

April 15, 2024

Advisory Board of Directors  
Carmichael Recreation & Park District  
Carmichael, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carmichael Recreation & Park District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *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 September 14, 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 Carmichael Recreation & Park District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by Carmichael Recreation & Park 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:

- Accrual and disclosure of compensated absences
- Capital asset lives and depreciation expense
- SCERS actuarial study to estimate the annual retired contribution
- Actuarial study to estimate annual retired contribution for post-employment benefits

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of General Obligations in Note 5 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant 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. The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the District's financial reporting process:

- We recorded adjustments to accrue expenses owed at year end (payroll and non-payroll).
- Adjusted revenue for funds financials to represent current resources of funds (those received within 60 days within year-end).
- To properly reflect due to other funds activity.
- Reverse revenue not earned.
- To record the bond proceeds receipts into the proper fund for reporting.
- We recorded an adjustment to the net pension liability of the District.
- We recorded all GASB 34/government-wide adjustments on behalf of the District.
- Record lease activity to comply with GASB 87.

### *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 April 15, 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 Carmichael Recreation & Park 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 Carmichael Recreation & Park 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.

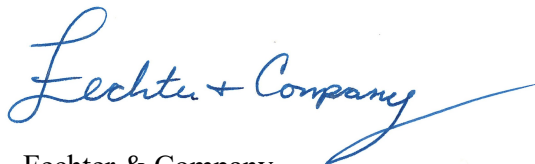
### Other Matters

We applied certain limited procedures to Management Discussion and Analysis, budget comparison and pension information, 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.

Restriction on Use

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

Very truly yours,

A handwritten signature in blue ink that reads "Fechter + Company". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Fechter & Company  
Certified Public Accountants

Sacramento, California  
April 15, 2024