000</u>	
Capital Outlay: District Headquarters Build-Out			
Building improvements/maintenance	361,071	700,000	51.58%
La Riviera improvements/maintenance	54	2,000	2.70%
	<u>361,125</u>	<u>702,000</u>	

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 2020 through June 2021

Cash Flow Report

Maintenance and Operations Expens	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May	21-Jun	TOTAL
500 - Salary/Wages	84,955.85	72,305.42	71,963.98	74,588.44	66,019.98	104,073.57	35,778.71	69,715.98	67,522.54	38,148.15	0.00	0.00	685,072.62
501 - Payroll Taxes	6,551.57	5,583.83	5,557.69	5,247.26	4,156.05	6,597.80	3,378.64	6,036.87	5,175.24	2,918.34	0.00	0.00	51,203.29
502 - Pension	17,202.17	15,822.01	21,318.10	16,226.03	9,575.75	19,891.06	10,916.85	15,094.39	14,888.06	11,132.56	0.00	0.00	152,066.98
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	24,342.88	19,791.24	19,837.24	19,791.24	18,145.44	20,694.56	20,260.56	20,214.56	20,214.56	0.00	0.00	0.00	183,292.28
508 - Fuel/Oil	2,345.10	4,356.39	2,664.57	2,714.69	0.00	3,215.72	1,797.58	3,135.76	4,548.34	0.00	0.00	0.00	24,778.15
509 - Equipment Rental	0.00	5,960.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,960.25
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	15,604.93	6,143.91	9,008.02	5,524.43	1,973.22	6,102.41	9,813.15	3,973.02	5,765.98	0.00	0.00	0.00	63,909.07
512 - Shop Supplies	4,256.28	8,016.10	4,875.31	4,929.78	1,128.15	5,753.11	2,078.35	2,290.45	3,084.23	0.00	0.00	0.00	36,411.76
514 - Levee Maint(Supplies&Materi	100.38	5,826.24	187.69	2,822.64	1,140.03	3,901.62	2,183.43	425.52	390.85	0.00	0.00	0.00	16,978.40
515 - Levee Maintenance Services	2,200.00	25,393.37	26,643.08	9,097.84	11,407.70	1,955.02	9,552.09	14,619.90	7,411.45	0.00	0.00	0.00	108,280.45
516 - Employee Uniforms	0.00	0.00	5,768.62	280.37	0.00	503.36	0.00	325.00	0.00	0.00	0.00	0.00	6,877.35
518 - Staff Training	1,529.00	0.00	525.00	1,614.36	0.00	0.00	532.72	0.00	(60.00)	80.00	0.00	0.00	4,221.08
519 - Miscellaneous O&M	0.00	0.00	0.00	0.00	1,125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,125.00
521 - Small Tools & Equip	0.00	0.00	273.52	0.00	0.00	4,273.10	688.99	0.00	0.00	0.00	0.00	0.00	5,235.61
523 - Levee Maint. (Chemicals)	0.00	13,414.68	1,344.74	0.00	0.00	0.00	5,009.22	958.01	3,507.30	0.00	0.00	0.00	24,233.95
525 - Emergency Preparedness Pr	0.00	0.00	0.00	0.00	0.00	1,731.94	0.00	0.00	0.00	0.00	0.00	0.00	1,731.94
530 - Encroachment Remediation I	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
532 - Rodent Abatement	0.00	225.24	766.80	4,130.07	1,123.95	0.00	0.00	246.43	0.00	0.00	0.00	0.00	6,492.49
533 - Urban Camp Cleanup	1,380.45	2,421.74	3,622.43	409.50	825.01	1,308.34	513.50	2,172.46	3,750.78	0.00	0.00	0.00	16,404.21
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	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
616 - Environmental Services/Studi	0.00	0.00	0.00	0.00	0.00	0.00	145,993.01	0.00	0.00	0.00	0.00	0.00	145,993.01
Total M&O Expense	160,468.61	185,260.42	174,356.79	147,376.65	116,620.28	180,001.61	248,496.80	139,208.35	136,199.33	52,279.05	0.00	0.00	1,540,267.89

Administrative Expenses	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May	21-Jun	TOTAL
505 - Telephone	1,521.70	1,626.92	1,545.83	1,783.83	1,827.13	2,006.12	1,814.41	1,076.12	1,229.40	0.00	0.00	0.00	14,431.46
506 - Utility Charges	3,362.49	4,354.93	3,882.24	3,785.69	3,680.19	2,926.48	3,681.49	4,095.17	7,313.94	0.00	0.00	0.00	37,082.62
507 - Office/Shop Lease	600.00	600.00	600.00	0.00	1,200.00	600.00	600.00	600.00	600.00	0.00	0.00	0.00	5,400.00
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	550.00	550.00	550.00	550.00	550.00	825.00	275.00	550.00	550.00	275.00	0.00	0.00	5,225.00
520 - Retiree Benefits	11,542.63	11,542.63	11,542.63	11,542.63	11,542.63	12,095.66	12,095.66	12,095.66	12,095.66	0.00	0.00	0.00	106,095.79
522 - Office Equipment/Furniture	129.24	0.00	478.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	607.74
526 - Mileage/Parking Reimburs	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
527 - General Office Expense	1,081.26	1,386.08	951.91	1,723.35	1,309.66	1,097.73	3,406.69	467.61	1,328.51	0.00	0.00	0.00	12,752.80
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	467.39	1,139.73	5,407.82	435.38	4,108.69	402.98	683.96	997.07	747.64	0.00	0.00	0.00	14,390.66
600 - Board of Trustees Compensa	1,380.45	2,421.74	3,622.43	409.50	825.01	1,308.34	513.50	2,172.46	3,750.78	0.00	0.00	0.00	16,404.21
601 - Trustee Expenses	0.00	0.00	0.00	0.00	60.17	4,226.84	5,987.92	231.42	0.00	0.00	0.00	0.00	10,506.35
602 - Accounting Services	475.00	475.00	475.00	475.00	475.00	475.00	475.00	380.00	475.00	0.00	0.00	0.00	4,180.00
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	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
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	0.00	700.00	0.00	0.00	0.00	2,175.00	0.00	9,300.00	0.00	0.00	0.00	0.00	12,175.00
608 - Insurance Premiums	4,832.00	11,702.50	3,733.00	4,347.50	373.50	3,800.00	2,750.00	2,189.50	987.50	0.00	0.00	0.00	34,715.50
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	3,591.00	4,090.60	3,294.00	0.00	0.00	941.50	0.00	7,274.50	5,628.80	0.00	0.00	0.00	24,820.40
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	5,862.00	10,144.00	7,653.00	0.00	12.26	267.74	0.00	0.00	0.00	0.00	23,939.00
613 - Community Services	0.00	12,051.47	0.00	23,586.93	6,374.50	0.00	7,187.68	0.00	0.00	0.00	0.00	0.00	49,200.58
614 - Miscellaneous Admin	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
617 - Investment Fees	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
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	3,579.77	238.25	172.36	166.94	79.40	796.35	420.94	196.58	235.68	144.75	0.00	0.00	6,031.02
620 - Bookkeeping 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
621 - County Assessment Fees	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
622 - County DTEch Fees for DLMS	0.00	0.00	0.00	1,709.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,709.68

AMERICAN RIVER FLOOD CONTROL DISTRICT
Cash Flow Report
July 2020 through June 2021

623 - Employee Morale/Wellness	0.00	4,391.00	0.00	0.00	4,412.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,803.00
Total Administrative	33,112.93	57,270.85	42,117.72	60,660.43	44,470.88	33,677.00	39,904.51	41,893.83	34,942.91	419.75	0.00	0.00	0.00	388,470.81

Special Projects Expenses	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May	21-Jun	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	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May	21-Jun	TOTAL
700 - Bank Protection	0.00	0.00	31,669.50	0.00	0.00	0.00	0.00	0.00	(7,750.00)	0.00	0.00	0.00	23,919.50
701 - Magpie Creek	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
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	0.00	0.00	31,669.50	0.00	0.00	0.00	0.00	0.00	(7,750.00)	0.00	0.00	0.00	23,919.50

Income	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec	21-Jan	21-Feb	21-Mar	21-Apr	21-May	21-Jun	TOTAL
120 - Benefit Assessment	0.00	30,998.97	0.00	0.00	0.00	0.00	761,943.10	0.00	0.00	0.00	0.00	0.00	792,942.07
122 - SAFA CAD4	980,000.00	0.00	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	2,388.20	616.69	328.85	1,135.62	42.90	38.95	580.39	95.53	92.21	0.00	0.00	0.00	5,319.34
124 - O&M Agreements	0.00	0.00	0.00	0.00	0.00	274,176.70	0.00	0.00	0.00	0.00	0.00	0.00	274,176.70
126 - Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	10,837.50	19,472.14	0.00	0.00	0.00	0.00	0.00	30,309.64
Total Income	982,388.20	31,615.66	328.85	1,135.62	42.90	285,053.15	781,995.63	95.53	92.21	0.00	0.00	0.00	2,082,747.75

Fund Balance

District Operations Fund	Jul 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Beginning Balance	1,665,499.72	2,804,306.38	2,593,390.77	2,377,245.11	2,170,343.65	2,009,295.39	2,080,669.93	2,574,264.25	2,393,257.60	2,222,207.57	0.00	0.00
Income	1,332,388.20	31,615.66	328.85	1,135.62	42.90	285,053.15	781,995.63	95.53	92.21	0.00	0.00	0.00
Expenses	193,581.54	242,531.27	216,474.51	208,037.08	161,091.16	213,678.61	288,401.31	181,102.18	171,142.24	52,698.80	0.00	72,000.00
Ending Balance	2,804,306.38	2,593,390.77	2,377,245.11	2,170,343.65	2,009,295.39	2,080,669.93	2,574,264.25	2,393,257.60	2,222,207.57	2,169,508.77	0.00	(72,000.00)

Capital Outlay Reserve Fund	Jul 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Beginning Balance	1,270,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	0.00	0.00
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	350,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Balance	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	920,000.00	0.00	0.00

Retiree Health Benefit Reserve Fund	Jul 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
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	0.00	0.00
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72,000.00
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	0.00	72,000.00

Flood Emergency Response Reserve Fund	Jul 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
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	0.00	0.00
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	0.00	0.00

Emergency Repair Reserve Fund	Jul 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
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	0.00	0.00
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	0.00	0.00

Total Balance	Jul 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
	10,276,320.38	10,065,404.77	9,849,259.11	9,642,357.65	9,481,309.39	9,552,683.93	10,046,278.25	9,865,271.60	9,694,221.57	9,641,522.77	0.00	0.00

Malane Chapman

From: h2ogay@pacbell.net
Sent: Wednesday, March 31, 2021 11:07 AM
To: Malane Chapman
Cc: 'Bonnie Domeny (BRECA SC2)'
Subject: Thank You

To the Board of Directors of ARFCD,

On behalf of the Butterfield Riviera East Community Association (BRECA), I would like to acknowledge the efforts of your employees, Ross Kawamura and Scott Webb.

BRECA is engaged in restoration projects in the Gristmill area of the American River Parkway. As you are well aware, many agencies are involved in such projects. So, we greatly appreciate Ross and Scott's positive participation in our planning activities. Fostering cooperation with all stakeholders in the community is good public policy.

Thank you,

Gay Jones, Co-Chair
BRECA
916-208-0736

Invoices Paid				
		DATE	AMOUNT	CHECK #
Quickbooks (Employees)		3/16/21	\$35.75	EFT
HSA (Employee)		2/16/21	\$150.00	EFT
HSA (Miscellaneous Expense)		2/16/21	\$2.95	EFT
Quickbooks (Trustees)		3/22/21	\$16.25	EFT
HSA (Employee)		3/26/21	\$150.00	EFT
HSA (Miscellaneous Expense)		3/26/21	\$2.95	EFT
Quickbooks (Employees)		4/1/21	\$144.75	EFT
		Total	\$502.65	

Trustee Compensation				
	DATE	GROSS	NET	CHK#
3/12/2021 Board Meeting				
Holloway, Brian F	3/22/21	\$95.00	\$86.60	Direct Dep
Johns, Steven T	3/22/21	\$95.00	\$86.60	Direct Dep
L'Ecluse, Tamika AS	3/22/21	\$95.00	\$86.60	Direct Dep
Shah, Cyril A	3/22/21	\$95.00	\$86.59	Direct Dep
Vander Werf, Rachelanne	3/22/21	\$95.00	\$86.60	Direct Dep
	Total	\$475.00	\$432.99	

Trustee Taxes				
		DATE	AMOUNT	CHK#
3/12/2021 Board Meeting				
Federal Tax Payment		3/22/21	\$72.62	EFT
CA Withholding & SDI		3/22/21	\$5.70	EFT
CA UI & ETT		3/22/21	\$6.74	EFT
	Total		\$85.06	

Payroll Summary				
	DATE	GROSS	NET	CHK#
PP ending 3/15/2021				
Malane Chapman	3/16/21	\$3,446.96	\$2,118.96	Direct Dep
David Diaz	3/16/21	\$2,599.52	\$1,545.12	Direct Dep
Gilberto Gutierrez	3/16/21	\$2,834.48	\$1,728.50	Direct Dep
Ross Kawamura	3/16/21	\$4,360.46	\$2,260.15	Direct Dep
Lucas Kelley	3/16/21	\$2,376.88	\$1,581.21	Direct Dep
Tim Kerr	3/16/21	\$7,466.41	\$5,416.75	Direct Dep
Adrian Lozano	3/16/21	\$1,936.00	\$1,542.69	Direct Dep
Victor Palacios	3/16/21	\$2,130.48	\$1,676.36	Direct Dep
Erich Quiring	3/16/21	\$2,710.40	\$1,766.50	Direct Dep
Jose Ramirez	3/16/21	\$2,781.68	\$2,020.68	Direct Dep
Scott Webb	3/16/21	\$3,311.44	\$2,141.92	Direct Dep
PP ending 3/31/2021				
Malane Chapman	4/1/21	\$3,760.32	\$2,318.54	Direct Dep
David Diaz	4/1/21	\$2,835.84	\$1,711.50	Direct Dep
Gilberto Gutierrez	4/1/21	\$3,092.16	\$1,874.44	Direct Dep
Ross Kawamura	4/1/21	\$4,360.46	\$2,260.15	Direct Dep
Lucas Kelley	4/1/21	\$2,592.96	\$1,701.01	Direct Dep
Tim Kerr	4/1/21	\$7,466.41	\$5,416.76	Direct Dep
Adrian Lozano	4/1/21	\$2,112.00	\$1,670.47	Direct Dep
Victor Palacios	4/1/21	\$2,324.16	\$1,827.92	Direct Dep
Erich Quiring	4/1/21	\$2,956.80	\$1,903.91	Direct Dep
Jose Ramirez	4/1/21	\$3,034.56	\$2,194.58	Direct Dep
Scott Webb	4/1/21	\$3,612.48	\$2,295.75	Direct Dep
	Total	\$74,102.86	\$48,973.87	

Employee & Relief GM Taxes				
		DATE	AMOUNT	CHK#
PP ending 3/15/2021				
Federal Tax Payment		3/16/21	\$8,973.00	EFT
CA Withholding & SDI		3/16/21	\$1,802.67	EFT
CA UI & ETT		3/16/21	\$0.00	EFT
PP ending 3/31/2021				
Federal Tax Payment		4/1/21	\$9,603.68	EFT
CA Withholding & SDI		4/1/21	\$2,000.24	EFT
CA UI & ETT		4/1/21	\$0.00	EFT
	Total		\$22,379.59	

Employee Pension				
		DATE	AMOUNT	CHK#
PP ending 3/15/2021				
PERS Retirement Contribution (Unfunded Liability)		3/25/21	\$6,532.93	EFT
PERS Retirement Contribution		3/25/21	\$5,518.63	EFT
457 Deferred Comp (Employee Paid)		3/25/21	\$2,935.74	EFT
457 District Contribution		3/25/21	\$60.00	EFT
PP ending 3/31/2021				
PERS Retirement Contribution		4/1/21	\$5,828.16	EFT
457 Deferred Comp (Employee Paid)		4/1/21	\$2,989.44	EFT
457 District Contribution		4/1/21	\$60.00	EFT
	Total		\$23,924.90	

Total of Invoices Paid and Payroll			\$96,299.06	
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**Coalition of Concerned
Commerce Circle Businesses**

March 2021

Councilmember Jeff Harris
Sacramento City Council
915 I Street
Sacramento, CA 95814

Re: Urgent Request for Assistance – RV Street Camping Out of Control

Dear Councilmember Harris:

We write to request your urgent assistance in addressing the unsafe, unhealthy, and highly unpredictable situation that is reaching a breaking point in the Commerce Circle area where our businesses are located. As you no doubt know, our area has become a destination for street camping by persons whose home is a car or an RV, in some cases an inoperable vehicle. At last count, at least 100 vehicles are occupying the area, without lawful access to water, garbage or sewer service. Some residents of these vehicles are engaging in threatening behavior, and many of us are experiencing incidents of trespass and theft on a regular basis, including theft of substantial assets in some instances. Despite numerous calls to local law enforcement, we have been told repeatedly there is nothing the police can or will do to protect or defend us, our employees, and our businesses. Only recently have we been able to obtain the assistance of code enforcement, which we appreciate, but the magnitude of the challenge calls for a substantial, coordinated response.

We know we are not alone in our experience, given the magnitude of the homeless problem in the city and elsewhere. But we are a relatively small business park and are on the verge of being completely overwhelmed. Here are just a few specific examples of what we are experiencing:

- Several RV campers have complained about normal business traffic using the city street and threatened to plant nails on the street as a makeshift tack strip to bring traffic to a halt.

- Even without the threat of nails in the street, the path for vehicle traffic is limited in a number of places because a number of RVs have pop-outs that extend their width in the first place; then inoperable cars, boats or other vehicles are parked next to them, side by side, blocking much of the street.
- Some RV campers are using our commercial waste bins as toilets, and recently a box full of human waste greeted one of our businesses at its entrance when it opened in the morning.
- Campers regularly hook into backflow detectors and sprinkler systems, located on our properties, for showers, carwashing and filling their water tanks, with their water use charged to us, directly or indirectly.
- One man living on the street breached the fenced yard of one business and entered the employee break room; when asked to leave he said the police would have to remove him; fortunately, an ambulance arrived promptly enough to safely remove the man before the incident escalated.
- At least two RVs have burned to the ground on site; fortunately, the residents evacuated in time and no one appears to have been hurt.
- If they are not burning fires inside their RVs, campers regularly cook their meals on barbecues set up on the edge of the levee on the south side of Commerce Circle, with attendant smoke and hot embers.
- Given the cover provided by the lawless circumstances, a stolen U-Haul trailer recently was left parked amidst the other vehicles.
- When a person died of an overdose in a vehicle on the street not long ago, the resulting street closure and law enforcement investigation was distressing and disrupted business.

A few photos showing how bad things have gotten are attached for your reference. To the extent residents of the RVs are closely approaching us and our employees, as well as our property, we also assume there is a risk posed by COVID-19. And as bad as the RV fires and the barbecue fires are at this time, we note they have been occurring during the winter wet season so far. Once the vegetation ringing Commerce Circle starts to dry, it will become more of a tinderbox than usual under our current circumstances.

To ensure things do not get any worse, and in order to bring our situation under control, we specifically request the following:

1. City funding beginning immediately for our businesses collectively to hire private security 24 hours a day 7 days a week, for at least the next 3 months. With patrols and the watchful eyes of security officers, thefts should be reduced or eliminated, and some semblance of order restored.

2. Development of a plan to relocate the RV residents to safe ground as soon as possible where they will have access to water, garbage, sewer and other amenities to improve their quality of life and eliminate the public health risks to them and to us based on their current circumstances.

3. A commitment to ensure the RV residents are relocated no later than the start of fire season as an essential fire prevention measure. This will ensure more RVs are not put at fire risk, and that we are not engulfed in more smoke and flames than otherwise expected given our drought conditions; it will also ensure the City's fire department is not occupied disproportionately in protecting our small business community.

Thank you for your attention to this matter. We request the opportunity for a delegation representing our business district to meet with you to review our requests and discuss how you can help fulfill them promptly. To that end, one of us will call you in the next few days to arrange for a meeting.

Sincerely yours,

Signature

Signature

Printed Name and Title

Printed Name and Title

Business Name

Business Name

DISCUSSION DRAFT

AMERICAN RIVER FLOOD CONTROL DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2020

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AMERICAN RIVER FLOOD CONTROL DISTRICT

Audited Financial Statements
and Compliance Report

June 30, 2020

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550 Howe Avenue, Suite 210
Sacramento, California 95825

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Trustees
American River Flood Control District

Opinions

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, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

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 budgetary comparison information on pages 4 to 11 and 35 to 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other 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.

This schedule 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April __, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control

To the Board of Trustees
American River Flood Control District

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.

April ____, 2021

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, 2020. 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 2019/2020

- At the end of 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 \$16.7 million.
- During the year, the District's net position increased by approximately \$176,000. 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 \$11.0 million. The amount of the unassigned fund balance was \$2.9 million, and the remainder was committed by the Board or in nonspendable form.
- The District's capital asset balance before depreciation was \$13.7 million at the end of the year.
- The District has recognized a net pension liability in the amount of \$1.1 million due to Governmental Accounting Standards Board Statement (GASB) 68. The liability increased approximately \$115,000 from the prior year. See Note E of the basic financial statements.
- The District has recognized a liability in the amount of \$4.3 million for post-employment benefits. The liability increased approximately \$383,000 from the prior year. See Note F 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.

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

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

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, 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 to 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 35 to 37 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 \$16.7 million at the close of the most recent fiscal year. Of this amount \$10.4 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, 2020 and 2019
(in thousands)

	Governmental Activities	
	2020	2019
Current and other assets	\$ 11,405	\$ 10,824
Capital assets, net	10,396	10,479
Total assets	<u>21,801</u>	<u>21,303</u>
Deferred outflows of resources	868	321
Current liabilities	166	63
Long term liabilities:		
Compensated absences		45
Capital lease	2	4
Net pension liability	1,127	1,012
Other postemployment benefits liability	4,268	3,884
Total liabilities	<u>5,563</u>	<u>5,008</u>
Deferred inflows of resources	433	119
Net position:		
Net investment in capital assets	10,392	10,473
Unrestricted net position	6,281	6,024
Total net position	<u>\$ 16,673</u>	<u>\$ 16,497</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, 2020, there were no major additions to capital assets from levee improvements; however, during fiscal 2020 additional levee maintenance equipment was purchased for \$62,000, shop equipment for \$3,000, a new truck for \$37,000, building improvements for \$17,000, and office equipment for \$2,000. The district also started the process of installing a new roof on its headquarters. Through June 30, 2020, \$57,000 was spent on this project. It is estimated that the total cost of the new roof at the time of completion will be approximately \$327,000.

Restricted Net Position

The District has no restricted net position as of June 30, 2020.

Unrestricted Net Position

The District's unrestricted net position at June 30, 2020 totaled approximately \$6.3 million. 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.

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 \$4,267,487 at June 30, 2020. During 2020, the District paid \$135,000 against this liability, and recognized an additional \$279,000 in expense to bring the liability to its estimated carrying value of \$4,267,487 at June 30, 2020. In addition, the District has recorded deferred outflows and deferred inflows related to postemployment benefits of \$543,200 and \$304,421, respectively. See also Note F to the financial statements for additional information. The next actuarial study is scheduled to be performed in 2023.

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 2020, the District contributed \$131,000 for employer required contributions to the pension plan and the unfunded net pension liability increased \$115,000 to \$1,127,332. In addition, the District has recorded deferred outflows and deferred inflows related to pensions of \$324,603 and \$129,018, respectively. See also Note E to the financial statements for additional information.

Governmental Activities

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

Table 2
Statement of Activities
Years Ended June 30, 2020 and 2019
(in thousands)

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues -		
O & M reimbursement agreements	\$ 643	\$ 224
General revenues -		
Assessments	2,341	2,398
Interest income	281	218
Miscellaneous		6
Total revenues	<u>3,265</u>	<u>2,846</u>
Expenses:		
Flood protection	<u>3,089</u>	<u>2,305</u>
Change in net position	176	541
Net position – beginning of year	<u>16,497</u>	<u>15,956</u>
Net position – end of year	<u>\$ 16,673</u>	<u>\$ 16,497</u>

The District's change in net position was \$176,000 during the current fiscal year. Overall revenues increased from \$2,846,000 in 2019 to \$3,265,000 in 2020. Assessment revenues decreased \$57,000 and interest income, including a \$67,000 fair value adjustment on the City of Sacramento investment pool,

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

increased \$63,000. Flood protection expenses increased \$784,000 from \$2,305,000 in 2019 to \$3,089,000 in 2020. Major increases in flood protection were a result of increases in small capital projects, engineering, maintenance services and supplies, and administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the fiscal year-end, the District's governmental funds reported a combined fund balance of \$11.0 million, an increase of \$.5 million from the previous year's fund balance. The current year-end fund balance consists of \$8.1 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 \$3.6 million for future retiree health benefits in the Retiree Health Benefits Fund. To fund improvements on District levees, \$1.5 million has been designated for the Capital Outlay Fund.

The remaining \$2.9 million is unassigned and available for spending for flood protection purposes. These funds are 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%) of revenue for the governmental fund. O & M reimbursements (\$593,000) accounted for 19% of revenues and interest income (\$281,000) accounted for 8%. Expenditures from the governmental fund were \$2.7 million, which resulted in \$478,000 in revenues over expenditures for District operations.

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, 2020
(in thousands)

	Budget Amount	Actual Amount	Variance From Final Budget
Assessments	\$ 2,410	\$ 2,330	\$ (80)
O & M reimbursement agreements	232	593	361
Interest income	77	281	204
	<u>\$ 2,719</u>	<u>\$ 3,204</u>	<u>\$ 485</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

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 \$485,000 more than budget. The variance was primarily due to O & M reimbursements and interest income being more than originally budgeted.

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, 2020
(in thousands)

	<u>Budget Amount</u>	<u>Actual Amount</u>	<u>Variance From Final Budget</u>
Current:			
Flood protection			
Operations	\$ 1,857	\$ 2,017	\$ (160)
Administration	517	529	(11)
Debt service:			
Principal		2	(2)
Interest payments		1	(1)
Capital outlay	<u>340</u>	<u>178</u>	<u>162</u>
	<u>\$ 2,714</u>	<u>\$ 2,727</u>	<u>\$ (12)</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 \$12,000 more than budgeted. Unfavorable variances from budget were noted in maintenance and operations activities, and administration.

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATIONCapital Assets

At June 30, 2020, the District has \$10.4 million invested in capital assets including levees and equipment. As allowed by GASB Statement No. 34, land and infrastructure have not been included for acquisitions prior to the implementation of the standard.

The District's capital assets increased from the prior fiscal year as shown in Table 5 below:

Table 5
Capital Assets

	<u>As of</u> <u>June 30, 2020</u>	<u>As of</u> <u>June 30, 2019</u>	<u>Increase</u> <u>(Decrease)</u>
Land	\$ 321,463	\$ 321,463	
Construction in progress	57,145		\$ 57,145
Levees and improvements	9,544,047	9,544,047	
Building	1,763,304	1,763,304	
Equipment	1,935,325	1,831,188	104,137
Building improvements	<u>82,556</u>	<u>65,381</u>	<u>17,175</u>
	<u>\$13,703,840</u>	<u>\$13,525,383</u>	<u>\$ 178,457</u>

As stated above, during the fiscal year ended June 30, 2020, there were no major additions to capital assets from levee improvements and the building; however, during fiscal 2020 additional levee maintenance equipment was purchased for \$62,000, shop equipment for \$3,000, a new truck for \$37,000, building improvements for \$17,000, and office equipment for 2,000. The district also started the process of installing a new roof on its headquarters. Through June 30, 2020, \$57,000 was spent on this project. It is estimated that the total cost of the new roof at the time of completion will be approximately \$327,000.

The District depreciates capital assets using the straight-line method over the estimated lives of the assets. Accumulated depreciation as of June 30, 2020 is \$3,307,893.

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

As of June 30, 2020, the District has designated approximately \$1,500,000 for future capital outlay expenditures.

Debt Administration

The District entered into a capital lease for office equipment during 2017 at a cost of approximately \$10,000. See Note D for more information on the District's long-term liabilities.

AMERICAN RIVER FLOOD CONTROL DISTRICT CALIFORNIA

Management's Discussion and Analysis (Continued)

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, 2020

ASSETS	
Cash and investments - Note B	\$ 10,011,090
Receivables:	
Assessments	68,000
Interest	1,691
Due from other agencies	1,277,602
Prepaid expenses	47,011
Capital assets, net - Note C	10,395,947
TOTAL ASSETS	<u>21,801,341</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	324,603
Other postemployment benefits (OPEB) plan	543,200
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>867,803</u>
LIABILITIES	
Accounts payable	96,149
Accrued payroll	8,066
Current portion of capital lease	2,047
Current portion of compensated absences	59,301
Long-term liabilities	
Capital lease	1,964
Net pension liability - Note E	1,127,332
OPEB liability - Note F	4,267,487
TOTAL LIABILITIES	<u>5,562,346</u>
DEFERRED INFLOWS OF RESOURCES	
Pension plan	129,018
OPEB plan	304,421
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>433,439</u>
NET POSITION	
Net investment in capital assets	10,391,936
Unrestricted	6,281,423
TOTAL NET POSITION	<u>\$ 16,673,359</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, 2020

PROGRAM EXPENSES	
Governmental activities:	
Flood protection	\$ 3,088,665
PROGRAM REVENUES	
Charges for services	<u>642,880</u>
	NET PROGRAM EXPENSES (2,445,785)
GENERAL REVENUES	
Assessments	2,340,921
Interest income	<u>281,322</u>
	TOTAL GENERAL REVENUES <u>2,622,243</u>
CHANGE IN NET POSITION	176,458
Net position at beginning of year	<u>16,496,901</u>
	NET POSITION AT END OF YEAR <u><u>\$ 16,673,359</u></u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

BALANCE SHEET – GENERAL FUND

June 30, 2020

ASSETS	
Cash and cash equivalents	\$ 10,011,090
Receivables:	
Assessments	68,000
Interest	1,691
Due from other agencies	1,277,602
Prepaid costs	<u>47,011</u>
TOTAL ASSETS	<u><u>\$ 11,405,394</u></u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 96,149
Accrued payroll	<u>8,066</u>
TOTAL LIABILITIES	<u>104,215</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	<u>311,775</u>
FUND BALANCE	
Nonspendable	47,011
Committed	8,052,014
Unassigned	<u>2,890,379</u>
TOTAL FUND BALANCE	<u>10,989,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 11,405,394</u></u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

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

June 30, 2020

Fund balance - total governmental funds, June 30, 2020		\$ 10,989,404
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	\$ 13,703,840	
Less: accumulated depreciation	<u>(3,307,893)</u>	10,395,947
Deferred outflows of resources related to the pension and OPEB plans will be recognized as expense in the future.		
Pension plan		324,603
OPEB plan		543,200
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(59,301)
Capital lease		(4,011)
Net pension liability		(1,127,332)
OPEB liability		(4,267,487)
Deferred inflows of resources related to the pension and OPEB plans will be recognized as a reduction of expense in the future.		
Pension plan		(129,018)
OPEB plan		(304,421)
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>311,775</u>
Net position - governmental activities, June 30, 2020		<u>\$ 16,673,359</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, 2020

REVENUES		
Assessments		\$ 2,330,298
O & M reimbursements		593,062
Use of money		281,322
	TOTAL REVENUES	3,204,682
EXPENDITURES		
Current:		
Flood protection		
Maintenance and operations		2,017,182
Administration		528,914
Debt service:		
Principal		1,951
Interest payments		291
Capital outlay		178,457
	TOTAL EXPENDITURES	2,726,795
	NET CHANGE IN FUND BALANCE	477,887
Fund balance at beginning of year		10,511,517
	FUND BALANCE AT END OF YEAR	\$ 10,989,404

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
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES –
GENERAL FUND

For the Year Ended June 30, 2020

Net change in fund balance - total governmental funds for the year ended June 30, 2020		\$ 477,887
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	\$ 178,457	
Depreciation expense	<u>(261,918)</u>	(83,461)
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		60,441
Change in compensated absences		(14,278)
Principal payments on capital lease		1,951
Change in deferred outflows of resources related to pension plan		3,183
Change in deferred outflows of resources related to OPEB plan		543,200
Change in net pension liability		(115,233)
Change in OPEB liability		(382,897)
Change in deferred inflows of resources related to pension plan		(9,914)
Change in deferred inflows of resources related to OPEB plan		<u>(304,421)</u>
Change in net position - governmental activities for the year ended June 30, 2020		<u>\$ 176,458</u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

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 not properly included 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, 2020

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.

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 and deposits 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 improvement	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 \$1,000 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.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. The General Fund is used to liquidate compensated absences. All of the accrued compensated absences is considered current.

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 reduces the balance in this category.

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

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

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

Non-spendable fund balances 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, 2020, \$1,500,000 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, 2020, \$1,500,000 has been committed by the Board.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Emergency Flood Fight Fund – Funds designated to fight flood emergencies and to help prevent the need for future special assessments. As of June 30, 2020, \$1,500,000 has been committed by the Board.

Retiree Health Benefits Fund – Funds designated to fund future retiree health benefit costs. As of June 30, 2020, \$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 earning 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. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

New Pronouncements: In June 2017, the GASB issued Statement No. 87, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

The District is currently analyzing the impact of the required implementation of this new statement.

NOTE B – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2020:

Cash on hand		\$	192
Deposits with financial institutions			656,790
	Total cash		<u>656,982</u>
City of Sacramento Pool A			8,890,576
Local Agency Investment Fund (LAIF)			463,532
	Total investments		<u>9,354,108</u>
	Total cash and investments	\$	<u>10,011,090</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

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 concentration of credit risk. During the year ended June 30, 2020, 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 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 \$1,518,399,810 at June 30, 2020. 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, 2020

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 \$101,788,256,254, which is managed by the State Treasurer. Of that amount, 2.21% 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, 2020, the weighted average maturity of the investments contained in the City's investment pool was approximately 2.13 years. As of June 30, 2020, the weighted average maturity of the investment in LAIF was approximately 191 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, 2020, the carrying amount and the balances in financial institutions of the District's deposits were \$656,790 and \$681,533, 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, 2020

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 321,463			\$ 321,463
Construction in progress		\$ 57,145		57,145
Total capital assets not being depreciated	<u>321,463</u>	<u>57,145</u>		<u>378,608</u>
Capital assets being depreciated:				
Levees and improvements	9,544,047			9,544,047
Building	1,763,304			1,763,304
Levee maintenance equipment	1,382,325	65,122		1,447,447
Vehicles	384,210	36,885		421,095
Office equipment	64,653	2,130		66,783
Building improvements	65,381	17,175		82,556
Total capital assets being depreciated	<u>13,203,920</u>	<u>121,312</u>		<u>13,325,232</u>
Less accumulated depreciation for:				
Levees and improvements	(1,434,341)	(95,427)		(1,529,768)
Building	(210,617)	(58,777)		(269,394)
Levee maintenance equipment	(1,052,180)	(65,777)		(1,117,957)
Vehicles	(303,946)	(29,174)		(333,120)
Office equipment	(34,157)	(6,418)		(40,575)
Building improvements	(10,734)	(6,345)		(17,079)
Total accumulated depreciation	<u>(3,045,975)</u>	<u>(261,918)</u>		<u>(3,307,893)</u>
Total capital assets being depreciated, net	<u>10,157,945</u>	<u>(140,606)</u>		<u>10,017,339</u>
Capital assets, net	<u>\$ 10,479,408</u>	<u>\$ (83,461)</u>	<u>\$ -</u>	<u>\$ 10,395,947</u>

Depreciation expense of \$261,918 for the year ended June 30, 2020 was charged to the flood protection function.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the year ended June 30, 2020.

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 45,023	\$ 59,663	\$ (45,385)	\$ 59,301	\$ 59,301
Capital lease obligation	5,962		(1,951)	4,011	2,047
Net pension liability	1,012,099	115,233		1,127,332	
OPEB liability	3,884,590	382,897		4,267,487	
	<u>\$ 4,947,674</u>	<u>\$ 557,793</u>	<u>\$ (47,336)</u>	<u>\$ 5,458,131</u>	<u>\$ 61,348</u>

The District's capital lease (a direct borrowing) consists of the following:

Copier Lease: In May 2017, the District entered into a capital lease for the acquisition of a copier. The lease has an interest rate of 4.77%, with monthly payments of \$183 through May 2022. The cost of the copier is \$9,742 and accumulated depreciation is \$6,008 at June 30, 2020. Default provisions include repossession of the copier.

Annual debt service requirement of the District's long-term debt obligations are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 2,047	\$ 147	\$ 2,194
2022	1,964	47	2,011
	<u>\$ 4,011</u>	<u>\$ 194</u>	<u>\$ 4,205</u>

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

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE E – PENSION PLAN (Continued)

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, 2020, 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%	6.75%
Required employer contribution rates	10.221%	6.985%

In addition to the contribution rates above, the District was also required to make payments of \$66,390 toward its unfunded actuarial liability during the year ended June 30, 2020.

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 is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the contributions made to the Plan were \$131,043.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$1,127,332.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE E – PENSION PLAN (Continued)

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2020 and 2019 was as follows:

Proportion - June 30, 2019	0.02686%
Proportion - June 30, 2020	0.02815%
Change - Increase (Decrease)	0.00129%

For the year ended June 30, 2020, the District recognized pension expense of \$253,006. At June 30, 2020, 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	\$ 131,043	
Differences between actual and expected experience	78,298	\$ (6,067)
Changes in assumptions	53,756	(19,056)
Change in employer's proportion	61,506	
Differences between the employer's contribution and the employer's proportionate share of contributions		(84,186)
Net differences between projected and actual earnings on plan investments		<u>(19,709)</u>
Total	<u>\$ 324,603</u>	<u>\$ (129,018)</u>

The \$131,043 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2021	\$ 69,565
2022	(14,804)
2023	5,798
2024	<u>3,983</u>
	<u>\$ 64,542</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE E – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability at June 30, 2020 was determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	.4% - 8.5% (1)
Investment Rate of Return	7.15% (2)
Mortality	Developed using CalPERS Membership Data for all funds

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

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

The underlying mortality assumptions and all other actuarial assumptions were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. 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 7.15%. 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 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.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE E – PENSION PLAN (Continued)

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)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) An expected inflation of 2.00% used for this period.

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

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

1% Decrease	6.15%
Net Pension Liability	\$ 1,823,499
Current Discount Rate	7.15%
Net Pension Liability	\$ 1,127,332
1% Increase	8.15%
Net Pension Liability	\$ 552,695

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, 2020, the District had \$8,066 payable for the outstanding contributions to the pension plan.

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

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, 2020, 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, 2020 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	8
Active employees	<u>10</u>
Total	<u><u>18</u></u>

Total OPEB Liability: The District's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial assumptions:	
Inflation	4.00%
Salary increases	Varies with age, grading down to 3.00% annually
Discount rate	2.50%
Mortality rate	Derived using CalPERS Membership Data
Pre-retirement turnover	Derived using CalPERS Membership Data
Healthcare trend rate	4.00%

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

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, 2019 measurement date.

Mortality information was based on the CalPERS Experience Study dated December 2017 Tables based on the results from an actuarial experience study for the period 1997 to 2015. 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:

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2019	\$ 3,884,590
Changes in the year:	
Service cost	151,484
Interest	134,577
Change in assumptions	543,200
Differences between expected and actual experience	(304,421)
Benefit payments	(141,943)
Net changes	<u>382,897</u>
Balance at June 30, 2020	<u>\$ 4,267,487</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:

	1% Decrease 1.50%	Current Discount Rate 2.50%	1% Increase 3.50%
Total OPEB liability	\$ 5,000,487	\$ 4,267,487	\$ 3,588,487

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	\$ 3,604,487	\$ 4,267,487	\$ 4,955,487

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2020, the District recognized OPEB expense of \$279,186. At June 30, 2020, 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		\$ (304,421)
Changes in assumptions	\$ 543,200	
Total	<u>\$ 543,200</u>	<u>\$ (304,421)</u>

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

<u>Year Ended June 30</u>	
2021	\$ 59,695
2022	59,695
2023	59,695
2024	<u>59,694</u>
	<u>\$ 238,779</u>

Payable to the OPEB Plan: At June 30, 2020, the District had no contributions payable to the Plan.

NOTE G – INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public official liability, property damage, fidelity insurance and workers compensation liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group-purchased commercial excess insurance is obtained.

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:

AMERICAN RIVER FLOOD CONTROL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2020

NOTE G – INSURANCE (Continued)

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and auto liability (includes public official's liability)	\$ 5,000,000	\$ 55,000,000	None
Cyber liability	3,000,000	None	\$ 10,000-50,000
Property damage	100,000	500,000,000	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 February 2020, the District approved a contract for property tax levy administration for fiscal year 2020 through 2023. The annual costs range from \$21,000 to \$26,000 per year.

In July 2020, the Board approved \$327,000 and \$287,000 for the replacement of the roof on the headquarter building and the purchase of equipment, respectively.

COVID-19: On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

REQUIRED SUPPLEMENTARY INFORMATION

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AMERICAN RIVER FLOOD CONTROL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2020

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

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.02815%	0.02686%	0.02619%	0.02476%	0.02269%	0.02458%
Proportionate share of the net pension liability	\$ 1,127,332	\$ 1,012,099	\$ 1,032,329	\$ 860,019	\$ 622,519	\$ 607,424
Covered payroll - measurement period	\$ 643,366	\$ 596,436	\$ 577,710	\$ 667,525	\$ 657,579	\$ 708,794
Proportionate share of the net pension liability as a percentage of covered payroll	175.22%	169.69%	178.69%	128.84%	94.67%	85.70%
Plan fiduciary net position as a percentage of the total pension liability	78.22%	79.22%	77.94%	78.90%	83.70%	83.03%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

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

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be added prospectively as it becomes available until ten years are reported.

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

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 131,043	\$ 107,726	\$ 88,435	\$ 80,014	\$ 82,858	\$ 75,370
Contributions in relation to the actuarially determined contributions	131,043	(107,726)	(88,435)	(80,014)	(82,858)	(75,370)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 710,821	\$ 643,366	\$ 596,436	\$ 577,710	\$ 667,525	\$ 657,579
Contributions as a percentage of covered payroll	18.44%	16.74%	14.83%	13.85%	12.41%	11.46%

Notes to Schedule:

Contribution valuation date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Reporting valuation date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service					
Investment rate of return and discount rate	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience					
Mortality	Most recent CalPERS Experience Study					

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be added prospectively as it becomes available until ten years are reported.

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

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 151,484	\$ 53,163	\$ 63,795
Interest	134,577	110,202	129,920
Changes in assumptions	543,200		
Differences between expected and actual experience	(304,421)		
Benefit payments	(141,943)	(97,502)	(157,174)
Net change in total OPEB liability	382,897	65,863	36,541
Total OPEB liability - beginning	3,884,590	3,818,727	3,782,186
Total OPEB liability - ending	<u>\$ 4,267,487</u>	<u>\$ 3,884,590</u>	<u>\$ 3,818,727</u>
Net OPEB liability - ending	<u>\$ 4,267,487</u>	<u>\$ 3,884,590</u>	<u>\$ 3,818,727</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll - measurement period	<u>\$ 710,821</u>	<u>\$ 643,366</u>	<u>\$ 596,436</u>
Total OPEB liability as percentage of covered-employee payroll	<u>600.36%</u>	<u>603.79%</u>	<u>640.26%</u>
Notes to schedule:			
Valuation date	June 30, 2020	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018
Discount Rate	2.50%	3.50%	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.

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, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 2,409,793	\$ 2,409,793	\$ 2,330,298	\$ (79,495)
O & M reimbursements	231,801	231,801	593,062	361,261
Use of money	77,267	77,267	281,322	204,055
TOTAL REVENUES	<u>2,718,861</u>	<u>2,718,861</u>	<u>3,204,682</u>	<u>485,821</u>
EXPENDITURES				
Current:				
Flood protection				
Maintenance and operations	1,857,158	1,857,158	2,017,182	(160,024)
Administration	517,450	517,450	528,914	(11,464)
Debt service:				
Principal			1,951	(1,951)
Interest payments			291	(291)
Capital outlay	340,000	340,000	178,457	161,543
TOTAL EXPENDITURES	<u>2,714,608</u>	<u>2,714,608</u>	<u>2,726,795</u>	<u>(12,187)</u>
NET CHANGE IN FUND BALANCES	4,253	4,253	477,887	473,634
Fund balance at beginning of year	<u>10,511,517</u>	<u>10,511,517</u>	<u>10,511,517</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 10,515,770</u>	<u>\$ 10,515,770</u>	<u>\$ 10,989,404</u>	<u>\$ 473,634</u>

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

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OTHER SUPPLEMENTARY INFORMATION

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AMERICAN RIVER FLOOD CONTROL DISTRICT

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Maintenance and Operations:			
Salaries	\$ 790,476	\$ 763,416	\$ 27,060
Payroll taxes	63,238	56,757	6,481
Pension	156,542	163,957	(7,415)
Workers compensation insurance	39,524	16,487	23,037
Group insurance	213,378	199,446	13,932
Fuel and oil	35,000	34,483	517
Equipment rental	20,000	18,598	1,402
Equipment repairs	45,000	94,603	(49,603)
Small tools and equipment	7,500	3,244	4,256
Shop supplies	15,000	34,023	(19,023)
Levee maintenance supplies	20,000	10,624	9,376
Levee maintenance chemicals	15,000	25,095	(10,095)
Levee maintenance services	80,000	71,806	8,194
Rodent abatement	10,000	3,394	6,606
Urban camp cleanup	50,000	36,434	13,566
Staff training	7,500	5,515	1,985
Employee uniforms	5,000	5,799	(799)
Emergency preparedness	15,000	35,704	(20,704)
Miscellaneous	2,000	1,125	875
Encroachment remediation	15,000		15,000
Engineering services	20,000	18,775	1,225
Environmental services	5,000		5,000
Not-capitalized projects			
Levee Standards Compliance	25,000	23,000	2,000
Small capital projects	50,000	215,757	(165,757)
Engineering and survey studies	150,000	179,001	(29,001)
La Riviera improvements	2,000	139	1,861
	<u>1,857,158</u>	<u>2,017,182</u>	<u>(160,024)</u>

AMERICAN RIVER FLOOD CONTROL DISTRICT

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

For the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Administration:			
Utilities	\$ 40,000	\$ 41,518	\$ (1,518)
Telephone	25,000	17,354	7,646
Retiree benefits	135,000	135,068	(68)
Yard land lease	6,000	6,600	(600)
Office equipment and furniture	7,500	2,114	5,386
Office supplies	2,000		2,000
Auto allowance	6,600	7,090	(490)
Parking reimbursement	500		500
Technology and software	10,000	11,064	(1,064)
Trustee fees	7,600	7,064	536
Trustee expenses	1,750	2,084	(334)
Accounting services	20,000	13,150	6,850
Legal services (general)	50,000	58,453	(8,453)
Dues and association expenses	25,000	22,500	2,500
Insurance premiums	30,000	19,184	10,816
Public relations and information	30,000	26,201	3,799
Investment fees	20,000	17,433	2,567
General office	15,000	12,886	2,114
Bookkeeping services	14,000	10,162	3,838
County assessment fees		33,898	(33,898)
County technology fees	50,000	52,586	(2,586)
Community services	1,500	1,000	500
Building maintenance	10,000	9,865	135
North Sacramento Yard		6,929	(6,929)
Property taxes	3,000	1,752	1,248
Employee morale and wellness	2,000	70	1,930
Miscellaneous	5,000	12,889	(7,889)
	<u>517,450</u>	<u>528,914</u>	<u>(11,464)</u>
Debt service			
Principal		1,951	(1,951)
Interest payments		291	(291)
		<u>2,242</u>	<u>(2,242)</u>
Capital outlay:			
Capitalized equipment and building	<u>340,000</u>	<u>178,457</u>	<u>161,543</u>
Total expenditures	<u>\$ 2,714,608</u>	<u>\$ 2,726,795</u>	<u>\$ (12,187)</u>

COMPLIANCE REPORT

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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April __, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

To the Board of Trustees
American River Flood Control District

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

April __, 2021

DISCUSSION DRAFT

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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, 2020, and have issued our report thereon dated April ___, 2021. 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 July 23, 2020. 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 July 23, 2020, 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.

Board of Trustees
American River Flood Control District
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We performed the audit according to the planned scope previously communicated to you in our engagement letter dated July 23, 2020.

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. No new accounting policies were adopted and the application of existing policies was not changed during 2020. 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, 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, 2020 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, 2019, the most recent measurement date, was \$1,127,332 which is reflected as a liability in the District's financial statements as of June 30, 2020.

Other Postemployment Benefits Liability: The other postemployment benefits (OPEB) liability disclosure in Note F shows the District's OPEB liability has increased to \$4,267,487 as of June 30, 2020. 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. Five audit adjustments were proposed to record an operation and maintenance reimbursement receivable, record grant revenue and expense, reclassify the current portion of the capital lease, record salary related payments as part of the compensated absences liability and reclassify committed fund balance.

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 April __, 2021.

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.

Board of Trustees
American River Flood Control District
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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.

April __, 2021

American River Flood Control District

Designation of Surplus Equipment

Staff Report

Discussion:

District staff seeks to designate as surplus the 1996 John Deere 5300 Tractor. This piece of equipment no longer meets California air quality standards and has reached the end of its serviceable life. The disposal of this item will free up valuable space in the warehouse and make room for its replacement.

In 2020, the District budgeted for the replacement of the JD 5300. The District recently took delivery of a new JD 5075E Tractor to replace the JD 5300. The JD 5300 is no longer needed and is now suitable to be released for sale as surplus.

Recommendation:

The General Manager recommends that the Board of Trustees designate the JD 5300 as surplus and direct staff to sell or dispose of it per the guidelines in the Surplus Equipment Policy.

General Manager's Meeting Summary

March 2021

3/2: High Hazard Trees Levee Tour. Superintendent Kawamura, Field Supervisor Webb, and I met with Pro Mitra from MBK Engineers to tour the levees and update the High Hazard Tree database.

3/4: DWR Local Maintaining Agency Coordination meeting. Superintendent Kawamura and I attended this meeting to discuss the status of DWR inspections, USACE projects, and State grant programs.

3/9: DWR Levee Inspection meeting. Superintendent Kawamura, Field Supervisor Webb, and I met with DWR levee inspectors to discuss the upcoming Spring Inspection.

3/12: American River Flood Control District Board of Trustees meeting. The Board met in regular session. The agenda items included an encroachment permit application from CalTrans for the Business 80 American River Bridge Widening and consideration of a proposal to join the Water Forum.

3/17: Central Valley Flood Control Association Annual Members meeting. I attended this meeting via teleconference to discuss regional levee operations and maintenance topics. Items of discussion included the State's 2022 update to the Central Valley Flood Protection Plan, revisions to Title 23, and adding 'system features' to the Corps' O&M Manuals.

3/23: Lower American River Bank Protection Working Group meeting. I attended this meeting via teleconference to get an update on the Corps' bank protection contracts planned for construction in 2022.

3/24: Gristmill Parkway Maintenance meeting. I attended this meeting via teleconference to discuss levee and Parkway maintenance with residents of the Mayhew/Gristmill area and staff from Sacramento County Regional Parks.

3/24: Sacramento County Local Hazard Mitigation Plan Web meeting. I attended this meeting via teleconference with representatives from the County of Sacramento and numerous Special Districts to discuss the 2021 update to the Local Hazard Mitigation Plan. This meeting focused on goals for the participating agencies and municipalities.

3/25: ARFCD Trane HVAC Controls Project meeting. I met with staff from Trane to look at our project site and to go over the project schedule.

3/25: US Army Corps Geotechnical Explorations meeting. I attended this meeting via teleconference to receive a briefing on the planned geotechnical explorations in the Lower American River.

3/30: Sacramento County Local Hazard Mitigation Plan Web meeting. I attended this meeting via teleconference with representatives from the County of Sacramento and numerous Special Districts to discuss the 2021 update to the Local Hazard Mitigation Plan. This meeting focused on mitigation actions to be included in the individual annexes to the plan.