



**KENSINGTON POLICE PROTECTION  
AND COMMUNITY SERVICES DISTRICT**

**Report to the Board of Directors**

**For the Fiscal Year Ended  
June 30, 2023**



**NIGRO & NIGRO<sup>PC</sup>**

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**

*Table of Contents*

*For the Fiscal Year Ended June 30, 2023*

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	<u>Page</u>
<b>Letter to Board of Directors .....</b>	<b>1</b>
<b>Required Communications .....</b>	<b>2</b>
<b>Summary of Adjusting Journal Entries .....</b>	<b>4</b>



Board of Directors  
Kensington Police Protection and Community Services District  
Kensington, California

We are pleased to present this report related to our audit of the financial statements of the Kensington Police Protection and Community Services District (District) as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

A handwritten signature in blue ink that reads 'Nigro &amp; Nigro, PC'. The signature is written in a cursive, flowing style.

Murrieta, California  
February 8, 2024

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## ***Required Communications***

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# KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

## Required Communications

For the Fiscal Year Ended June 30, 2023

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Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<b>Our Responsibilities with Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 1, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
<b>Accounting Policies and Practices</b>	<p><b>Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p><b>Adoption of, or Change in, Significant Accounting Policies or Their Application</b> Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p><b>Significant or Unusual Transactions</b> We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p><b>Management's Judgments and Accounting Estimates</b> Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<b>Audit Adjustments</b>	Audit adjustments are summarized in the attached <b>Summary of Adjusting Journal Entries</b> .
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**

*Required Communications*

*For the Fiscal Year Ended June 30, 2023*

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<b>Area</b>	<b>Comments</b>
<b>Discussions With Management</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<b>Disagreements With Management</b>	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
<b>Consultations With Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed With Management</b>	No significant issues arising from the audit were discussed or the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	No significant difficulties were encountered in performing our audit.
<b>Required Supplementary Information</b>	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"><li>1. Management's Discussion and Analysis</li><li>2. Budget to Actual Comparison</li><li>3. Required Pension Plan Disclosures</li><li>4. Required OPEB Plan Disclosures</li></ol> <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

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

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***Summary of Adjusting Journal Entries***

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**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT**  
*Summary of Adjusting Journal Entries*  
*For the Fiscal Year Ended June 30, 2023*

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*See Attached Schedule of Adjusting Entries*



Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To get beginning net position to roll forward.			
552	Office Supplies and Expenses	2,467.29	
390	Retained Earnings		2,467.29
<b>Total</b>		<b>2,467.29</b>	<b>2,467.29</b>
<b>Adjusting Journal Entries JE # 2</b>			
To reconcile LTD			
291	Community Center Loan - ST	34.34	
975	Community Center Loan Repayment	23,504.71	
291	Community Center Loan - ST		23,504.71
649	Interest Expense		34.34
<b>Total</b>		<b>23,539.05</b>	<b>23,539.05</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record GASB 68			
191	Deferred Outflows - Pension	58,198.00	
298	Deferred Inflows - Pension	987,565.00	
546	GASB 68 - Expense	3,082,652.00	
191	Deferred Outflows - Pension		1,062,246.00
194	Net Pension Asset		2,327,970.00
296	Net Pension Liability		738,199.00
<b>Total</b>		<b>4,128,415.00</b>	<b>4,128,415.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
To record GASB 75			
190	Deferred Outflows - OPEB	450,162.00	
295	Net OPEB Liability	113,941.00	
297	Deferred Inflows - OPEB	143,255.00	
547	GASB 75 - Deferred		191,908.00
548	GASB 75 - Expense		515,450.00
<b>Total</b>		<b>707,358.00</b>	<b>707,358.00</b>
<b>Adjusting Journal Entries JE # 5</b>			
To reclass interest receivable			
148	Interest Receivable	5,149.28	
141	Accounts Receivable - Year End		5,149.28
<b>Total</b>		<b>5,149.28</b>	<b>5,149.28</b>
<b>Adjusting Journal Entries JE # 6</b>			
To adjust SLESF grant receivable			
157	Grants Receivable	20,887.71	
415	COPS/Other PD Grants		20,887.71
<b>Total</b>		<b>20,887.71</b>	<b>20,887.71</b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 7</b>			
True up Capital Assets			
162	Patrol Cars	68,061.31	
899	Depreciation Expense	161,908.00	
189	Accumulated Depreciation		161,908.00
293	Vehicle Capital Lease		68,061.31
<b>Total</b>		<b>229,969.31</b>	<b>229,969.31</b>
<b>Adjusting Journal Entries JE # 8</b>			
To gross up property tax receivable and property tax revenue			
144	Advance on Suppl. Taxes	59,102.63	
401	Levy Tax Police- Co. Prop. 1%	0.37	
141	Accounts Receivable - Year End		0.37
401	Levy Tax Police- Co. Prop. 1%		59,102.63
<b>Total</b>		<b>59,103.00</b>	<b>59,103.00</b>
<b>Adjusting Journal Entries JE # 9</b>			
To Adjust Compensated Absences as June 30, 2023			
544	Compensated Absences Adjustment	33,759.44	
265	Compensated Absence/Vac Buyback		33,759.44
<b>Total</b>		<b>33,759.44</b>	<b>33,759.44</b>
<b>Adjusting Journal Entries JE # 10</b>			
To Adjust Accrued Payroll			
224	PEBSCO	800.00	
225	PERS - (District Portion)	14,843.37	
226	PERS (Officers Portion)	5,493.48	
229	KPOA Dues, Legal Def., Survivor	650.30	
502	Salary - Officers	41,130.83	
808	Payroll Taxes	12,245.98	
219	Accrued Payroll		41,781.13
221	Federal Taxes/Medicare		12,245.98
522	Officer Life Insurance		800.00
527	PERS - District Portion		14,843.37
528	PERS - Officers Portion		5,493.48
<b>Total</b>		<b>75,163.96</b>	<b>75,163.96</b>
<b>Adjusting Journal Entries JE # 11</b>			
To reverse insurance revenue recorded in FY 2021/22			
458	Other District Revenue	6,127.00	
141	Accounts Receivable - Year End		6,127.00
<b>Total</b>		<b>6,127.00</b>	<b>6,127.00</b>
	<b>Total Adjusting Journal Entries</b>	<b>5,291,939.04</b>	<b>5,291,939.04</b>