

**EAST CONTRA COSTA FIRE PROTECTION DISTRICT  
REQUIRED COMMUNICATIONS  
FOR THE YEAR ENDED JUNE 30, 2022**

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REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2021**

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## REQUIRED COMMUNICATIONS

Board of Directors  
of the East Contra Costa  
Fire Protection District  
Brentwood, California

We have audited the basic financial statements of East Contra Costa Fire Protection District (District) the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 June 28, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

*Accounting Policies* - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority 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 the year.

*Unusual Transactions, Controversial or Emerging Areas* - We noted no transactions entered into by the 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, with the exception of depreciation expense, and events that occurred subsequent to June 30, 2022 discussed below could have a potential impact on the financial statements:

#### *Capital Assets – Accumulated Depreciation and Depreciation Expense*

As discussed in Note 4A to the financial statements, the District does not maintain complete detailed records of its capital assets and has not calculated or recorded depreciation. Generally accepted accounting principles require the recording of depreciation and that capital assets should be recorded at supportable historical values.

#### *Compensated Absences*

As discussed in Note 1I to the financial statements, the District does not maintain complete detailed records of its compensated absences. Generally accepted accounting principles require the recording of compensated absences to reflect amounts owed.

#### *Other Post-Employment Benefits*

As discussed in Note 8B to the financial statements, the District did not update the actuarial information for calculating the Net OPEB Liability. Generally accepted accounting principles require this to be updated or rolled forward each year.

## ***Accounting Estimates***

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:

*Estimated Net Pension Asset and Pension-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net pension asset and deferred outflows/inflows of resources are disclosed in Note 7 to the financial statements and are based on accounting valuations determined by the Contra Costa County Employees' Retirement Association, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

*Estimated Total OPEB Liability and OPEB-Related Deferred Outflows and Inflows of Resources:* Management's estimate of the net OPEB liability and deferred outflows/inflows of resources are disclosed in Note 8 to the financial statements and are based on an actuarial study determined by a consultant, which is based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

*Estimated Fair Value of Investments:* As of June 30, 2022, the District had approximately \$30 million of cash and investments as measured by fair value as disclosed in Note 2 to the Financial Statements. Fair value is essentially market pricing in effect as of June 30, 2022. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2022.

## ***Disclosures***

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. See the discussions under *Unusual Transactions, Controversial or Emerging Areas* above and in the Notes to the financial statements regarding the unsettled law and highly contingent nature of these matters.

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. However, the audit was significantly delayed due to the District's difficulty annual closing of the records, combined with the additional work in the annexation as discussed in Note 11 of the financial statements.

### ***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. Management has corrected all such misstatements except for Capital Assets as discussed in Note 4A, Compensated Absences as discussed in Note II and Net OPEB Liability as discussed in Note 8B. The District's Capital Assets, Compensated Absences and Net OPEB Liability are not reported in accordance with GAAP.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Except as discussed in paragraph above, we have no such misstatements to report to the Board.

### ***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 a management representation letter dated February 20, 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 the 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 Information Accompanying the Financial Statements**

We applied certain limited procedures to the required supplementary information that accompanies and 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 required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompanying the financial statements but are not required supplementary information. 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.

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

*Maze + Associates*

Pleasant Hill, California  
February 20, 2024