

To the Finance Committee and Board of Directors
East Bay Regional Park District
Oakland, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Bay Regional Park District (the District) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1(R) of the financial statements, during the year, the District adopted the provisions of the following: Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*; GASB Statement No. 99, *Omnibus 2022*; and GASB Statement No. 100, *Accounting Changes and Error Corrections*. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the fair value of investments is derived by various methods as detailed in Note 2 to the financial statements. We evaluated the key factors and assumptions used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.
- Estimated useful lives of capital assets - Management's estimates of the lives of capital assets for purposes of calculating annual depreciation expense to be reported in the District's Statement of Activities, which were determined by management, are based on the nature of the capital assets.
- Management's estimates of the net pension assets/liabilities (NPA/NPL) for the District's defined benefit plans and the net other post employment benefits (OPEB) liability/asset (NOL/NOA) for the District's defined benefit healthcare plan are based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates of the NPA/NPL and the NOL/NOA in determining that they are reasonable in relation to the financial statements taken as a whole.

- Risk management liabilities - Accrual and disclosure of risk management liabilities, which include worker's compensation and general liabilities, which were based on actuarial studies performed by an independent actuary. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the discount rate for the purpose of calculating the right-to-use leased assets, lease liabilities, lease receivables, and deferred inflows of related leases. We evaluated the key factors and assumptions used to develop the estimate of the discount rate for the purpose of calculating the right-to-use leased assets, lease liabilities, lease receivables, and deferred inflows related to leases in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statements disclosures are particularly sensitive because of the significance to the financial statement users. The most sensitive estimates and disclosures affecting the District's financial statements were:

- Cash and Investments (Note 2)
- Capital Assets (Note 5)
- Other Post Employment Benefits (Note 10)
- Pension Plans (Note 11)
- Risk Management (Note 12)
- Leases (Note 13)

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A); budgetary comparison schedule for the general fund; the schedules of changes in the net pension liability, related ratios, and contributions; and the schedules of changes in the net other post employment benefits (OPEB) liability, related ratios, and contributions, which are required supplementary information (RSI) that supplement 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.

We were engaged to report on combining and individual non-major fund financial statements (the supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Finance Committee, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
September 30, 2024