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September 29, 2017

To the Board of Education of
Dover Union Free School District
2368 Route 22
Dover Plains, NY 12522

We have audited the financial statements of the governmental activities, each major fund, and the fiduciary funds of Dover Union Free School District for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 30, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Dover Union Free School District are described in Note 1 to the financial statements. New account policies associated with GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement 77, *Tax Abatement Disclosures*, GASB Statement 78, *Pensions Provided through Multiple-Employer Defined Benefit Pension Plans*, GASB Statement 79, *Certain External Investment Pools and Pool Participants*, and GASB Statement 80, *Blending Requirements for Certain Component Units- an Amendment of GASB Statement No. 14*, were adopted and the application of existing policies was not changed during the year June 30, 2017. We noted no transactions entered into by Dover Union Free School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the cost basis of fixed assets which are based on amounts provided by appraisals by independent third party professionals. We evaluated the key factors and assumptions used to develop the cost basis of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the annual OPEB costs and related obligation which are based on a census of employee data and other relevant data provided to an independent actuarial firm. We evaluated the key factors and assumptions used to develop the annual OPEB costs and related obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the annual pension costs and its proportionate share of related net pension assets, deferred outflows, net pension liabilities and deferred inflows which are based on information provided by the New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) and other relevant data provided to independent actuarial firms hired by the retirement systems. We evaluated the key factors and assumptions used by the retirement systems to develop the annual pension costs and the District's proportionate share of related net pension assets, deferred outflows, net pension liabilities and deferred inflows in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We have attached a schedule that summarizes the material misstatements detected as a result of our audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 29, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Dover Union Free School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Dover Union Free School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Additional Comments

Special Aid Fund

Our review of the Special Aid Fund noted that the checking account was overdrawn as of June 30, 2017. After reviewing this with the business office, we learned that checks were written on June 30, 2017, but the transfer from the General Fund necessary to provide the Special Aid Fund checking account with sufficient funds to cover these checks was not made until the checks were mailed a few days later. Therefore, by the time these checks were in the possession of the vendors to whom they were written, the cash balance in the account was sufficient and there was no risk that the checks would bounce.

We recommend that the District transfer the funds before writing the checks. This will help to ensure that the District's bank accounts are not overdrawn.

Please provide us with your corrective action plan, in accordance with regulations, within 90 days after your receipt of this report.

We will review the status of these findings during our next audit engagement. We have already discussed these comments with various school district personnel, and we will be pleased to discuss these in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing these recommendations. We would also like to thank the administration for the courtesies extended to us during our audit.

Other Matters

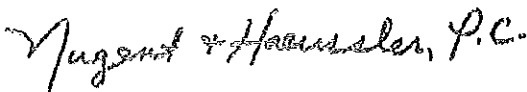
We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of Funding Progress for Other Post-Employment Benefits, Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual-General Fund, Schedule of District's Proportionate Share of the Net Pension Liability and Schedule of District Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, the Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, the Net Investment in Capital Assets and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. 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.

Restriction on Use

This information is intended solely for the use of Board of Education and management of Dover Union Free School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



NUGENT & HAEUSSLER, P.C.