

**STUART J. BONNIWELL**  
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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

Members of the Coordinating Committee  
South Lake Minnetonka Police Department

I have completed the audit of the financial statements of the South Lake Minnetonka Police Department (the Department) for the year ended December 31, 2020 and have issued an unmodified report thereon dated April 5, 2021.

Professional standards require that the auditor provide those charged with governance with information regarding our responsibilities under generally accepted auditing standards, as well as certain other information related to the planned scope and timing of the audit. The following constitutes communication of such information related to the audit.

***Auditor's Responsibility Under U.S Generally Accepted Auditing Standards***

The objective of a financial statement audit is the expression of an opinion about whether the financial statements 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.

My responsibility is to plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement and are prepared in accordance with accounting principles generally accepted in the United States of America. My audit of the financial statements does not relieve the Coordinating Committee or management of their responsibilities.

***Planned Scope and Timing of the Audit***

The audit included obtaining an understanding of the Department and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Department or to acts by management or employees acting on behalf of the Department. However, I am not required to design procedures specifically to identify such matters.

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Therefore, the audit involved judgment about the number of transactions to be examined and the areas to be tested. The audit was performed according to the planned scope and timing as previously discussed with management.

***Qualitative Aspects of Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by the Department are described in Note 1 to the financial statements. No new accounting policies were adopted nor were there any changes in significant accounting policies or their application during the year that were material to the financial statements.

No transactions entered into by the Department during the year were noted that were both significant and unusual and of which, under professional standards, I am required to inform you. In addition, there were no transactions for which there is a lack of authoritative guidance or consensus.

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 regarding 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. Key factors and assumptions used to develop accounting estimates were evaluated to determine if the estimates used are reasonable in relation to the financial statements taken as a whole. The Department does not have any particularly sensitive estimates affecting its financial statements.

The disclosures in the financial statements (notes to the financial statements) are neutral, consistent and clear. Certain financial statement disclosures can be particularly sensitive because of their significance to financial statement users. The Department does not have any particularly sensitive disclosures in its financial statements.

### ***Corrected and Uncorrected Misstatements***

Professional standards require the auditor to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

It is important to recognize that for management purposes, the Department maintains its accounting records using the cash basis of accounting throughout the year. The audit of the financial statements resulted in no audit adjustments, except for the normal year-end entries associated with the conversion of the Department's cash basis statements to the accrual method of presentation, that I considered significant enough to be recorded by the Department to prevent the financial statements from being misleading. In my judgment, none of the audit adjustments proposed, whether recorded or unrecorded, either individually or in the aggregate, indicate matters that could have a significant effect on the financial statements.

### ***Difficulties Encountered in Performing the Audit***

No significant difficulties were encountered with management while performing and completing the audit.

### ***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 my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of the audit.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves the application of an accounting principle to the Department's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

### ***Other Matters***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditor. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to being retained as auditor.

During the course of the audit, I did not become aware of any items or circumstances that require discussion with management or those who have oversight responsibility for the financial reporting process.

Members of the Coordinating Committee  
South Lake Minnetonka Police Department

This communication is intended solely for the information and use of the Coordinating Committee, management of the South Lake Minnetonka Police Department, and others within the organizations and is not intended to be, and should not be, used by anyone other than these specified parties.

If you have any questions or wish to discuss any of the items contained in this communication, please contact me at your convenience.

A handwritten signature in black ink, reading "Stuart J. Bonniwell". The signature is fluid and cursive, with the first name "Stuart" and last name "Bonniwell" clearly legible.

Stuart J. Bonniwell  
Certified Public Accountant  
April 5, 2021