Kings River East Groundwater Sustainability Agency
Special Board Meeting
Agenda

Per Executive Order N-29-20 and Assembly Bill 361, which allows local and state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, this Special Meeting of the Board of Kings River East Groundwater Sustainability Agency

will be held via Ring Central on
Thursday October 21, 2021 - 2:00 p.m.

and can be accessed as follows:

https://meetings.ringcentral.com/j/4925808335

Meeting ID: 492 580 8335
Telephone: (650) 242-4929

The public may participate in the meeting as otherwise permitted under the Brown Act by logging into Ring Central.

1. **Call to Order**

2. **Potential Conflicts of Interest**

   2.1. Any Director who has potential conflict of interest may now identify the Agenda item and recuse himself or herself from discussing and voting on the matter (FPPC § 87105).

3. **Remote Teleconference Board Meeting Resolution**

   3.1. Remote Teleconference Board Meeting Resolution – Review and adopt resolution consistent with AB 361. (see Insert 3.1)

4. **Public Comment**

   4.1. Public will be given up to three minutes (3 min) to address the Board of Directors on any item not on the agenda but within the subject matter of the Board's jurisdiction. Board of Directors is prohibited from taking action on public comments and as appropriate, matters raised during this period may be referred to appropriate parties or added to the agenda of an upcoming Board meeting (Gov. Code § 54954.3(a)).

5. **Communications – Review and Consider for Action**

6. **Board of Director Reports – Discuss and Consider for Action**

   6.1. Report(s) by Director(s) on event(s) attended during the prior month

7. **Consent Calendar Items** – All Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters, unless a request is made in which event the item will be removed from the Consent Calendar to be discussed and voted upon by a separate action.

Kings River East Groundwater Sustainability Agency
Special Board Meeting
Agenda

7.1. Payables – Review and approve payment of June, July, August, and September 2021 invoices (see Insert 7.1)

7.2. Board Meeting Minutes – Review and approve minutes of May 20, 2021 regular Board meeting (see Insert 7.2)

8. Other Board Items – Take Action

8.1. Treasurer's Statement – Review and consider accepting May, June, July, August, and September 2021 Treasurer's statement (see Insert 8.1)

8.2. Grant Reimbursements – Review and discuss status of reimbursement from grants.

8.3. Audit RFP – Review and consider selecting auditor for fiscal year end September 30, 2021, audit. (see Insert 8.3)

8.4. Fiscal Year Budget – Review and consider approved budget for fiscal year end September 30, 2022. (see Insert 8.4)

9. Groundwater Sustainability Activities – Review for Possible Action

9.1. GSA Invoices – Provide an update on collections and typical questions from landowners

9.2. Groundwater Sustainability Activities – provide an update on activities associated with the monitoring network, status of DWR's review of the 2020 GSP, and other miscellaneous SGMA activities.

10. Legal Issues – Review for Possible Action

10.1. Attorney Legal Update on Matters Affecting the GSA and Legislation

11. Future Agenda Item(s) – No Action

12. Adjournment

Notes:

1. In compliance with the Americans with Disabilities Act of 1990, requests for special assistance to attend or participate in this meeting should be made to the City of Dinuba (559-591-5900) at least 48 hours in advance of the public meeting to enable the City to make reasonable accommodations.
2. Public records relating to an agenda item are available for public review, after posting of the agenda, at 289 North L Street, Dinuba, CA 93618 during regular business hours.

Kings River East Groundwater Sustainability Agency
Special Board Meeting
Agenda

AFFIDAVIT OF POSITING

I, Marc Limas, on behalf of the Kings River East Groundwater Sustainability Agency, hereby certify that I posted a copy of the foregoing agenda in the lobby of the City of Dinuba at 405 East El Monte Way, Dinuba, CA 93618, at least twenty-four (24) hours prior to the meeting, in accordance with Govt. Code § 54954.2(a).

Marc Limas

October 20, 2021

RESOLUTION NO. 2021-1001

BEFORE THE BOARD OF DIRECTORS OF THE KINGS RIVER EAST GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS FOR THE PERIOD OCTOBER 21, 2021 TO NOVEMBER 19, 2021 PURSUANT TO BROWN ACT PROVISIONS

WHEREAS, the Kings River East Groundwater Sustainability Agency ("KREGSA") is committed to preserving and nurturing public access and participation in meetings of its Board of Directors (the "Board"); and

WHEREAS, all meetings of KREGSA's legislative bodies are open and public, as required by the Ralph M. Brown Act (the "Brown Act") under Government Code sections 54950 et seq., so that any member of the public may attend, participate, and watch the Board conduct the business of KREGSA; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within KREGSA's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now existing in KREGSA's service area, specifically, a state of emergency has been proclaimed in the State of California pertaining to the threat to human health and safety posed by the COVID-19 pandemic (*See* Mar. 4, 2020 Proclamation of a State of Emergency); and

WHEREAS, allowing all individual members of the Board and members of the public to meet in person would present an imminent risk to the health and safety of attendees; and

WHEREAS, the Board does hereby find that the existing state of emergency and conditions causing imminent risk to the health and safety of attendees, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor and the State of California; and

WHEREAS, as a consequence of the local emergency, the Board does hereby find that the legislative bodies of KREGSA shall conduct their meetings without compliance with Government Code section 54953(b)(3), as authorized by Government Code section 54953(e), and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in Government Code section 54953(e)(2); and

WHEREAS, KREGSA has taken and is taking measures to ensure access for the public, including by providing teleconference and/or video conferencing access to members of the public for meetings of Board.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Board hereby proclaims that a local emergency now exists throughout KREGSA jurisdictional boundaries, and in-person meetings could present an imminent risk to the health and safety of attendees.

Section 3. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. The staff and legislative bodies of KREGSA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (1) November 19, 2021, (2) such time the Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board may continue to teleconference without compliance with Government Code section 54953(b)(3), or (3) the Board acts to rescind this Resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of October, 2021 by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

_____
Ernest "Buddy" Mendes, Chairman
Kings River East GSA

Attest:

_____
Jack Brandt, Secretary

CERTIFICATE OF SECRETARY
OF
KINGS RIVER EAST GROUNDWATER SUSTAINABILITY AGENCY

I, Jack Brandt, do hereby certify that I am the duly authorized and appointed Secretary of Kings River East Groundwater Sustainability Agency, a California special act district ("KREGSA"); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of KREGSA on the 21st day of October, 2021; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 21st day of October, 2021.

_____
Jack Brandt, Secretary
Kings River East GSA

Insert 7.1

Kings River East GS Agency

Bill Payment List

May 21 - October 21, 2021

DATE	NUM	VENDOR	AMOUNT
Mechanics Bank General Fund			
09/10/2021	10127	Alta Irrigation District	-4,960.29
09/10/2021	10128	Kings River Conservation District	-1,220.00
09/10/2021	10129	Cardmember Service	-860.00
09/10/2021	10130	Provost & Prichard Engineering	-12,380.76
09/10/2021	10131	Baker Manock & Jensen, PC	-512.98
10/21/2021	10132	ACWA/JPIA	-1,688.00
10/21/2021	10133	Alta Irrigation District	-184.41
10/21/2021	10134	Provost & Prichard Engineering	-1,278.00
Total for Mechanics Bank General Fund			**$-23,084.44**

Kings River East Groundwater Sustainability Agency
Regular Board Meeting
Minutes

Insert 7.2

Per Executive Order N-29-20, which allows local and state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically, this Regular Meeting of the Board of Kings River East Groundwater Sustainability Agency was held via Ring Central on Thursday May 20, 2021, and was accessed as follows:

https://meetings.ringcentral.com/j/4925808335?pwd=bjdCeVprVGN4TWpuNXNtRTgrRXNMUT09

Meeting ID: 492 580 8335
Password: 05202021
Telephone: (650) 242-4929

The public participated in the meeting as otherwise permitted under the Brown Act by logging into Ring Central.

1. **Call to Order** – The Regular Board Meeting of the Kings River East Groundwater Sustainability Agency was called to order by Chairman Ernest "Buddy" Mendes at 2:03 p.m. and the following directors were present via Ring Central, Ag Production, Steve Boos; Cities, Mary Fast; Tulare County, Eddie Valero; and Irrigation Districts Alternate, Jack Paxton. Drinking Water District director, Fernie Rubalcaba, joined the meeting at 2:20 p.m. Director(s) absent: Alta Irrigation District, Jack Brandt. Also, in attendance – Alta Irrigation District, General Manager Chad Wegley, Operations Manager Marc Limas, and attorney Lauren D. Layne. Twelve (12) members of the public were also on Ring Central.

2. **Pledge of Allegiance** – None.

3. **Potential Conflicts of Interest** – None.

4. **Public Comment** – Landowner Andrew Hart had questions on rules and regulations of the GSA and if the GSA was planning on regulating groundwater pumping.

5. **Communications** – A written request was received by the GSA for information about ground water in their area; parcel location was not provided. The GSA's response mentioned that information would be provided once the exact location of the parcel or landowner was identified.

6. **Audit Presentation** – The fiscal year end September 30, 2020, audit was presented. In the opinion of the auditor, the financial statements present fairly in all material respects. It was M/S by Valero/Fast to accept the fiscal year end September 30, 2020, audit. The vote was taken by roll call as follows: Director Valero, aye; Vice Chair Fast, aye; Chairman Mendes, aye; Director Boos, aye; Alternate Director Paxton, aye. Motion passed unanimously (Directors Brandt and Rubalcaba were absent). (see Insert 6.1)

7. **Board of Director Reports – Discuss and Consider for Action** – Vice Chair Fast commented on federal and state funds available and if any of these funds can be used for water storage.

8. **Consent Calendar Items** – It was M/S by Valero/Boos to approve the Consent Calendar. The vote was taken by roll call as follows: Director Valero, aye; Director Boos, aye; Chairman Mendes, aye; Vice Chair Fast, aye; and Alternate Director Paxton, aye. Motion passed unanimously (Directors Brandt and Rubalcaba absent).

   8.1. Payables – Review and approve payment of January, March, May 2021 invoices (see Insert 8.1)

8.2. Board Meeting Minutes – Review and approve minutes of November 19, 2020, regular Board meeting.

9. Other Board Items – Take Action

9.1. Treasurer's Statement – Board of Directors reviewed the Treasurer's statement for the periods ending November and December 2020, and January, February, March, April 2021, and it was M/S by Fast/Rubalcaba to accept the Treasurer's statement. The vote was taken by roll call as follows. Vice Chair Fast, aye; Director Rubalcaba, aye; Chairman Mendes, aye; Director Boos, aye; Alternate Director Paxton, aye; and Director Valero, aye. Motion passed unanimously (Director Brandt absent). (see Insert 9.1)

9.2. Grant Reimbursements – The retention of approximately $21,000 due from DWR on the Prop 1 grant is outstanding. The final report was delivered to DWR along with a request for payment of retention.

10. Groundwater Sustainability Activities – Review for Possible Action

10.1. GSA Invoices – Approximately $1,000,000 was billed in Prop 26 fees for a three-year period covering 2018, 2019, and 2020, with ninety-six percent (96%) collected to date. Staff is working on collecting the remainder of unpaid bills from landowners.

10.2. Groundwater Sustainability Activities – General Manager Wegley reported the Annual Report was submitted by the April 1, 2021, deadline. The Kings Subbasin had a 550,000 acre-foot change in water levels. Two (2) monitor wells within the GSA are near their measurable objectives and one (1) monitor well is below the measurable objective, but depth to water is about twenty-five (25) feet. Remainder of the monitor wells within the GSA have water levels above the minimum threshold. The Kings Subbasin was successful in securing funds from the Prop 68 grant; the Sultana storm water project received funds. DWR has not released comments on the GSP, comments are due in 2021. Work continues on verification of well construction for those wells in the monitoring network.

11. Legal Issues – Review for Possible Action

11.1. Attorney Legal Update – Attorney Layne gave an updated on various pending legislation.

12. Future Agenda Item(s) – None.

13. Adjournment – There being no further items to discuss, the meeting was adjourned by Ernest "Buddy" Mendes at 2:40 p.m., until the next regular scheduled meeting on August 19, 2021.

Kings River East Groundwater Sustainability Agency

_____

Jack Brandt, Secretary

JB:ml

Kings River East GS Agency

Insert 8.1

Balance Sheet

As of May 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
LAIF	271,806.19
Mechanics Bank General Fund	3,277.28
Mechanics Bank Money Market	236,487.59
Total Bank Accounts	**$511,571.06**
Accounts Receivable	
Accounts Receivable (A/R)	63,926.50
Total Accounts Receivable	**$63,926.50**
Other Current Assets	
Allowance for Bad Debts	-37,076.00
Grant Receivable	21,428.59
Interest Receivable	0.00
Total Other Current Assets	**$-15,647.41**
Total Current Assets	**$559,850.15**
TOTAL ASSETS	**$559,850.15**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	3,688.59
Total Accounts Payable	**$3,688.59**
Other Current Liabilities	
Deferred Revenue	0.00
Other Payables	0.00
Total Other Current Liabilities	**$0.00**
Total Current Liabilities	**$3,688.59**
Total Liabilities	**$3,688.59**
Equity	
Retained Earnings	624,508.89
Net Income	-68,347.33
Total Equity	**$556,161.56**
TOTAL LIABILITIES AND EQUITY	**$559,850.15**

Kings River East GS Agency

Profit and Loss

October 2020 - May 2021

	TOTAL
Income	
GSA Prop 26 Fee	-28.98
Interest Income	1,354.65
Total Income	**$1,325.67**
GROSS PROFIT	**$1,325.67**
Expenses	
Administrative	
Administrative Services	7,299.57
Material	297.40
Postage	110.05
Total Administrative Services	**7,707.02**
Audit Fee	4,135.00
Bank Charges	5.00
Engineering Services	49,469.78
Insurance	1,688.00
Legal	3,223.20
Total Administrative	**66,228.00**
Dues	3,260.00
Dues & subscriptions	185.00
Total Expenses	**$69,673.00**
NET OPERATING INCOME	**$-68,347.33**
NET INCOME	**$-68,347.33**

Kings River East GS Agency

Statement of Cash Flows

October 2020 - May 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-68,347.33
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	5,281.49
Accounts Payable (A/P)	-3,802.52
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**1,478.97**
Net cash provided by operating activities	**$-66,868.36**
INVESTING ACTIVITIES	
Interest Receivable	574.42
Net cash provided by investing activities	**$574.42**
NET CASH INCREASE FOR PERIOD	**$-66,293.94**
Cash at beginning of period	577,865.00
CASH AT END OF PERIOD	**$511,571.06**

Kings River East GS Agency

LAIF, Period Ending 05/31/2021

RECONCILIATION REPORT

Reconciled on: 06/17/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	271,806.19
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (0)	0.00
Statement ending balance	271,806.19
Register balance as of 05/31/2021	271,806.19

California State Treasurer
Fiona Ma, CPA

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

June 01, 2021

LAIF Home
PMIA Average Monthly Yields

KINGS RIVER EAST GROUNDWATER
SUSTAINABILITY AGENCY
TREASURER
289 NORTH L STREET
DINUBA, CA 93618

Tran Type Definitions

Account Number:

May 2021 Statement

Ok Balance MC 6/1/2021

Account Summary

Total Deposit:	0.00	Beginning Balance:	271,806.19
Total Withdrawal:	0.00	Ending Balance:	271,806.19

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Alta Irrigation District

Kings River East GS Agency

Mechanics Bank Money Market, Period Ending 05/31/2021

RECONCILIATION REPORT

Reconciled on: 06/17/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	250,824.89
Interest earned	7.65
Checks and payments cleared (1)	-17,082.03
Deposits and other credits cleared (13)	2,737.08
Statement ending balance	236,487.59
Register balance as of 05/31/2021	236,487.59
Cleared transactions after 05/31/2021	0.00
Uncleared transactions after 05/31/2021	6,026.56
Register balance as of 06/17/2021	242,514.15

Details

Checks and payments cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/24/2021	Transfer			-17,082.03
Total				-17,082.03

Deposits and other credits cleared (13)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/03/2021	Transfer			255.70
05/04/2021	Transfer			96.02
05/06/2021	Transfer			82.96
05/07/2021	Transfer			158.95
05/10/2021	Transfer			422.41
05/11/2021	Transfer			49.11
05/13/2021	Transfer			368.34
05/14/2021	Transfer			268.82
05/17/2021	Transfer			40.44
05/18/2021	Transfer			254.41
05/21/2021	Transfer			410.22
05/24/2021	Transfer			185.54
05/25/2021	Transfer			144.16
Total				2,737.08

Additional Information

Uncleared deposits and other credits after 05/31/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/01/2021	Transfer			824.81
06/07/2021	Transfer			1,076.13
06/08/2021	Transfer			868.29
06/09/2021	Transfer			574.97
06/09/2021	Receive Payment	CASH		203.50
06/10/2021	Transfer			527.10
06/10/2021	Receive Payment	1126		92.58
06/11/2021	Receive Payment	5740		113.35
06/11/2021	Receive Payment	126		83.47
06/11/2021	Transfer			38.90
06/14/2021	Transfer			400.32

Mechanics Bank®
P.O. Box 6010
Santa Maria, CA 93456-6010
800.797.6324
www.mechanicsbank.com

RETURN SERVICE REQUESTED

KINGS RIVER EAST GRNDWATER SUST AGENCY
289 N L ST
DINUBA CA 93618-2107

Statement Ending 05/28/2021

Managing Your Accounts

Client Services	800.797.6324
Online	www.mechanicsbank.com
Mobile	Download Our Mobile Apps

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The "Per Check Charge" defined on your statement represents a $15 charge for each check that exceeds the six check limitation on your account. Refer to Mechanics Bank's Account Agreement for additional information.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET		$236,487.59

PUBLIC MONEY MARKET-

Account Summary

Date	Description	Amount
05/01/2021	**Beginning Balance**	**$250,824.89**
	14 Credit(s) This Period	$2,744.73
	1 Debit(s) This Period	$17,082.03
05/28/2021	**Ending Balance**	**$236,487.59**

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.04%
Interest Days	28
Interest Earned	$7.65
Interest Paid This Period	$7.65
Interest Paid Year-to-Date	$43.10

Electronic Credits

Date	Description	Amount
05/03/2021	Transfer from GF to MM	$255.70
05/04/2021	Transfer from GF to MM	$96.02
05/06/2021	Transfer from GF to MM	$82.96
05/07/2021	Transfer from GF to MM	$158.95
05/10/2021	Transfer from GF to MM	$422.41
05/11/2021	Transfer from GF to MM	$49.11
05/13/2021	Transfer from GF to MM	$368.34
05/14/2021	Transfer from GF to MM	$268.82
05/17/2021	Transfer from GF to MM	$40.44
05/18/2021	Transfer from GF to MM	$254.41
05/21/2021	Transfer from GF to MM	$410.22
05/24/2021	Transfer from GF to MM	$185.54
05/25/2021	Transfer from GF to MM	$144.16

Other Credits

Date	Description	Amount
05/28/2021	INTEREST	$7.65

Member FDIC

Kings River East GS Agency

Mechanics Bank General Fund, Period Ending 05/31/2021

RECONCILIATION REPORT

Reconciled on: 06/17/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	2,755.70
Service charge	-47.53
Checks and payments cleared (15)	-5,470.49
Deposits and other credits cleared (20)	20,388.22
Statement ending balance	17,625.90
Uncleared transactions as of 05/31/2021	-14,348.62
Register balance as of 05/31/2021	3,277.28
Cleared transactions after 05/31/2021	0.00
Uncleared transactions after 05/31/2021	-1,649.34
Register balance as of 06/17/2021	1,627.94

Details

Checks and payments cleared (15)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/03/2021	Transfer			-255.70
05/04/2021	Transfer			-96.02
05/06/2021	Transfer			-82.96
05/07/2021	Transfer			-158.95
05/10/2021	Transfer			-422.41
05/11/2021	Transfer			-49.11
05/13/2021	Transfer			-368.34
05/14/2021	Transfer			-268.82
05/17/2021	Transfer			-40.44
05/18/2021	Transfer			-254.41
05/20/2021	Bill Payment	10126	Baker Manock & Jensen, PC	-1,453.50
05/20/2021	Bill Payment	10123	Alta Irrigation District	-1,279.91
05/21/2021	Transfer			-410.22
05/24/2021	Transfer			-185.54
05/25/2021	Transfer			-144.16
Total				-5,470.49

Deposits and other credits cleared (20)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/03/2021	Receive Payment	210167		96.02
05/05/2021	Receive Payment	1060		82.96
05/06/2021	Receive Payment	9302		158.95
05/07/2021	Receive Payment	20164		127.21
05/07/2021	Receive Payment	5901		295.20
05/10/2021	Receive Payment	1002		49.11
05/12/2021	Receive Payment	003670		368.34
05/12/2021	Receive Payment	CASH		40.44
05/13/2021	Receive Payment	0001000217		268.82
05/17/2021	Receive Payment	587		77.89
05/17/2021	Receive Payment	219		40.00
05/17/2021	Receive Payment	1646		136.52
05/20/2021	Receive Payment	01361		410.22
05/21/2021	Receive Payment	4824		84.13
05/21/2021	Receive Payment	MO-R210075706236		68.68
05/21/2021	Receive Payment	189		32.73
05/24/2021	Transfer			17,082.03
05/24/2021	Receive Payment	1008		144.16

Mechanics Bank®
P.O. Box 6010
Santa Maria, CA 93456-6010
800.797.6324
www.mechanicsbank.com

RETURN SERVICE REQUESTED

KINGS RIVER EAST GRNDWATER SUST AGENCY
289 N L ST
DINUBA CA 93618-2107

Statement Ending 05/28/2021

Managing Your Accounts

Client Services	800.797.6324
Online	www.mechanicsbank.com
Mobile	Download Our Mobile Apps

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING		$17,625.90

PUBLIC CHECKING-

Account Summary

Date	Description	Amount
05/01/2021	**Beginning Balance**	**$2,755.70**
	14 Credit(s) This Period	$20,388.22
	16 Debit(s) This Period	$5,518.02
05/28/2021	**Ending Balance**	**$17,625.90**

RECEIVED
JUN 01 2021

Deposits

Date	Description	Amount
05/14/2021	DEPOSIT	$40.44

Electronic Credits

Date	Description	Amount
05/03/2021	Remote Deposit	$96.02
05/05/2021	Remote Deposit	$82.96
05/06/2021	Remote Deposit	$158.95
05/07/2021	Remote Deposit	$422.41
05/10/2021	Remote Deposit	$49.11
05/12/2021	Remote Deposit	$368.34
05/13/2021	Remote Deposit	$268.82
05/17/2021	Remote Deposit	$254.41
05/20/2021	Remote Deposit	$410.22
05/21/2021	Remote Deposit	$185.54
05/24/2021	Remote Deposit	$144.16
05/24/2021	Transfer from MM to GF	$17,082.03
05/28/2021	Remote Deposit	$824.81

Electronic Debits

Date	Description	Amount
05/03/2021	Transfer from GF to MM	$255.70
05/04/2021	Transfer from GF to MM	$96.02
05/06/2021	Transfer from GF to MM	$82.96
05/07/2021	Transfer from GF to MM	$158.95
05/10/2021	Transfer from GF to MM	$422.41
05/11/2021	Transfer from GF to MM	$49.11

EQUAL HOUSING LENDER Member FDIC

Kings River East GS Agency

Balance Sheet

As of June 30, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
LAIF	271,806.19
Mechanics Bank General Fund	2,600.66
Mechanics Bank Money Market	243,208.84
Total Bank Accounts	**$517,615.69**
Accounts Receivable	
Accounts Receivable (A/R)	57,653.27
Total Accounts Receivable	**$57,653.27**
Other Current Assets	
Allowance for Bad Debts	-37,076.00
Grant Receivable	21,428.59
Interest Receivable	0.00
Total Other Current Assets	**$-15,647.41**
Total Current Assets	**$559,621.55**
TOTAL ASSETS	**$559,621.55**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	10,827.23
Total Accounts Payable	**$10,827.23**
Other Current Liabilities	
Deferred Revenue	0.00
Other Payables	0.00
Total Other Current Liabilities	**$0.00**
Total Current Liabilities	**$10,827.23**
Total Liabilities	**$10,827.23**
Equity	
Retained Earnings	624,508.89
Net Income	-75,714.57
Total Equity	**$548,794.32**
TOTAL LIABILITIES AND EQUITY	**$559,621.55**

Kings River East GS Agency

Profit and Loss

October 2020 - June 2021

	TOTAL
Income	
GSA Prop 26 Fee	-211.20
Interest Income	1,363.33
Late Fee	-1.38
Total Income	**$1,150.75**
GROSS PROFIT	$1,150.75
Expenses	
Administrative	
Administrative Services	9,181.51
Material	370.72
Mileage	26.88
Postage	212.05
Total Administrative Services	**9,791.16**
Audit Fee	4,135.00
Bank Charges	58.68
Engineering Services	53,247.28
Insurance	1,688.00
Legal	3,280.20
Total Administrative	**72,200.32**
Dues	3,260.00
Dues & subscriptions	185.00
Grants/Outreach	
Grower/Landowner Outreach	1,220.00
Total Grants/Outreach	**1,220.00**
Total Expenses	**$76,865.32**
NET OPERATING INCOME	$-75,714.57
NET INCOME	$-75,714.57

Kings River East GS Agency

Statement of Cash Flows

October 2020 - June 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-75,714.57
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	11,554.72
Accounts Payable (A/P)	3,336.12
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**14,890.84**
Net cash provided by operating activities	**$-60,823.73**
INVESTING ACTIVITIES	
Interest Receivable	574.42
Net cash provided by investing activities	**$574.42**
NET CASH INCREASE FOR PERIOD	**$-60,249.31**
Cash at beginning of period	577,865.00
CASH AT END OF PERIOD	**$517,615.69**

Kings River East GS Agency

LAIF, Period Ending 06/30/2021

RECONCILIATION REPORT

Reconciled on: 07/20/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	271,806.19
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (0)	0.00
Statement ending balance	271,806.19
Register balance as of 06/30/2021	271,806.19
Cleared transactions after 06/30/2021	0.00
Uncleared transactions after 06/30/2021	221.92
Register balance as of 07/20/2021	272,028.11

Additional Information

Uncleared deposits and other credits after 06/30/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/15/2021	Deposit			221.92
Total				221.92

California State Treasurer
Fiona Ma, CPA

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

July 01, 2021

LAIF Home
PMIA Average Monthly Yields

KINGS RIVER EAST GROUNDWATER
SUSTAINABILITY AGENCY
TREASURER
289 NORTH L STREET
DINUBA, CA 93618

Tran Type Definitions

Account Number:

June 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	271,806.19
Total Withdrawal:	0.00	Ending Balance:	271,806.19

JL Balance 7/26/21

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Kings River East GS Agency

Mechanics Bank Money Market, Period Ending 06/30/2021

RECONCILIATION REPORT

Reconciled on: 07/20/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	236,487.59
Interest earned	8.68
Checks and payments cleared (1)	-2,995.61
Deposits and other credits cleared (41)	9,493.03
Statement ending balance	242,993.69
Register balance as of 06/30/2021	242,993.69
Cleared transactions after 06/30/2021	0.00
Uncleared transactions after 06/30/2021	5,323.88
Register balance as of 07/20/2021	248,317.57

Details

Checks and payments cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2021	Transfer			-2,995.61
Total				-2,995.61

Deposits and other credits cleared (41)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/01/2021	Transfer			824.81
06/07/2021	Transfer			1,076.13
06/08/2021	Transfer			868.29
06/09/2021	Transfer			574.97
06/09/2021	Receive Payment	CASH		203.50
06/10/2021	Transfer			527.10
06/10/2021	Receive Payment	1126		92.58
06/11/2021	Transfer			38.90
06/11/2021	Receive Payment	5740		113.35
06/11/2021	Receive Payment	126		83.47
06/14/2021	Receive Payment	1120		192.57
06/14/2021	Receive Payment	35105		158.39
06/14/2021	Receive Payment	cash		131.00
06/14/2021	Receive Payment	CASH		84.15
06/14/2021	Transfer			400.32
06/15/2021	Transfer			350.96
06/16/2021	Receive Payment	0001000179		81.88
06/17/2021	Transfer			81.88
06/17/2021	Receive Payment	8696		118.57
06/17/2021	Receive Payment	7847		23.74
06/18/2021	Transfer			142.31
06/21/2021	Receive Payment	2921		252.48
06/21/2021	Receive Payment	110		59.68
06/21/2021	Receive Payment	0010796113		50.11
06/21/2021	Receive Payment	0000995006		128.42
06/21/2021	Receive Payment	2921		127.65
06/22/2021	Transfer			618.34
06/24/2021	Receive Payment	720854689		38.35
06/24/2021	Receive Payment	302929		199.30
06/25/2021	Receive Payment	cash		18.10
06/25/2021	Receive Payment	338		20.70
06/25/2021	Receive Payment	1022		27.12

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P.O. Box 6010
Santa Maria, CA 93456-6010
800.797.6324
www.mechanicsbank.com

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KINGS RIVER EAST GRNDWATER SUST AGENCY
289 N L ST
DINUBA CA 93618-2107

Statement Ending 06/30/2021

Managing Your Accounts

Client Services	800.797.6324
Online	www.mechanicsbank.com
Mobile	Download Our Mobile Apps

Important Notice Regarding Your Account Alerts

Improved security features and dozens of new alert options are coming soon when we update the Business Online Banking alert system.

Your current online banking alerts will expire on Tuesday, July 6, 2021.
You must recreate your online banking alerts in the new system on Wednesday, July 7, 2021.

Visit **www.MechanicsBank.com/SecureAlerts** to learn more.

The "Per Check Charge" defined on your statement represents a $15 charge for each check that exceeds the six check limitation on your account. Refer to Mechanics Bank's Account Agreement for additional information.

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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET		$242,993.69

PUBLIC MONEY MARKET

Account Summary

Date	Description	Amount
05/29/2021	**Beginning Balance**	**$236,487.59**
	14 Credit(s) This Period	$6,506.10
	0 Debit(s) This Period	$0.00
06/30/2021	**Ending Balance**	**$242,993.69**

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.04%
Interest Days	33
Interest Earned	$8.68
Interest Paid This Period	$8.68
Interest Paid Year-to-Date	$51.78

Electronic Credits

Date	Description	Amount
06/01/2021	Transfer from GF to MM	$824.81
06/07/2021	Transfer from GF to MM	$1,076.13
06/08/2021	Transfer from GF To MM	$868.29
06/09/2021	Transfer from GF to MM	$574.97

Balance 7/20/2021

Member FDIC
EQUAL HOUSING LENDER

Kings River East GS Agency

Mechanics Bank General Fund, Period Ending 06/30/2021

RECONCILIATION REPORT

Reconciled on: 07/20/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	17,625.90
Service charge	-53.68
Checks and payments cleared (16)	-21,061.19
Deposits and other credits cleared (16)	6,089.63
Statement ending balance	2,600.66
Register balance as of 06/30/2021	2,600.66
Cleared transactions after 06/30/2021	0.00
Uncleared transactions after 06/30/2021	-2,789.93
Register balance as of 07/20/2021	-189.27

Details

Checks and payments cleared (16)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/20/2021	Bill Payment	10124	4Creeks, Inc.	-185.00
05/20/2021	Bill Payment	10125	Provost & Prichard Engineering	-14,163.62
06/01/2021	Transfer			-824.81
06/07/2021	Transfer			-1,076.13
06/08/2021	Transfer			-868.29
06/09/2021	Transfer			-574.97
06/10/2021	Transfer			-527.10
06/11/2021	Transfer			-38.90
06/14/2021	Transfer			-400.32
06/15/2021	Transfer			-350.96
06/17/2021	Transfer			-81.88
06/18/2021	Transfer			-142.31
06/22/2021	Transfer			-618.34
06/28/2021	Transfer			-285.47
06/29/2021	Transfer			-707.94
06/30/2021	Transfer			-215.15
Total				-21,061.19

Deposits and other credits cleared (16)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/04/2021	Receive Payment	7429		324.72
06/04/2021	Receive Payment	1044		124.99
06/04/2021	Receive Payment	5376		67.08
06/04/2021	Receive Payment	7429		248.67
06/04/2021	Receive Payment	1206		222.98
06/04/2021	Receive Payment	3057		87.69
06/07/2021	Receive Payment	3124		194.37
06/07/2021	Receive Payment	2414		297.76
06/07/2021	Receive Payment	6955		155.76
06/07/2021	Receive Payment	5712		267.93
06/08/2021	Receive Payment	5262		289.11
06/08/2021	Receive Payment	5261		193.41
06/08/2021	Receive Payment	2013		92.45
06/09/2021	Receive Payment	1020		228.89
06/09/2021	Receive Payment	77221		298.21
06/30/2021	Transfer			2,995.61

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Statement Ending 06/30/2021

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Your current online banking alerts will expire on Tuesday, July 6, 2021.
You must recreate your online banking alerts in the new system on Wednesday, July 7, 2021.

Visit **www.MechanicsBank.com/SecureAlerts** to learn more.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING		$2,600.66

PUBLIC CHECKING

Account Summary

Date	Description	Amount
05/29/2021	**Beginning Balance**	**$17,625.90**
	16 Credit(s) This Period	$5,874.48
	16 Debit(s) This Period	$20,899.72
06/30/2021	**Ending Balance**	**$2,600.66**

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Deposits

Date	Description	Amount
06/11/2021	Mobile Deposit	$203.50
06/30/2021	DEPOSIT	$18.10

Electronic Credits

Date	Description	Amount
06/04/2021	Remote Deposit	$1,076.13
06/07/2021	Remote Deposit	$915.82
06/08/2021	Remote Deposit	$574.97
06/09/2021	Remote Deposit	$527.10

Member FDIC
EQUAL HOUSING LENDER

Kings River East GS Agency

Balance Sheet

As of July 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
LAIF	272,028.11
Mechanics Bank General Fund	4,707.80
Mechanics Bank Money Market	245,791.67
Total Bank Accounts	**$522,527.58**
Accounts Receivable	
Accounts Receivable (A/R)	52,281.12
Total Accounts Receivable	**$52,281.12**
Other Current Assets	
Allowance for Bad Debts	-37,076.00
Grant Receivable	21,428.59
Interest Receivable	0.00
Total Other Current Assets	**$-15,647.41**
Total Current Assets	**$559,161.29**
TOTAL ASSETS	**$559,161.29**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	16,665.91
Total Accounts Payable	**$16,665.91**
Other Current Liabilities	
Deferred Revenue	0.00
Other Payables	0.00
Total Other Current Liabilities	**$0.00**
Total Current Liabilities	**$16,665.91**
Total Liabilities	**$16,665.91**
Equity	
Retained Earnings	624,508.89
Net Income	-82,013.51
Total Equity	**$542,495.38**
TOTAL LIABILITIES AND EQUITY	**$559,161.29**

Kings River East GS Agency

Profit and Loss

October 2020 - July 2021

	TOTAL
Income	
GSA Prop 26 Fee	-841.60
Interest Income	1,593.30
Late Fee	-1.38
Total Income	**$750.32**
GROSS PROFIT	$750.32
Expenses	
Administrative	
Administrative Services	10,739.10
Material	431.41
Mileage	35.28
Postage	212.05
Total Administrative Services	**11,417.84**
Audit Fee	4,135.00
Bank Charges	118.51
Engineering Services	57,459.28
Insurance	1,688.00
Legal	3,280.20
Total Administrative	**78,098.83**
Dues	3,260.00
Dues & subscriptions	185.00
Grants/Outreach	
Grower/Landowner Outreach	1,220.00
Total Grants/Outreach	**1,220.00**
Total Expenses	**$82,763.83**
NET OPERATING INCOME	$-82,013.51
NET INCOME	$-82,013.51

Kings River East GS Agency

Statement of Cash Flows

October 2020 - July 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-82,013.51
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	16,926.87
Accounts Payable (A/P)	9,174.80
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**26,101.67**
Net cash provided by operating activities	**$ -55,911.84**
INVESTING ACTIVITIES	
Interest Receivable	574.42
Net cash provided by investing activities	**$574.42**
NET CASH INCREASE FOR PERIOD	**$ -55,337.42**
Cash at beginning of period	577,865.00
CASH AT END OF PERIOD	**$522,527.58**

Kings River East GS Agency

Mechanics Bank General Fund, Period Ending 07/31/2021

RECONCILIATION REPORT

Reconciled on: 08/13/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	2,600.66
Service charge	-59.83
Checks and payments cleared (7)	-2,789.93
Deposits and other credits cleared (14)	4,956.90
Statement ending balance	4,707.80
Register balance as of 07/31/2021	4,707.80
Cleared transactions after 07/31/2021	0.00
Uncleared transactions after 07/31/2021	-2,129.78
Register balance as of 08/13/2021	2,578.02

Details

Checks and payments cleared (7)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/01/2021	Transfer			-100.66
07/02/2021	Transfer			-96.43
07/06/2021	Transfer			-425.42
07/08/2021	Transfer			-233.49
07/09/2021	Transfer			-781.61
07/13/2021	Transfer			-148.50
07/20/2021	Transfer			-1,003.82
Total				-2,789.93

Deposits and other credits cleared (14)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/20/2021	Receive Payment	CASH		78.51
07/20/2021	Receive Payment	CASH		15.70
07/22/2021	Receive Payment	282		105.48
07/23/2021	Receive Payment	5770		242.58
07/23/2021	Receive Payment	10536		115.23
07/23/2021	Receive Payment	10537		95.82
07/23/2021	Receive Payment	10535		471.65
07/26/2021	Receive Payment	CASH		36.70
07/26/2021	Receive Payment	1165		64.61
07/27/2021	Receive Payment	CASH		81.66
07/29/2021	Receive Payment	1108		771.75
07/30/2021	Receive Payment	cash		128.11
07/31/2021	Transfer			2,533.95
07/31/2021	Transfer			215.15
Total				4,956.90

Additional Information

Uncleared checks and payments after 07/31/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/03/2021	Transfer			-3,230.13
08/13/2021	Transfer			-1,278.69
Total				-4,508.82

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Statement Ending 07/30/2021

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Balance 8/13/2021

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING		$4,707.80

PUBLIC CHECKING

Account Summary

Date	Description	Amount
07/01/2021	**Beginning Balance**	**$2,600.66**
	16 Credit(s) This Period	$4,956.90
	8 Debit(s) This Period	$2,849.76
07/30/2021	**Ending Balance**	**$4,707.80**

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Alta Irrigation District

Deposits

Date	Description	Amount
07/02/2021	DEPOSIT	$125.19
07/02/2021	DEPOSIT	$215.15
07/23/2021	DEPOSIT	$94.21
07/30/2021	DEPOSIT	$36.70
07/30/2021	DEPOSIT	$81.66
07/30/2021	DEPOSIT	$128.11

Electronic Credits

Date	Description	Amount
07/01/2021	Remote Deposit	$96.43
07/02/2021	Remote Deposit	$85.08
07/07/2021	Remote Deposit	$233.49
07/08/2021	Remote Deposit	$781.61
07/12/2021	Remote Deposit	$208.33
07/19/2021	Remote Deposit	$1,003.82
07/22/2021	Remote Deposit	$105.48
07/23/2021	Remote Deposit	$925.28
07/26/2021	Remote Deposit	$64.61
07/29/2021	Remote Deposit	$771.75

Electronic Debits

Date	Description	Amount
07/01/2021	Transfer from GF to MM	$100.66
07/02/2021	Transfer from GF to MM	$96.43
07/06/2021	Transfer from GF to MM	$425.42
07/08/2021	Transfer from GF to MM	$233.49

Member FDIC
EQUAL HOUSING LENDER

Kings River East GS Agency

Mechanics Bank Money Market, Period Ending 07/31/2021

RECONCILIATION REPORT

Reconciled on: 08/13/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	242,993.69
Interest earned	8.05
Checks and payments cleared (2)	-2,749.10
Deposits and other credits cleared (33)	5,539.03
Statement ending balance	245,791.67
Register balance as of 07/31/2021	245,791.67
Cleared transactions after 07/31/2021	0.00
Uncleared transactions after 07/31/2021	4,508.82
Register balance as of 08/13/2021	250,300.49

Details

Checks and payments cleared (2)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/31/2021	Transfer			-215.15
07/31/2021	Transfer			-2,533.95
Total				-2,749.10

Deposits and other credits cleared (33)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/30/2021	Transfer			215.15
07/01/2021	Receive Payment	CASH		125.19
07/01/2021	Receive Payment	0019968923		87.82
07/01/2021	Transfer			100.66
07/01/2021	Receive Payment	1532		8.61
07/02/2021	Receive Payment	425		85.08
07/02/2021	Transfer			96.43
07/06/2021	Transfer			425.42
07/07/2021	Receive Payment	473		49.41
07/07/2021	Receive Payment	3250		184.08
07/08/2021	Receive Payment	3057		73.83
07/08/2021	Receive Payment	1203		146.12
07/08/2021	Receive Payment	1100		90.30
07/08/2021	Receive Payment	1100		22.88
07/08/2021	Receive Payment	1100		68.43
07/08/2021	Receive Payment	0180		61.32
07/08/2021	Receive Payment	0180		40.60
07/08/2021	Receive Payment	2421		110.86
07/08/2021	Receive Payment	11502		75.15
07/08/2021	Transfer			233.49
07/08/2021	Receive Payment	1100		92.12
07/09/2021	Transfer			781.61
07/12/2021	Receive Payment	8188		83.64
07/12/2021	Receive Payment	2803		19.86
07/12/2021	Receive Payment	1981		104.83
07/13/2021	Transfer			148.50
07/19/2021	Receive Payment	10314		31.80
07/19/2021	Receive Payment	10225		201.70
07/19/2021	Receive Payment	317		31.63
07/19/2021	Receive Payment	914		40.30
07/19/2021	Receive Payment	6788		36.04

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Statement Ending 07/30/2021

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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET		$245,791.67

PUBLIC MONEY MARKET

Account Summary

Date	Description	Amount
07/01/2021	**Beginning Balance**	**$242,993.69**
	8 Credit(s) This Period	$2,797.98
	0 Debit(s) This Period	$0.00
07/30/2021	**Ending Balance**	**$245,791.67**

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.04%
Interest Days	30
Interest Earned	$8.05
Interest Paid This Period	$8.05
Interest Paid Year-to-Date	$59.83

All Balance 8/13/2021 MC

Electronic Credits

Date	Description	Amount
07/01/2021	Transfer from GF to MM	$100.66
07/02/2021	Transfer from GF to MM	$96.43
07/06/2021	Transfer from GF to MM	$425.42
07/08/2021	Transfer from GF to MM	$233.49
07/09/2021	Transfer from GF to MM	$781.61
07/13/2021	Transfer from GF to MM	$148.50
07/20/2021	Transfer from GF to MM	$1,003.82

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Other Credits

Date	Description	Amount
07/30/2021	INTEREST	$8.05

8/13/2021 MC

Daily Balances

Date	Amount	Date	Amount	Date	Amount
07/01/2021	$243,094.35	07/08/2021	$243,849.69	07/20/2021	$245,783.62
07/02/2021	$243,190.78	07/09/2021	$244,631.30	07/30/2021	$245,791.67
07/06/2021	$243,616.20	07/13/2021	$244,779.80		

Member FDIC
EQUAL HOUSING LENDER

Kings River East GS Agency

LAIF, Period Ending 07/31/2021

RECONCILIATION REPORT

Reconciled on: 08/13/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	271,806.19
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (1)	221.92
Statement ending balance	272,028.11
Register balance as of 07/31/2021	272,028.11

Details

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/15/2021	Deposit			221.92
Total				221.92

California State Treasurer
Fiona Ma, CPA

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

August 03, 2021

LAIF Home
PMIA Average Monthly Yields

KINGS RIVER EAST GROUNDWATER
SUSTAINABILITY AGENCY
TREASURER
289 NORTH L STREET
DINUBA, CA 93618

Tran Type Definitions

Account Number:

July 2021 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/15/2021	7/14/2021	QRD	1680495	N/A	SYSTEM	221.92

Account Summary

Total Deposit:	221.92	Beginning Balance:	271,806.19
Total Withdrawal:	0.00	Ending Balance:	272,028.11

OK Balance 8/13/2021

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Alta Irrigation District

Kings River East GS Agency

Balance Sheet

As of August 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
LAIF	272,028.11
Mechanics Bank General Fund	2,500.00
Mechanics Bank Money Market	250,511.22
Total Bank Accounts	**$525,039.33**
Accounts Receivable	
Accounts Receivable (A/R)	49,727.02
Total Accounts Receivable	**$49,727.02**
Other Current Assets	
Allowance for Bad Debts	-37,076.00
Grant Receivable	21,428.59
Interest Receivable	0.00
Total Other Current Assets	**$-15,647.41**
Total Current Assets	**$559,118.94**
TOTAL ASSETS	**$559,118.94**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	19,074.03
Total Accounts Payable	**$19,074.03**
Other Current Liabilities	
Deferred Revenue	0.00
Other Payables	0.00
Total Other Current Liabilities	**$0.00**
Total Current Liabilities	**$19,074.03**
Total Liabilities	**$19,074.03**
Equity	
Retained Earnings	624,508.89
Net Income	-84,463.98
Total Equity	**$540,044.91**
TOTAL LIABILITIES AND EQUITY	**$559,118.94**

Kings River East GS Agency

Profit and Loss

October 2020 - August 2021

	TOTAL
Income	
GSA Prop 26 Fee	-834.54
Interest Income	1,602.05
Late Fee	-1.38
Total Income	**$766.13**
GROSS PROFIT	$766.13
Expenses	
Administrative	
Administrative Services	10,888.42
Material	437.23
Mileage	35.28
Postage	212.05
Total Administrative Services	**11,572.98**
Audit Fee	4,135.00
Bank Charges	176.67
Engineering Services	59,655.28
Insurance	1,688.00
Legal	3,337.18
Total Administrative	**80,565.11**
Dues	3,260.00
Dues & subscriptions	185.00
Grants/Outreach	
Grower/Landowner Outreach	1,220.00
Total Grants/Outreach	**1,220.00**
Total Expenses	**$85,230.11**
NET OPERATING INCOME	$ -84,463.98
NET INCOME	$ -84,463.98

Kings River East GS Agency

Statement of Cash Flows

October 2020 - August 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-84,463.98
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	19,480.97
Accounts Payable (A/P)	11,582.92
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**31,063.89**
Net cash provided by operating activities	**$ -53,400.09**
INVESTING ACTIVITIES	
Interest Receivable	574.42
Net cash provided by investing activities	**$574.42**
NET CASH INCREASE FOR PERIOD	**$ -52,825.67**
Cash at beginning of period	577,865.00
CASH AT END OF PERIOD	**$525,039.33**

Kings River East GS Agency

LAIF, Period Ending 08/31/2021

RECONCILIATION REPORT

Reconciled on: 09/10/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	272,028.11
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (0)	0.00
Statement ending balance	272,028.11
Register balance as of 08/31/2021	272,028.11

California State Treasurer
Fiona Ma, CPA

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

September 01, 2021

LAIF Home
PMIA Average Monthly Yields

KINGS RIVER EAST GROUNDWATER
SUSTAINABILITY AGENCY
TREASURER
289 NORTH L STREET
DINUBA, CA 93618

Tran Type Definitions

Account Number:

August 2021 Statement

Balance 9/1/2021

Account Summary

Total Deposit:	0.00	Beginning Balance:	272,028.11
Total Withdrawal:	0.00	Ending Balance:	272,028.11

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Alta Irrigation District

Kings River East GS Agency

Mechanics Bank Money Market, Period Ending 08/31/2021

RECONCILIATION REPORT

Reconciled on: 09/10/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	245,791.67
Interest earned	8.75
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (4)	4,710.80
Statement ending balance	250,511.22
Register balance as of 08/31/2021	250,511.22

Details

Deposits and other credits cleared (4)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/03/2021	Transfer			3,230.13
08/13/2021	Transfer			1,278.69
08/20/2021	Transfer			119.46
08/27/2021	Transfer			82.52
Total				4,710.80

Mechanics Bank®
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Santa Maria, CA 93456-6010
800.797.6324
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289 N L ST
DINUBA CA 93618-2107

Statement Ending 08/31/2021

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The "Per Check Charge" defined on your statement represents a $15 charge for each check that exceeds the six check limitation on your account. Refer to Mechanics Bank's Account Agreement for additional information.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET		$250,511.22

PUBLIC MONEY MARKET-

Account Summary

Date	Description	Amount
07/31/2021	**Beginning Balance**	**$245,791.67**
	5 Credit(s) This Period	$4,719.55
	0 Debit(s) This Period	$0.00
08/31/2021	**Ending Balance**	**$250,511.22**

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.04%
Interest Days	32
Interest Earned	$8.75
Interest Paid This Period	$8.75
Interest Paid Year-to-Date	$68.58

Electronic Credits

Date	Description	Amount
08/03/2021	Transfer from GF to MM	$3,230.13
08/13/2021	Transfer from GF to MM	$1,278.69
08/20/2021	Transfer from GF to MM	$119.46
08/27/2021	Transfer from GF to MM	$82.52

Other Credits

Date	Description	Amount
08/31/2021	INTEREST	$8.75

Daily Balances

Date	Amount	Date	Amount	Date	Amount
08/03/2021	$249,021.80	08/20/2021	$250,419.95	08/31/2021	$250,511.22
08/13/2021	$250,300.49	08/27/2021	$250,502.47		

Member FDIC

Kings River East GS Agency

Mechanics Bank General Fund, Period Ending 08/31/2021

RECONCILIATION REPORT

Reconciled on: 09/10/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	4,707.80
Service charge	-58.16
Checks and payments cleared (4)	-4,710.80
Deposits and other credits cleared (13)	2,561.16
Statement ending balance	2,500.00
Register balance as of 08/31/2021	2,500.00

Details

Checks and payments cleared (4)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/03/2021	Transfer			-3,230.13
08/13/2021	Transfer			-1,278.69
08/20/2021	Transfer			-119.46
08/27/2021	Transfer			-82.52
Total				-4,710.80

Deposits and other credits cleared (13)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
08/02/2021	Receive Payment	153172		548.54
08/02/2021	Receive Payment	969		120.96
08/02/2021	Receive Payment	24697		290.39
08/02/2021	Receive Payment	24697		62.44
08/09/2021	Receive Payment	8434		367.04
08/09/2021	Receive Payment	42599		154.17
08/09/2021	Receive Payment	42599		88.11
08/09/2021	Receive Payment	2157		646.86
08/12/2021	Receive Payment	3384		80.67
08/13/2021	Receive Payment	27636		19.86
08/16/2021	Receive Payment	251853		81.56
08/18/2021	Receive Payment	1017		18.04
08/20/2021	Receive Payment	0036053052		82.52
Total				2,561.16

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Statement Ending 08/31/2021

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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING		$2,500.00

PUBLIC CHECKING

Account Summary

Date	Description	Amount
07/31/2021	**Beginning Balance**	**$4,707.80**
	7 Credit(s) This Period	$2,561.16
	5 Debit(s) This Period	$4,768.96
08/31/2021	**Ending Balance**	**$2,500.00**

Electronic Credits

Date	Description	Amount
08/02/2021	Remote Deposit	$1,022.33
08/09/2021	Remote Deposit	$1,256.18
08/12/2021	Remote Deposit	$80.67
08/13/2021	Remote Deposit	$19.86
08/16/2021	Remote Deposit	$81.56
08/18/2021	Remote Deposit	$18.04
08/20/2021	Remote Deposit	$82.52

Electronic Debits

Date	Description	Amount
08/03/2021	Transfer from GF to MM	$3,230.13
08/13/2021	Transfer from GF to MM	$1,278.69
08/20/2021	Transfer from GF to MM	$119.46
08/27/2021	Transfer from GF to MM	$82.52

Other Debits

Date	Description	Amount
08/10/2021	Analysis Charges July 2021	$58.16

Daily Balances

Date	Amount	Date	Amount	Date	Amount
08/02/2021	$5,730.13	08/10/2021	$3,698.02	08/16/2021	$2,601.42
08/03/2021	$2,500.00	08/12/2021	$3,778.69	08/18/2021	$2,619.46
08/09/2021	$3,756.18	08/13/2021	$2,519.86	08/20/2021	$2,582.52

Member FDIC
EQUAL HOUSING LENDER

Kings River East GS Agency

Balance Sheet

As of September 30, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
LAIF	272,028.11
Mechanics Bank General Fund	2,500.00
Mechanics Bank Money Market	234,078.07
Total Bank Accounts	**$508,606.18**
Accounts Receivable	
Accounts Receivable (A/R)	46,189.08
Total Accounts Receivable	**$46,189.08**
Other Current Assets	
Allowance for Bad Debts	-46,143.89
Grant Receivable	24,469.59
Interest Receivable	165.65
Total Other Current Assets	**$-21,508.65**
Total Current Assets	**$533,286.61**
TOTAL ASSETS	**$533,286.61**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	1,462.41
Total Accounts Payable	**$1,462.41**
Other Current Liabilities	
Accrued Payables	38.32
Deferred Revenue	0.00
Other Payables	0.00
Total Other Current Liabilities	**$38.32**
Total Current Liabilities	**$1,500.73**
Total Liabilities	**$1,500.73**
Equity	
Retained Earnings	624,508.89
Net Income	-92,723.01
Total Equity	**$531,785.88**
TOTAL LIABILITIES AND EQUITY	**$533,286.61**

Kings River East GS Agency

Profit and Loss

October 2020 - September 2021

	TOTAL
Income	
Grant Income	3,041.00
GSA Prop 26 Fee	-834.54
Interest Income	1,775.64
Late Fee	-1.38
Total Income	**$3,980.72**
GROSS PROFIT	**$3,980.72**
Expenses	
Administrative	
Administrative Services	11,063.87
Material	444.07
Mileage	35.28
Postage	214.17
Total Administrative Services	**11,757.39**
Audit Fee	4,135.00
Bank Charges	259.99
Engineering Services	60,933.28
Insurance	1,688.00
Legal	3,337.18
Total Administrative	**82,110.84**
Bad Debts Allowance	9,067.89
Dues	3,260.00
Dues & subscriptions	1,045.00
Grants/Outreach	
Grower/Landowner Outreach	1,220.00
Total Grants/Outreach	**1,220.00**
Total Expenses	**$96,703.73**
NET OPERATING INCOME	**$-92,723.01**
NET INCOME	**$-92,723.01**

Kings River East GS Agency

Statement of Cash Flows

October 2020 - September 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	-92,723.01
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	23,018.91
Allowance for Bad Debts	9,067.89
Grant Receivable	-3,041.00
Accounts Payable (A/P)	-6,028.70
Accrued Payables	38.32
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**23,055.42**
Net cash provided by operating activities	**$ -69,667.59**
INVESTING ACTIVITIES	
Interest Receivable	408.77
Net cash provided by investing activities	**$408.77**
NET CASH INCREASE FOR PERIOD	**$ -69,258.82**
Cash at beginning of period	577,865.00
CASH AT END OF PERIOD	**$508,606.18**

Kings River East GS Agency

LAIF, Period Ending 09/30/2021

RECONCILIATION REPORT

Reconciled on: 10/13/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	272,028.11
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (0)	0.00
Statement ending balance	272,028.11
Register balance as of 09/30/2021	272,028.11

California State Treasurer
Fiona Ma, CPA

Local Agency Investment Fund
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Sacramento, CA 94209-0001
(916) 653-3001

October 01, 2021

LAIF Home
PMIA Average Monthly Yields

KINGS RIVER EAST GROUNDWATER
SUSTAINABILITY AGENCY
TREASURER
289 NORTH L STREET
DINUBA, CA 93618

Tran Type Definitions

Account Number:

September 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	272,028.11
Total Withdrawal:	0.00	Ending Balance:	272,028.11

Ole reconciled 10/13/2021

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Alta Irrigation District

Kings River East GS Agency

Mechanics Bank Money Market, Period Ending 09/30/2021

RECONCILIATION REPORT

Reconciled on: 10/13/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	250,511.22
Interest earned	7.94
Checks and payments cleared (1)	-19,788.59
Deposits and other credits cleared (1)	3,347.50
Statement ending balance	234,078.07
Register balance as of 09/30/2021	234,078.07

Details

Checks and payments cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/16/2021	Transfer			-19,788.59
Total				-19,788.59

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/23/2021	Transfer			3,347.50
Total				3,347.50

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Statement Ending 09/30/2021

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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET		$234,078.07

PUBLIC MONEY MARKET-

Account Summary

Date	Description	Amount
09/01/2021	**Beginning Balance**	**$250,511.22**
	2 Credit(s) This Period	$3,355.44
	1 Debit(s) This Period	$19,788.59
09/30/2021	**Ending Balance**	**$234,078.07**

Interest Summary

Description	Amount
Annual Percentage Yield Earned	0.04%
Interest Days	30
Interest Earned	$7.94
Interest Paid This Period	$7.94
Interest Paid Year-to-Date	$76.52

Electronic Credits

Date	Description	Amount
09/23/2021	Transfer from GF to MM	$3,347.50

Other Credits

Date	Description	Amount
09/30/2021	INTEREST	$7.94

Electronic Debits

Date	Description	Amount
09/16/2021	Transfer from MM to GF	$19,788.59

Daily Balances

Date	Amount	Date	Amount	Date	Amount
09/16/2021	$230,722.63	09/23/2021	$234,070.13	09/30/2021	$234,078.07

Member FDIC
EQUAL HOUSING LENDER

Kings River East GS Agency

Mechanics Bank General Fund, Period Ending 09/30/2021

RECONCILIATION REPORT

Reconciled on: 10/13/2021

Reconciled by: Marc Limas

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	2,500.00
Service charge	-45.00
Checks and payments cleared (5)	-22,061.53
Deposits and other credits cleared (3)	23,326.53
Statement ending balance	3,720.00
Uncleared transactions as of 09/30/2021	-1,220.00
Register balance as of 09/30/2021	2,500.00
Cleared transactions after 09/30/2021	0.00
Uncleared transactions after 09/30/2021	2,782.09
Register balance as of 10/13/2021	5,282.09

Details

Checks and payments cleared (5)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/10/2021	Bill Payment	10127	Alta Irrigation District	-4,960.29
09/10/2021	Bill Payment	10131	Baker Manock & Jensen, PC	-512.98
09/10/2021	Bill Payment	10130	Provost & Prichard Engineering	-12,380.76
09/10/2021	Bill Payment	10129	Cardmember Service	-860.00
09/23/2021	Transfer			-3,347.50
Total				-22,061.53

Deposits and other credits cleared (3)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/13/2021	Receive Payment	01043		190.44
09/16/2021	Transfer			19,788.59
09/20/2021	Receive Payment	3384444		3,347.50
Total				23,326.53

Additional Information

Uncleared checks and payments as of 09/30/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
09/10/2021	Bill Payment	10128	Kings River Conservation Dist...	-1,220.00
Total				-1,220.00

Uncleared deposits and other credits after 09/30/2021

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
10/08/2021	Deposit			2,736.90
10/12/2021	Receive Payment	2326		45.19
Total				2,782.09

Mechanics Bank
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KINGS RIVER EAST GRNDWATER SUST AGENCY
289 N L ST
DINUBA CA 93618-2107

Statement Ending 09/30/2021

Managing Your Accounts

Client Services	800.797.6324
Online	www.mechanicsbank.com
Mobile	Download Our Mobile Apps

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING		$3,720.00

PUBLIC CHECKING-

Account Summary

Date	Description	Amount
09/01/2021	**Beginning Balance**	**$2,500.00**
	3 Credit(s) This Period	$23,326.53
	6 Debit(s) This Period	$22,106.53
09/30/2021	**Ending Balance**	**$3,720.00**

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Kings River East Dist

Electronic Credits

Date	Description	Amount
09/13/2021	Remote Deposit	$190.44
09/16/2021	Transfer from MM to GF	$19,788.59
09/20/2021	Remote Deposit	$3,347.50

Electronic Debits

Date	Description	Amount
09/23/2021	Transfer from GF to MM	$3,347.50

Other Debits

Date	Description	Amount
09/10/2021	Analysis Charges August 2021	$45.00

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
10127	09/20/2021	$4,960.29	10130	09/27/2021	$12,380.76
10129*	09/23/2021	$860.00	10131	09/21/2021	$512.98

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
09/10/2021	$2,455.00	09/20/2021	$20,821.24	09/27/2021	$3,720.00
09/13/2021	$2,645.44	09/21/2021	$20,308.26		
09/16/2021	$22,434.03	09/23/2021	$16,100.76		

Member FDIC
EQUAL HOUSING LENDER

Insert 8.3

KINGS RIVER EAST
GROUNDWATER SUSTAINABILITY AGENCY

PROPOSAL TO PROVIDE
INDEPENDENT AUDIT

September 30, 2021
And Option for Two Additional Years

KINGS RIVER EAST GROUNDWATER SUSTAINABILITY AGENCY

PROPOSAL TO PROVIDE INDEPENDENT AUDIT

September 30, 2021
And Option for Two Additional Years

Cuttone & Mastro Certified Public Accountants
7543 N. Ingram Ave., Ste. 102
Fresno, CA 93711
(559) 261-4300

Person To Contact:

Michael B. Cuttone

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C&M CUTTONE & MASTRO
CERTIFIED PUBLIC ACCOUNTANTS

September 8, 2021

Kings River East Groundwater Sustainability Agency
P.O. Box 695
Dinuba, CA 93618

We are pleased to submit our proposal to provide an independent audit and other services to the Kings River East Groundwater Sustainability Agency (the Agency) for the period October 1, 2020 through September 30, 2021 and an option for two additional years.

Our understanding of the primary services you are requesting, as described in detail in the Engagement Scope and Approach to the Audit Section of this proposal, is as follows:

- Independent financial audit for the Agency in accordance with generally accepted auditing standards and Government Auditing Standards (yellow book).
- A management letter, if applicable, outlining non-material audit findings and recommendations affecting the financial statements, internal controls and accounting systems.
- Preparation of the Special Districts Financial Transactions Report.
- Cuttone & Mastro CPA's services many professional organizations similar to yours and we recognize the ongoing need for management to be in the continual process of planning and revising goals and objectives. We also recognize that organizations have consulting needs which go beyond the basic review of financial statements. We would be available on a formal or informal basis to discuss management strategies or just to plain bounce ideas around.

Our proposal is based on our many years of experience as the auditor of entities similar to the Agency. With this experience comes a thorough understanding of the requirements of the engagement. This understanding of the engagement requirements allows us to propose a highly accurate forecast of the amount of time to complete the work.

7543 North Ingram, Suite 102
Fresno, California 93711
phone 559-261-4300
fax 559-261-4301

Cuttone & Mastro CPA's is extremely conscious of the need to control professional fees and will cooperate fully to minimize fees, consistent with maintaining professional standards. We have developed a budget for the engagement which we believe is realistic and achievable. Our estimated fee of $4,715 reflects careful consideration of all requirements and a commitment to the engagement. We anticipate a fee increase for the audits of the years ending September 30, 2022 and 2023 unless the activity of the Agency changes substantially. The estimated fees for those periods are $4,850 and $4,990 respectively.

We are confident that you will find Cuttone & Mastro CPA's to be the a qualified firm from the perspective of our extensive experience with the audits of entities similar to the Agency. With this experience comes a thorough understanding of the requirements of the engagement.

If you have any additional questions or require additional information, please contact Michael Cuttone at 7543 N. Ingram Ave., Ste. 102 Fresno, CA 93711, (559) 261-4300. As a partner, I am authorized to legally bind and make representations on behalf of Cuttone & Mastro CPA's.

Very truly yours,

Michael B. Cuttone

Michael B. Cuttone
of Cuttone & Mastro CPA's

ENGAGEMENT SCOPE AND APPROACH TO THE AUDIT

ENGAGEMENT SCOPE

We understand that the services required will consist of but not necessarily be limited to the following:

Financial Audit

We will conduct a financial audit and the issuance of our professional opinion on the financial statements of the Agency for the period October 1, 2020 through September 30, 2021.

The objective of our audit will be the expression of an opinion on the fairness of the Agency's financial statements in conformity with generally accepted accounting principles.

We expect that it will be our opinion that the financial statements were prepared in accordance with generally accepted accounting principles. If for some reason our opinions were to be other than unqualified, the reasons therefore will be fully discussed with appropriate officials at the earliest possible date. We believe that timely communication throughout the audit is absolutely essential.

Our audit will be conducted in accordance with generally accepted auditing standards. 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 includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As part of our audit we will obtain an understanding of (a) the design of the relevant policies and procedures of the Agency's control environment, accounting system, and control procedures and (b) whether the policies and procedures have been placed in operation. The understanding will be sufficient to consider the types of potential misstatements and to design effective substantive tests.

Annual Report of Financial Transactions of Special Districts

We will also compile the Annual Report of Financial Transactions of Special Districts of the Agency. The compensation for these services have been calculated in the proposed fee.

Management Letter

Auditing pronouncements require the auditor to report certain conditions relating to an entity's internal control structure that they have identified during the audit. Those conditions are referred to as significant deficiencies in the design or operation of the internal control structure that could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

We believe that management letters may be a fundamental and useful product of our professional services. From the very beginning, our approach will be to view the Agency from business person's perspective, and to develop management advice which will help the Agency to carry out the financial aspects of their varied operations. Our letter will deal with recommendations for improvements in the areas of financial management, accounting procedures, and internal controls.

Producing useful management letters starts at the beginning of the audit during the planning phase. At this early stage, while designing our detailed approach to the engagement, we emphasize that the highest priority must be given to developing meaningful, informative, and imaginative ideas for improving the Agency's operations.

Our audit process provides a highly effective methodology for identifying meaningful recommendations from the planning stage onward. In the first phase of our work, we perform detailed reviews in order to understand fully the workings of the Agency and its' systems. We will concentrate on understanding the Agency from your own point of view. Only in this way can we highlight those issues that are important.

Our recommendations will be discussed thoroughly with the people involved. This approach has the benefit of eliminating "surprises"; but more importantly, it has the following positive advantages:

- The proper levels of management are involved.
- It ensures our recommendations are pertinent, realistic, and based on a correct understanding of the facts.
- It facilitates acceptance of change resulting in quick, often easy, implementation of ideas, benefiting the organization immediately.

APPROACH TO THE AUDIT

Our audit engagement approach has been developed from our many years of experience in providing audit and consulting services to governments and non-profit entities. Our basic approach stresses efficiency and timeliness and, therefore, places heavy emphasis on early planning, communication and coordination of our work with client personnel. This section of the proposal provides the broad details of the engagement approach we plan to employ to effectively carry out our responsibilities to the Agency.

As mentioned before, our approach to the audit portion of the engagement stresses early resolution of audit, accounting and financial reporting problems and questions. Much of our preliminary audit work will deal with seeking out and resolving potential problems before year-end. In this manner, we can render more effective client service, and are better able to focus our attention on critical audit areas and avoid needless time and effort in inconsequential areas. The following is a discussion of our basic approach to the audit.

Our approach to the audit of the Agency will be divided into the following four phases:

Phase I - Planning and documentation of the accounting systems

Phase II - Systems evaluation

Phase III - Testing

Phase IV - Reporting

These phases are discussed in detail below:

Phase I - Planning and Documentation of the Accounting Systems

The planning phase will lay the foundation for the direction of the audit. We will need to perform the following steps:

- Expand our understanding of the Agency and its' operating environment - The audit will begin by obtaining an understanding of the Agency and the conditions under which it is presently operating. We will do this by reviewing applicable background information.

- Develop a more in-depth understanding of areas of concern - Through our knowledge of the Agency, we will identify areas which might have a significant impact on timing and completion of the audit or that may be of special concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" that may impede our progress and to develop our audit approach so that the audit can be completed with a minimum amount of disruption.

Phase II - Systems Evaluation

At this point, we will move into the systems evaluation phase of the audit. The broad steps included in this phase are as follows:

- Obtain an understanding of each transaction cycle and audit area - This evaluation enables us to obtain a better understanding of the various transaction cycles and how they relate to each other. We will identify the critical points in the flow of financial information.

- Identify internal control strengths and weaknesses - We will identify the strengths and weaknesses in each of the transaction cycles that have a bearing on the audit objectives. This identification of internal control strengths and weaknesses will enable the audit team to determine the emphasis to be placed on audit testing. It will also serve as a basis for the development of conclusions and recommendations regarding weaknesses in the systems of internal accounting control and opportunities for improving efficiency and effectiveness.

- Develop tailored audit programs - Our engagement service team will develop tailored audit programs based upon the identification of internal control strengths. Our audit programs will include internal control tests, where appropriate, for determining whether the controls are properly functioning. Substantive tests for account balances will be modified, if necessary, once the results of the internal control tests are evaluated.

- Conduct analytical reviews - At this point, the audit team will use analytical review techniques to identify other areas which might require attention.

- Identify major areas of audit concern and define the major audit objectives - Based on our understanding of the Agency's operating environment, our analytical review and other planning procedures, we will highlight areas to be emphasized during the audit. We will then start to define the objectives for the audit, concentrating on the identified areas of audit concern and areas we know are important to the Agency's officials.

- Discuss and agree upon financial statement formats - We will work with the Agency to develop quality, meaningful general purpose financial statements and footnotes. We would also identify the types of information that should be set forth in footnotes to the financial statements and any additional requirements that are emerging because of recent or pending authoritative pronouncements.

Phase III - Testing

The third phase of our audit will be the testing or traditional fieldwork phase.

- Substantive testing - The purpose of the substantive tests will be to provide reasonable assurance of the validity of the information produced by the accounting system.

In developing our testing approach, we will arrange for obtaining from the Agency's personnel internal analyses, supporting documents and the like. We will submit to you a detailed list of schedules and documentation that will be required by us prior to the start of fieldwork.

Phase IV - Reporting

The last phase of our audit cycle is, of course, the reporting phase. Because of our emphasis on early problem resolution in the planning phase of the examination and extensive interim test work, our final audit fieldwork will be mainly concerned with reviewing the fair presentation of the final numbers that will appear in the annual financial reports.

We will work closely with the Agency's personnel as we prepare the annual financial statements. Prior to the engagement partner's signing of the auditor's report, the technical resource consultant will "cold" review the draft financial statements and other documents in order to evaluate the professional excellence of the examination. He will then give his concurrence as to the propriety of the auditor's report.

The following is a preliminary timetable of audit procedures, divided according to each significant segment of the engagement.

Segment	Staff Member	Staff Level	Estimated Hours
Planning:			
	Michael B. Cuttone	Partner	3
	To Be Determined	Staff	1
			4
Documentation of the Accounting System:			
	To Be Determined	Staff	Staff 1.5
Substantive Tests:			
	Michael B. Cuttone	Partner	3
	To Be Determined	Staff	Staff 4.5
			7.5
Financial Statements and Reports:			
	Michael B. Cuttone	Partner	2
	To Be Named	Staff	4.5
	Joseph P. Mastro	Technical Review	1
			7.5
	Total Estimated Hours		20.5

Timeline

We will be available to begin the engagement in October 2021 and anticipate the following timeline:

Audit Segment	Estimated Dates
Audit Planning to begin:	October 2021
Field work to begin:	November 2021
Draft Financial Statements and Audit Report:	December 2021
Financial Reports Submitted:	January 2022

QUALIFICATIONS

Clients select accounting firms partly for the range and depth of services offered. They also expect and deserve technical competence, accuracy, promptness and professionalism. At Cuttone & Mastro CPA's these qualities are provided in full measure.

At a time when many public agencies are experiencing increasing demands for services and severe budget constraints, our auditors can bring innovation and creativity to these challenges, while searching for realistic solutions. Our professionals have expertise in a wide variety of private and public settings which has provided us an opportunity to view a wide range of problems and solutions. We are familiar with successful strategies and unsuccessful strategies. Consequently, our clients have found that we often have an edge in solving problems over our competitors. Our management reports contain practical and innovative recommendations.

Experience and References

We believe our broad governmental and non-profit experience is directly relevant to this engagement. The professionals at Cuttone & Mastro CPA's have demonstrated their ability to successfully provide auditing services to governmental and non-profit entities throughout the San Joaquin Valley.

A list of other governmental clients for which auditing services have recently been performed by the audit team is a follows:

- California Date Commission
- California Fig Advisory Board
- California Raisin Marketing Board
- California Risk Management Authority I & II
- Central California Irrigation District
- Clark's Fork Reclamation District
- Columbia Resource Conservation District
- Dudley Ridge Water District
- Eastern Tule Groundwater Sustainability Authority
- Fire Agency Insurance Risk Authority
- Fresno County Fire Protection District
- Friant Water Authority
- Kings River East Groundwater Sustainability Authority
- Kings River Water Association
- Laguna Irrigation District
- Lower Tule River Irrigation District
- McMullin Area Groundwater Sustainability Authority
- Mid-Valley Water District
- North Fork Kings Groundwater Sustainability Authority
- Orange Cove Irrigation District
- Pixley Irrigation District
- Porterville Irrigation District
- Riverdale Irrigation District
- Root Creek Water District
- San Joaquin River Exchange Contractors Groundwater Sustainability Authority
- South Fork Kings Groundwater Sustainability Authority
- South Valley Water Association
- Stinson Water District
- Stone Corral Irrigation District
- Tea Pot Dome Water District
- Terra Bella Irrigation District
- Tri County Water Authority
- Tulare Irrigation District
- Widren Water District

REFERENCES

We encourage you to call the individuals included on the following reference list with regard to the quality of our services.

Dudley Ridge Water District
Rick Besecker, Assessor-Collector-Treasurer
286 W. Cromwell Avenue
Fresno, CA 93711
(559) 449-2700

Kings River Water Association
Steven R. Haugen, Watermaster
4888 East Jensen Avenue
Fresno, CA 93725
(559) 266-0767

Cuttone & Mastro CPA's recognizes that the "driving force" of a professional organization is its people. We believe we recruit the best people, develop them into skilled professionals, challenge them mentally and professionally and motivate and reward them for outstanding client service.

In addition to our personnel policies, we have also developed key client service policies, including:

- Knowledge of the client's industry.
- A client service team which has frequent, regular contact with key personnel form the client organization.
- Effective management of each engagement to achieve the most effective use of firm and client resources to deliver quality service productivity.

Engagement Partner

The head of the engagement team will be Mr. Michael B. Cuttone, CPA. As engagement partner, Mr. Cuttone will bear ultimate responsibility for all services we perform. His duties will include ensuring that proper communication is maintained with your personnel, that your needs are promptly and professionally met and will be responsible for the overall direction of the work performed and review and approval of reports issued.

Technical Resource Consultant

Mr. Joseph P. Mastro will serve as the technical resource consultant. He will be available to your organization as a resource of the firm to provide his expertise and experience. Mr. Mastro will be a valuable member of the engagement team and will assist us during the planning, performance, and final review of the engagement.

Engagement Staff

Cuttone & Mastro CPA's will also commit experience professional staff to assist in successfully completing this engagement. In making these assignments, we recognize the need to assign seasoned professionals with relevant experience to this engagement. Any personnel substitutions by us will be of equally qualified personnel.

Resource Group

In any engagement such as this, the talents and expertise of several individuals not normally associated with the day-to-day work occasionally need to be called upon to effectively meet client needs. Cuttone & Mastro CPA's is dedicated to providing quality client service; accordingly, we commit all of our technical and professional resources to each client. You can be assured that we will bring to bear personnel resources to solve your unique problems.

PROFILE OF CUTTONE & MASTRO CPA'S

Cuttone & Mastro Certified Public Accountants is a local firm that provides financial services to its clients in the areas of taxation, accounting, auditing and management consulting. The firm has extensive experience in handling the financial affairs of a broad range of clients in a variety of business transactions.

Cuttone & Mastro strives to satisfy the financial service needs and requirements of its clients. We pride ourselves in providing professional, timely and consistent services.

It is our belief that a certain closeness must be developed with a client and their business operations in order to provide the type of monthly, quarterly, and annual accounting and auditing services required of any size business. For this reason, we stay in touch with our clients on a regular basis and encourage our professional staff to keep abreast of the constant changes in tax law and the accounting and auditing field through continuing education programs and involvement in professional organizations. We are also active and involved in the community through participation and membership in service, charitable and civic organizations.

There are presently five professional staff including two Certified Public Accountants in the firm duly licensed with the State of California Department of Consumer Affairs. We are also members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

All partners of the firm and its employees meet the independence standards of the Government Auditing Standards and all qualification requirements imposed by state and local law or rules and regulations. Our staff does not have a record of substandard work. Our firm has not been debarred or suspended, nor are we under review for debarment or suspension.

The quality of services the client will receive is dependent upon the abilities and experience of the key individuals assigned to the engagement and the manner in which those individuals focus their abilities on providing the services requested. We believe relevant experience in specialized industry areas is important in servicing our clients. The personnel selected for this engagement will have the background and experience for the assignment and will be committed to devoting the required time and effort to ensure an outstanding performance.

We serve clients in many sectors of the economy, including government, business, and not-for-profit organizations.

The 2018 peer review report of Cuttone & Mastro CPA's accompanies this letter in Appendix B.

CUTTONE & MASTRO & ASSOCIATES OFFERS A WIDE VARIETY OF SERVICES

Our people exhibit professional competence, experience, and academic preparation. The services we provide includes:

ACCOUNTING AND AUDITING

- Compilation and Reviews
- Financial audits
- Compliance audits (including single audits and yellow book audits)
- Agreed-upon procedures
- Bookkeeping
- Internal control reviews

TAX PLANNING:

- Planning for deferral or reduction of income taxes for corporations, partnerships, trusts, estates, individuals and others.
- Estate Planning.

TAX COMPLIANCE:

- Preparation of tax returns.
- Representation before taxing authorities.
- Preparation of quarterly payroll and sales tax reports.

MANAGEMENT ADVISORY SERVICES:

- Development of accounting and internal control systems.
- Budget and forecasting.
- Operational audits.
- Personnel placements.
- Cash management.
- Loan structuring and workouts.
- Litigation support.
- Fraud investigations.

In addition to the accounting and tax services that are generally associated with certified public accounting firms, we have concentrated on providing consulting services to our clients designed to assist them in operating their business in a profitable and efficient manner.

COMPENSATION

Cuttone & Mastro CPA's is extremely conscious of the need to control professional fees and will cooperate fully to minimize fees, consistent with maintaining professional standards. Our estimated fee for performing the requested audit services for the years ending September 30, 2021:

Personnel Classification	Estimated Hours	Rate	Estimated Fees
Engagement Partner	8	$ 300	$ 2,400
Technical Review	1	300	300
Staff	11.5	175	2,015
Totals	20.5		4,715
Out-of-pocket costs			-0-
Total			$ 4,715

The above hours and fees are contingent upon the condition of the accounting records, the schedules and analyses prepared by the Agency's personnel and the availability of the supporting documents.

We will request from the staff certain analysis of general ledger accounts and the preparation of confirmation letters.

If at the commencement of the audit, schedules and workpapers are not in a condition of implementation of all audit procedures, we will discuss with management which party will be responsible for having the workpapers in the proper state. If we are asked to complete workpapers on behalf of the Agency's staff, we will undertake that assignment separate from our audit of the purposes of performing additional services on a fee basis.

A fee schedule that would be used in the event that additional, special work is required is as follows:

Engagement Partner	$ 300
Consultant	300
Senior Accountant	175
Staff	100
Clerical	90

APPENDIX A

RESUMES OF THE PROFESSIONALS

WHO WILL SERVE ON THE ENGAGEMENT TEAM

MICHAEL B. CUTTONE, CPA

Engagement Partner

Michael B. Cuttone, CPA obtained his certification in October 1988 after obtaining his accounting degree from California State University, Fresno in 1986. Mr. Cuttone earned a Master of Science in Accountancy - Taxation Option from California State University, Fresno in 1991.

Mr. Cuttone has two years' experience with the national accounting firm of KPMG Peat Marwick, six additional years' experience with other local accounting firms and twenty seven years' experience as a sole proprietor and partner. He has provided extensive auditing, accounting, and tax services for many non-profit, Cities, Counties, Special Districts and other special organizations throughout the Fresno County region.

Professional memberships include:

* American Institute of Certified Public Accountants
* The California Society of Certified Public Accountants

JOSEPH P. MASTRO, CPA

Engagement Review and Technical Consultant

Joseph P. Mastro, CPA is a graduate of California State University, Fresno, with a bachelor of science degree in business administration, emphasis in accounting.

Mr. Mastro has thirty-six years of experience in serving many governmental and nonprofit agencies of all sizes and types. He has been involved with the audits of governmental and nonprofit organizations in varying capacities.

Besides personally directing many of our significant engagements, his responsibilities within the firm include independent quality reviews of accounting and auditing engagements, coordinating training programs, and serving as a resource available to assist our staff and clients with technical questions. He has been designated by the firm as a specialist in the Government and Non-Profit Industries and in the functional areas of operational auditing and audits of federally assisted programs.

Prior to joining the firm he worked for a large local public accounting firm and as an accountant for a local savings and loan.

Professional memberships include:

* American Institute of Certified Public Accountants
* The California Society of Certified Public Accountants

APPENDIX B

PEER REVIEW REPORT

McGilloway | Ray Brown | Kaufman
ACCOUNTANTS AND CONSULTANTS

2511 Garden Road
Suite A180
Monterey, CA 93940
831-373-3337
Fax 831-373-3437

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

3478 Buskirk Avenue
Suite A1000
Pleasant Hill, CA 94523
831-373-3337
Fax 831-373-3437

Report on the Firm's System of Quality Control

June 20, 2019

To the Partners of Cuttone & Mastro, CPA's and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Cuttone & Mastro. CPA's (the firm) in effect for the year ended December 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Re-view Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards. when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, audits of employee benefit plans, and an examination of a service organization [SOC 1 engagement].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Cuttone & Mastro, CPA's in effect for the year ended December 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Cuttone & Mastro, CPA's has received a peer review rating of *pass*.

McGilloway, Ray, Brown & Kaufman

McGilloway, Ray, Brown & Kaufman

KINGS RIVER EAST
GROUNDWATER SUSTAINABILITY AGENCY

Kings River East Groundwater Sustainability Agency

Proposal to Perform
Professional Auditing Services

September 10, 2021

Submitted by:

HUDSON HENDERSON & COMPANY, INC.
7473 N Ingram Ave Ste 102
Fresno, CA 93711
www.hhccpas.com

Contact:

Kip Hudson, CPA
Partner
Phone: (559) 412-7576
Fax: (559) 493-5325
khudson@hhccpas.com

HUDSON HENDERSON & COMPANY INC.
certified public accountants

HUDSON HENDERSON & COMPANY INC.
certified public accountants

Transmittal Letter

September 10, 2021

Mr. Marc Limas
Fiscal Agent
Kings River East Groundwater Sustainability Agency
289 N. L Street
Dinuba, CA 93618

Dear Mr. Limas:

Hudson Henderson & Company, Inc. (HHC) is pleased to have the opportunity to respond to your request for a proposal to provide annual professional auditing services and to submit its qualifications to the Kings River East Groundwater Sustainability Agency (the Agency) for the fiscal year ending September 30, 2021, with the option for two additional fiscal years. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the Agency in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, *Governmental Accounting Standard Board (GASB) Pronouncements,* all other applicable federal, state, local or programmatic audit requirements, and if applicable, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

We will also prepare the State Controller's Reports for the Agency annually, as required per State guidelines and regulations. In addition, we will, if necessary, prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures. This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the Agency.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the Agency on a timely basis. We are committed to performing the required work, completing the audits, and issuing the necessary auditors' reports prior to the Agency's requested time frames. We will also be responsive to the needs of the Agency year-round, not just at audit time.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in governmental auditing, and are familiar with auditing groundwater sustainability agencies. HHC brings together audit knowledge and experience from two of the biggest firms in the Central Valley, combining the best of both firms in the formation of our audit scope and practice.

I will be the engagement partner assigned to your audit. I am an authorized representative of the firm and can be contacted at 7473 N. Ingram Avenue, Suite 102, Fresno, California 93711, or by telephone at (559) 412-7576, and by email at khudson@hhccpas.com.

FIRM QUALIFICATIONS AND EXPERIENCE

Hudson Henderson & Company, Inc. (HHC) was founded by Mr. Kip Hudson and Mr. Brian Henderson in 2014 to bring together their extensive knowledge, broad client background, and expertise in public accounting services. Both founding partners gained their experience working in large Central Valley regional accounting firms and bring to the table over 27 years of combined experience. Their main purpose was to create a public accounting firm that is focused on bringing the quality and depth of knowledge of a large accounting firm combined with the personal relationships and attention that a smaller local firm can provide. Ultimately, the focus is to enhance the relationship and service provided to their clients. While the name on the letterhead is newer, the experience and knowledge of the partners who will be performing your audit services are anything but new, and have the expertise to complete your audit in an exceptional and efficient manner. We currently stand with two Partners, two CPA accounting managers, one CPA audit senior, seven professional staff and two administrative/professional staff. All services are performed out of our one Fresno location.

HHC is a full service local public accounting firm providing assurance, tax and bookkeeping services. While both partners have a depth of assurance and audit experience in various industries, HHC specializes on governmental and non-profit auditing. HHC is particularly specialized in providing assurance services to special districts and local governmental agencies. HHC has a vast level of experience, knowledge and history of performing governmental audits in accordance with auditing standards generally accepted in the United States of America, *governmental auditing standards,* as well as experience in performing audits in accordance with the Single Audit Act and the new Uniform Guidance. We are also current members of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

We believe that the real value of our audit lies in what level service we can provide, the depth of experience of the audit team actually performing the audit procedures, and other services we can provide while performing the audit.

No sub-consultants or outside services will be used. Other inclusive services include:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures.
- To identify areas for efficiencies and activities for cost reduction opportunities.
- To perform the audit in an efficient and effective manner and minimize the impact and disruption to the daily office workload that already exists.
- To be available year-round to offer assistance and advice in the running of the Agency and implementation of new accounting standards.

LICENSE TO PRACTICE IN CALIFORNIA

The firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants, and meet the Continuing Professional Education requirements under U.S. GAO's *Government Auditing Standards* to perform the proposed audits.

INDEPENDENCE

The firm and all key professional staff are independent of the Agency as defined by *GAAS, Government Auditing Standards,* the American Institute of Certified Public Accountants (AICPA) Standards, Minimum Audit Requirements and Reporting Guidelines for Special Districts as required by the State Controller's Office, and those issued by the Comptroller General of the United States.

PEER REVIEW

Here at HHC, we strongly believe in the Peer Review Program, and the strength and accountability the program brings to the public accounting field, especially in the realm of performing quality audits in accordance with standards governing our field and the industries we serve. Our 2019 peer review has been completed and published, with a rating of *pass*. See Appendix II for a copy of the report. No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners or professionals during the past three (3) years.

CONTINUING PROFESSIONAL EDUCATION

HHC is committed to quality training and technical proficiency. With such a large segment of the practice dedicated to attestation services, including financial and compliance audits, professional training and education in standards and regulations applicable to auditing and financial reporting are of the utmost importance. Firm standards meet or exceed professional and governmental standards of training and involve professional staff receiving at least forty hours of professional continuing education each year. This emphasis on continuing education is served in several ways. During the year and prior three years, the professional staff attend various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices.
- Yellow Book: Government Auditing Standards.
- Single Audit.
- Financial Accounting Standards: Comprehensive Review.
- Governmental Auditing & Accounting Update.
- Comprehensive Review of Generally Accepted Auditing Standards.

RELEVANT EXPERIENCE

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality product within the required time frame.

The Firm provides financial and compliance auditing services to governmental agencies throughout the Central Valley and throughout California. We are a governmental agency auditing firm that specializes in local municipalities and special districts, and our Partners have been performing these services for many years. As a result, our Partners have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- Cities
- Counties
- Redevelopment agencies
- Financing Authorities
- Electrical Utilities
- Special Districts
- Water Districts
- Pension Plans
- Child Care Operations
- Joint Power Authorities
- Investment Activities
- Landfills
- Enterprise Funds
- Airports
- Transportation Operations
- Federal and State Grants

In addition, the vast majority of our Partner experience in municipal auditing included clients that required a Single Audit also be conducted. We perform our audits in a detailed manner utilizing approaches developed internally that comply with the authoritative literature currently issued by the AICPA, GASB, FASB, GAO, Single Audit Act, Uniform Guidance, and the California State Controller's Office. And we do this with minimal disruption to our clients and within the time frame required.

STAFF QUALIFICATIONS AND RELATED EXPERIENCE

Engagement Partner: The Engagement Partner will be Mr. Kip Hudson, CPA. Mr. Hudson has over thirteen (13) years of governmental audit and accounting experience and he is one of the co-founding Partners of HHC. Prior to founding HHC, Kip gained his audit and background working at Baker Peterson & Franklin, the largest accounting firm in Fresno, CA. He will be responsible for the conduct of fieldwork and the examination and review of the workpapers. He will be charged with the responsibility of keeping the client informed as to the status of the examination. Mr. Hudson is licensed as a CPA in the State of California and his CPA license number is 112668.

Engagement Co-Partner: The Engagement Co-Partner will be Mr. Brian Henderson, CPA. Mr. Henderson has over fourteen (14) years of governmental audit and accounting experience and he is also one of the co-founding Partners of HHC. Brian obtained the vast majority of his governmental audit experience working as a senior audit manager at Brown Armstrong Accountancy Corporation, the largest CPA firm in Bakersfield, CA. He will have the technical review responsibilities over the engagements. Mr. Henderson is licensed as a CPA in the State of California and his CPA license number is 104495.

Engagement In-Charge: The Engagement In-Charge will be Mr. Gil Vazquez. Mr. Vazquez started with HHC in 2019 after obtaining his accounting degree at Fresno State. Mr. Vazquez spends the majority of his time at HHC working on government, non-profit and retirement plan audits. Mr. Vazquez was a part of the Alta Irrigation District audit team for the fiscal year 2020 audit.

Appendix I of this proposal contains resumes of the partners detailing their government and other auditing experience, continuing education, and membership in professional organizations relevant to the performance of your audit. Our firm policy is to maintain staffing continuity for all audits. In the unlikely event that key team members must be replaced, we will only do so with your permission. Any staffing replacements during the term of the agreement will have the same or better qualifications and experience of the staff which they replace.

The quality of the staff over the term of the agreement will be assured because of our participation in excellent audit and accounting continuing education classes, and our unexcelled on-the-job training. All members of HHC are very familiar with the stringent quality control standards established by the AICPA.

SPECIFIC AUDIT APPROACH

Our overall approach is simple and follows the core values of our firm. We want to be efficient in our procedures and time, to eliminate redundancy and to ease the process and completion of the audits for our clients. We put great effort and time into planning and preparing for audits. We look for ways to efficiently perform tests and we follow our risk-based planning approach to properly perform audits, without performing excess or non-useful testing.

We pride ourselves on the fact that at least one partner and/or senior manager will be onsite each day for fieldwork. This not only improves our audit product and gains efficiency with time but eases the pain of the audit for our clients who get direct access to the partner to easily take care of any situations and/or questions that arise during the audit.

Major portions of our audits are performed primarily by the partners and managers of the firm. Using their experience and knowledge gained over the years, there is no on-the-job training of new staff by the client while performing your audit or major turnover in the audit team from year-to-year. Some firms claim to have "hands on" partners, but often after the first year, you will never see the Partner during fieldwork, unless it is a contract year. Not here at HHC.

Our evaluation of internal controls consists of concise interviews, so that we can quickly determine the areas for control and substantive testing, and also and most importantly we gain a solid understanding of our clients and how they operate. We look for ways to improve processes and procedures, so that we can consult with our clients and help them become more efficient and effective in their methods as well.

One of our core values is accountability. We take this very seriously, and when deadlines are set, we make sure they are met. Without the satisfaction of our clients, we would not be in business today. This is one of the major keys to our success, and that is meeting the expectations and deadlines of our clients. We are also aware of the updated SCO requirements and the Single Audit Uniform Guidance standards and deadlines that must be met for each of those reports and will ensure those are met without exception (if applicable).

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation & documentation software, and objective review procedures. We will conduct the necessary audit steps to perform:

- Planning of the engagement, including evaluation of the existing internal control environment to determine the degree of risk of material misstatement.
- Determination of the degree of compliance with laws, regulations, grants, provisions, and the Agency approved policies.
- Assessment of potential fraudulent issues.
- Substantiation of account balances.
- Verification of reasonableness of management estimates.

The audit approach will consist of three phases, with estimated hours as follows (fieldwork and reporting dates are negotiable):

- Initial Planning & Intro Meeting *(Oct/Nov - half day onsite, if needed, remainder in office)*
- Fieldwork & Internal Control Evaluation *(Nov/Dec – 1-2 days onsite or performed remotely),* including:
  - *Year-End Fieldwork*
  - *Internal Control Evaluations*
- Reporting
  - *Financial Report Drafts – January 15*
  - *Final FS & Reports Issuance – January 30*
  - *Draft SCO Reports – February 15*
  - *Final SCO Reports Submission – February 28*

Audit Hours by Proposed Segments				
Segment	Partner	Professional Staff	Clerical	**Total Hours**
Planning	3	6	-	**9**
Fieldwork- Final	8	26	-	**34**
Final Reports	6	6	2	**14**
Total Hours	**17**	**38**	**2**	**57**

Planning, Understanding and Communication
We will begin the planning of the examination towards the end of the current year fiscal year. Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments and local municipalities work, we will obtain an updated current insight to the specific concerns and sensitivities of the Agency. Our understanding is updated continuously through our year-round contact and communication efforts.

We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback. Tasks to be accomplished during this phase include:

- Conference with management to discuss the scope of the examination, availability of your staff, scheduling, and coordination of our audit efforts with your efforts to produce the required financial reports. *(Initial kick-off meeting, Oct/Nov)*
- Conferences with all personnel involved in the engagement to discuss the scope and timing of the engagement, and anticipated areas of audit emphasis. *(Initial kick-off meeting, Oct/Nov)*
- Analytical review of year to date financial information. *(Nov/Dec)*

Study and Evaluation of Internal Controls and Systems (*Fieldwork – Nov/Dec)*
This is the cornerstone of the examination. Evaluating internal accounting controls is primarily focused on the procedures and records that are concerned with the safeguarding of assets and reliability of financial records. We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge, understanding and experience with accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the Agency's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

We will begin by preparing documentation matrices to fully describe all significant financial systems. We will then review the documents to isolate the significant strengths and weaknesses that would affect the extent of substantive audit procedures to be employed. Each strength is then tested and the results subjected to evaluation.

These evaluations assist us in determining the amount of reliance we can place on those significant strengths we have identified. At this point we make adjustments to our auditing plan to compensate for the significant strengths and weaknesses thus identified and substantiated.

Sample Size and Sampling Techniques (*Samples will be provided prior to start of fieldwork to allow ample time for staff to pull supporting documentation)*
Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. We look for efficiencies in testing a sample across multiple attributes to eliminate the need for multiple samples being pulled by your staff. Our sample size will normally range from 25 to 40 items.

Risk-Based Audit Approach (*Fieldwork – Nov/Dec)*
Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the basic financial statements of the Agency. Our audit procedures will then be developed to address these risk areas.

Analytical Procedures (*Fieldwork – Nov/Dec)*
We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our partners possess the appropriate experience and knowledge for the Agency to benefit from these procedures. We use detailed analytics including predictive tests, ratio analysis, annual trends, etc. to assist and often reduce the amount of vouching and substantive testing of balances.

Vouching of Balances & Substantive Fieldwork (*Fieldwork – Nov/Dec)*
Once our audit procedures are developed, the vouching of balances include tracing to supporting documentation, confirmation of balances with outside third parties, and performing substantive procedures over ending balances which ultimately support the conclusion that the financial statements are free of material misstatement will be performed.

We believe in performing quality analytical procedures, including comparison to prior years, predictive tests, ratio analysis, and inter-entity account analysis to determine the reasonableness of ending balances. Additional procedures include subsequent transaction testing of disbursements and receipts to assist in testing completeness and existence of balances and managements assertions. Expanded audit procedures are performed on high risk areas, while analytics and limited procedures are performed on lower risk areas.

Transition
We understand that changing auditors can be a difficult and time-consuming task for the entity. Our audit approach and focused testing on audit risks along with our experienced partners and staff allow for a smoother transition for the entity and less impact on your staff.

Information Technology
We will evaluate controls over the IT functions to assess control risk. We intend to test controls for the purpose of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning

In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

Laws & Regulations Subject to Audit Procedures (*continuous throughout audit)*
We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the Agency are the Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, governmental special district reporting requirements, requirements of local measures, and state water requirements.

Adjusting Journal Entries (*continuous throughout audit)*
We will discuss and explain proposed audit adjusting entries with the Agency' designated finance personnel prior to recording to ensure all facts are obtained and agreed upon prior to moving forward with the adjustment. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the Agency' general ledger system.

Computer Software

The firm maintains a variety of software packages to be used during the audit and in the financial statement compilation process, which include MS Office (Word, Excel, etc.), Prosystem Fx Engagement, PPC Checkpoint and Checkpoint Tools, and SMART e-practice aids tool. We also have the ability to run reports using IDEA (data analysis software), when needed. Our audit software enables us to link our audit trial balance to the financial statements, which allows for efficient financial statement compilation. It also allows us to easily create analytical reports (e.g. year to year comparisons, budget to actual comparisons, trend analysis, ratio analysis, etc.) to identify any potential issues to be resolved during fieldwork.

Our research tools are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resource for us to provide guidance to our clients or research any complex accounting transactions. We are a paperless firm, which we believe greatly assists us in performing audits efficiently and effectively.

STAFF ESTIMATE AND COST

Our staff estimate and cost proposal is prepared with the assumptions:

- That Agency staff will be available for questions during the planning phase of the engagement, and onsite and reasonably available during fieldwork to assist in providing access or direction to information, and be available for questions and inquiries.
- The Agency will prepare the MD&A (if one is going to be presented).
- The Agency will prepare confirmations on templates as provided by the auditors, and allow legal counsel to respond to any inquiries as considered necessary by the auditors.
- The Agency will review the drafted financial statements and provide responses, comments and edits within a reasonable timeframe to meet the reporting deadlines of the Agency.
- Attendance and availability to discuss the annual financial statements and results of operations to the Agency Board are included in the all-inclusive costs as listed below.

Our all-inclusive cost proposal for professional auditing services for the year ending September 30, 2021 and optional years September 30, 2022 and 2023, is as follows:

Service	2021	Optional 2022	Optional 2023	Total
KREGSA Audit	$ 5,890	$ 5,890	$ 5,890	$ 17,670
State Controller's Report	760	760	760	2,280
Total	$ 6,650	$ 6,650	$ 6,650	$ 19,950

The detailed cost breakout for each service for the fiscal year ending September 30, 2021 is as follows:

KINGS RIVER EAST GSA AUDIT

Level of Personnel	Standard Rate	KREGSA Quoted Rate	Billing Hours	Amount
1 Partners	$180	$160	16	$2,560
3 Professional Staff	$120	$100	32	$3,200
4 Clerical	$50	$40	2	$80
Estimated Out of Pocket Expense				$50
		Total Hours	50	
Kings River East GSA Audit Proposal Price				$5,890

STATE CONTROLLER'S REPORTS

Level of Personnel	Standard Rate	KREGSA Quoted Rate	Billing Hours	Amount
1 Partners	$180	$160	1	$160
3 Professional Staff	$120	$100	6	$600
4 Clerical	$50	$40	0	$0
Estimated Out of Pocket Expense				$0
		Total Hours	7	
State Controller's Reports Preparation Proposal Price				$760

Total Hours	57	
TOTAL PRICE		$6,650

REFERENCES

Located in Fresno, CA, HHC was formed to service a variety of local governments and non-profit entities in the Central Valley, as well as throughout California. Names and phone numbers of current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and services provided by the founding Partners. Listed below is a partial listing of that prior experience, including the services provided and approximate fees:

1) DeAnn Hailey, Controller
   Fresno Irrigation District - *Audit, MPP Audit, & SCO Report*
   North Kings GSA – *Audit & SCO Report*
   Friant North Authority – *Audit & SCO Report*
   2907 South Maple Ave.
   Fresno, CA 93725
   (559) 233-7161
   dhailey@fresnoirrigation.com

2) Karen Whipp, Board Secretary
   East Turlock Subbasin GSA – Audit & SCO Report
   Eastside Water District – *Audit & SCO Report*
   Ballico-Cortez Water District – *Audit & SCO Report*
   1067 East Olive Avenue
   Merced, CA 9534
   (209) 285-8907
   kareneastsidewater@att.net

3) Jennifer Furstenburg, Controller
   Madera Irrigation District – *Audit & SCO Report*
   12152 Road 28 1/4
   Madera, CA 93637
   (559) 673-3514
   jfurstenburg@madera-id.org

INSURANCE

Our firm currently carries professional liability insurance with limits per claim and in the aggregate of $2,000,000/$4,000,000, respectively. We also currently carry general liability insurance with limits per claim and in the aggregate of $1,000,000/$2,000,000, respectively, automobile liability insurance with a limit of $1,000,000 and umbrella excess liability of $1,000,000 per occurrence and in the aggregate.

CONCLUSION

A professional external auditing relationship with the Agency will be of great value to our Firm, and we are excited and welcome the opportunity to develop a long-term relationship with the Agency. As a firm that is developing a niche and specialization in water & irrigation districts, we are aware of the groundwater sustainability requirements, and are looking to assist all of our water clients with auditing services as they form JPA's in following state mandates. We are committed to providing excellent service, advisory value-added benefits to the Agency, and producing a timely quality end-product. We would like to express our appreciation to the Agency for allowing us the opportunity to submit a proposal for our services. We are available at any time to discuss our proposal with you. Thank you for allowing us to present our Firm to you.

HUDSON HENDERSON & COMPANY INC.
certified public accountants

APPENDIX I: RESUMES OF KEY PERSONNEL

RESUMES OF KEY PERSONNEL

Kip Hudson, CPA – Engagement Partner

Brian Henderson, CPA – Engagement Co-Partner

Professional Resume

Kip Hudson, CPA
Engagement Partner

HUDSON HENDERSON
& COMPANY, INC.
Certified Public Accountants

Academic Background:

California State University Fresno
Bachelor of Science in Business Administration, Option in Accountancy

Professional Experience: (partial listing)

Governments:

El Dorado Irrigation District
Fresno Metropolitan Flood Control District
Fresno Irrigation District
Sierra Kings Health Care District
Alta Irrigation District
Merced Irrigation District
Kings County
First 5 Kings County
First 5 Fresno County
Madera Irrigation District
East Turlock Subbasin GSA
Stanislaus Council of Governments
Henry Miller Reclamation District #2131
Eastside Water District
First 5 Madera County
Riverdale Public Utility District
Merced County Association of Governments

Non-profits:

The Arc Fresno/Madera Counties
Economic Development Corporation
Community Housing Council of Fresno
Kings Community Action Organization
VDA, Inc.
California Teaching Fellows Foundation
Quality Group Homes, Inc.

Businesses and Retirement Plans:

Mid Valley Disposal, Inc. 401k Plan
The Arc Fresno/Madera Counties 403b Plan
Universal 401k Retirement Plan
500 Club Casino 401k Plan
Fresno Irrigation District Retirement Plan
Ready Roast Nut Company 401k Plan
Mercedez Benz 401k Plan
Fresno Metropolitan Flood Control District

Professional Associations:

American Institute of Certified Public Accountants
California Society of Certified Public Accountants

Recent Continuing Education: Current on Governmental CPE Credits

Governmental and Nonprofit Annual Update
Auditing & Assurance Update
Spidell Tax Update
Yellow Book
FASB Review & Update
Accounting and Auditing with Excel
Advanced Audit Standards Workshop: Understanding Risk Assessment

HUDSON HENDERSON & COMPANY INC.
certified public accountants

Professional Resume

Brian Henderson, CPA
Engagement Co-Partner

HUDSON HENDERSON
& COMPANY, INC.
Certified Public Accountants

Academic Background:

California State University Fresno
Bachelor of Science in Business Administration, Option in Accountancy

Professional Experience: (partial listing)

Counties:
County of Fresno
County of Stanislaus
County of Tulare
County of Kings

First 5 Commissions:
County of Kings
County of Merced
County of Kern
County of Stanislaus

Financial Institutions:
Mission Bank
Mission National Bank
Premier Valley Bank

Business:
Makoil Inc.
Orchard Petroleum Inc.
Hunter Edison Oil Dev.
ESK Limited & Subs.
Spiral Technology

Special Districts:
Pixley Public Utility District
Fresno Metropolitan Flood Control District
Santa Clara Valley Water District

School Districts:
Visalia USD
Fresno USD
Davis Joint USD
San Leandro USD

Retirement Systems:
Fresno County
City of Fresno
Fresno Metro MPP
Tulare County
Marin County
Fresno Irrigation District MPP

PCAOB:
Ireland Inc.
Searchlight Minerals

Cities:
City of Visalia
City of Mendota
City of Modesto
City of Pasadena

Non-Profits:
EDC- Fresno
EDC- Kings County
Rose Bowl Operating Company
Pasadena Center Operating Company

Transits:
Kings County COG
City of Modesto
City of Hanford
City of Corcoran
StanCOG

Joint Power Auth:
Tuolumne River
Modesto Regional Fire

Professional Associations:

American Institute of Certified Public Accountants
California Society of Certified Public Accountants

Recent Continuing Education: Current on Governmental CPE Credits

Governmental Accounting & Auditing Update
SEC & Financial Reporting
GASB Update
Auditing in the Small Business Environment
FASB Review & Update

APPENDIX II: PEER REVIEW REPORT

Grant Bennett Associates
A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

July 26, 2019

To the Owners of Hudson Henderson & Company, Inc. and the Peer Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Hudson Henderson & Company, Inc. (the firm) in effect for the year ended October 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility
The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility
Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations
Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion
In our opinion, the system of quality control for the accounting and auditing practice of Hudson Henderson & Company, Inc. in effect for the year ended October 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Hudson Henderson & Company, Inc. has received a peer review rating of *pass*.

Grant Bennett Associates

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HUDSON HENDERSON & COMPANY INC.
certified public accountants

Kings River East - GSA

	Budget 2020-2021	Projected 2020-2021	Budget Variance	Proposed 2021-2022 Budget	Variance 2020-2021 Budget
Revenue:					
Grant Income		$ 3,041.00	$ 3,041.00	$ -	$ -
GSA Prop 26 Fee		$ (834.54)	$ (834.54)	$ -	$ -
Interest Income		$ 1,609.99	$ 1,609.99	$ -	$ -
Late Fee		$ (1.38)	$ (1.38)	$ -	$ -
Total Income:	$ -	$ 3,815.07	$ 3,815.07	$ -	$ -
Expenses:					
Administrative Services	$ 25,000	$ 11,063.87	$ 13,936.13	$ 20,000	$ (5,000)
Office Supplies	$ 500	$ 444.07	$ 55.93	$ 250	$ (250)
Mileage	$ 500	$ 35.28	$ 464.72	$ 250	$ (250)
Postage	$ 100	$ 214.17	$ (114.17)	$ 100	$ -
Audit Fees	$ 4,500	$ 4,135.00	$ 365.00	$ 6,650	$ 2,150
Bank Charges	$ 500	$ 259.99	$ 240.01	$ 500	$ -
Engineering Services		$ 60,933.28	$ (60,933.28)	$ 75,000	$ 75,000
Insurance	$ 1,800	$ 1,688.00	$ 112.00	$ 1,688	$ (112)
Legal	$ 12,000	$ 3,337.18	$ 8,662.82	$ 4,500	$ (7,500)
Bad Debt Allowance		$ 9,067.89	$ (9,067.89)	$ -	$ -
Dues	$ 3,300	$ 3,260.00	$ 40.00	$ 4,265	$ 965
Dues & Subscriptions	$ 800	$ 1,045.00	$ (245.00)	$ 1,050	$ 250
Outreach	$ 2,500	$ 1,220.00	$ 1,280.00	$ 2,500	$ -
Grants	$ 2,500	$ -	$ 2,500.00	$ 2,500	$ -
Meetings	$ 500	$ -	$ 500.00	$ 500	$ -
Miscellaneous	$ 5,000	$ -	$ 5,000.00	$ 5,000	$ -
Professional Services	$ 153,000	$ -	$ 153,000.00	$ 50,000	$ (103,000)
Total Expenses:	**$ 212,500**	**$ 96,703.73**	**$ 115,796.27**	**$ 174,753**	**$ (37,747)**
Net Income	**$ (212,500)**	**$ (92,888.66)**	**$ 119,611.34**	**$ (174,753.00)**	**$ 37,747.00**