



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

July 30, 2018

Tony Constantouros
Kensington Police Protection and Community Services District
217 Arlington Avenue
Kensington, CA 94707

Dear Mr. Constantouros:

This engagement letter is for non-audit services with the Kensington Police Protection and Community Services District (the "District"). The standards to which Vavrinek Trine Day & Co., LLP ("VTD") will conform are intended to maintain objectivity and independence for both audit work and for non-audit work with government clients.

The standard for non-audit services for government audit clients is based on two overarching principles:

- Auditors (VTD) should not perform management functions or make management decisions; and
- Auditors (VTD) should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant / material to the subject matter of the audit.

OBJECTIVE OF ENGAGEMENT

The firm of Vavrinek Trine Day & Co., LLP is available to assist you in providing accounting services.

SCOPE OF SERVICES

Specific services to be provided follow.

- Assist the District in processing their accounts payable and payroll disbursements
- Assist the District in managing their banking and treasury function
- Assist the District in reconciling monthly bank statements to the District's general ledger
- Assist the District in preparing monthly expense and revenue distributions
- Assist the District in composing monthly journal entries and general ledger postings
- Assist the District in preparing schedules and pulling District records related to the District's audit
- As directed, provide analytical work in surveying the District's expenditures and receipts
- Prepare various accounting duties as assigned.

CLIENT RESPONSIBILITIES

The work will be non-audit services as defined by Governmental Auditing Standards issued by the Comptroller General of the United States. Our work will not constitute an audit or review of transactions and should not be relied upon as such. The District is responsible for the appropriate recording and reporting of financial transactions and management decisions. Accordingly, all work will be conducted at your direction, the direction of the General Manager, to insure that the work meets the District's objectives.

Governmental Auditing Standards require that the District be responsible for the substantive outcomes of VTD work and be in a position in fact and appearance to make an informed judgment on the results of the non-audit services and that the Kensington Police Protection and Community Services District will:

- Designate a knowledgeable management level individual to be responsible and accountable for overseeing the non-audit services,
- Establish and monitors the performance of the non-audit services to ensure that it meets managements objectives,
- Make any decisions that involve management functions related to the non-audit services and accepts full responsibility for such decisions,
- Evaluates the adequacy of the services performed and any findings that result, and

FEES

VTD estimates a not to exceed amount of \$15,000. Fees will be billed on a monthly basis in accordance with the rate prescribed below:

VTD Staff	Hourly Rate
Partner	\$220
Manager	\$185
Accounting Supervisor	\$150
Senior Accountant	\$110
Staff Accountant	\$85

STAFFING

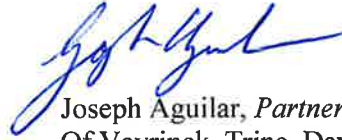
Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensee owners will be performing audit services for the agency.

TERMINATION, INDEPENDENT CONTRACTOR AND INSURANCE

The engagement may be terminated by either party without cause. We are an independent contractor as defined by Federal and State taxing authorities. We maintain current worker compensation and liability insurance policies.

If this letter correctly sets forth your understanding of the terms and objectives of the engagement, please so indicate by signing in the space provided below.

Sincerely,



Joseph Aguilar, *Partner*
Of Vavrinek, Trine, Day & Co., LLP

JMA: cge

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RESPONSE:

This letter correctly sets forth the understanding of the Kensington Police Protection and Community Services District.

By: _____

Title: _____

Date: _____