



THE ADAMS GROUP, LLC

CERTIFIED
PUBLIC
ACCOUNTANTS

May 31, 2022

Board of Directors
Frederick-Firestone Fire Protection District
Frederick, Colorado

We have audited the financial statements of the governmental activities and the major fund of Frederick-Firestone Fire Protection District (the District) for the year ended December 31, 2021. 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 July 1, 2021. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2021. 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 allowance for uncollectible EMS receivables is based on historical collection percentages and expected future collections.
- Management's estimate of the useful lives of capital assets and related depreciation expense is based on the straight-line method of depreciation.
- Management's of the GASB Statement No. 68 net pension liability (asset) and related components is based on a third-party actuary report and related assumptions, as well as the District's contributions to the plan.

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

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. A list of corrected misstatements is attached to the management representation letter. We are not aware of any uncorrected 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 May 31, 2022.

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. See our letter dated May 31, 2022 outlining items noted during the course of our audit.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the 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.

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

Frederick-Firestone Fire Protection District
Adjusting Journal Entry Report
December 31, 2021

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting Journal Entry JE # 1			
Entry to adjust EMS revenue and unavailable revenue through discussions with Mike.			
510-00-2110	Deferred Revenue - Ambulance F	\$ 52,377	\$ -
510-02-3200	Ambulance Fees	-	52,377
Total		<u>\$ 52,377</u>	<u>\$ 52,377</u>