

THE ADAMS GROUP, LLC

CERTIFIED  
PUBLIC  
ACCOUNTANTS

March 29, 2023

Board of Directors  
Bennett Fire Protection District  
355 4<sup>th</sup> Street  
Bennett, Colorado 80102

We have audited the financial statements of the governmental activities and each major fund of the Bennett Fire Protection District (the District) for the year ended December 31, 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 December 15, 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*

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. During the year ended December 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The implementation of this standard in the current year required a restatement of beginning net position. See note 10 to the financial statements. 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.

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 depreciation expense is based on the estimated useful life of the assets and the estimated service life;
- Management's estimate of the accrued compensated absences is based on employees hourly rate of pay as of December 31, 2022 and hours accrued as of December 31, 2022;
- Management's estimate of the allowance for doubtful accounts related to EMS services is based on historical collection percentages;
- Management's estimate of the net pension liability (asset), deferred outflows and inflows of resources, and pension expense (income) are based on a third-party actuary report.

- Management’s estimate of the lease asset and lease liability are based on the present value of future payments expected under the lease agreements.

We evaluated the key factors and assumptions used to develop the estimates in determining that that are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole.

We are not aware of any uncorrected misstatements as of December 31, 2022.

#### *Restatement*

As outlined in Note 10 to the financial statements, beginning balances were restated as a result of the implementation of GASB Statement No. 87, *Leases*. Our opinion was not modified with respect to this matter.

#### *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 March 29, 2023.

#### *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. In addition, please see our separate letter dated March 29, 2023 outlining other audit items noted as part of our audit.

Other Matters

We applied certain limited procedures to the general fund budgetary comparison schedule and the GASB required pension schedules, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.


We were engaged to report on the capital expansion fund budgetary comparison schedule (the supplementary information) which accompanies 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 other information, which accompanies 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 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.

Very truly yours,



The Adams Group, LLC  
Certified Public Accountants