



March 23, 2022

Board of Trustees  
Bloomington Fire Department Relief Association  
Bloomington, Minnesota

We have audited the basic financial statements and the net pension (asset) liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified totals) included in the schedule of pension amounts (pension schedule) of the Bloomington Fire Department Relief Association as of and for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting about planning matters on February 4, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated February 4, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements and the pension schedule prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements and pension schedule does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Bloomington Fire Department Relief Association. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

### **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 Bloomington Fire Department Relief Association 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 2021. We noted no transactions entered

into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements and pension schedule in the proper period.

Accounting estimates are an integral part of the financial statements and pension schedule 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 pension schedule and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements and pension schedule are:

- the fair value of investments;
- the actuarial value of plan assets;
- the actuarial accrued liability;
- the total pension liability;
- the total deferred outflows of resources;
- the total deferred inflows of resources; and
- the total pension expense.

The estimate for the fair value of investments is dependent upon existing market conditions and is determined by a third-party safekeeping agent appointed as custodian. All the remaining estimates are determined by the consulting actuary.

We evaluated the key factors and assumptions used to develop these estimates in determining they are reasonable in relation to the basic financial statements and pension schedule.

The financial statement and pension schedule 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. No such misstatements were noted.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements, the pension schedule, 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 14, 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 Association's financial statements and pension schedule or a determination of the type of auditor's opinion that may be expressed on those statements and pension schedule, 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 Matters**

We applied certain limited procedures to the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents, 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 it.

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Bloomington Fire Department Relief Association  
Bloomington, Minnesota

This information is intended solely for the use of the Board of Trustees and management of the Bloomington Fire Department Relief Association and is not intended to be, and should not be, used by anyone other than those specified parties.

*/s/Julie Blaha*

JULIE BLAHA  
STATE AUDITOR

*/s/Dianne Syverson*

DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR