

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
(A JOINT POWER AUTHORITY)
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
ORGANIZATION STRUCTURE
DECEMBER 31, 2020**

The Authority is administered by an eleven-member Board of Directors each serving four-year terms. Directors are appointed as follows:

- (1) One elected member of the governing body of each of the seven member entities.
- (2) Two representatives of a mutual water company or water corporation regulated by the Public Utilities Commission as defined in Water Code Section 10723.6(b), servicing an area within the Authority's jurisdiction, nominated by their respective governing body, and appointed by the Board of Directors.
- (3) One representative from a landowner and groundwater user in a "white area," appointed by the County. A 'white area' shall be defined as such area where the County of Tulare is the only public agency with jurisdiction as defined by SGMA.
- (4) One At Large representative nominated and appointed by the Board of Directors.

<u>Name</u>	<u>Office</u>	<u>Represents</u>
Ed Milaneseo	Chair	Lindmore Irrigation District
Joe Ferrara	Vice-Chair	Exeter Irrigation District
Terry Peltzer	Director	Ivanhoe Irrigation District
Mike George	Director	Lindsay-Strathmore Irrigation District
David Roberts	Director	Stone Corral Irrigation District
Ramona Caudillo	Director	City of Lindsay
Kyle Crocker	Director	County of Tulare
Paul Buldo	Director	Sentinal Butte
Craig Hornung	Director	Watchumna
Rod Burkett	Director	"White Area"
Brian Watson	Director	At Large

Michael Hagman, Executive Director and Secretary

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page</u>
Report of Independent Auditor	1-2
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Governmental Fund – Balance Sheet	5
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	6
Governmental Fund – Statement of Revenues, Expenditures and Change in Fund Balance	7
Reconciliation of the Governmental Fund – Statement of Revenue, Expenditures and Change in Fund Balance to The Statement of Activities	8
Notes to Financial Statements	9-15
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund – Budgetary Comparison Schedule	16

FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITOR

To the Board of Directors of
East Kaweah Groundwater Sustainability Agency
Lindsay, California

I have audited the accompanying financial statements of the governmental activities and major fund of East Kaweah Groundwater Sustainability Agency (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the East Kaweah Groundwater Sustainability Agency as of December 31, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

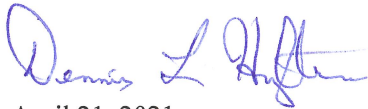
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which management has elected not to include, and budgetary comparison information on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

The Authority's organization structure has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide assurance on it.

Dennis L. Hylton, CPA



April 21, 2021

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
Assets	
Cash	\$ 1,912,225
Grants receivable	<u>406,035</u>
Total assets	<u>2,318,260</u>
Liabilities	
Accounts payable	196,853
Long-term debt	
Due within one year	427,480
Due in more than one year	<u>1,709,920</u>
Total liabilities	<u>2,334,253</u>
Deferred Inflow of Resources	
Unearned revenue	<u>194,744</u>
Net Position	
Unrestricted (deficit)	<u>(210,737)</u>
Total net position (deficit)	<u>\$ (210,737)</u>

The accompanying notes are an integral
part of these financial statements

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net Revenues (Expenses) and Changes in Net Position Total</u>
GOVERNMENTAL ACTIVITIES:			
Governance	\$ 213,909	\$ 224,000	\$ 10,091
Groundwater plan development	39,899	-	(39,899)
Groundwater plan implementation	501,825	-	(501,825)
Basin groundwater sustainability planning	124,074	188,939	64,865
Regional conservation strategy development	<u>116,654</u>	<u>120,981</u>	<u>4,327</u>
Total expenses	<u>\$ 996,361</u>	<u>\$ 533,920</u>	(462,441)

General revenue:	
Intergovernmental	<u>157,523</u>
Change in net position	(304,918)
Net position beginning of year	94,181
Net position (deficit) end of year	<u>\$ (210,737)</u>

The accompanying notes are an integral
part of these financial statements

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
BALANCE SHEET
DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Total Governmental Fund</u>
Assets		
Cash	\$ 1,912,225	\$ 1,912,225
Grants receivable	309,920	309,920
Total Assets	<u>\$ 2,222,145</u>	<u>\$ 2,222,145</u>
Liabilities, Deferred Inflow of Resources and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 196,853</u>	<u>\$ 196,853</u>
Deferred Inflow of Resources		
Unearned revenue	<u>194,744</u>	<u>194,744</u>
Fund balances		
Assigned for:		
Governance	38,285	38,285
Groundwater Plan Development	28,231	28,231
Unassigned	<u>1,764,032</u>	<u>1,764,032</u>
Total fund balances	<u>1,830,548</u>	<u>1,830,548</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 2,222,145</u>	<u>\$ 2,222,145</u>

The accompanying notes are an integral
part of these financial statements

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
RECONCILIATION OF THE GOVERNMENT FUND
BALANCE SHEET TO THE STATEMENT
OF NET POSITION
DECEMBER 31, 2020**

Total Fund Balances – Governmental Fund \$ 1,830,548

Amounts reported to liabilities for governmental activities in the statement of net position are different from amounts reported in governmental fund because:

Grants receivable: In the governmental fund, only current assets are reported. Only revenues collectible within 60 days after year end are considered current assets. In the statement of net position, all assets are reported, including the following:

Proposition 1 grant receivable 96,115

Long-term debt: In the governmental fund, only current liabilities are reported. In the statement of net position, all liabilities, including long-term debt, are reported. (2,137,400)

Total net position (deficit) of governmental activities \$ (210,737)

The accompanying notes are an integral
part of these financial statements

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
GOVERNMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE
DECEMBER 31, 2020**

	General Fund	Total Governmental Fund
Revenues		
Call for funds for governance	\$ 224,000	\$ 224,000
Intergovernmental	61,408	61,408
Grant for Subbasin planning	188,939	188,939
Grant for Regional conservation	120,981	120,981
Total revenues	<u>595,328</u>	<u>595,328</u>
Expenditures		
Current		
Governance	213,909	213,909
Groundwater plan development	39,899	39,899
Groundwater plan implementation	501,825	501,825
Basin groundwater sustainability planning	124,074	124,074
Regional conservation strategy development	116,654	116,654
Total expenditures	<u>996,361</u>	<u>996,361</u>
Excess expenditures over revenues	(401,033)	(401,033)
Other financing source		
Authority member debt proceeds	<u>2,137,400</u>	<u>2,137,400</u>
Net change in fund balance	1,736,367	1,736,367
Fund balance, beginning of year	<u>94,181</u>	<u>94,181</u>
Fund balance, end of year	<u>\$ 1,830,548</u>	<u>\$ 1,830,548</u>

The accompanying notes are an integral
part of these financial statements

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2020**

Total change in fund balance – governmental fund \$ 1,736,367

Amounts reported for governmental activities are different from amounts reported in governmental fund because:

Grants receivable: In the governmental fund, only receivables collectible within 60 days after year end are considered revenue. In the statement of activities, all revenue is reported, including the following:

Proposition 1 grant revenue 96,115

Debt proceeds: In the governmental fund, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases in liabilities. Amounts recognized in governmental fund as proceeds from debt is:

(2,137,400)

Change in net position (deficit) of governmental activities \$ (304,918)

The accompanying notes are an integral
part of these financial statements

EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Authority

The Authority is organized pursuant to the Sustainable Groundwater Act of 2014 which requires certain regions in California to develop and implement a plan that sustainably manages the shared groundwater resources for the benefit of the communities, agriculture and the environment. This act authorizes the formation of entities termed Groundwater Sustainability Agency (GSA). Under the act, each GSA will be responsible for assuming its regulatory role by June 30, 2017, and for submitting a Groundwater Sustainability Plan to the Department of Water Resources by January 31, 2020. The East Kaweah GSA is one of three agencies formed in the Kaweah Subbasin, a region that overlies portions of Tulare and Kings Counties. The East Kaweah GSA is led by an eleven member Board of Directors of which seven are selected from among the agencies members.

Basis of Presentation

The Authority accounts for its financial transactions in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants, and in accordance with those policies and procedures.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Authority's nonfiduciary activities with all interfund activities removed. Governmental activities include programs supported primarily by call for funds for member contributions. The District has no business type activities that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

Separate fund financial statements provide reports on the financial condition and results of operations for the governmental fund category.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use 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 the related cash flows.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources and fund balances are included on the balance sheet. Operating statement of this fund presents net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable. The expenditures related to certain claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The Authority considers all revenues available if they are collectible within 60 days after the year end.

Fund Accounting

The Authority reports the general fund as a major governmental fund. The general fund is the Authority's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

A. Deposits and Investments

Cash balances held in banks are insured to \$250,000 by the Federal Depository Insurance Corporation.

B. Unearned Revenue

Cash received in advance of the subsequent calendar year standby charge assessment due date is recorded as unearned revenue.

C. Long-Term Obligations

Government-Wide Financial Statements – Long-term debt is reported as liabilities in the appropriate activities.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Government Funds Balance Sheet to the Government-Wide Statement of Net Position.

D. Net Position and Fund Balance

GASB No. 63 requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt.

Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation.

EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Authority considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classification of fund balance could be used, then committed or assigned will be considered to have been spent first.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government’s highest level of decision-making authority.

Assigned Fund Balance – Amounts that are constrained by the Authority’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

Unassigned Fund Balance – These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

E. Budgets and Budgetary Accounting

Annual budgets are legally required to be and are adopted by the Board of Directors for the general fund to provide for operations and capital expenditures of the Authority. The adopted budget is subject to amendment during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The amounts reported as the original budgeted amounts in the budgetary comparison schedule reflect the amount when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary comparison schedule reflect the amounts after all budget amendments have been accounted for. Budgetary accounting controls do not include the use of encumbrances.

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from those estimates.

G. Evaluation Subsequent Events

The Authority has evaluated subsequent events through the report date of these financial statements.

NOTE 2 - CASH AND INVESTMENTS

The following is a summary of the Authority's cash with fiscal agents at December 31, 2020:

Bank of the Sierra demand account \$1,912,225

Investments

The Authority does not have any policy regarding investments and therefore is subject to California Government Code Sections 53600-53609. Investing must meet the following three objectives: first to safeguard the principal, second to meet liquidity needs, and third to achieve a return on funds. At time of investment, the security term remaining to maturity cannot exceed five years. Investments can include the following: United States Treasury notes, bonds, bills, or those which the faith and credit of the United States are Pledged for payment; California local agency bonds; Federal agency or United States government-sponsored enterprise obligations; negotiable certificates of deposit; corporate notes rated "A" or higher, and other specified securities.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity has a greater sensitivity for its fair value to changes in market interest rates.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. California Government Code requires a rating of "A" or higher.

Concentration of Credit Risk

The Authority has no investment policy for concentration of credit risk.

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: a financial institution shall secure deposits made by state or local government 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 under a letter of credit shall have a market value of at least 110% of the total amount deposited by the public agencies in excess of FDIC.

NOTE 3 – LONG-TERM DEBT

At the December 16, 2019 governing board meeting an Implementation Call for Funds based on member acreage in the sum of \$2,500,000 was approved. Additional approval was given for repayment of this amount to these member agencies by placing these replacement costs in the land-based assessment contemplated for 2021. A proposition 218 balloting was held in October 2020 with the landowners approving the proposed land assessment.

Repayment of actual amounts provided by member agencies will be principal only over five years at \$427,480 annually from 2021 through 2025 for a total of \$2,137,400. Annual member payment will be as follows:

City of Lindsay	\$ 6,022
County of Tulare	158,747
Exeter Irrigation District	47,481
Ivanhoe Irrigation District	39,278
Lindmore Irrigation District	97,504
Lindsay-Strathmore Irrigation District	54,238
Stone Corral Irrigation District	<u>24,210</u>
	<u>\$ 427,480</u>

Maturity of Long-Term Debt at December 31, 2020 is as follows:

2021	\$ 427,480
2022	427,480
2023	427,480
2024	427,480
2025	<u>427,480</u>
	\$ 2,137,400
Due within one year	<u>427,480</u>
	<u>\$ 1,709,920</u>

**EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Change in Long-Term Liability:

	<u>Beginning of Year</u> <u>Balance</u>	<u>Increase</u>	<u>End of Year</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Authority member debt	\$ -	\$ 2,137,400	\$ 2,137,400	\$ 427,480

NOTE 4 – EXCESS EXPENDITURES OVER APPROPRIATIONS

At December 31, 2020, the Authority’s general fund expenditures exceeded the budgeted amount as follows:

Governance	\$ 2,909	Annual water report exceeded budget
Basin groundwater sustainability planning	124,074	Offset by \$188,939 grant
Regional conservation strategy development	116,654	Offset by \$120,981 grant

NOTE 5 – RELATED PARTY TRANSACTIONS

The agreement to form a joint power authority was signed December 8, 2016 by the following member governments which have been subject to calls for funds for governance in equal amounts and calls for funds for groundwater plan implementation based upon total applicable acres of each member within the boundary of the Authority as follows:

	<u>Call for Funds</u>	
	<u>Governance</u>	<u>Groundwater Plan</u> <u>Implementation</u>
City of Lindsay	\$ 32,000	\$ 30,112
County of Tulare	32,000	793,735
Exeter Irrigation District	32,000	237,402
Ivanhoe Irrigation District	32,000	196,392
Lindmore Irrigation District	32,000	487,522
Lindsay-Strathmore Irrigation District	32,000	271,189
Stone Corral Irrigation District	32,000	121,048
	<u>\$ 224,000</u>	<u>\$ 2,137,400</u>

The Authority signed a management and administrative services agreement with Lindmore Irrigation District through December 31, 2020. The total expense during the year for this service was \$350,000 of which \$29,338 was payable at December 31, 2020.

NOTE 6 – COMMITMENTS

The Authority signed a two year management and administrative services agreement with Lindmore Irrigation District through December 31, 2021. The Authority shall make quarterly payments of \$ \$90,000 during 2021 for a total of \$360,000.

The Authority approved December 1, 2020 an engagement letter with Dennis L. Hylton, CPA to audit the financial statements of the governmental activities and major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority as of and for the year ended December 31, 2020. The fee for this service is \$6,200.

EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

The Authority signed a consultant/master services agreement with Provost & Prichard on June 24, 2020 along with other GSAs. This provides for task order preparation for the following services:

Well Videoing Services	\$ 8,667
Water Accounting Framework Analyst	21,667
Preparation of DWR SGMA Implementation Grant Application	10,000
Preparing the Second SGMA Annual Monitoring Report	26,000

At December 31, 2020 the Authority has not incurred any expenses under these task orders with \$66,321 to be incurred prior to April 1, 2021.

NOTE 7 – GRANT AGREEMENTS

On March 5, 2020, the Authority obtained a \$515,330 grant from the California Wildlife Conservation Board. This funding is from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Proposition 68) to assist with the project generally described as the development of a Regional Conservation Strategy on the Kaweah Groundwater Subbasin in Tulare and Kings Counties. The Authority has through March 1, 2022 to complete work under this grant. Total expenses submitted for reimbursement through December 31, 2020 are \$120,981.

On May 14, 2020, the Authority obtained from the California Department of Water Resources a \$500,000 Sustainable Groundwater Management Grant. This funding is from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) or the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to assist in financing the Kaweah Subbasin Groundwater Sustainability Planning Project. Eligible costs include work performed on the project after June 6, 2018 through March 31, 2022. Total expenses submitted in quarterly reports for reimbursement through December 31, 2020 are \$188,939.

REQUIRED SUPPLEMENTARY INFORMATION

EAST KAWEAH GROUNDWATER SUSTAINABILITY AGENCY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2020

	Budgeted Amounts (GAAP Basis)		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Call for governance	\$ 224,000	\$ 224,000	\$ 224,000	\$ -
Call for groundwater plan implementation	2,500,000	2,500,000	-	(2,500,000)
Intergovernmental	-	-	61,408	61,408
Grant for Authority	84,214	84,214	-	(84,214)
Grant for Subbasin planning	-	-	188,939	188,939
Grant for Regional conservation	-	-	120,981	120,981
Total Revenues	<u>2,808,214</u>	<u>2,808,214</u>	<u>595,328</u>	<u>(2,212,886)</u>
Expenditures				
Current:				
Governance	211,000	211,000	213,909	(2,909)
Groundwater plan development	52,500	52,500	39,899	12,601
Groundwater plan implementation	1,640,000	1,640,000	501,825	1,138,175
Basin groundwater sustainability planning	-	-	124,074	(124,074)
Regional conservation strategy development	-	-	116,654	(116,654)
Total expenditures	<u>1,903,500</u>	<u>1,903,500</u>	<u>996,361</u>	<u>907,139</u>
Excess of revenues over (under) expenditures	<u>\$ 904,714</u>	<u>\$ 904,714</u>	(401,033)	<u>\$(1,305,747)</u>
Other financing source				
Authority member debt proceeds			<u>2,137,400</u>	
Net change in fund balance			1,736,367	
Fund balances - January 1, 2020			<u>94,181</u>	
Fund balances - December 31, 2020			<u>\$1,830,548</u>	