



April 3, 2024

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, 2023. 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 November 28, 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. During the year ended December 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard had no impact on the District for the year ended December 31, 2023. 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 depreciation expense is based on the estimated useful life of the assets and the estimated service life of the asset;
- Management's estimate of the accrued compensated absences is based on employees hourly rate of pay as of December 31, 2023 and hours accrued as of December 31, 2023;
- Management's estimate of the allowance for doubtful accounts related to EMS services is based on historical collection percentages. In addition, management's estimate related to EMS unavailable revenue is based on total EMS collections during January 2024 and February 2024;

- Management's estimate of the net pension liability (asset), deferred outflows and inflows of resources, and pension expense (income) was based on a third-party actuary report
- Management's estimate of the lease assets, lease amortization, 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. See listing of corrected misstatements attached with this letter.

In addition, we noted one uncorrected misstatement for the year ended December 31, 2023. See uncorrected misstatement attached to this letter.

#### *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 3, 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. In addition, please see our separate letter dated April 3, 2024 outlining other audit items noted as part of the 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.

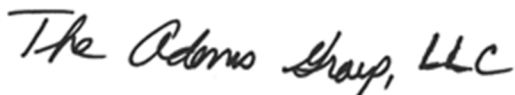
We were engaged to report on the capital expansion fund budgetary comparison schedule (the supplementary information) which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and 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 other information, 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 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,

A handwritten signature in black ink that reads "The Adams Group, LLC". The signature is written in a cursive, flowing style.

The Adams Group, LLC  
Certified Public Accountants

**Bennett Fire Protection District**  
**Adjusting Journal Entries**  
**Year Ended December 31, 2023**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
Entry to record adjustment in property tax receivable and deferred inflows of resources based on certified mill levy.			
01-1165	Property Tax Receivable	\$ 3,378,459	
01-2015	Deferred Property		3,378,459
<b>Total</b>		<b>\$ 3,378,459</b>	<b>\$ 3,378,459</b>
<b>Adjusting Journal Entries JE # 2</b>			
Entry to record AR and Revenue Related to SOT received in January 2024 related to December 2023.			
01-1200	Accounts Receivable	\$ 2,593	
01-4020	Specific Ownership Tax		2,593
<b>Total</b>		<b>\$ 2,593</b>	<b>\$ 2,593</b>
<b>Adjusting Journal Entries JE # 3</b>			
Entry to record EOY salary accrual.			
01-5503	Employee Wages	\$ 17,078	
01-2200	Accrued Salary		17,078
<b>Total</b>		<b>\$ 17,078</b>	<b>\$ 17,078</b>
<b>Adjusting Journal Entries JE # 4</b>			
Entry to record adjustments to EMS AR, revenue, and other components based on 3rd party billing reports.			
01-1166	Accounts Receivable - EMS	\$ 174,676	
01-1167	Allowance for A/R	3,763	
01-2016	Deferred EMS Billing		171,406
01-4010	EMS Revenue		7,033
<b>Total</b>		<b>\$ 178,439</b>	<b>\$ 178,439</b>
<b>Adjusting Journal Entries JE # 5</b>			
Entry to record accounts receivable and revenue for residential permits sold in 2023, but payment received in January 2024.			
04-1200	Accounts Receivable	\$ 27,506	
04-4035	Development Fees		27,506
<b>Total</b>		<b>\$ 27,506</b>	<b>\$ 27,506</b>
<b>Adjusting Journal Entries JE # 6</b>			
Entry to remove capital outlay and AP from the capital expansion fund as fund should not have expenditures or AP recorded as all payments made out of general fund.			
04-2000	Accounts Payable	\$ 5,682	
04-5708	Capital Outlay Station Equipment		5,682
<b>Total</b>		<b>\$ 5,682</b>	<b>\$ 5,682</b>

**Adjusting Journal Entries JE # 7**

Entry to record transfers in and transfers out between the general and capital expansion fund. Capital expansion fund should not have expenditures recorded as all payments are made out of the general fund.

01-5701	Capital Outlay Radio	\$	33,618	
01-5702	Capital Outlay Fire Equipment		9,874	
01-5708	Capital Outlay Station Equipment		11,959	
01-5710	Capital Outlay Facilities		1,226	
04-5900	Transfer To General Fund		56,677	
01-4040	Transfer From Capt. Exp. Fund			56,677
04-5701	Capital Outlay Radio			33,618
04-5702	Capital Outlay Fire Equipment			9,874
04-5708	Capital Outlay Station Equipment			11,959
04-5710	Capital Outlay Facilities			1,226
<b>Total</b>		<b>\$</b>	<b>113,354</b>	<b>\$ 113,354</b>

**Adjusting Journal Entries JE # 8**

Entry to remove prior year AJE which recorded expenditures and AP. TAG notes the District recorded expenditures in FY2023.

01-2000	Accounts Payable	\$	16,424	
01-5010	Telephone / Internet Expense			32
01-5043	Cell Phones			528
01-5047	EMS Billing			4,075
01-5051	Office Expense			24
01-5055	Incentives / Meetings			315
01-5116	Fire Equipment Misc.			634
01-5130	Communications			390
01-5139	Technology (Non-Capital)			3,494
01-5140	Computer Software/Support			400
01-5141	Technology Parts			64
01-5200	Maintenance			406
01-5201	Maintenance Stations / Equipment			316
01-5250	Outside Fleet Maintenance			491
01-5300	Repairs			2,537
01-5600	Election Expense			47
01-5620	Legal Expense			1,509
01-5720	Capital Outlay Vehicle			1,162
<b>Total</b>		<b>\$</b>	<b>16,424</b>	<b>\$ 16,424</b>

**Adjusting Journal Entries JE # 9**

Entry to record payments made after 12/31/23 as 2023 expenditures and accounts payable.

01-5047	EMS Billing	\$	2,612	
01-5100	Ambulance Supplies		2,543	
01-5116	Fire Equipment Misc.		1,117	
01-5130	Communications		1,300	
01-5199	Fuel		5,063	
01-5200	Maintenance		1,300	
01-5250	Outside Fleet Maintenance		2,119	
01-5490	Hiring / HR Research		1,113	
01-5620	Legal Expense		4,508	
01-5720	Capital Outlay Vehicle		3,425	
01-2000	Accounts Payable			25,100
<b>Total</b>		<b>\$</b>	<b>25,100</b>	<b>\$ 25,100</b>

**Adjusting Journal Entries JE # 10**

Entry to reclassify cash received from South Metro Fire to revenue account. Originally recorded as credit to expenditures.

01-5130	Communications	\$	34,000	
01-4030	Misc. Income			34,000
<b>Total</b>		<b>\$</b>	<b>34,000</b>	<b>\$ 34,000</b>
<b>Total Adjusting Journal Entries</b>		<b>\$</b>	<b>3,798,635</b>	<b>\$ 3,798,635</b>

**Bennett Fire Protection District  
 Passed Adjustments  
 Year Ended December 31, 2023**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Proposed Journal Entries JE # 1</b>			
Expenditures and accounts payable are understated as of December 31, 2023 related to expenditures incurred during 2023 and paid subsequent to December 31, 2023.			
	General fund expenditures	\$ 7,427	
	Accounts payable		7,427
<b>Total</b>		<u>\$ 7,427</u>	<u>\$ 7,427</u>