

To: Board of Education, School District of Bayfield

From: Randi Johnson

Date: September 2, 2014

RE: September Finance Manager Report

2013-2014 Annual Audit

The Annual Audit for the School District of Bayfield took place the week of August 25th. The district's auditors from Eagle Audit and Accounting were on site August 25th and August 26th with additional off site work still in progress. There are very few audit adjusting entries that will need to be made. Overall the auditors were very impressed with the progress that has been made since last year's audit findings.

Because the district's general fund has not been reimbursed for the **implicit rate subsidy** the last four years, an adjustment will need to be made to correct this. The **implicit rate subsidy** exists when an employer's retirees and current employees are covered together as a group wherein the premium rate paid by the retirees may be lower than they would be if the retirees were rated separately.

Annual Audit Preliminary Cash Accounts Balances

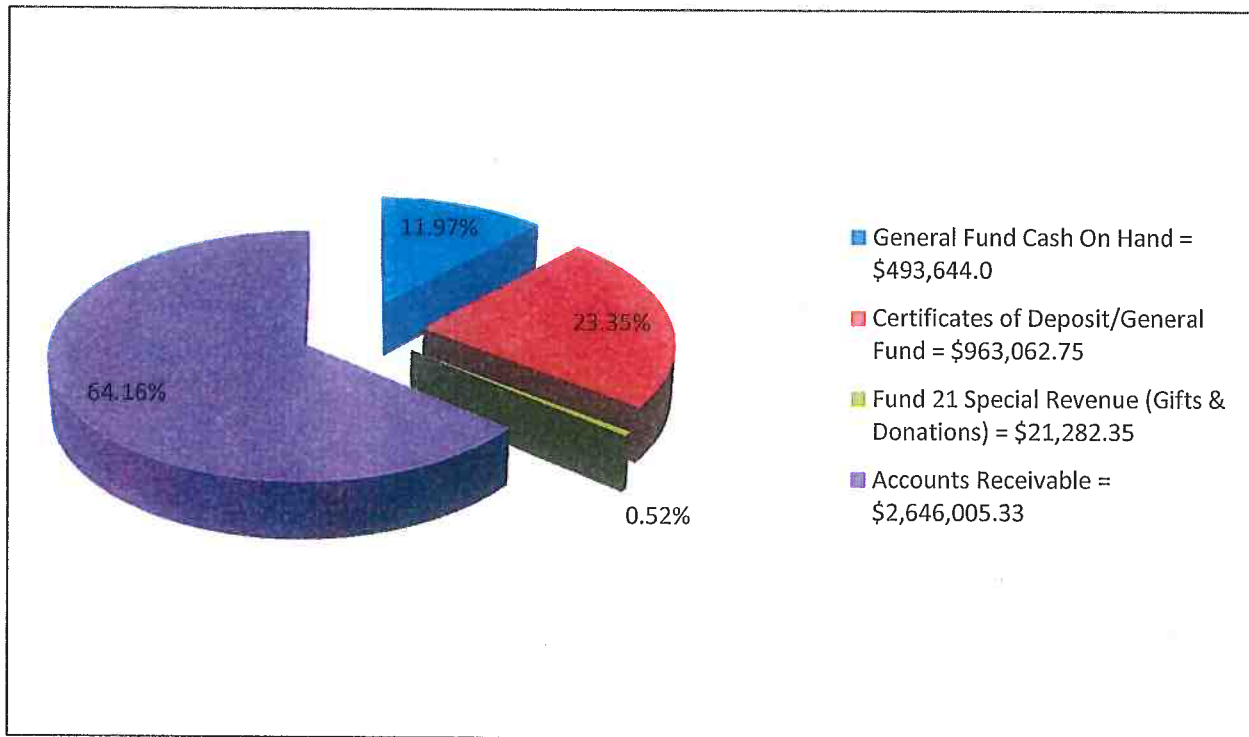
Please see the attached chart depicting very preliminary cash accounts totals. This does not take into account the transfer amount that will need to be made back into the general fund for the implicit rate subsidy.

District's OPEB Benefits Trust

Key Benefit Concepts, LLC completed an actuarial study on the district's other post-employment benefits (OPEB) as required by the Government Accounting Standards Board (GASB). Based upon the actuarial assumptions in the report, Key Benefit Concepts is projecting that the district has a funded ratio of 151.02%. This over funding will be decreased upon transfer of the implicit rate subsidy projected to be as follows:

Fiscal Year	Implicit Rate Subsidy Projected Amount
2013-2014	\$149,397.42
2012-2013	\$179,774.76
2011-2012	\$150,533.04
Total Projected Transfer	\$687,986.81

School District of Bayfield Cash Accounts June 30, 2014



Cash Account Breakdown	Percentages
General Fund Cash On Hand = \$493,644.0	11.97%
Certificates of Deposit/General Fund = \$963,062.75	23.35%
Fund 21 Special Revenue (Gifts & Donations) = \$21,282.35	0.52%
Accounts Receivable = \$2,646,005.33	64.16%
Total = \$4,123,994.43	100.00%