



January 20, 2022

Barbara Baird
Finance Director
City of Grand Rapids, Minnesota
420 North Pokegama Avenue
Grand Rapids, Minnesota 55744

Barb –

Our current audit engagement letter is for the years 2020 through 2022. Recent changes in audit standards are effective for the audit of 2021. As such, this engagement letter addendum is needed to incorporate the new standards. Below is the additional language to the various sections in our engagement letter dated July 28, 2020.

Auditor's Responsibilities for the Audit of the Financial Statements

We will also conclude, based on the evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Other Services

We will also assist in preparing the financial statements and related notes of the City in conformity with accounting principles generally accepted in the United States of America based on information provided by you, and assist with preparation of pension workpapers and journal entries based on information provided by you, PERA and actuaries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to financial statement and pension services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities relating to the financial statements and related notes, the preparation of pension workpapers and journal entries, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes, the pension workpapers and journal entries, and that you have reviewed and approved the financial statements and related notes, including the pension workpapers and journal entries, prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees and Other

The AICPA Code of Professional Conduct requires Redpath to maintain our independence with regards to certain attestation services provided to the City. These rules require the City to take responsibility for all nonattest services. Redpath cannot serve as custodian for your data in such a way that your data is incomplete and accessible only through Redpath or the Redpath portal. As such, any financial report, reconciliation, document, and calculation (depreciation schedules, journal entries, etc.) that we prepare or update on your behalf will be sent to you at the completion of each attest or nonattest service. You are responsible for downloading and maintaining these records as well as all supporting documents generated in the normal course of business until the retention period expires.

Reporting

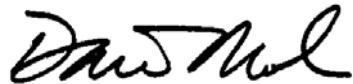
We will issue a written report upon completion of our audit of the City's financial statements which will also address other information in accordance with AU-C 720, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the city council of the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions 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 issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing on internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to City of Grand Rapids, Minnesota. If you have any questions, please let us know. If you agree with the additional terms of our engagement as described in this letter, please sign this letter and return it to us via DocuSign.

Sincerely,

REDPATH AND COMPANY, LTD.

A handwritten signature in black ink, appearing to read "David J. Mol".

David J. Mol, CPA

DJM/ajf

Response

This letter correctly sets forth the understanding of City of Grand Rapids, Minnesota.

_____ Signature	_____ Signature
_____ Title	_____ Title
_____ Date	_____ Date

Nonaudit Services

The individual(s) assigned to oversee the nonaudit services is the finance director, unless indicated below:

_____ (name and title)