



Eastern Kern

Air Pollution Control District

Glen E. Stephens, P.E.
Air Pollution Control Officer

May 11, 2017

Board of Directors
Eastern Kern APCD
2700 "M" Street, Suite 302
Bakersfield, CA 93301

SUBJECT: Brown Armstrong Audit report of the District's Financial Controls and Fiscal Statements for Fiscal Year Ending June 30, 2016

Honorable Board:

Pursuant to Agreement No. 07-017-2015 and Amendment No. 01-001-2016a, Brown Armstrong, Certified Public Accountants, has completed a financial audit to the Eastern Kern Air Pollution Control District (District) for the fiscal year ending June 30, 2016. A copy of this audit is attached.

The financial audit for the fiscal year ending June 30, 2016 found that the District's combining Fiduciary Fund financial statements are fairly stated, in all material respects, in relation to the basic financial statement as a whole. It was noted capital assets balance and balance of accumulated depreciation were understated in the prior year financial statements. This condition is a result of poor communication between Kern County Auditor-Controller's Office and the District. As a result, District Management will perform quarterly reconciliation to ensure assets are capitalized on a timely manner. The Auditor noted control issue is not a material weakness.

IT IS RECOMMENDED your Board receive and file this report.

Sincerely,

Glen E. Stephens, P.E.
Air Pollution Control Officer

GES:lr