
KENSINGTON FIRE PROTECTION DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
JUNE 30, 2019

FINAL DRAFT

MANAGEMENT REPORT

To the Board of Directors and Management
of Kensington Fire Protection District

In planning and performing our audit of the financial statements of Kensington Fire Protection District as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Kensington Fire Protection District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kensington Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

During our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding the matter. This letter does not affect our report dated December 18, 2019, on the financial statements of Kensington's Fire Protection District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the District's management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within Kensington Fire Protection District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Mann, Urrutia, Nelson, CPAs & Associates, LLP
Sacramento, California
December 18, 2019

**KENSINGTON FIRE PROTECTION DISTRICT
SUMMARY OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
JUNE 30, 2019**

Bank Reconciliation

During our procedures to update our understanding of the bank reconciliation process for the KFPD revolving account, we noted the bank reconciliation was being performed as of the bank statement date, and not the period end date. We recommend management implement a policy to perform bank reconciliations as of the period-end date, which is especially important during year-end closing.

Management Response: Management concurs with the recommendation and will take steps to implement the recommendation.

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**KENSINGTON FIRE PROTECTION DISTRICT
STATUS OF PRIOR YEAR AND RECOMMENDATIONS
JUNE 30, 2018**

No prior year findings.

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