

# Auditor's Report to the Board of Education

November 28, 2018



**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 April 5, 2018.***

- Audit of June 30, 2018 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 \$2,696,443 and \$2,179,334 in 2018 and 2017, respectively.
- ✓ The District adopted the provisions of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in a net OPEB liability of \$3,487,104 and \$3,262,409 in 2018 and 2017, respectively.

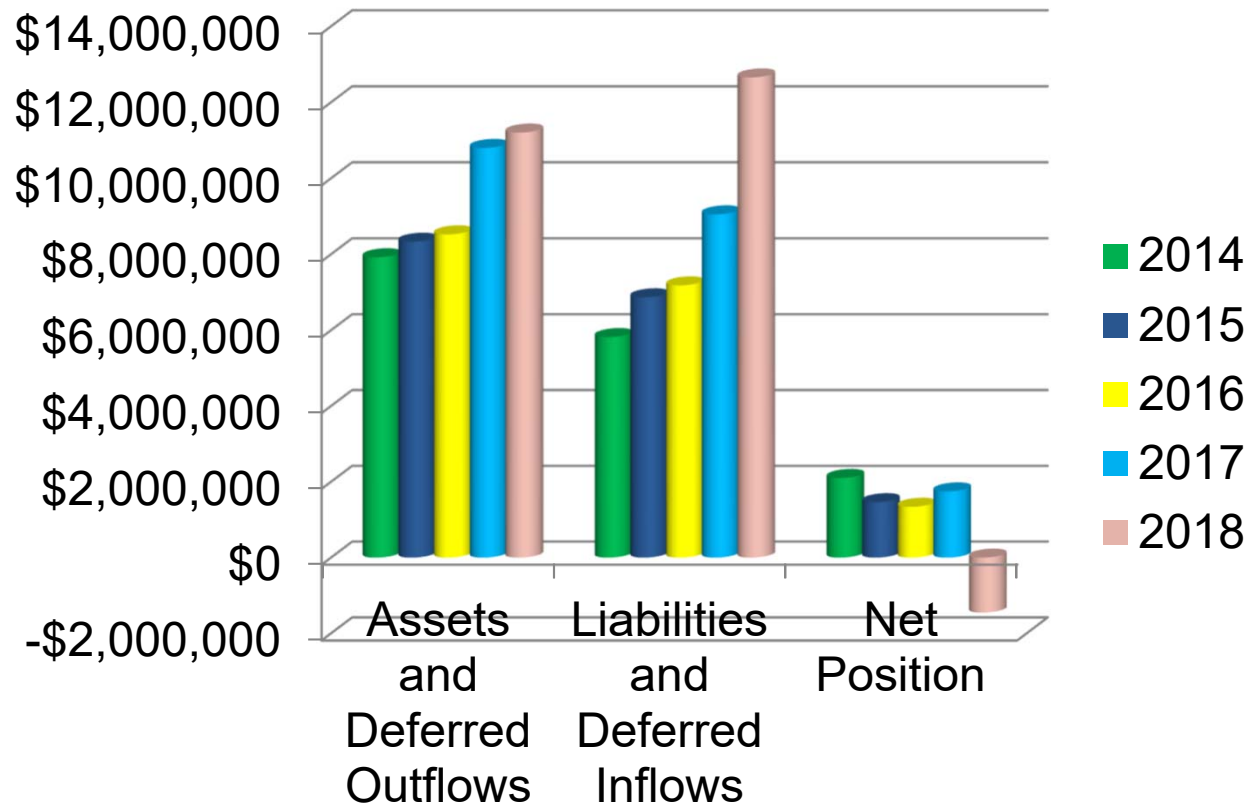
## ***Management's Judgments and Accounting Estimates***

- ✓ Depreciable lives of capital assets

## ***Other Matters***

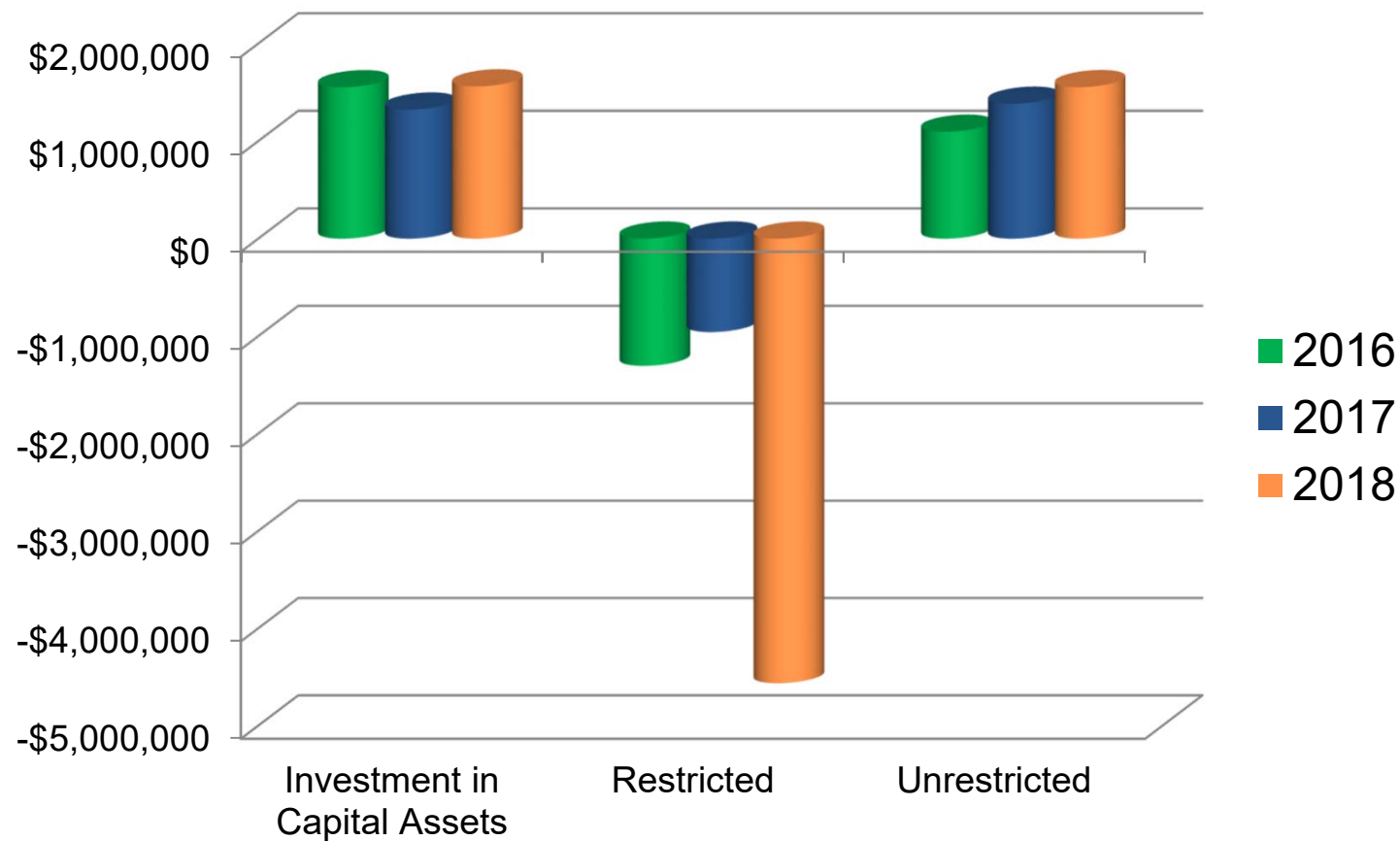
- ✓ No significant difficulties or disagreements
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# Statement of Net Position Trends District-Wide

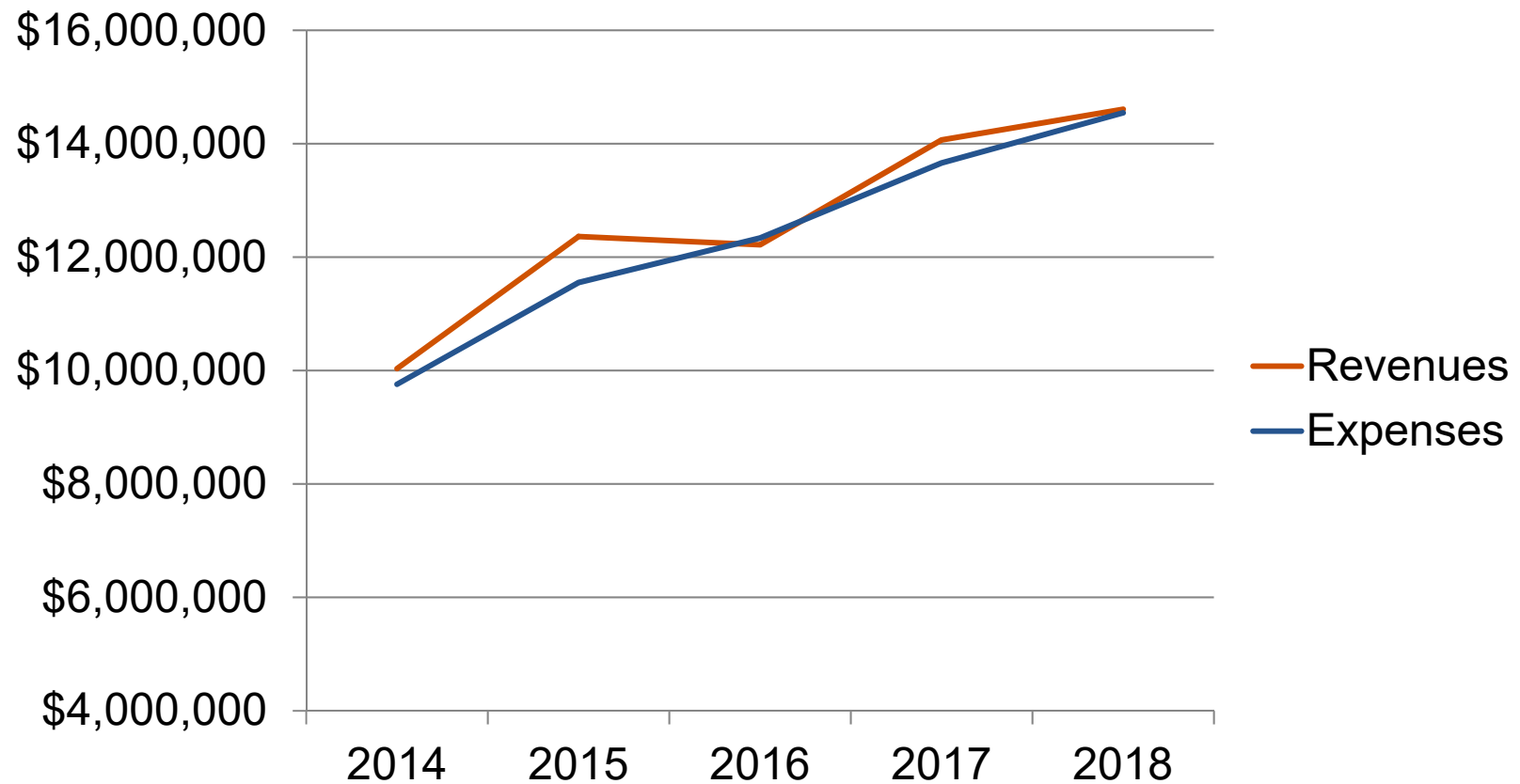


Source: Audited Financial Statements

# District-Wide Net Position

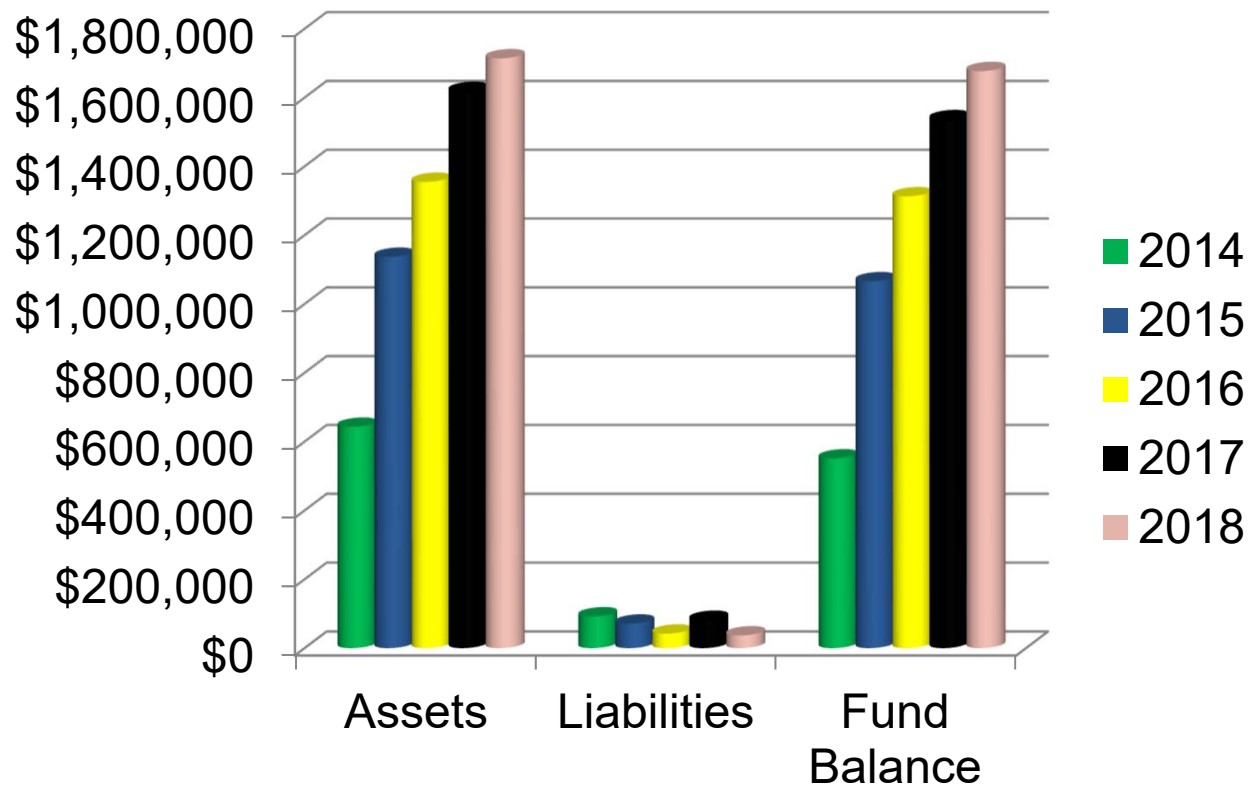


# Revenues over Expenses District-Wide



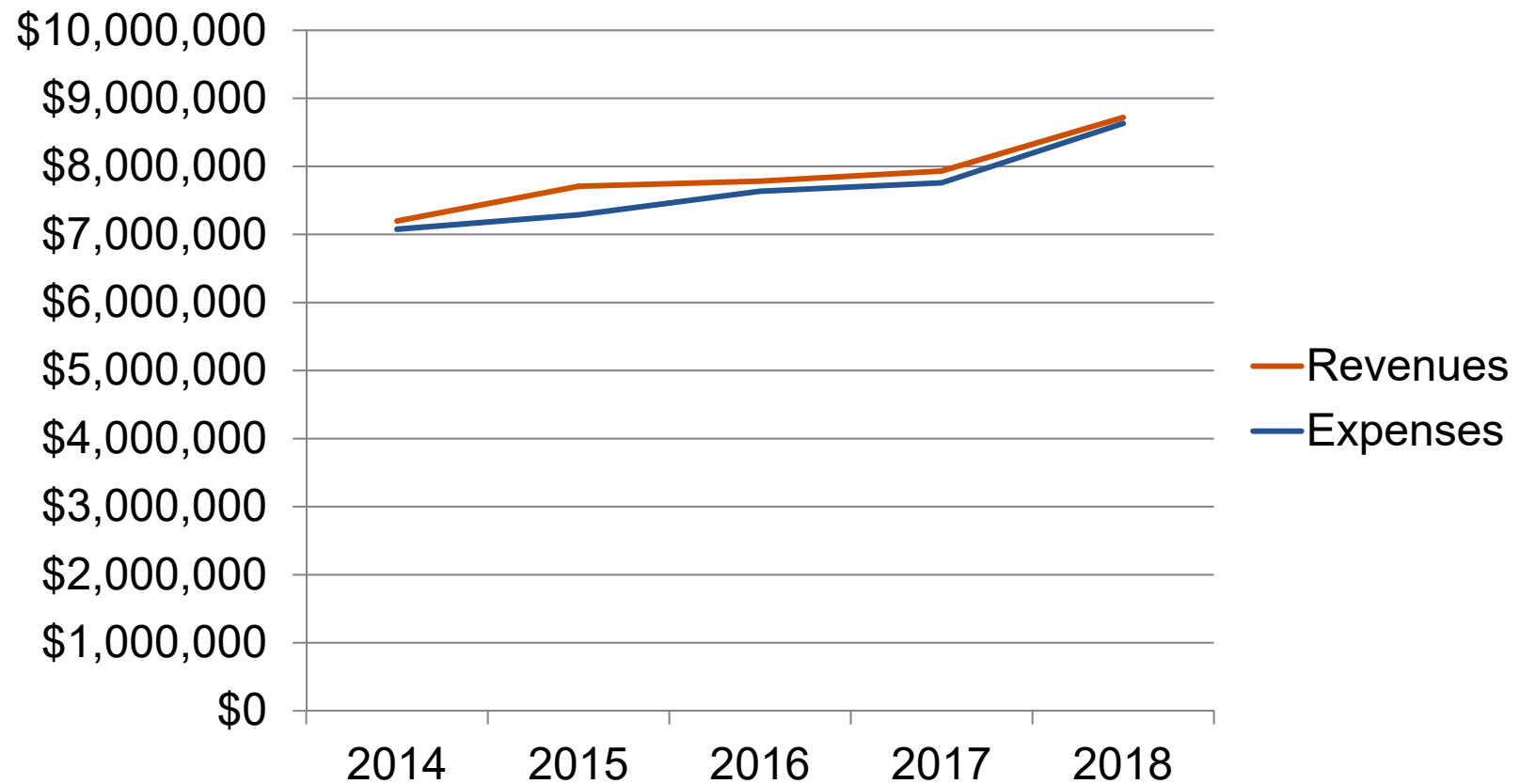
# Balance Sheet Trends

## General Fund

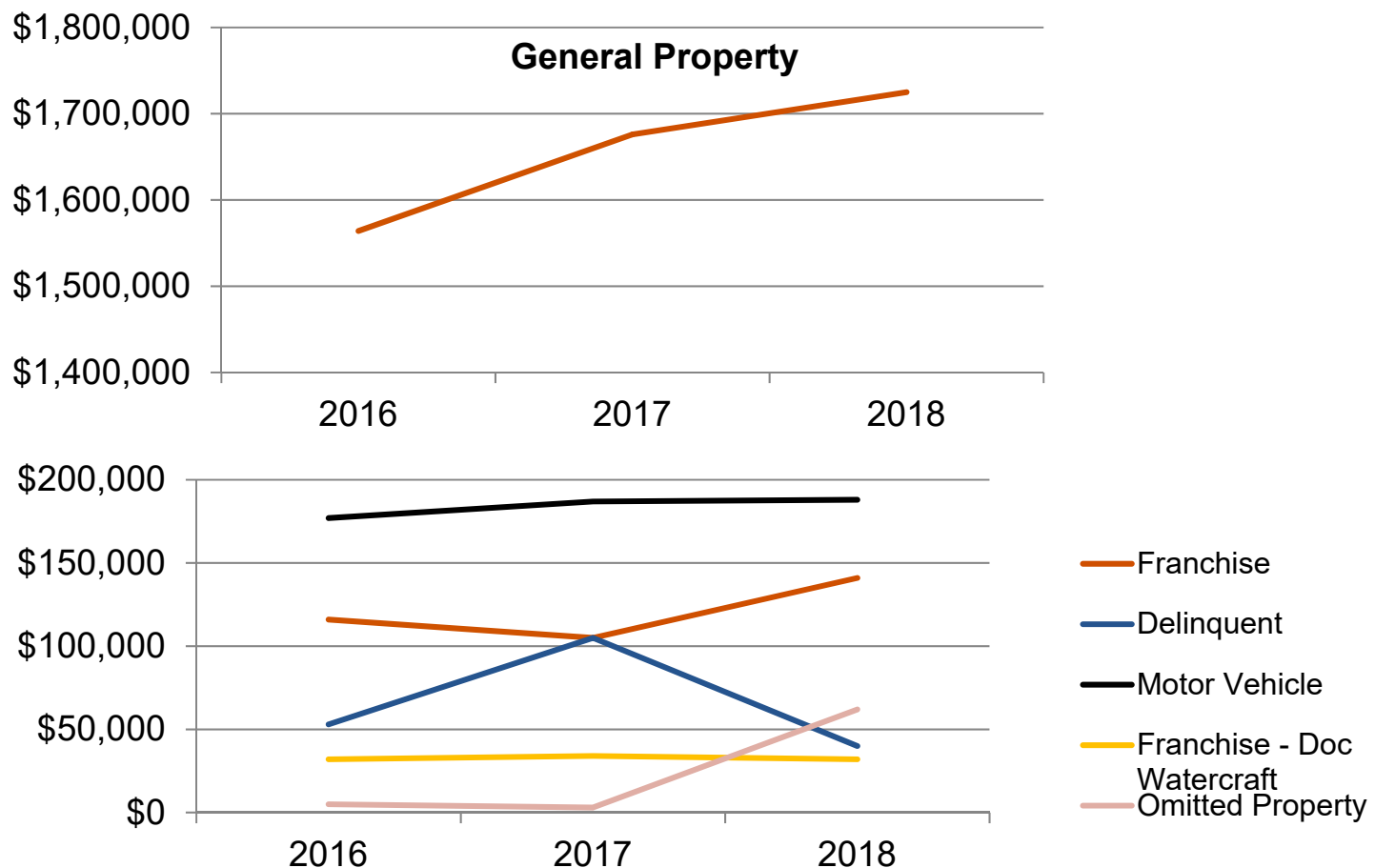


Source: Audited Financial Statements

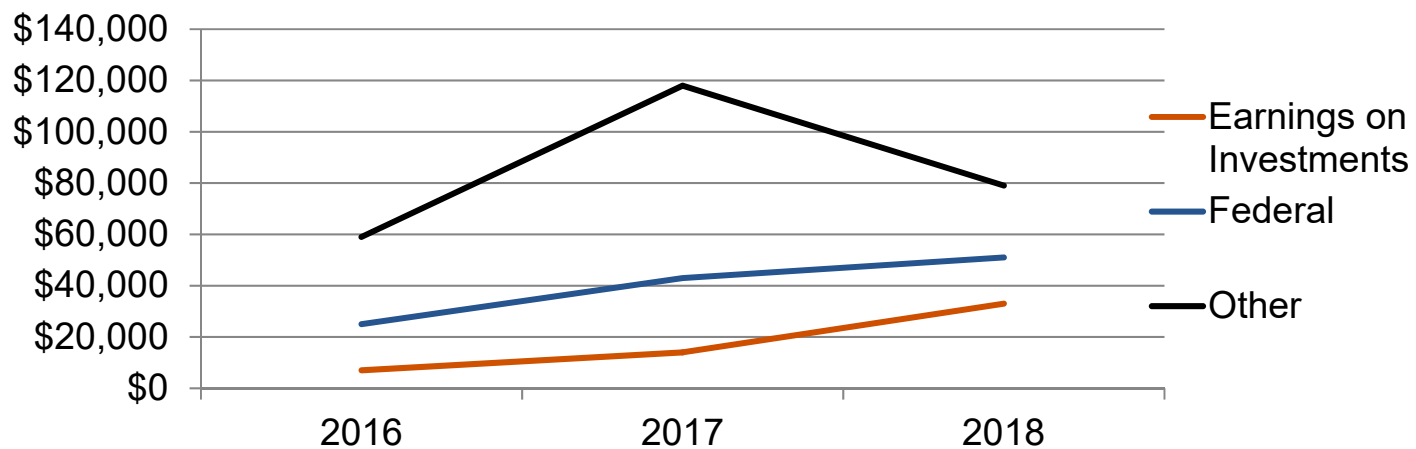
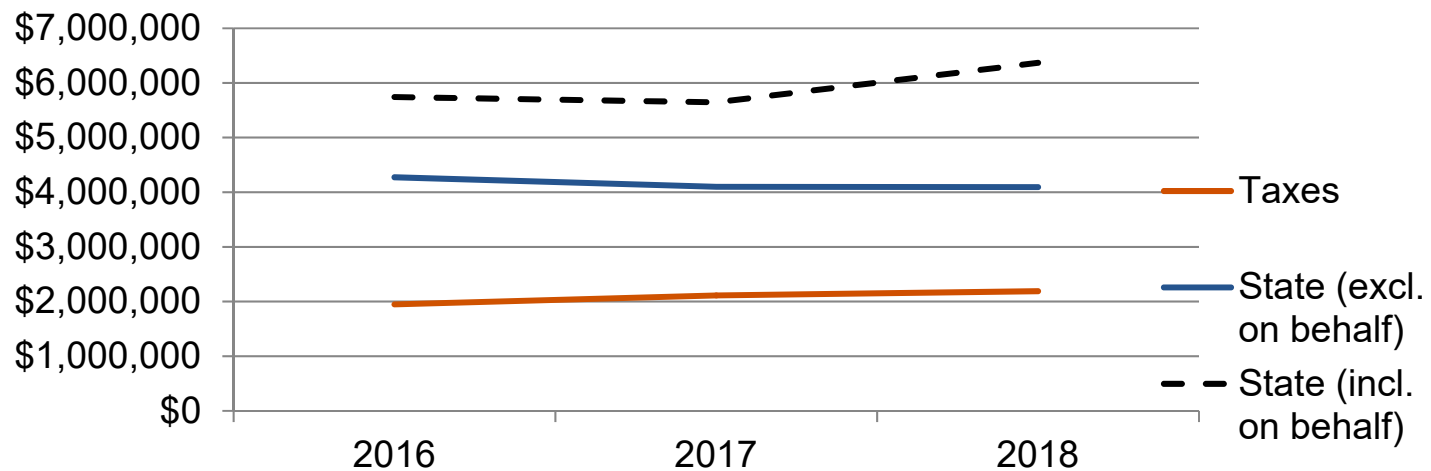
# Revenues over Expenses General Fund



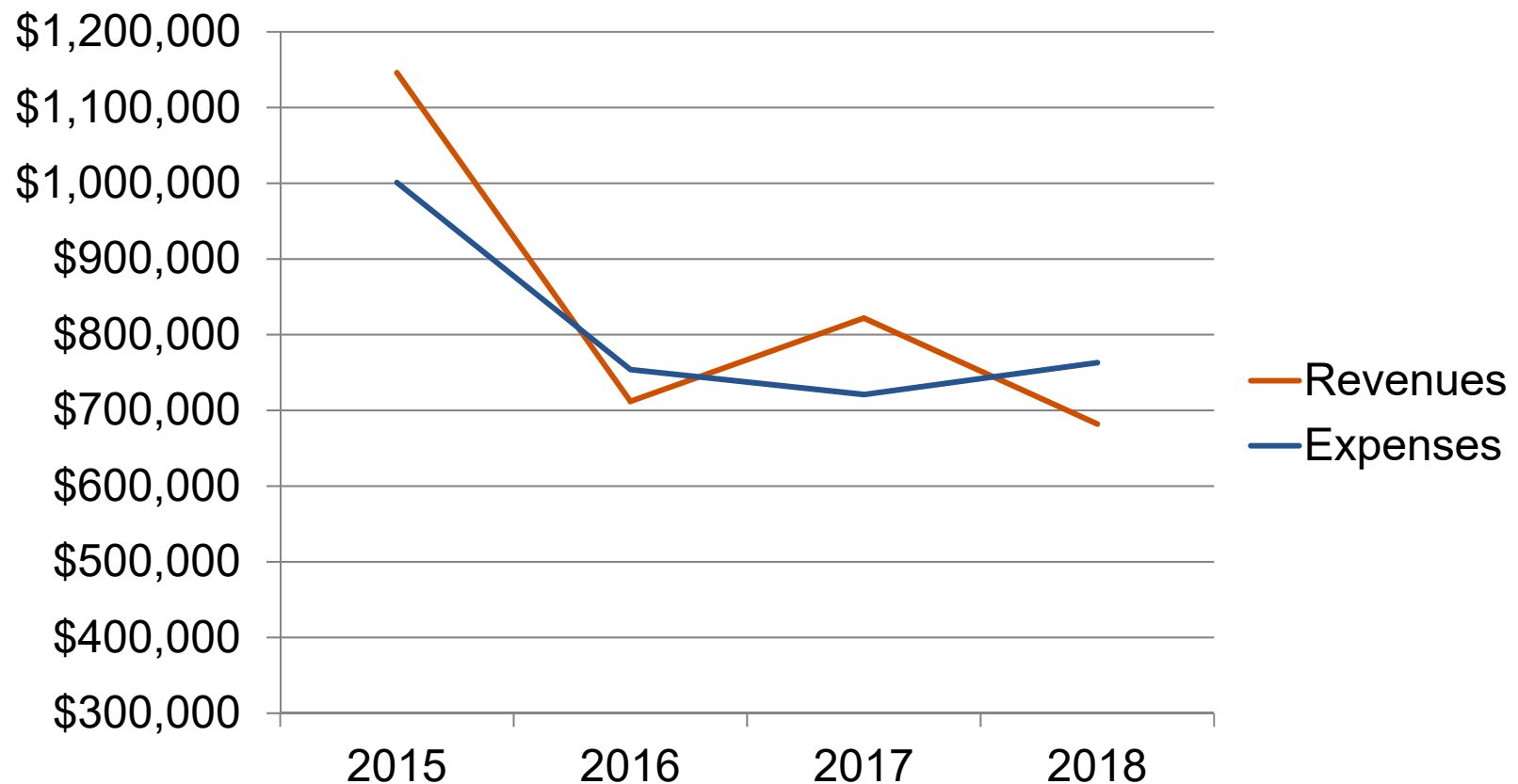
# Tax Revenues General Fund



# General Fund Revenues by Source



# Revenues over Expenses Food Service



# Payroll Summary

