

April 21, 2026

Board of Regents  
Lee College District

This letter is provided in connection with our engagement to audit the financial statements and to audit compliance over major federal and state award programs of Lee College District (the "District") as of and for the year ended August 31, 2026. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit, the compliance audits, and the planned scope and timing of our audits, including significant risks we have identified.

### **Our Responsibilities**

As stated in our engagement letter dated April 21, 2026, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), Government Auditing Standards of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended, the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the requirements of the State of Texas Grant Management Standards (TxGMS), for the purpose of forming and expressing opinions on the financial statements, and on major federal and state award program compliance. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility as it relates to the required supplementary information (RSI) is to perform limited procedures consisting primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI will be subjected to certain limited procedures but will not be audited:

- Management's discussion and analysis
- Pension information and other post-employment benefit information

Our responsibility as it relates to the supplementary information is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether the information is fairly stated in all material respects in relation to the financial statements as a whole. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Schedule of Operating Revenues
- Schedule of Operating Expenses by Object
- Schedule of Non-operating Revenues and Expenses
- Schedule of Net Position by Source and Availability
- Schedule of Expenditures of Federal Awards
- Schedule of Expenditures of State Awards

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the District's annual report includes only the information identified in our report.

## Planned Scope of the Audit

Our audit will include 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 procedures will also include determining major federal and state programs and performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement and TxGMS for the types of compliance requirements that could have a direct and material effect on each major federal and state program. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements or material noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. GAAS, Government Auditing Standards of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended, the provisions of the Uniform Guidance, and the provisions of TxGMS.

Our audit will include obtaining an understanding of the District and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the District's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Recent accounting standards now require us to communicate to you any significant risks identified during the planning stages of the audit which deserve special audit consideration. Our audit approach includes the identification of one significant risk which applies to all governmental audits:

- **Improper revenue recognition** – The risk of fraud in revenue recognition is presumed and it requires the auditor to treat the risk of improper revenue recognition due to fraud as a significant risk. Our audit procedures will address this risk by gaining an understanding of all revenue streams, testing controls over areas with a high volume of transactions for which substantive procedures alone are not sufficient, confirmation of significant transactions with external sources, and vouching certain transactions from the general ledger to the supporting documentation and bank statements. This risk is standard in our approach for all governmental audits and is not specific to the District.

We are currently not aware of any additional significant risks which are specific to the District. However, additional significant risks may arise during the audit.

The timing of our audit will be scheduled for performance and completion as follows:

Interim fieldwork	<u>May 2026</u>
Send questionnaires to Board of Regents	<u>August 31, 2026</u>
Year-end fieldwork	<u>October 2026</u>
Issue audit report	<u>December 2026</u>

This information is intended solely for the information and use of the Board of Regents and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Houston, Texas