

To Members of the School Board  
Independent School District No. 2167 - Lakeview  
875 Barstad Road North, PO Box 107  
Cottonwood, Minnesota 56229

We are engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota for the year ended June 30, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards* and the Uniform Guidance

As stated in our engagement letter dated April 29, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether Independent School District No. 2167, Lakeview, Cottonwood, Minnesota's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, the supplementary pension and OPEB schedules, and the budgetary comparison schedules for the general and special revenue funds, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the uniform financial accounting and reporting standards compliance table, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section, budgetary comparison schedules for the building construction and debt service funds, and historical analysis for the general fund, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

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.

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 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 entity or to acts by management or employees acting on behalf of the school district. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our auditing planning:

- Improper asset recognition particularly relating to existence/occurrence, rights/obligations, completeness, accuracy/classification, and valuation of capital assets, leases and subscription-based information technology arrangements.
- Improper debt recognition particularly relating to existence/occurrence, rights/obligations, completeness, accuracy/classification, and valuation of long-term debt, leases and subscription-based information technology arrangements.
- Improper revenue recognition due to the potential for fraud and management override of controls.
- Improper revenue recognition particularly relating to the completeness and valuation of state and federal revenues.
- Improper expenditure recognition, particularly relating to the accuracy/classification, existence/occurrence, valuation/allocation, rights/obligations, and completeness of defined benefit pension and OPEB accruals.

We expect to begin our audit on approximately September 3, 2024, and expect to issue our report by December 18, 2024. Lisa Zmeskal is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the School Board and management of Independent School District No. 2167, Lakeview, Cottonwood, Minnesota and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Hoffman + Brobst, PLLP*

Hoffman & Brobst, PLLP  
Certified Public Accountants  
Marshall, Minnesota

September 3, 2024