

Auditor's Report to the Board of Education

November 15, 2017



BARNES DENNIG
Accounting • Tax • Business Insight

*Prepared
for*

DAYTON
INDEPENDENT
SCHOOLS

Executive Summary

Introduction

We are pleased to serve the Dayton Independent School District as its independent auditors and look forward to our continued relationship. We provide the information on the following pages to assist you in performing your oversight responsibilities. This information is intended solely for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties.

Planned Audit Scope – Communicated in our Engagement Letter dated May 3, 2017.

- Audit of June 30, 2017 financial statements in accordance with generally accepted government auditing standards.
- Audit of major federal programs under The Uniform Guidance

Executive Summary

Audit Results

- ✓ We have issued unmodified (clean) opinions on both the financial statements and compliance with major federal programs
- ✓ We received excellent cooperation from the District's finance staff
- ✓ No significant audit adjustments or uncorrected (due to materiality levels) adjustments
- ✓ No internal control matters are reportable
- ✓ No significant difficulties or disagreements
- ✓ Management representation letter is available upon request

Required Communications

Auditor's and Management's Responsibility

- ✓ The financial statements are the responsibility of the District's management.
- ✓ As the District's auditors, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.
- ✓ The internal controls are the responsibility of management. As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- ✓ Our audit of the financial statements does not relieve you or management of your responsibilities.
- ✓ Refer to our engagement letter with the District for further information on the responsibilities of management and Barnes Dennig.

Required Communications

Significant Accounting Policies

- ✓ Significant Accounting Policies are discussed in Note 1 to the financial statements.
- ✓ The District adopted the provisions of GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which resulted in a net pension liability of \$2,179,334 and \$ 2,024,238 in 2017 and 2016, respectively.

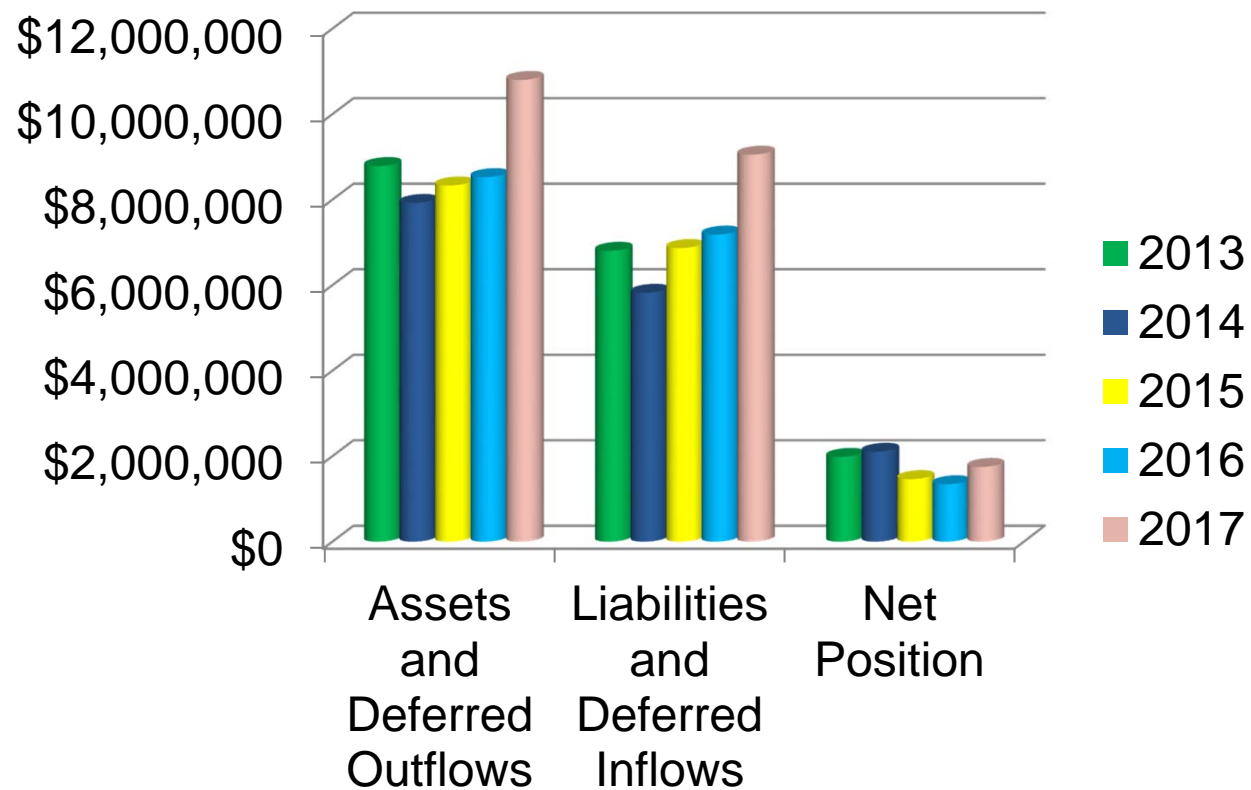
Management's Judgments and Accounting Estimates

- ✓ Depreciable lives of capital assets

Other Matters

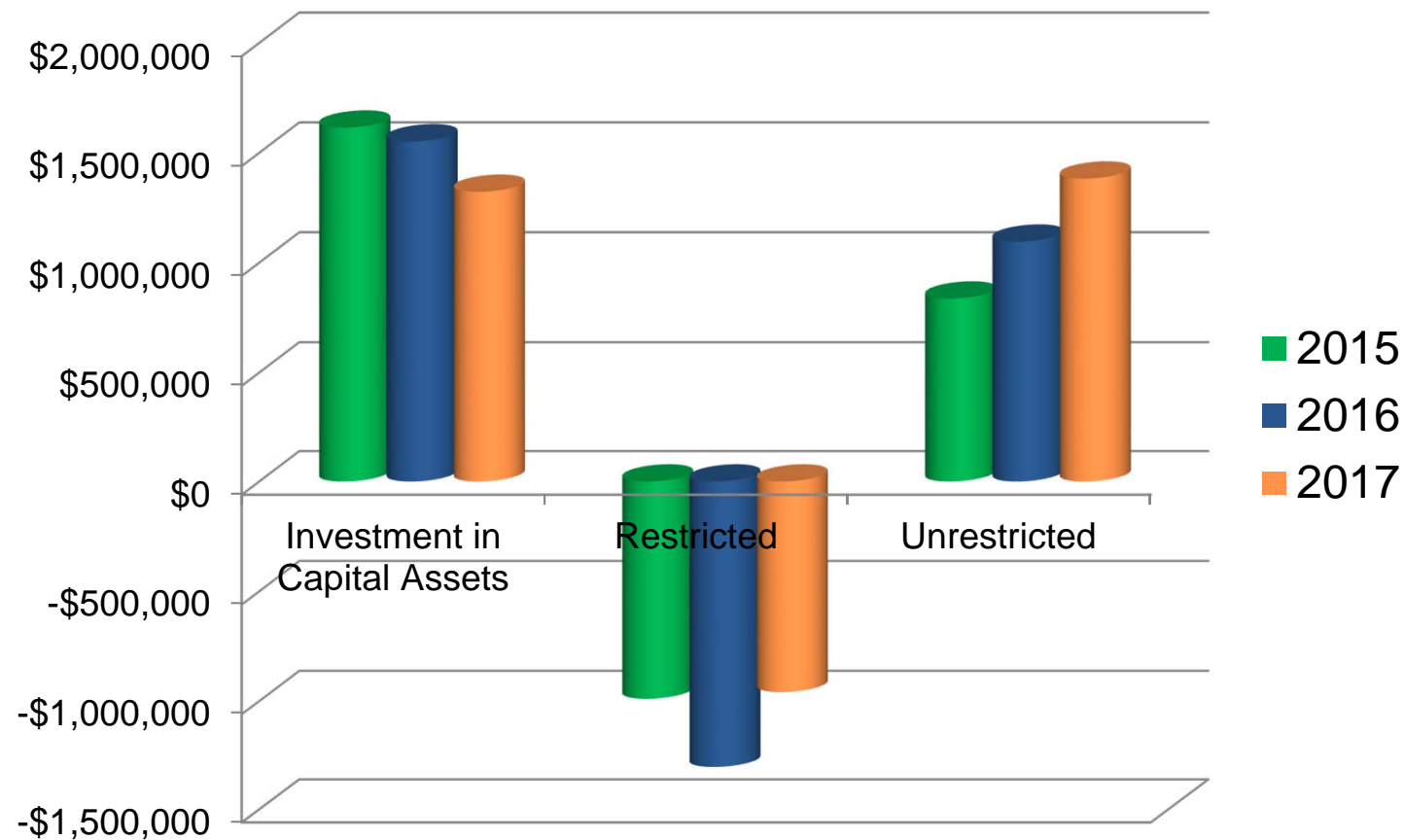
- ✓ No significant difficulties or disagreements
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Statement of Net Position Trends District-Wide

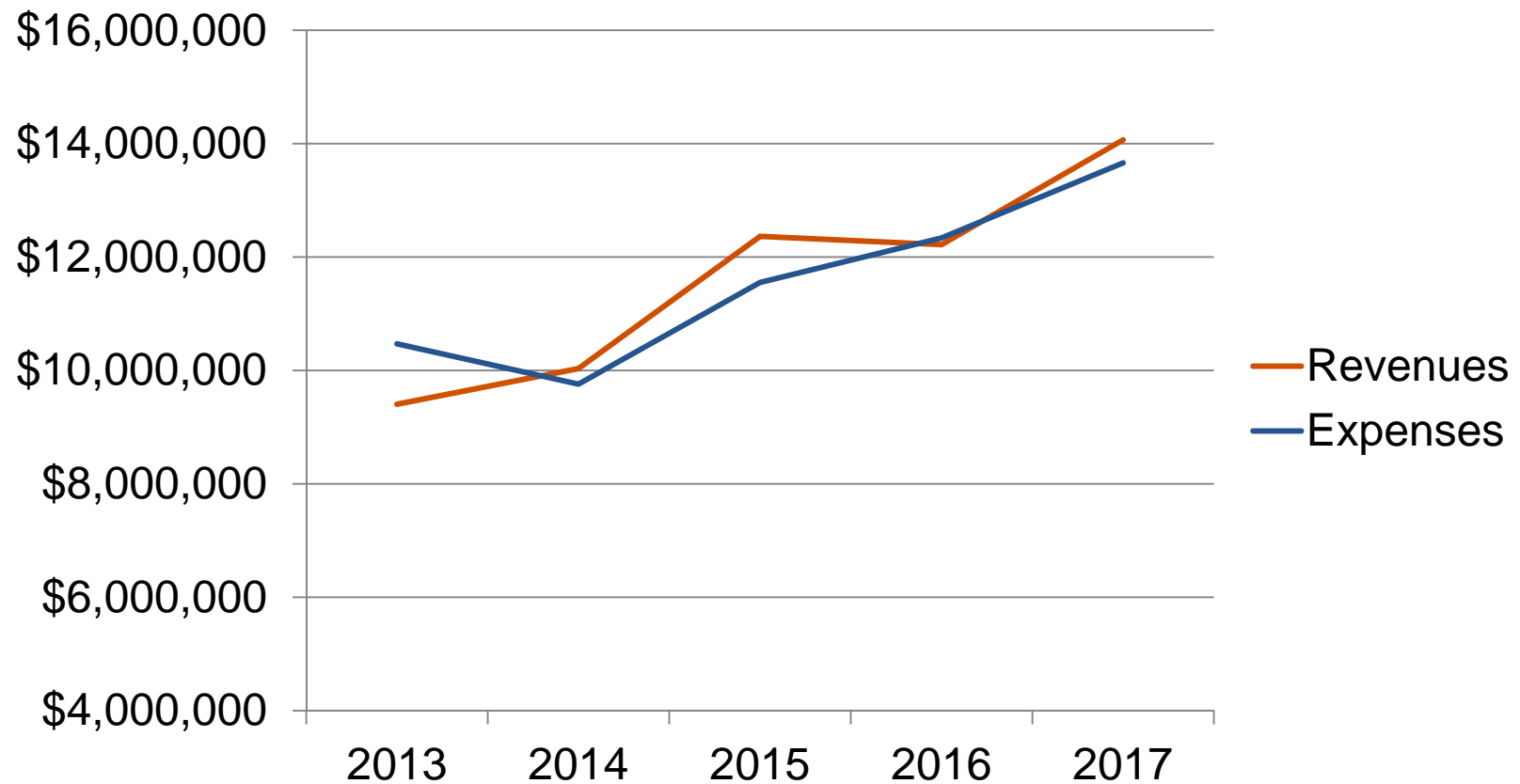


Source: Audited Financial Statements

District-Wide Net Position

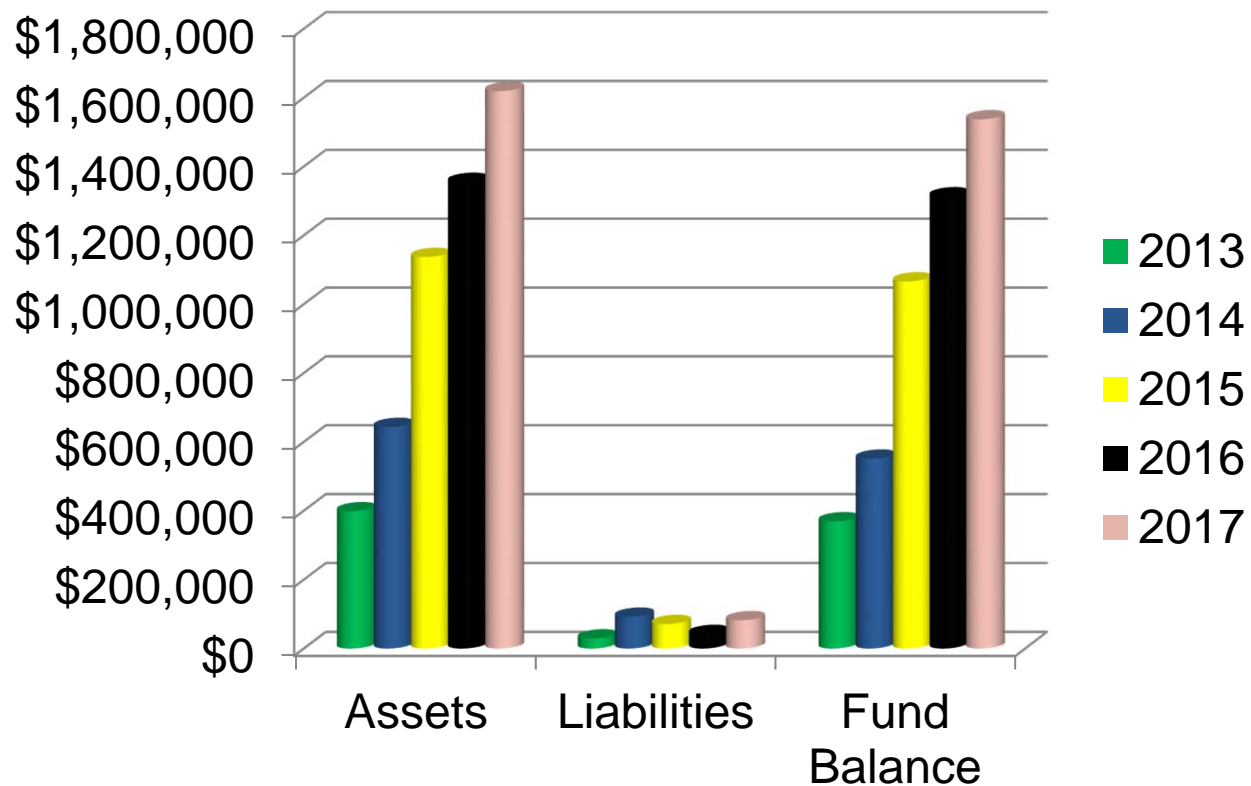


Revenues over Expenses District-Wide



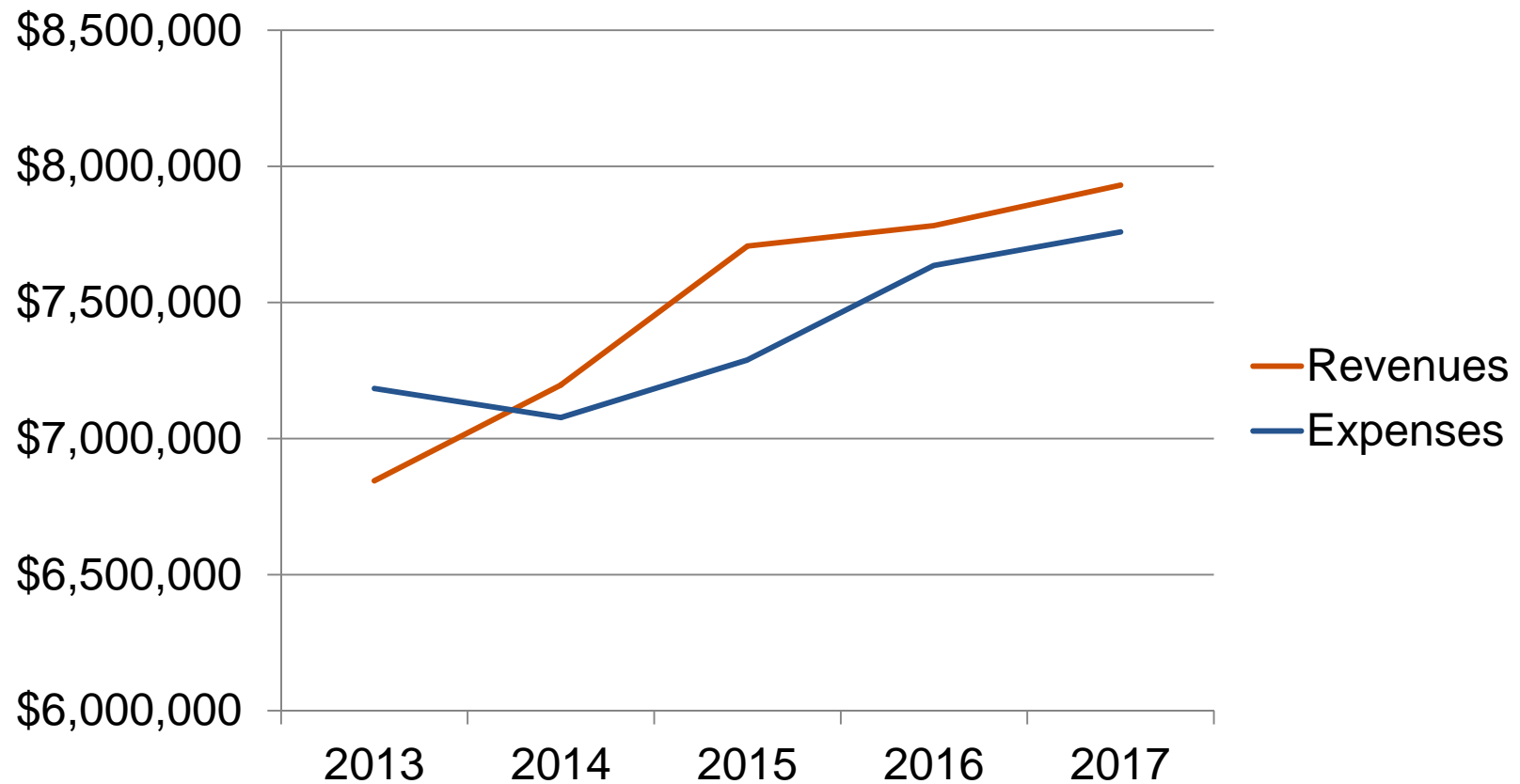
Balance Sheet Trends

General Fund

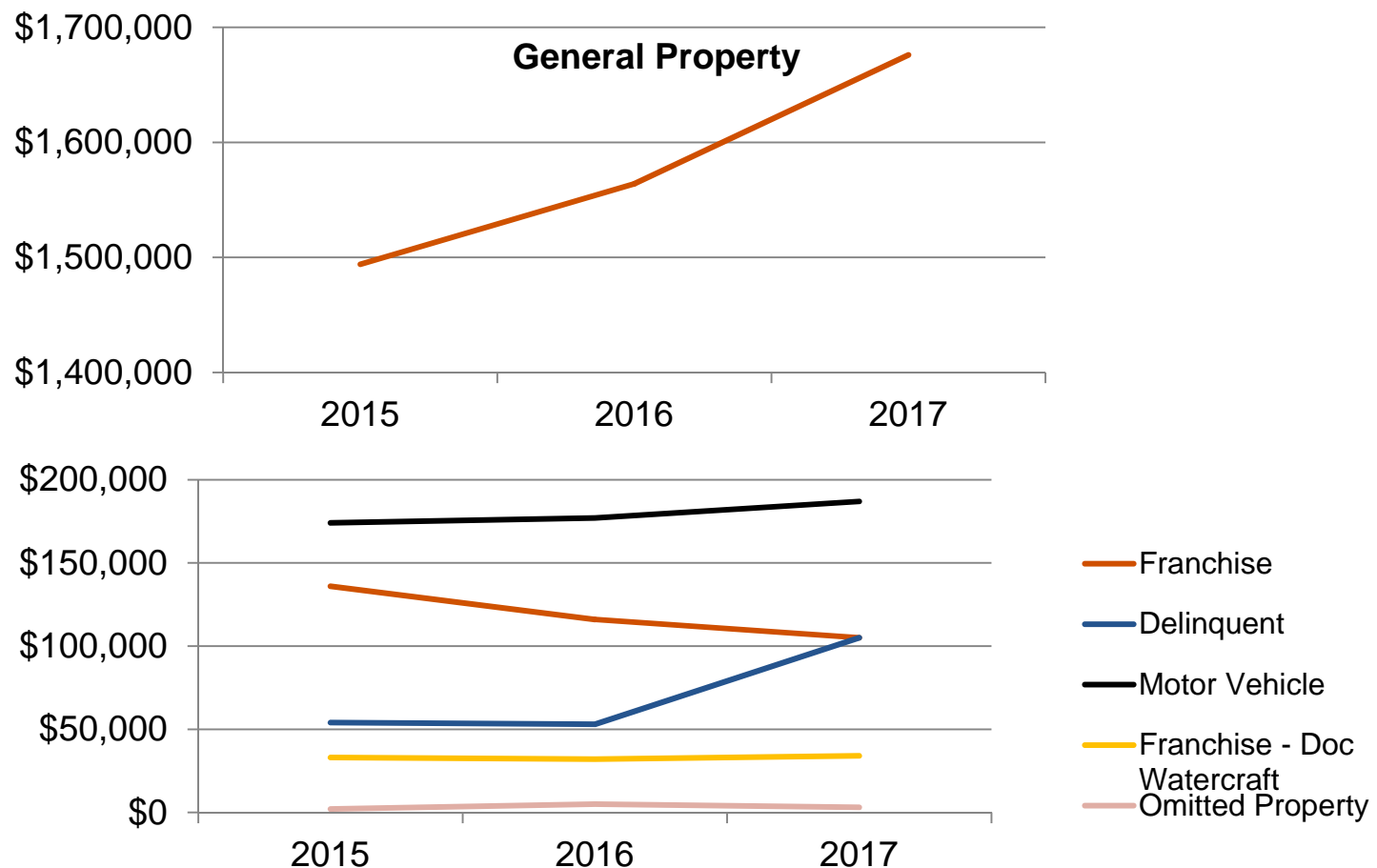


Source: Audited Financial Statements

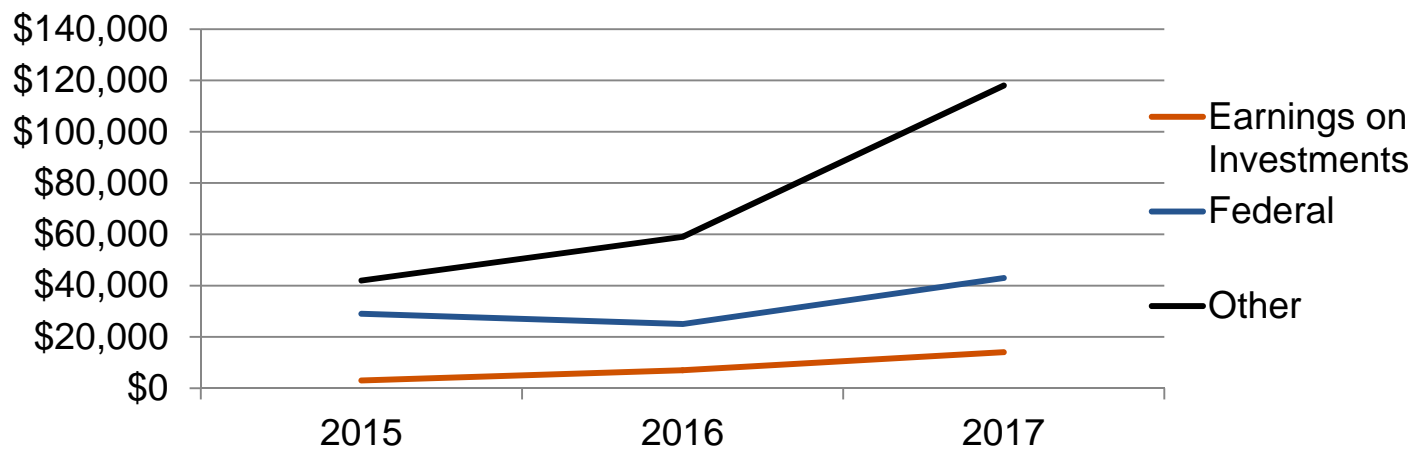
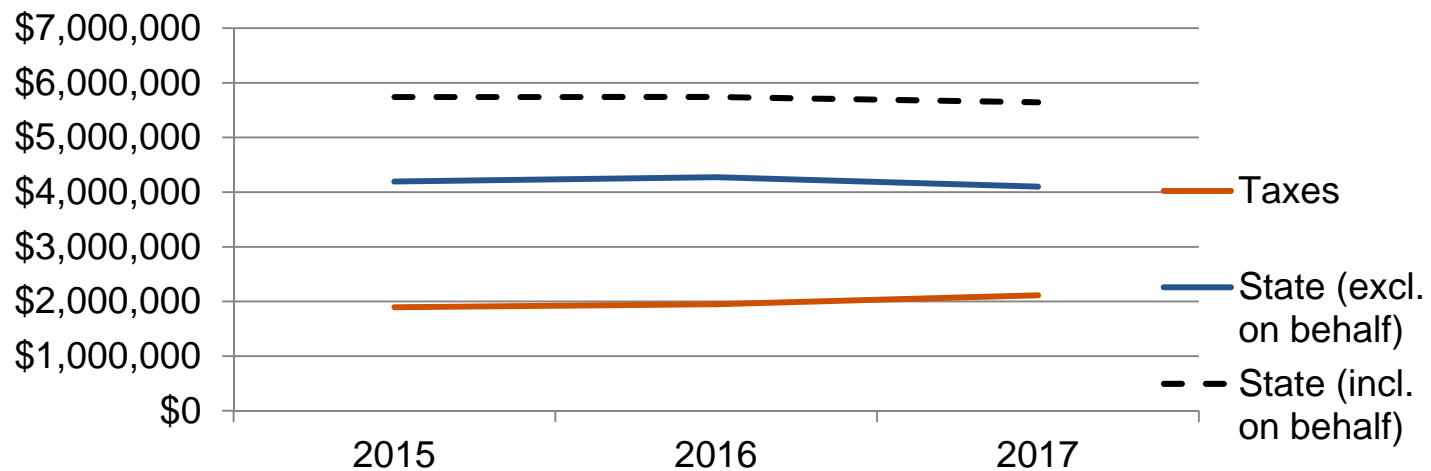
Revenues over Expenses General Fund



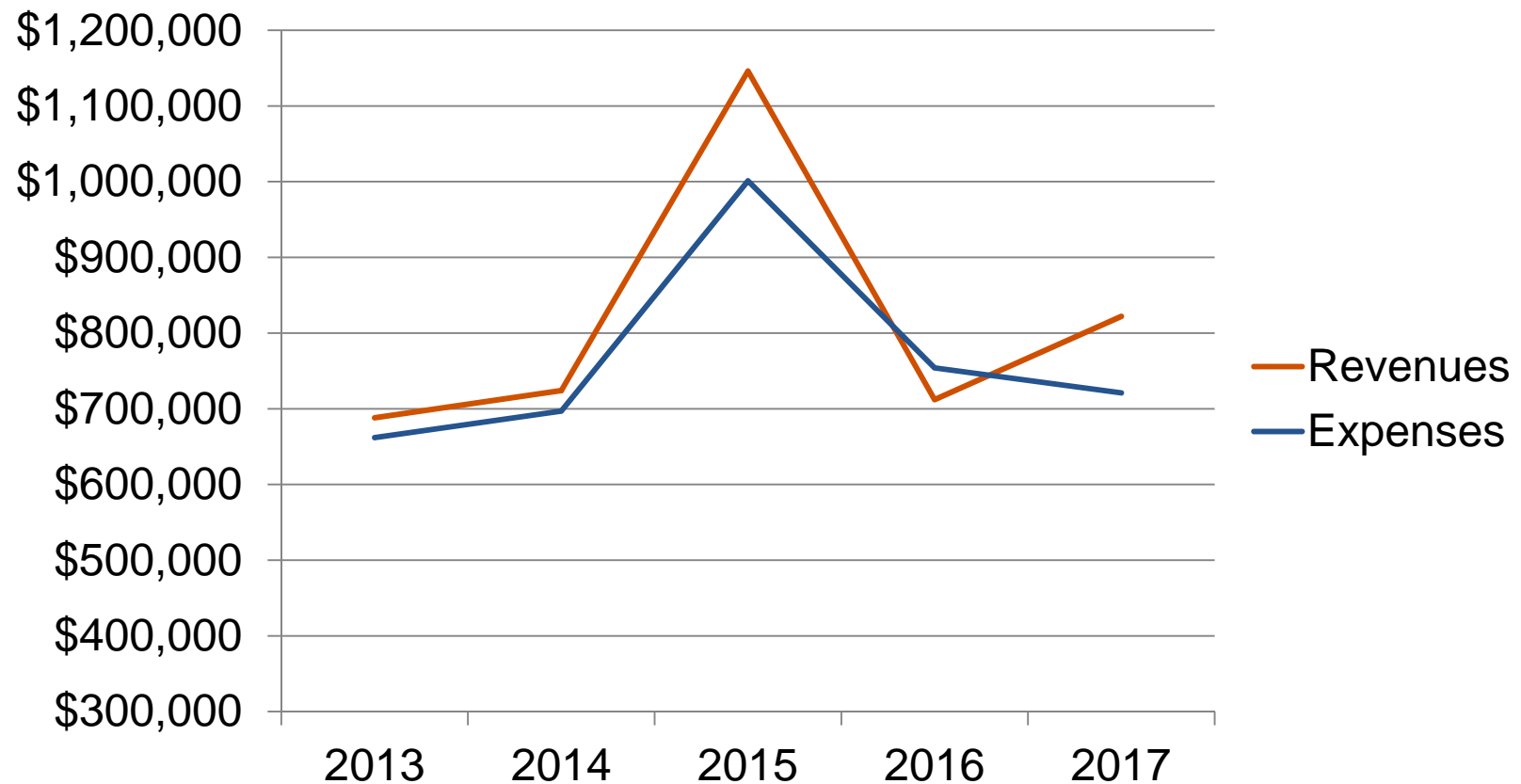
Tax Revenues General Fund



General Fund Revenues by Source



Revenues over Expenses Food Service



Payroll Summary

