

March 5, 2021

Board of Trustees  
St. Lucie County Fire District  
Firefighters Pension Trust Fund  
5160 N.W. Milner Drive  
Port St. Lucie, Florida

We are pleased to confirm our understanding of the services we are to provide for the St. Lucie County Fire District Firefighters Pension Trust Fund for the year ended September 30, 2020. We will audit the financial statements of the St. Lucie County Fire District Firefighters Pension Trust Fund as of September 30, 2020 and for the year then ended. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), to supplement the Firefighters' Pension Trust Fund's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Investment Return Assumption
2. 10 year schedules: changes in net pension liability
  - Total pension liability, fiduciary net position, net pension liability, funded status, covered payroll, and net pension liability as percentage of payroll
  - Schedule of annual required contribution and comparison to actual contribution
  - Money-weighted rate of return
3. Balances of deferred outflows/inflows and scheduled recognition (if available and applicable)

## **Audit Objective**

The objective of our audit is the expression of an opinion as to whether the St. Lucie County Fire District Firefighters Pension Trust Fund financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the basic financial statements is other than unqualified, we will fully discuss the reasons with you in advance. We will issue a written report upon completion of our audit of the Pension Trust Fund's financial statements. Our report will be addressed to the Board of Trustees of the St. Lucie County Firefighters' Pension Trust Fund. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement

## **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws that are attributable to the plan or to acts by management or employees acting on behalf of the plan. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws that do not have a direct effect on the financial statements. We will inform the St. Lucie County Fire District Firefighters Pension Trust Fund management, however, of any matters of that nature that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of, and direct confirmation of receivable and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from the St.

Lucie County Fire District Firefighters Pension Trust Fund attorneys as part of the engagement, and they may bill the St. Lucie County Fire District Firefighters Pension Trust Fund for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from the St. Lucie County Fire District Firefighters Pension Trust Fund about the financial statements and related matters.

### **Audit Procedures – Compliance**

Identifying and ensuring that the St. Lucie County Fire District Firefighters Pension Trust Fund complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the St. Lucie County Fire District Firefighters Pension Trust Fund compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance with we will not express such an opinion.

### **Audit Procedures – Internal Control**

In planning and performing our audit, we will consider the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the St. Lucie County Fire District Firefighters Pension Trust Fund's basic financial statements. Our audit will include obtaining an understanding of the entity and its environment including internal control, sufficient to assess the risks of material misstatement of the financial statements and to plan the audit to determine the nature, timing and extent of audit procedures to be performed.

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance, internal control related matters that are required to be communicated under standards established by the American Institute of Certified Public Accountants.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the plan in conformity with accounting principles generally accepted in the United States of America. Management is also responsible for management decisions and functions: for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us and is responsible to the accuracy and completeness of that information.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the plan involving (a) plan management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of management's knowledge of any allegations of fraud or suspected fraud affecting the plan received in communications from employees, former employees, regulators, or others. In addition, management is also responsible for identifying and ensuring that the plan complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The workpapers for this engagement are the property of DiBartolomeo, McBee, Hartley & Barnes, P.A. and constitute confidential information. However, we may be requested to make certain workpapers available to certain government agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of DiBartolomeo, McBee, Hartley & Barnes, P.A. personnel.

**IF DIBARTOLOMEO, MCBEE, HARTLEY & BARNES HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ITS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS:**

**AC LOVINGOOD, ADMINISTRATOR  
PENSION RESOURCE  
4360 NORTHLAKE BOULEVARD - SUITE 206**

**PALM BEACH GARDENS, FL 33410**  
**TELEPHONE: 1-800-206-0116**  
**FACSIMILE: (561) 624-3278**  
**[AC@RESOURCECENTERS.COM](mailto:AC@RESOURCECENTERS.COM)**

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the St. Lucie County Fire District Firefighters Pension Trust Fund audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The audit fee for this engagement will not exceed \$10,000. The above fee is based on anticipated cooperation and assistance from Fire District personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. This fee does not include additional services that may be requested and delivered other than as noted above.

We appreciate the opportunity to be of service to the St. Lucie County Fire District Pension Trust Fund and believe this letter accurately summarizes the significant terms of our engagement. Any additional services requested and rendered would be addressed prior to such and therefore are not to be included as part of this agreement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Jay L. McBee, CPA  
Principal

JLM

RESPONSE:

This letter correctly sets forth the understanding of the St. Lucie County Fire District Firefighters Pension Trust Fund.

BY: \_\_\_\_\_  
Chairman