



North Fork Kings

Groundwater Sustainability Agency

NOTICE OF BOARD MEETING

Division 1

Director Buddy Mendes
County of Fresno

Division 2

Director Frank Zonneveld
Clark's Fork Reclamation District
Laguna Irrigation District
Upper San Jose Water Company

May 22, 2020

Division 3

Director Danielle Roberts
Laton Community Services District
Riverdale Public Utilities District
Lanare Community Services District

Board of Directors

of the

North Fork Kings Groundwater Sustainability Agency

Division 4

Director Mark McKean
Crescent Canal Company
Stinson Canal & Irrigation Company

Division 5

Director Leonard Acquistapace
Riverdale Irrigation District
Reed Ditch Company

Division 6

Director Stephen Maddox, Jr.
Liberty Mill Race Company
Burrel Ditch Company

Division 7

Director Tony Campos
Liberty Water District
Liberty Canal Company

Mark McKean, Chair
Buddy Mendes, Vice Chair
Stephen Maddox, Secretary-Treasurer

4886 E. Jensen Ave
Fresno, CA 93725
Telephone: 559.237.5567

www.NorthForkKings.org

This is to inform you the North Fork Kings Groundwater Sustainability Agency (NFKGSA) Board of Directors Meeting will be held on Wednesday, May 27, 2020 remotely via **ZOOM web/teleconference**. The web link and call-in information are on the Agenda. The meeting will convene at 5:30 p.m.

Public comments and questions will only be possible during the agendized Public Comment portion of the meeting. This Agenda Item is toward the beginning of the meeting, prior to any Action Items. Please see the pages between this notice and the agenda for guidelines and an idea of what to expect.

The patience and cooperation of all participants is appreciated. While every effort has been made to streamline the experience and conduct meetings in the manner to which our stakeholders have grown accustomed, there may be technical issues and human error. We will attempt to promptly correct any issues that arise.

Individuals who know in advance that they will have an item to comment on, or who require special accommodations, are requested to contact Corey McLaughlin by phone at: (559) 237-5567 ext. 104, or by email at: cmclaughlin@krcd.org.

Zoom Guidelines and Protocols for Board Meetings

GENERAL INSTRUCTIONS

1. This Board Meeting will be held virtually, via an online video conferencing tool called [Zoom](#). You DO NOT need a Zoom account to participate in the meeting. You will simply need the meeting link or the phone number and Meeting ID provided, and can participate as a guest.
2. All meeting participants will have the option to join the meeting either:
 - a. via the Zoom app on your laptop/desktop computer, cell phone, or tablet,
 - b. via the Zoom website on your internet browser (be aware that this offers a more limited experience), or
 - c. via conference call on your cell phone or landline, following the prompts provided when you call.
3. If you plan to join the meeting via the Zoom app, please click the meeting link to join about ten minutes early, to allow time for the app to download to your device. Or you can download it ahead of time here: <https://zoom.us/download>.
4. This Board Meeting will be monitored by a technical moderator, to ensure all participants have the proper settings in place for the duration of the meeting.
5. All meeting participants will first be placed into a virtual "waiting room" when they join the meeting, and will be admitted to the meeting prior to the meeting's start. If there is a closed session item, members of the public and non-essential staff will be placed back into the waiting room until the meeting returns to open session.

BOARD MEMBERS

1. All members of the Board will have their audio ON during the entirety of the Board Meeting
 - a. Upon first entering the meeting, the microphone audio will be automatically turned OFF (muted). The moderator will manage the microphone audio settings to turn on the audio for each Director.
2. All members of the Board will have the option to have their video ON *or* OFF during the entirety of the Board Meeting. (This means your own webcam; you will be able to see others in the video conference regardless of whether you have your own video on or off).
 - a. Upon first entering the meeting, the video will be automatically turned OFF, but you may "Start Video" if you wish. The moderator may manage the video settings to turn the video on as well, if desired.
3. All members of the Board should remain on the meeting from beginning to end. If any Board members must leave the meeting early, they should make the meeting moderator aware prior to disengaging.
4. No private conversations - any side conversations dramatically impair everyone's ability to hear the meeting.
5. When taking action, all votes of the Board will be by roll call.

PUBLIC

1. All public participants will have their video and microphone automatically turned OFF upon entering the meeting. You will still be able to hear everything that is being said by the Board members and staff.
2. All public participants will have their video turned OFF by the moderator for the entirety of the Board Meeting. (This means your own webcam; you will still be able to see Board members in the video conference, as well as any presentations provided.)
3. All public participants will have their microphone audio turned ON by the moderator during the public comment agenda item at the beginning of the Board Meeting. *This is the only time during*

the meeting the microphone audio will be turned ON for public participants, and all public comments and/or questions must be received at this time.

4. The Zoom chat feature will NOT be used for official public comment or questions. The chat feature should be used for questions related to technical difficulties during the Zoom meeting, or general protocol questions. Any message posted to the chat will be fielded and responded to by the meeting moderator only.

FOR TECHNICAL ASSISTANCE, PLEASE CALL: 559-237-5567

Board of Directors Meeting

North Fork Kings Groundwater Sustainability Agency (NFKGSA)

May 27, 2020

Meeting Convenes at 5:30 p.m.

ZOOM Link:

<https://us02web.zoom.us/j/89592277099?pwd=dWpodUxudnNOT0RZWtJmNEbVZSDUyQT09>

One-Tap Mobile: +16699006833,,89592277099#,,1#,277018#

Call-In: +1 669 900 6833 ; Meeting ID: 895 9227 7099 ; Password: 277018

MEETING AGENDA

All items on this agenda, whether or not expressly listed for action, may be deliberated upon and may be subject to action by the Board of Directors. The Board of Directors may consider agenda items in any order. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection at the Kings River Conservation District, 4886 E. Jensen Ave., Fresno 93725 during normal business hours.

1. CALL TO ORDER

2. PUBLIC COMMENT

The public may address the Committee on any item relevant to the GSA. At the beginning of the Public Comment Agenda Item, the Technical Moderator will ask each member of the public whether there are items they wish to comment on. The conducting officer will indicate whether speakers are to make their comments before or after any staff comment or report. Public comment shall precede discussion of the item by the Committee. Comments by individuals and entities will be limited to three minutes or as may be reasonable as determined by the conducting officer.

3. NOMINATION AND ELECTION OF OFFICERS

The Board will nominate and elect a Chair, Vice-Chair, and Secretary-Treasurer. *Action item: requires simple majority approval.*

4. CONSIDER APPROVAL OF MINUTES

The Board will consider approval of the January 22, 2020 Board Meeting minutes. *Action item: requires simple majority approval.*

5. DIRECTOR REPORTS

Each Director will have the opportunity to report on meetings and other events attended during the prior month on behalf of the NFKGSA. *No action will be taken.*

6. STAFF REPORTS

The Board will receive a report and may take action regarding current staff activities and correspondence. *No action will be taken.*

7. RURAL COMMUNITY ADVISORY COMMITTEE REPORT

The Board will receive a report regarding current Rural Community Advisory Committee activities. *No action will be taken.*

8. STAKEHOLDER OUTREACH AND COMMUNICATIONS

The Board will receive a report and may take action on activities related to stakeholder outreach and communications. *No action will be taken.*

9. FINANCIAL REPORT

The Treasurer will provide a financial update as of March 31, 2020

10. ACCEPTANCE OF NORTH FORK KINGS GSA AUDIT FOR THE YEAR ENDED JUNE 30, 2019

The Board will be asked to receive and accept the audit of the North Fork Kings GSA for the year ended June 30, 2019. Action item; requires simple majority approval.

11. GSP PROGRAM UPDATE

The Board will receive a Program Update from staff and contractors.

12. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One) Claimant: Westlands Water District. *Action may be taken.*

13. RECONVENE TO OPEN SESSION

The Board will reconvene to Open Session and will report on action taken during the Closed Session.

14. NEXT MEETING DATE AND PROPOSED AGENDA ITEMS

15. ADJOURNMENT

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the NFKGSA to provide a disability-related modification or accommodation in order to participate in any public meeting of the NFKGSA. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the GSA. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, facsimile, or written correspondence to the Kings River Conservation District, 4886 E. Jensen Ave, Fresno, CA 93725, telephone 559.237.5567, fax 559.237.5560 at least 48 hours before a public NFKGSA meeting.

North Fork Kings Groundwater Sustainability Agency Special Meeting Minutes

January 22, 2020 at 5:30 p.m.
Riverdale Memorial Hall

Members Present:

Buddy Mendes, Division 1
Frank Zonneveld, Division 2
JoAnne Rempp, Division 3
Mark McKean, Division 4
Leonard Acquistapace, Division 5
Stephen Maddox Jr., Division 6
Tony Campos, Division 7

Members Absent:

Others Present:

Charlotte Gallock, Kings River Conservation District
Rebecca Quist, Kings River Conservation District
Kevin Johansen, P&P
Angel Hernandez, Landowner
Rodney Kamper
Danielle Roberts
Blanca Escobedo
Jerry Gragnani

Eldon Thiesa
Scott Sills
Antonio Solorio, Westlands Water District
Frank Oliveira
Alan Becker
Angela Ceslas, Self-Help Enterprises
Ben Nydam

Item 1: CALL TO ORDER

Presenter: Chair McKean

The meeting was called to order at 5:32 p.m.

Item 2: PUBLIC COMMENT

Presenter: Chair McKean

Discussion: None.

Actions: None.

Item 3: CONSIDER APPROVAL OF MINUTES

Presenter: Chair McKean

Discussion: None.

Actions:

It was moved by Director Mendes, seconded by Director Maddox, and unanimously carried to approve the December 18, 2019 meeting minutes.

(AYES: Mendes, Zonneveld, Rempp, McKean, Aquistapace, Maddox, and Campos; NOES: None; ABSTAIN: None; ABSENT: None)

Item 4: DIRECTOR REPORTS

Presenter: Chair McKean

Discussion:

Director McKean reported on his attendance at several meetings related to SGMA and the work of NFKGSA.

Actions: None.

AGENDA ITEM 4

Item 5: STAFF REPORTS

Presenter: Charlotte Gallock

Discussion:

Charlotte Gallock reported on upcoming events relevant to the NFKGSA and on items of note from meetings she had attended since the last Board meeting.

Actions: None.

Item 6: RURAL COMMUNITY ADVISORY COMMITTEE
REPORT

Presenter: Chair McKean

Discussion:

Chair McKean reported that the Rural Community Advisory Committee had not met since the last Board meeting.

Actions: None.

Item 7: STAKEHOLDER OUTREACH AND COMMUNICATIONS

Presenter: Rebecca Quist

Discussion:

Rebecca Quist reported on the 2019 Year in Review, highlighting outreach activities and statistics from the previous calendar year. She also presented briefly on the preliminary outreach plans for the coming year, noting that specific options can be presented at the next Board meeting.

Actions: None.

Item 8: GSP UPDATE

Presenter: Kevin Johansen

Discussion:

Kevin Johansen presented a status update, as well as the next steps planned toward completing the required Annual Report and moving toward implementation of the GSP.

Actions:

None.

Item 9: RESPONSE TO NGO LETTER REGARDING
GROUNDWATER SUSTAINABILITY PLANS

Presenter: Chair McKean

Discussion:

The Board received a brief presentation regarding a letter from several NGOs, critiquing the NFKGSA's GSP as being inadequate. Questions were addressed regarding the authors of the NGO letter and the focus of the letter. A representative from Self-Help Enterprises, one of the NGO letter's signatories, offered clarifications as to the intent of the NGO letter. A representative from Leadership Counsel offered similar comments.

Actions:

It was moved by Director Mendes, seconded by Director Maddox, and unanimously carried, to authorize the Chairman to sign a letter on behalf of NFKGSA, responding to a letter submitted by multiple NGOs to the California Department of Water Resources and State Water Resources Control Board.

(AYES: Mendes, Zonneveld, Rempp, McKean, Aquistapace, Maddox, and Campos; NOES: None; ABSTAIN: None; ABSENT: None)

AGENDA ITEM 4

Item 10: FINANCIAL REPORT

Presenter: Brian Trevarrow

Discussion:

Brian Trevarrow reported on the financial status of the GSA as of December 31, 2020.

Actions:

Item 11: AD HOC BUDGET COMMITTEE

Presenter: Brian Trevarrow

Discussion:

The formation of an ad hoc budget committee was discussed.

Actions:

This item was combined with item 12.

Item 12: APPOINTMENT OF AD HOC BUDGET COMMITTEE MEMBERS **Presenter:** Chair McKean

Discussion:

Chairman McKean asked for a motion to create such a committee with Mark McKean, Frank Zonneveld, and Tony Campos as members.

Actions:

(AYES: Mendes, Zonneveld, Rempp, McKean, Aquistapace, Maddox, and Campos; NOES: None; ABSTAIN: None; ABSENT: None)

Item 13: ADJOURN TO CLOSED SESSION

Presenter: Chair McKean

Discussion: The Board adjourned to closed session to conference with legal counsel regarding one case of potential litigation with the claimant being Westlands Water District, pursuant to Government Code Section 54956.9(d)(2).

Actions: None.

Item 14: RECONVENE TO OPEN SESSION

Presenter: Chair McKean

Discussion: The Board reconvened to open session at 6:30 p.m.

Actions: No action was taken under Closed Session.

Item 15: NEXT MEETING DATE AND PROPOSED AGENDA **Presenter:** Chair McKean
ITEMS

Discussion: The next meeting of the Board will be February 26, 2020.

Actions: None.

Item 16: ADJOURNMENT

Adjourned: 6:31 p.m.

Respectfully submitted,

Stephen Maddox Jr., Board Secretary

_____ approved on _____, 2020
Mark McKean, Board Chair

Stakeholder Outreach Report

May 27, 2020

Stakeholder Communication

INTERESTED PERSONS EMAIL LIST (February-April)

- 4 new interested persons
- 286 on interested persons list at the end of April

EMAIL CORRESPONDANCE

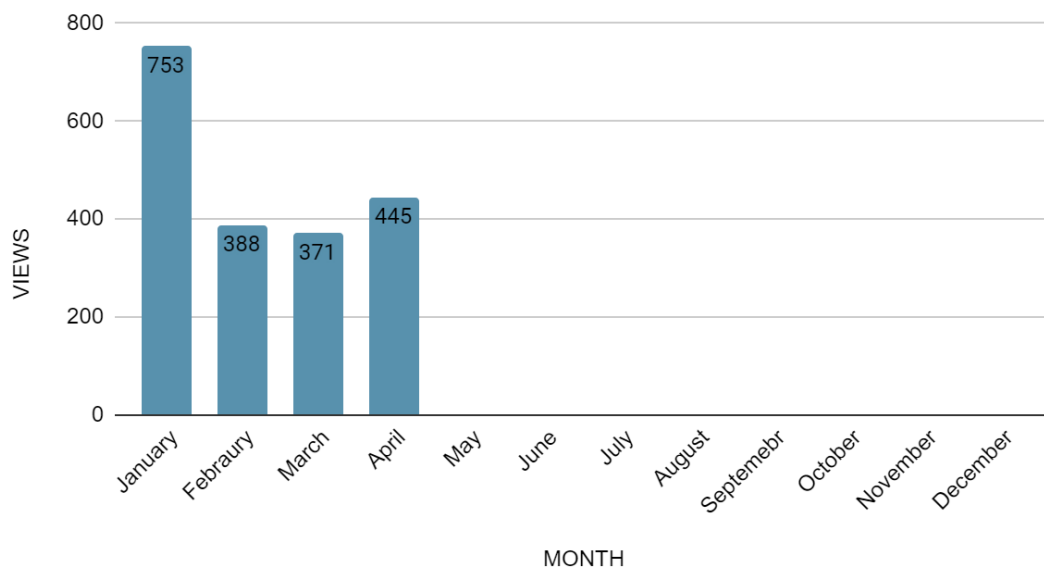
	Date	Messaging/Topic	Reach	Open Rate	Click Rate
EMAIL	2/10/2020	Subbasin Community Workshop in Fresno	282	49%	12%
	2/21/2020	Board Meeting Canceled	283	43%	4%
	3/20/2020	NFKGSA Board Meeting Canceled	285	43%	5%
	4/17/2020	North Fork Kings GSA Board Meeting cancelled	285	41%	7%
	4/27/2020	Annual Report Submitted to the State	285	49%	26%

Digital/Online

WEBSITE

- Top page in April: (Article) "Annual Report Submitted to the State"

2020 Website Views



Website Articles		
Date	Title	Views
4/27/2020	Annual Report Submitted to the State, First of Many on Kings Subbasin Groundwater Conditions (Attached to report)	45

- New webpage for Annual Reports on the GSP Portal

Reports

ANNUAL REPORTS

Following the adoption of a Groundwater Sustainability Plan (GSP) the Sustainable Groundwater Management Act (SGMA) requires GSAs to submit annual reports to the CA Department of Water Resources on April 1 of every year. The Annual Report serves to inform and update both the State and stakeholders in the Kings Subbasin on groundwater conditions and GSP implementation over the prior year.

The Annual Report includes both data and a description of the GSAs' progress toward implementation of their GSPs. Data includes information from the Kings Subbasin's seven GSAs' monitoring networks, groundwater extractions, surface water supply, total water use, and changes in groundwater storage.

DATE SUBMITTED	WATER YEAR	REPORT (PDF)	CA DWR PORTAL	GW EXTRACTION	SURFACE WATER SUPPLY	TOTAL WATER USE	STORAGE CHANGE
4/1/2020	2019 (OCT 2018 – SEP 2019)	Annual Report	Portal View	1.06 MAF	1.64 MAF	2.7 MAF	210,000 AF

YOUTUBE

Video	Views
North Fork Kings Introduction	131
Landowner Workshop on New Groundwater Assessment	42
Groundwater Solutions for a Sustainable Future	70
GSP Workshop: Session 1	8
GSP Workshop: Session 2	6
GSP Workshop: Session 3	2
GSP Workshop: Session 4	1

MATERIALS/GRAPHICS

- Kings Subbasin Infographic for Annual Report (attached to report)

Upcoming Outreach

- Finalize FAQ document on Groundwater Sustainability Plan

Annual Report Submitted to the State, First of Many on Kings Subbasin Groundwater Conditions

Home / News

The North Fork Kings GSA together with the six other GSAs in the Kings Subbasin submitted the first [Annual Report](#) to the [CA Department of Water Resources \(DWR\)](#) on April 1, 2020. A requirement under the Sustainable Groundwater Management Act (SGMA), the Annual Report serves to inform and update both the State and stakeholders in the Kings Subbasin on groundwater conditions and sustainability progress. Thanks to favorable hydrology for the reporting period, Kings Subbasin groundwater conditions improved overall with storage increasing by 210,000 acre-feet Subbasin wide.

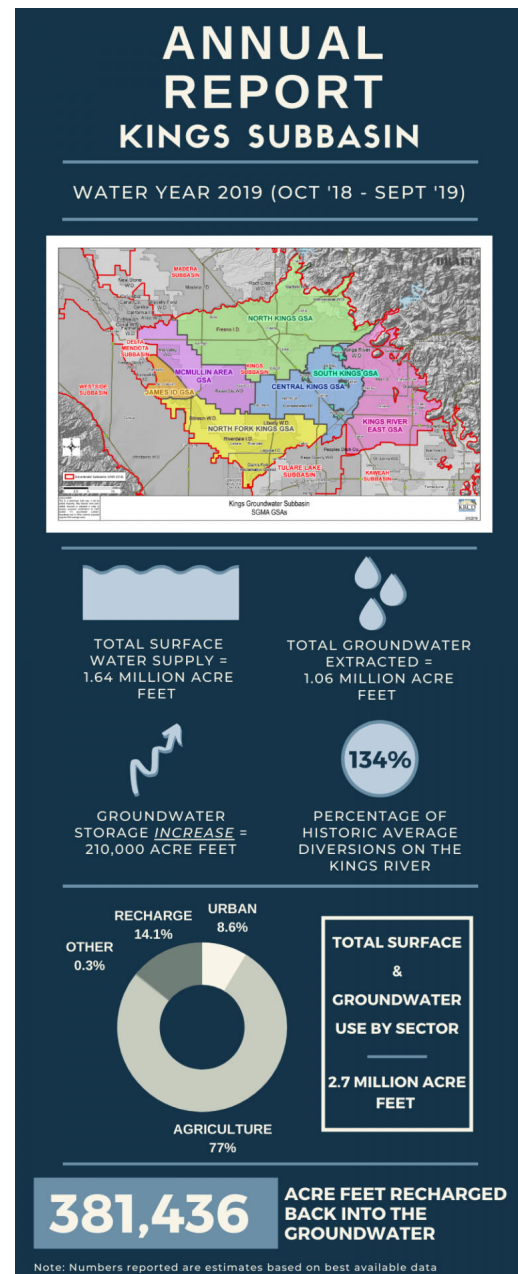
The report indicates groundwater extractions in the North Fork Kings GSA represent an estimated 17% of total 1.06 million acre-feet extractions in the Subbasin. Irrigation Districts and landowners alike in the North Fork Kings GSA took every opportunity to capitalize on available surplus surface water supplies, capturing Kings River water during flood releases to recharge in basins or use on farms, offsetting groundwater use. The Annual Report focuses on water year 2019 (Sept 2018 – Oct 2019), a hydrologic “wet year” seeing 134% of average diversions on the Kings River, the majority of surface water supply to the region.

The North Fork Kings GSA plans to expand its groundwater recharge capacity at both the landowner and agency level to take advantage of similar wet hydrology in future years. Partnering with landowners to implement on-farm recharge practices, constructing recharge basins, and expanding existing recharge facilities are all strategies outlined to achieve a sustainable groundwater supply. The combined efforts of the North Fork Kings GSA and six other cooperating Kings Subbasin GSAs will ultimately lead the region to long-term sustainability.

The data for the report was collected from the seven GSAs’ monitoring networks, groundwater extractions, surface water supply, total water use, and changes in groundwater storage. Combined surface and groundwater use in the Kings Subbasin across sectors including agriculture, urban, and managed recharge totaled 2.7 million are-feet for the period.

Considering this first report was prepared just months after the submission of the Groundwater Sustainability Plans (GSPs), the data does not stray from data already included in the seven Kings Subbasin GSAs’ GSPs. Although the Subbasin used the opportunity to include any additional data collected through the reporting period and established a template for future reports.

The North Fork Kings GSA adopted its GSP on December 18, 2019, marking the transition from the planning to implementation phase. Following the adoption of a Groundwater Sustainability Plan (GSP) SGMA requires GSAs to submit annual reports to DWR on April 1 every year as a tool to track and communicate GSP implementation progress.



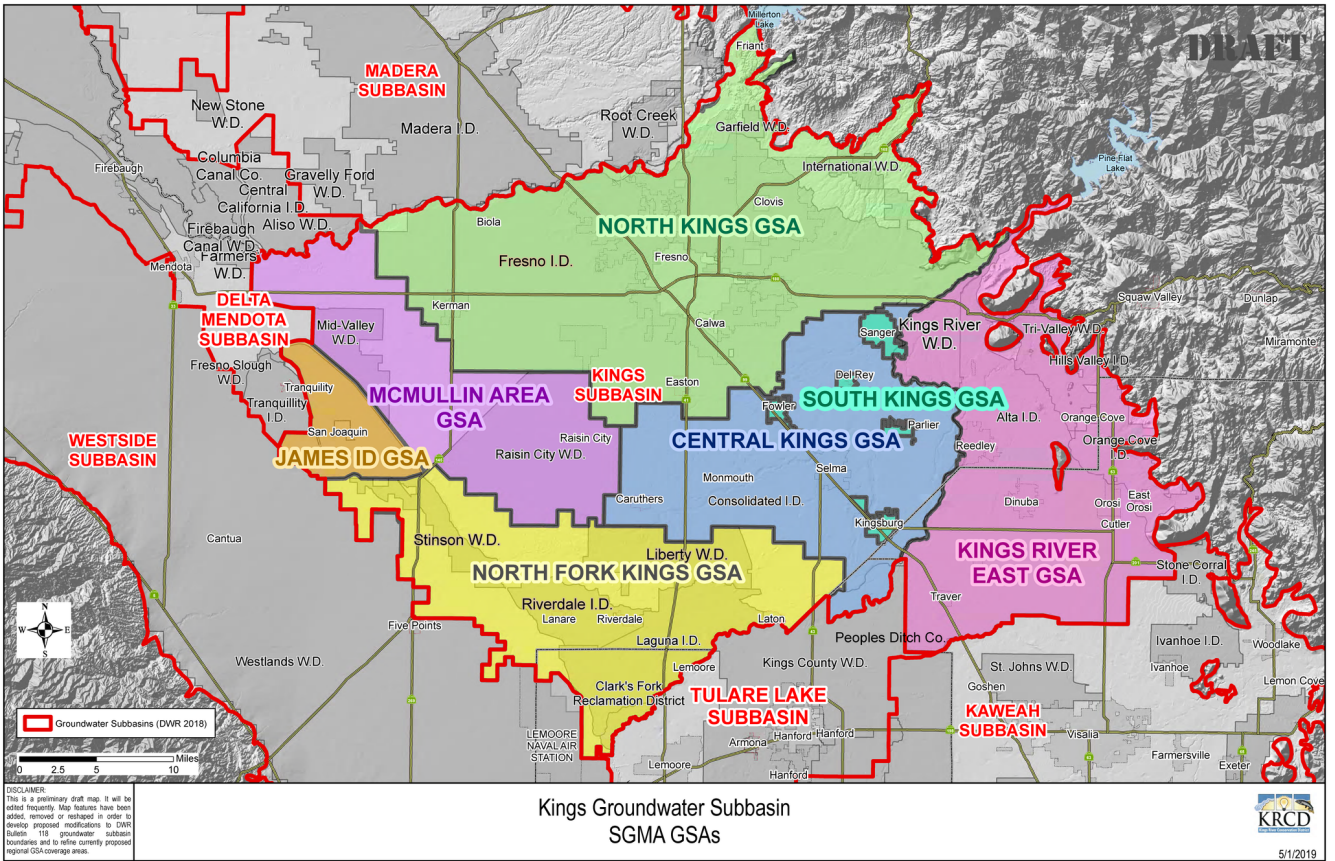
There is no grading or scoring criteria on the Annual Report, and DWR expects this first report to be missing some information considering the short timeframe between GSP adoption and the report due date.

Share this:



ANNUAL REPORT KINGS SUBBASIN

WATER YEAR 2019 (OCT '18 - SEPT '19)



TOTAL SURFACE
WATER SUPPLY =
1.64 MILLION ACRE
FEET



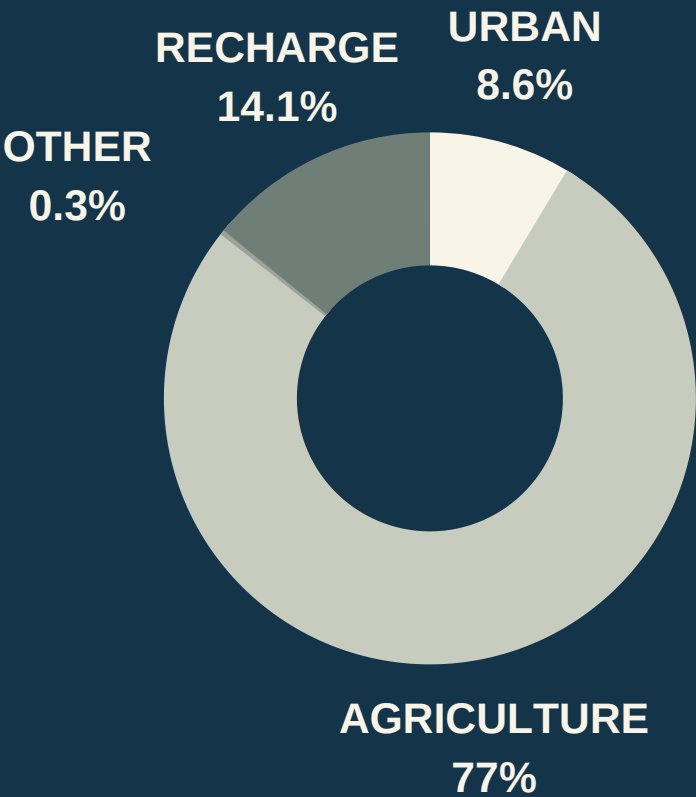
TOTAL GROUNDWATER
EXTRACTED =
1.06 MILLION ACRE
FEET



GROUNDWATER
STORAGE INCREASE =
210,000 ACRE FEET



PERCENTAGE OF
HISTORIC AVERAGE
DIVERSIONS ON THE
KINGS RIVER



TOTAL SURFACE
&
GROUNDWATER
USE BY SECTOR
—
2.7 MILLION ACRE
FEET

381,436

ACRE FEET RECHARGED
BACK INTO THE
GROUNDWATER

North Fork Kings GSA
Balance Sheet Prev Year Comparison
As of March 31, 2020

AGENDA ITEM 9

	<u>Mar 31, 20</u>	<u>Mar 31, 19</u>
ASSETS		
Current Assets		
Checking/Savings		
10000 · Chase-Checking	436,212.74	1,712,389.46
10010 · Chase-Savings	1,250,928.77	0.00
Total Checking/Savings	<u>1,687,141.51</u>	<u>1,712,389.46</u>
Accounts Receivable		
11000 · Accounts Receivable	43,730.15	204,672.27
Total Accounts Receivable	<u>43,730.15</u>	<u>204,672.27</u>
Other Current Assets		
13000 · Grants Receivable	276,565.97	0.00
14000 · Interest Receivable	114.45	0.00
Total Other Current Assets	<u>276,680.42</u>	<u>0.00</u>
Total Current Assets	<u>2,007,552.08</u>	<u>1,917,061.73</u>
TOTAL ASSETS	<u><u>2,007,552.08</u></u>	<u><u>1,917,061.73</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	265,460.17	751,823.96
Total Accounts Payable	<u>265,460.17</u>	<u>751,823.96</u>
Total Current Liabilities	<u>265,460.17</u>	<u>751,823.96</u>
Total Liabilities	<u>265,460.17</u>	<u>751,823.96</u>
Equity		
30000 · Opening Balance Equity	8,237.45	8,237.45
32000 · Retained Earnings	1,043,052.12	29,316.09
Net Income	<u>690,802.34</u>	<u>1,127,684.23</u>
Total Equity	<u>1,742,091.91</u>	<u>1,165,237.77</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,007,552.08</u></u>	<u><u>1,917,061.73</u></u>

North Fork Kings GSA
Profit & Loss Budget vs. Actual
January through March 2020

AGENDA ITEM 9

	<u>Jan - Mar 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
45000 · Investments				
45030 · Interest-Savings, Short-term CD	255.34	0.00	255.34	100.0%
Total 45000 · Investments	255.34			
47200 · Program Income				
47220 · Property Tax Assessments	991,801.74	1,070,000.00	-78,198.26	92.69%
47221 · Interest-Property Assessment	3,371.23	0.00	3,371.23	100.0%
Total 47200 · Program Income	995,172.97	1,070,000.00	-74,827.03	93.01%
48000 · Grants Revenue				
48080 · P 1 GSP Development Grant State	49,794.39	0.00	49,794.39	100.0%
Total 48000 · Grants Revenue	49,794.39	0.00	49,794.39	100.0%
Total Income	1,045,222.70	1,070,000.00	-24,777.30	97.68%
Expense				
62100 · Contract Services				
62120 · Outreach Services	734.95	4,500.00	-3,765.05	16.33%
62140 · Legal Fees	8,867.50	6,650.00	2,217.50	133.35%
62145 · Lobbying Fees	0.00	800.00	-800.00	0.0%
62150 · Outside Contract Services	4,972.30	6,350.00	-1,377.70	78.3%
62155 · Outside Services - Coordination	15,264.00	0.00	15,264.00	100.0%
62160 · Program Services	9,348.34	15,300.00	-5,951.66	61.1%
62190 · GSP Development	92,164.56	77,000.00	15,164.56	119.69%
62195 · Monitoring and Implementation	22,550.23	380,814.00	-358,263.77	5.92%
Total 62100 · Contract Services	153,901.88	491,414.00	-337,512.12	31.32%
65000 · Operations				
65020 · Postage, Mailing Service	0.00	1,000.00	-1,000.00	0.0%
65030 · Printing and Copying	68.88	312.50	-243.62	22.04%
65040 · Supplies	107.14	62.50	44.64	171.42%
65045 · Outreach Costs	63.50	1,500.00	-1,436.50	4.23%
65050 · Telephone, Telecommunications	0.00	125.00	-125.00	0.0%
Total 65000 · Operations	239.52	3,000.00	-2,760.48	7.98%
65100 · Other Types of Expenses				
65120 · Insurance - Liability, D and O	1,614.00	2,200.00	-586.00	73.36%
65125 · Audit	6,600.00	0.00	6,600.00	100.0%
65160 · Other Costs	723.52	375.00	348.52	192.94%
65170 · Contingency	0.00	5,460.00	-5,460.00	0.0%
Total 65100 · Other Types of Expenses	8,937.52	8,035.00	902.52	111.23%
66000 · Grant Expenditures				
66080 · P 1 GSP Development Exp State	49,794.39	0.00	49,794.39	100.0%
Total 66000 · Grant Expenditures	49,794.39	0.00	49,794.39	100.0%
Total Expense	212,873.31	502,449.00	-289,575.69	42.37%
Net Ordinary Income	832,349.39	567,551.00	264,798.39	146.66%
Net Income	832,349.39	567,551.00	264,798.39	146.66%

North Fork Kings GSA
Profit & Loss Budget vs. Actual
July 2019 through June 2020
As of March 31, 2020

AGENDA ITEM 9

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
45000 · Investments				
45030 · Interest-Savings, Short-term CD	928.77	0.00	928.77	100.0%
Total 45000 · Investments	928.77			
47200 · Program Income				
47220 · Property Tax Assessments	1,008,884.19	1,636,537.00	-627,652.81	61.65%
47221 · Interest-Property Assessment	3,371.23	0.00	3,371.23	100.0%
Total 47200 · Program Income	1,012,255.42	1,636,537.00	-624,281.58	61.85%
48000 · Grants Revenue				
48080 · P 1 GSP Development Grant State	150,699.25	200,000.00	-49,300.75	75.35%
Total 48000 · Grants Revenue	150,699.25	200,000.00	-49,300.75	75.35%
Total Income	1,163,883.44	1,836,537.00	-672,653.56	63.37%
Expense				
62100 · Contract Services				
62120 · Outreach Services	20,260.92	18,000.00	2,260.92	112.56%
62140 · Legal Fees	30,295.00	26,600.00	3,695.00	113.89%
62145 · Lobbying Fees	0.00	3,200.00	-3,200.00	0.0%
62150 · Outside Contract Services	9,496.60	25,400.00	-15,903.40	37.39%
62155 · Outside Services - Coordination	20,024.00	0.00	20,024.00	100.0%
62160 · Program Services	54,566.04	61,200.00	-6,633.96	89.16%
62190 · GSP Development	147,870.63	327,000.00	-179,129.37	45.22%
62195 · Monitoring and Implementation	22,550.23	761,628.00	-739,077.77	2.96%
62100 · Contract Services - Other	0.00	0.00	0.00	0.0%
Total 62100 · Contract Services	305,063.42	1,223,028.00	-917,964.58	24.94%
65000 · Operations				
65020 · Postage, Mailing Service	2,015.70	4,000.00	-1,984.30	50.39%
65030 · Printing and Copying	453.44	1,250.00	-796.56	36.28%
65040 · Supplies	1,009.13	250.00	759.13	403.65%
65045 · Outreach Costs	3,838.01	6,000.00	-2,161.99	63.97%
65050 · Telephone, Telecommunications	514.63	500.00	14.63	102.93%
Total 65000 · Operations	7,830.91	12,000.00	-4,169.09	65.26%
65100 · Other Types of Expenses				
65120 · Insurance - Liability, D and O	1,614.00	2,200.00	-586.00	73.36%
65125 · Audit	6,600.00	2,900.00	3,700.00	227.59%
65160 · Other Costs	1,273.52	1,500.00	-226.48	84.9%
65170 · Contingency	0.00	21,840.00	-21,840.00	0.0%
Total 65100 · Other Types of Expenses	9,487.52	28,440.00	-18,952.48	33.36%
66000 · Grant Expenditures				
66080 · P 1 GSP Development Exp State	150,699.25	200,000.00	-49,300.75	75.35%
Total 66000 · Grant Expenditures	150,699.25	200,000.00	-49,300.75	75.35%
Total Expense	473,081.10	1,463,468.00	-990,386.90	32.33%
Net Ordinary Income	690,802.34	373,069.00	317,733.34	185.17%
Net Income	<u>690,802.34</u>	<u>373,069.00</u>	<u>317,733.34</u>	<u>185.17%</u>

North Fork Kings GSA
Check Detail
January through March 2020

AGENDA ITEM 9

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check		01/31/2020		10000 · Chase-Checking		-50.00
				65160 · Other Costs	-50.00	50.00
TOTAL					-50.00	50.00
Check		02/29/2020		10000 · Chase-Checking		-50.00
				65160 · Other Costs	-50.00	50.00
TOTAL					-50.00	50.00
Bill Pmt -Check	1154	01/10/2020	Ruddell	10000 · Chase-Checking		-3,527.50
Bill	161463	01/10/2020		62140 · Legal Fees	-3,527.50	3,527.50
TOTAL					-3,527.50	3,527.50
Bill Pmt -Check	1155	01/24/2020	KRCD-V	10000 · Chase-Checking		-25,189.91
Bill	4560	12/31/2019		62120 · Outreach Services	-4,527.67	4,527.67
				62160 · Program Services	-19,630.97	19,630.97
				65020 · Postage, Mailing Service	-9.95	9.95
				65030 · Printing and Copying	-384.56	384.56
				65040 · Supplies	-272.71	272.71
				65045 · Outreach Costs	-102.05	102.05
				65050 · Telephone, Telecommunications	-262.00	262.00
TOTAL					-25,189.91	25,189.91
Bill Pmt -Check	1156	01/30/2020	Provost	10000 · Chase-Checking		-106,445.95
Bill	75752	01/30/2020		62155 · Outside Services - Coordination	-4,262.00	4,262.00
Bill	76264	01/30/2020		62150 · Outside Contract Services	-1,365.00	1,365.00
				62190 · GSP Development	-24,125.44	24,125.44
				62195 · Monitoring and Implementation	-11,606.75	11,606.75
Bill	76333	01/30/2020		62155 · Outside Services - Coordination	-2,839.00	2,839.00
Bill	76726	01/30/2020		62150 · Outside Contract Services	-1,365.00	1,365.00
				62190 · GSP Development	-17,609.78	17,609.78
				62195 · Monitoring and Implementation	-4,930.28	4,930.28
Bill	76806	01/30/2020		62155 · Outside Services - Coordination	-3,542.00	3,542.00
Bill	77110	01/30/2020		62150 · Outside Contract Services	-1,050.00	1,050.00
				62190 · GSP Development	-28,738.70	28,738.70
				62195 · Monitoring and Implementation	-5,012.00	5,012.00
TOTAL					-106,445.95	106,445.95

North Fork Kings GSA
Check Detail
January through March 2020

AGENDA ITEM 9

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	1157	02/07/2020	Ruddell	10000 · Chase-Checking		-2,452.50
Bill	161479	02/07/2020		62140 · Legal Fees	-2,452.50	2,452.50
TOTAL					-2,452.50	2,452.50
Bill Pmt -Check	1158	02/14/2020	Cuttone	10000 · Chase-Checking		-6,600.00
Bill	2669	02/14/2020		65125 · Audit	-6,600.00	6,600.00
TOTAL					-6,600.00	6,600.00
Bill Pmt -Check	1159	02/14/2020	Stinson Canal & Irrig	10000 · Chase-Checking		-34,427.50
Bill	021420 SCI	02/14/2020		32000 · Retained Earnings	-34,427.50	34,427.50
TOTAL					-34,427.50	34,427.50
Bill Pmt -Check	1160	02/28/2020	Arthur J. Gallagher	10000 · Chase-Checking		-1,614.00
Bill	330096	02/28/2020		65120 · Insurance - Liability, D and O	-1,614.00	1,614.00
TOTAL					-1,614.00	1,614.00
Bill Pmt -Check	1161	02/28/2020	Provost	10000 · Chase-Checking		-1,025.00
Bill	77275	02/28/2020		62155 · Outside Services - Coordination	-1,025.00	1,025.00
TOTAL					-1,025.00	1,025.00
Bill Pmt -Check	1162	03/13/2020	Ruddell	10000 · Chase-Checking		-2,887.50
Bill	161489	03/13/2020		62140 · Legal Fees	-2,887.50	2,887.50
TOTAL					-2,887.50	2,887.50
Bill Pmt -Check	1163	03/20/2020	Provost	10000 · Chase-Checking		-27,480.14
Bill	77695	03/20/2020		62150 · Outside Contract Services	-1,192.30	1,192.30
				62190 · GSP Development	-21,690.64	21,690.64
				62195 · Monitoring and Implementation	-1,001.20	1,001.20
Bill	7775	03/20/2020		62155 · Outside Services - Coordination	-1,992.00	1,992.00
Bill	77782	03/20/2020		62155 · Outside Services - Coordination	-1,604.00	1,604.00
TOTAL					-27,480.14	27,480.14



January 24, 2020

North Fork Kings Groundwater Sustainability Agency
4886 E. Jensen Ave
Fresno, CA 93725

We have audited the financial statements of the governmental activities of North Fork Kings Groundwater Sustainability Agency for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies adopted and used by North Fork Kings Groundwater Sustainability Agency are described in Note 1 to the financial statements. We noted no transactions entered into by North Fork Kings Groundwater Sustainability Agency 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 financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant 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 clearly 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 each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, 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 January 24, 2020.

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 North Fork Kings Groundwater Sustainability Agency’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.

Other Matters

We applied certain limited procedures to Schedule of Revenues and Expenditures – Budget and Actual, which is 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.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of North Fork Kings Groundwater Sustainability Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Cuttone & Mastro CPA's

**NORTH FORK KINGS GROUNDWATER
SUSTAINABILITY AGENCY**

FINANCIAL STATEMENTS

June 30, 2019

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CUTTONE & MASTRO
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
North Fork Kings Groundwater Sustainability Agency
Riverdale, California

We have audited the accompanying financial statements of North Fork Kings Groundwater Sustainability Agency (the Agency) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic 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 an opinion 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. Those standards require that we 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 controls 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 controls. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2019 and the respective changes in financial position and cash flows 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in dark ink, reading "Cuttone & Mastro". The script is cursive and fluid, with the ampersand clearly visible between the two names.

Fresno, California
January 24, 2020

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

**Statement of Net Position
For the Year Ended June 30, 2019**

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,633,868
Fee assessments receivable	50,948
Grant receivable from Department of Water Resources	406,756
Other receivable	<u>114</u>
Total current assets	<u>2,091,686</u>
 Total assets	 <u>2,091,686</u>

LIABILITIES

Current liabilities:

Accounts payable	185,251
Grant funds payable to other agencies	<u>482,077</u>
 Total current liabilities	 <u>667,328</u>

NET POSITION

Net position:

Unrestricted	<u>1,424,358</u>
 Total net position	 \$ <u>1,424,358</u>

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

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

Statement of Revenues, Expenses and Change in Net Position

For the Year Ended June 30, 2019

Revenues:

Fee assessments	\$ 1,633,221
Grant revenue	1,258,667
Contributions	216,712
Interest	<u>1,076</u>
Total Revenues	<u>3,109,676</u>

Operating Expenses:

Program, Outreach, Regulatory	82,137
General Administrative and Office	11,942
Legal Costs	9,489
Engineering and Consultants	574,922
Grant Expenditure	<u>1,044,381</u>
Total expenses	<u>1,722,871</u>

Operating Income / Change in Net Position	1,386,805
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Net position, beginning of year	<u>37,553</u>
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Net position, end of year	<u>\$ 1,424,358</u>
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The accompanying notes are an integral part of the financial statements.

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

**Statement of Cash Flows
For the Year Ended June 30, 2019**

Cash flows from operating activities:

Cash received from fee assessments	\$ 1,583,234
Cash received from Member - contributions	237,623
Cash received from Department of Water Resources Grant	851,911
Cash paid to other Agencies for their portion of DWR grant	(562,304)
Cash paid to suppliers for goods and services	<u>(548,843)</u>
Net cash provided by operating activities	<u>1,561,621</u>

Net increase in cash and cash equivalents 1,561,621

Cash and cash equivalents, beginning of year 72,247

Cash and cash equivalents, end of year \$ 1,633,868

Reconciliation of operating income to net cash provided by operating activities:

Operating income \$ 1,386,805

Adjustments to reconcile operating income to net cash provided by operating activities:

(Increase) Decrease in:

Fee assessments receivable	(50,948)
Grant receivable from Department of Water Resources	(406,756)
Contribution receivable	20,911
Interest receivable	(114)

Increase (Decrease) in:

Accounts payable	129,646
Grant funds payable to other agencies	<u>482,077</u>

Total adjustments 174,816

Net cash provided by operating activities \$ 1,561,621

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

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

Notes to Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The North Fork Kings Groundwater Sustainability Agency (the Agency) was formed in January 2017. The Agency is formed with the purpose and intent of jointly forming a separate entity to fulfill the role of a Groundwater Sustainability Agency (GSA) consisting of the Members, so that the Members may collectively develop, adopt, and implement a Groundwater Sustainability Plan (GSP) for the sustainable management of groundwater for that portion of the Kings Subbasin underlying the jurisdictional boundaries of the Members, as those boundaries may be amended from time to time. The Agency is to provide for the conjunctive use of groundwater and surface water within its represented groundwater basin to ensure the reliability of a long-term water supply to meet current and future beneficial uses. A Prop 218 election was held on May 9, 2018 and an assessment of not-to-exceed \$10 per acre was approved to fund the Agency for the next five years.

Member Agencies – The Joint Powers Agreement was entered into as of January 1, 2017, and between the County of Fresno, Clark’s Fork Reclamation District, Laguna Irrigation District, Upper San Jose Water Company, Lanare Community Services District, Laton Community Services District, Riverdale Public Utilities District, Crescent Canal Company, Stinson Canal & Irrigation Company, Reed Ditch Company, Riverdale Irrigation District, Burrel Ditch Company, Liberty Mill Race Company, Liberty Canal Company, and Liberty Water District.

The more significant accounting policies of the Agency are summarized as follows:

Measurement Focus, Basis of Accounting

The Agency is considered a special-purpose government engaged only in business-type activities and uses enterprise fund accounting and reporting. Enterprise fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the cost and expenses of providing goods or services to its customers be financed or recovered primarily through users charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

Notes to Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

Measurement Focus, Basis of Accounting, continued

Operating revenues are those revenues that are generated from the primary operations of the Agency. The primary operations of the Agency are to facilitate compliance with Sustainable Groundwater Management Act (SGMA) by creating a Groundwater Sustainability Plan (GSP), and coordinating with the other five GSA's to knit the GSP's together to achieve sustainability goals, i.e. a stable groundwater basin that is not subject to critical overdraft or subject to a number of other results deemed "undesirable". All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the Agency. All other expenses are reported as non-operating expenses.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Net Position

Net position is reported in three categories as follows:

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This amount is all net assets that do not meet the definition of "net investment in capital assets" or "restricted net position."

When the Authority incurs an expense for which both restricted and unrestricted resources may be used, it is the policy of the Authority to use restricted resources first, then unrestricted resources.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fee Assessments

Fee assessments are recorded on a full accrual basis.

Income Taxes

The Agency is a governmental agency and is not subject to federal or state income taxes.

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY

Notes to Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

Subsequent Events

Management has evaluated subsequent events through January 24, 2019, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

Through the budget approved for the fiscal year 2020, the North Fork Kings GSA Board has approved the reimbursement of start-up contributions to Agencies in the Kings Subbasin as well as other Agencies that made contributions prior to the formation of the North Fork Kings GSA. Through June 30, 2019, start-up contributions totaled \$746,137, of which 50% is expected to be paid out in fiscal year 2020 and the remaining 50% is to be paid out in fiscal year 2021. On July 19, 2019, the Agency reimbursed 50% of start-up contributions to member Agencies and other Agencies who made contributions, with the exception of one Agency, and the total payment was \$338,641.

2. CASH

As of June 30, 2019, the carrying amount of the Authority's bank deposits was \$1,633,868. At June 30, 2019, the bank balance was \$1,634,018.

The California Government Code requires California banks and savings and loan associations to collateralize a governmental agencies deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of a agencies' deposits. California law also allows financial institutions to collateralize a agencies' deposits by pledging first trust deed mortgage notes having a value of 150 percent of a agencies' total deposits. The agency may waive collateral requirements for deposits on accounts which are fully insured by The Federal Depository Insurance Company (FDIC) up to \$250,000.

The total amounts uninsured by the FDIC at June 30, 2019 was \$1,383,868. The Agency has not formally adopted deposit and investment policies that limit the government's allowable deposits or investments and address the specific types of risk to which the government is exposed.

3. RELATED PARTY TRANSACTIONS

The Kings River Conservation District (the District) maintains the Agency's accounting records and incurs administrative and other expenses on behalf of the Agency. Such expenses reimbursed by the Agency to the District for the year ended June 30, 2019, was \$58,814. Accounts payable to the District as of June 30, 2019, was \$25,967.

NORTH FORK KINGS GROUNDWATER SUSTAINABILITY AGENCY**Notes to Financial Statements****June 30, 2019****4. DEPARTMENT OF WATER RESOURCES GRANT:**

The Authority is in the process of developing a Groundwater Sustainability Plan (GSP) specific to the area within the boundaries of the Authority. In fiscal year 2019, the Agencies in the Kings Subbasin received a grant from the California Department of Water Resources (DWR) in the total amount of \$1,500,000, and the total reimbursable costs through June 30, 2019 were \$1,258,667. As of June 30, 2019, the Agencies in the Kings Subbasin received \$1,132,800 in cash after a 10% withholding (to be released once plan objectives are achieved). The grant funds are paid to the North Fork Kings GSA, who then distributes them to the Agencies reporting costs. For the year ended June 30, 2019, the Authority recognized net grant revenue of \$214,286 (\$1,258,667 grant revenue earned less \$1,044,381 grant disbursement to other Agencies).