HAYDEN ROSS

October 19, 2026

To the Board of Trustees
Lakeland Joint School District No. 272
Rathdrum, Idaho

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272 for the year ended June 30, 2026. Professional standards require that we advice you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 9, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of Lakeland Joint School District No. 272 solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence. Such safeguards were communicated to you in the Independence Letter dated June 9, 2026.

Qualitive Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Lakeland Joint School District No. 272 is included in Note 1 to the financial statements. As described in Note 2 to the financial statements, during the year, the entity adopted Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements, and GASB Statement No. 104, Disclosure of Certain Capital Assets. Accordingly, there is no cumulative effect on the financial statements. Please find attached a list of the GASBs effective for the current year and upcoming fiscal years. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

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 estimate(s) affecting the school district's financial statements were:

> Management's estimate of the useful lives of property and equipment is based on industry standards for the various types of assets. We evaluated the key factors and assumptions used to develop the useful lives of property and equipment in determining that it is reasonable in relation to the financial statements taken as a whole.
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> Management's estimate of the pension/OPEB related balance sheet accounts. We evaluated the key factors and assumptions used to develop the related deferred outflow and inflow of resources and the net pension liability, OPEB liability and OPEB asset in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the incremental borrowing rate for interest on right-of-use lease assets and liabilities and SBITA assets and liabilities.

Financial Statement Disclosures

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

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Lakeland Joint School District No. 272's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management that are included in the management representation letter dated October 19, 2026.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

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 Lakeland Joint School District No. 272's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the net pension liability schedules, other post employment benefit liability schedule, net OPEB asset – sick leave plan related schedules, and the respective budgetary comparison information 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.

We were engaged to report on the combining and nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Trustees and management of Lakeland Joint School District No. 272 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Hayden Ross, PLLC

HAYDEN ROSS

July 2026

RE: Governmental Accounting Standards Board (GASB) Update for 6/30/26 yearend

The following standards are effective as described below:

Effective for Fiscal Year Ending June 30, 2026:

GASB 103, Financial Reporting Model Improvements

- Improve key components of the financial reporting model

GASB 104, Disclosure of Certain Capital Assets

- Improve financial reporting by providing essential information about certain types of capital assets

Effective for Fiscal Year Ending June 30, 2027:

GASB 105, Subsequent Events

- Improve financial reporting requirements for subsequent events.

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