LB | CARLSON

February 12, 2026

To the School Board and Management of
Independent School District No. 280
Richfield, Minnesota

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of Independent School District No. 280 (the District) in conjunction with our Single Audit of the Schedule of Expenditures of Federal Awards (SEFA) for the year ended June 30, 2025.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS,* AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 8, 2025, which contained unmodified opinions on those financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our Single Audit of the District's SEFA for the year ended June 30, 2025. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE SINGLE AUDIT

We performed the Single Audit according to the planned scope previously discussed and coordinated to obtain sufficient audit evidence. Completion of the Single Audit was later than originally planned due to a delay in the issuance of the 2025 *Compliance Supplement* by the U.S. Office of Management and Budget (OMB).

AUDIT OPINION AND FINDINGS

Based on our audit of the District's SEFA for the year ended June 30, 2025:

- We reported that the SEFA is fairly stated, in all material respects, in relation to the basic financial statements.

- The results of our tests indicate that the District has complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

- We reported one deficiency in the District's internal controls over compliance that we considered to be a significant deficiency with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

    - 2 CFR § 200.320 requires Independent School District No. 280 (the District) to establish and maintain effective internal control over compliance with requirements applicable to its federal program expenditures, including applicable procurement requirements. The District did not have sufficient controls in place within the child nutrition cluster federal programs to ensure compliance with federal procurement requirements related to methods of procurement, which resulted in a reportable instance of noncompliance.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our Single Audit of the District's SEFA for the year ended June 30, 2025, we performed procedures to follow-up on any findings and recommendations that resulted from our prior year audit. We reported the following finding that was corrected by the District in the current year:

- Finding 2024-001 – Internal Control Over Compliance with Federal Suspension and Debarment Requirements for the Child Nutrition Cluster of Federal Programs.

OTHER OBSERVATIONS AND RECOMMENDATIONS – UNIFORM GUIDANCE REVISIONS

In April 2024, the OMB issued the 2024 revised Uniform Guidance, aiming to streamline grant management and reduce grantor agency and recipient burden. The revised guidance is effective for new federal grant entitlements awarded on or after October 1, 2024. Recipients and subrecipients will need to determine the relevant Uniform Guidance criteria based on the award date. Districts may have grants awarded under the previous Uniform Guidance and others awarded under the revised Uniform Guidance in the same fiscal year, and will need to work with grantor or pass-through agencies to ensure each award is in compliance with the applicable requirements.

The revision includes a number of significant changes to the federal Single Audit process, including: an increase in dollar threshold for requiring a Single Audit from $750,000 to $1,000,000; changes to the thresholds and process used for determining major programs; an increase in the threshold for the disposition of equipment and remitting unused supplies from $5,000 to $10,000; and an increase in the de minimis cost rate from 10 percent to 15 percent. Key changes to written policy requirements for recipients include enhancement of cybersecurity controls, inclusion of veteran-owned businesses to the group of entities for procurement preference, and a broadened scope for reporting of mandatory disclosures. The revised audit requirements will be effective for fiscal year 2026 district audits.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated February 12, 2026.

OTHER MATTERS

We were engaged to report on the separately issued SEFA, which is not required supplementary information. 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.

PURPOSE OF THIS REPORT

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

LB Carlson, LLP

LB CARLSON, LLP
Minneapolis, Minnesota