

**WOODLAND PARK SCHOOL
DISTRICT NUMBER RE-2**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Woodland Park School District Number RE-2

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Park School District Number RE-2, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Park School District Number RE-2, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, effective July 1, 2017, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodland Park School District Number RE-2's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2018, on our consideration of the Woodland Park School District Number RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and

not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Woodland Park School District Number RE-2's internal control over financial reporting and compliance.

Hoelting & Company Inc.

Colorado Springs, Colorado
November 13, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2018

The discussion and analysis of Woodland Park School District Re-2 financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the financial statements and financial statements to broaden their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The fund balance for the General Fund increased by \$96,603. Revenues came in over-budget predominantly due to better than expected tax collections and investment earnings. Expenditures came in under-budget in almost all categories. The District budgets sufficient contingencies to cover any unanticipated operational needs. Food Service operations in the District exhibited a decrease in fund balance of \$95,162. This decrease is attributed to increased costs of supplies and personnel as well as significant expenditures on equipment repair and replacement. The slight \$655 decrease in the Transportation Fund was a planned and budgeted deficit.

Using the Basic Financial Statements

The Basic Financial Statements consists of Government-wide Financial Statements, Fund Financial Statements, and Notes to Financial Statements. This report also contains other supplementary information and compliance information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary Fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

The District's total net position was \$(47,647,547) as of June 30, 2018. Fiscal Year 2017-2018 was the third year the District's Governmental net position reflected the recently implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the first year GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions was implemented. The reporting of pension and OPEB activities accounted for most of the \$14,980,724 decrease in net position this year.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. The change in net position is important because it tells the reader that for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the School District has one type of activity.

Governmental Activities – The School District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation, extracurricular activities, and food service.

An allocation of the District's Net Position is as follows:

TABLE 1 - CONDENSED STATEMENT OF NET POSITION		
	2018	2017
	Governmental Activities	Governmental Activities
Current Assets	\$ 13,044,688	\$ 12,470,783
Capital Assets - Net	18,732,530	19,076,012
Total Assets	31,777,218	31,546,795
Deferred Outflows of Resources	26,075,835	31,157,075
Current Liabilities	2,494,089	2,096,177
Long-Term Liabilities	99,098,673	89,857,074
Total Liabilities	101,592,762	91,953,251
Deferred Inflows of Resources	3,907,838	1,553,068
Net Position:		
Net investment in capital assets	8,382,063	7,379,620
Restricted	1,296,736	895,778
Unrestricted	(57,326,346)	(39,077,847)
Total Net Position	\$ (47,647,547)	\$ (30,802,449)

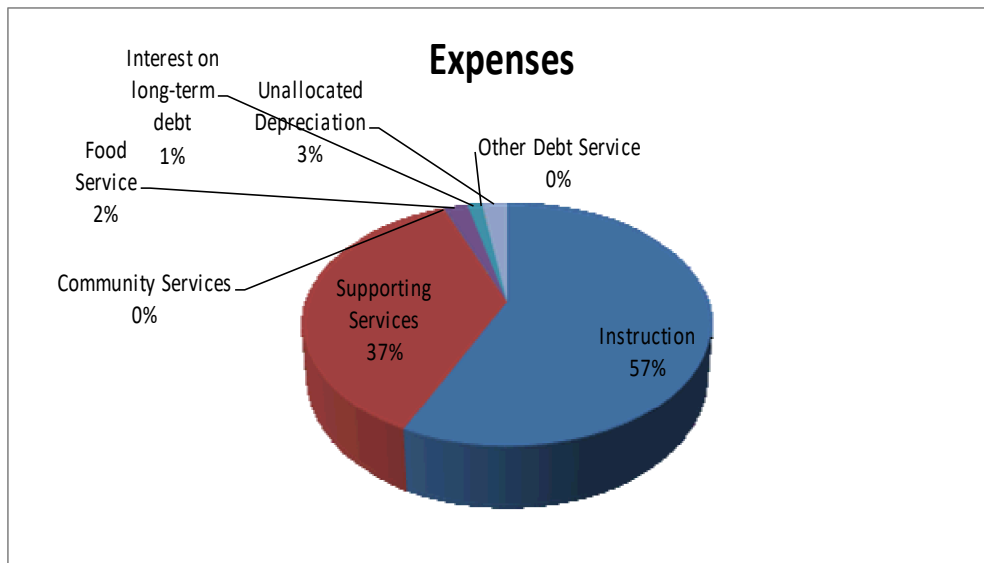
A portion of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted net position is an amount set aside by management to finance future purchases or capital projects as planned by the District, to repay general obligation debt and to satisfy the Colorado constitutional requirement of an emergency reserve.

A summary of the District's activities is as follows:

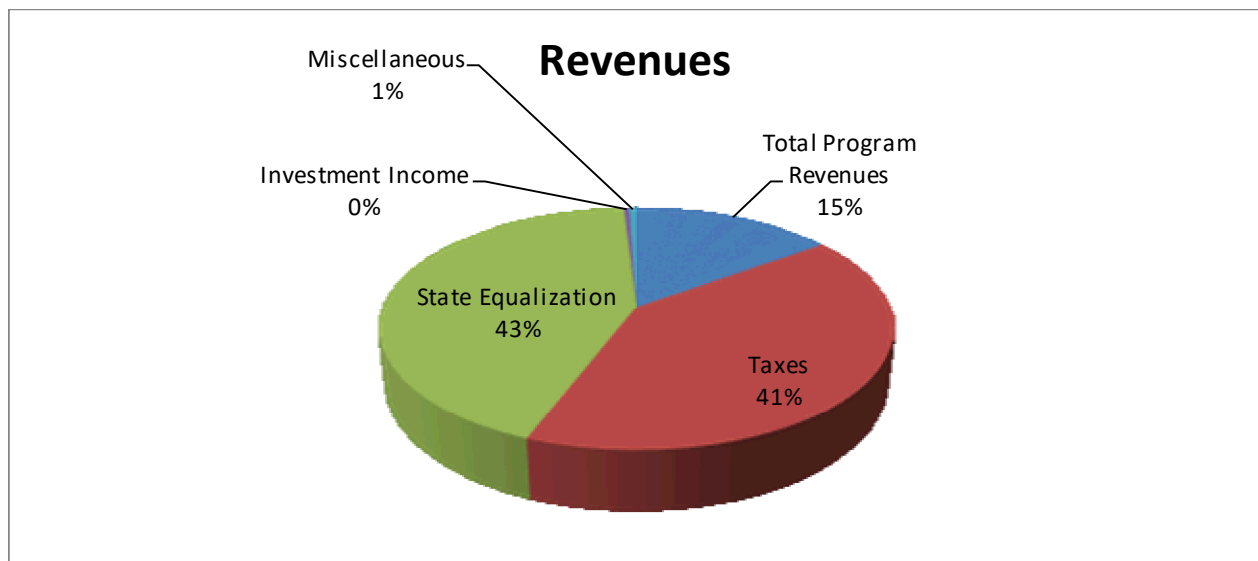
TABLE 2 - CONDENSED STATEMENT OF ACTIVITES

	2018	2017
	Governmental Activities	Governmental Activities
Program Revenues:		
Charges for Services	\$ 716,614	\$ 740,187
Operating Grants	3,016,764	2,356,068
Capital Grants	4,900	38,000
Total Program Revenues	3,738,278	3,134,255
General Revenues:		
Taxes	10,185,096	9,807,325
State Equalization	10,767,405	10,589,032
Investment Income	98,137	46,662
Miscellaneous	134,588	173,642
Total General Revenues	21,185,226	20,616,661
Total Revenues	24,923,504	23,750,916
Expenses		
Instruction	22,780,661	20,215,561
Supporting Services	14,713,505	12,422,914
Community Services	7,152	10,176
Food Service	907,833	808,637
Interest on long-term debt	544,464	766,387
Other Debt Service	3,350	278,685
Unallocated Depreciation	947,263	958,648
Total Expenses	39,904,228	35,461,008
Change in Net Position	(14,980,724)	(11,710,092)
Net Position - Beginning	(30,802,449)	(19,092,357)
Prior period adjustment	(1,864,374)	-
Net Position - Beginning, As Restated	(32,666,823)	(19,092,357)
Net Position - Ending	\$ (47,647,547)	\$ (30,802,449)

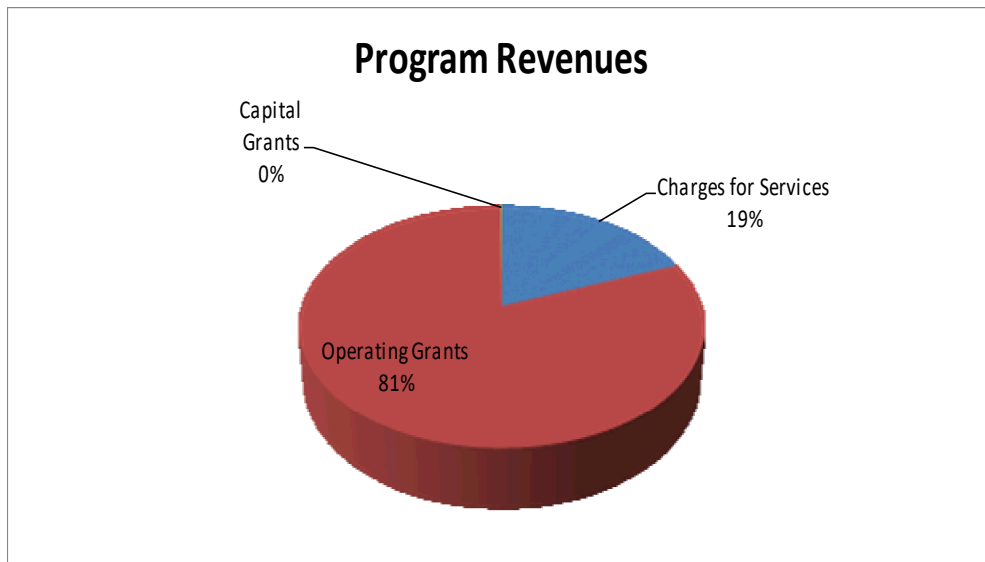
The District's largest activity is the instruction of students. The District also provides related services that support the educational activity. The distribution of the District's cost to provide these activities is as follows:



The District funds these costs through a combination of program specific and general revenues. An allocation of these sources is as follows:



Program revenues consist of charges for services, operating grants and contributions and capital grants and contributions. Charges for services, operating grants, and capital grants are shown below:



Reporting the District’s Most Significant Funds

The analysis of the District’s major funds begins on page 3. Fund financial reports provide detailed information about the District’s major funds. The General fund is the District’s only major fund.

Governmental Funds

Most of District’s activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the district’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds.

Fiduciary Funds

Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fund Financial Statements

As of June 30, 2018 the District's governmental funds reported a combined fund balance of \$10,083,922, which is a decrease of \$18,655 from the June 30, 2017 balance. The following is additional information by fund, which contributed to the change.

General Fund revenues increased \$797,984 from 2017 to 2018. This is a reflection of increased local revenues via sales taxes, increased investment earnings and increased per pupil program funding. General Fund Expenditures experienced a significant increase of \$1,274,783 due to compensation increases and large capital outlays from reserves (WPMS roof replacement).

Revenue and expenditures in the Designated Purpose Grants increased \$332,838 from the prior year. The increase is the result of the implementation of grants for School Health Professionals (SHPG) and for Expelled and At Risk Students (EARSS).

The Bond Redemption Fund reflects a decrease in fund balance of \$19,441 from the prior year due to defeasance of general obligation debt and closing of the fund.

The District contracts with Durham School Services to transport pupils. The purpose of the Transportation Fund is to record student transportation fees and state transportation reimbursement. These revenues pay a portion of the District's overall transportation costs, the balance of which is absorbed by the General Fund. On June 30, 2018, The District's Transportation Fund showed an Ending Fund Balance of \$5,805.

The District contracts with Chartwells Dining Services to run the District's food service program. The District's Food Service Fund experienced an increase in revenue of \$21,005 compared to FY 17 due to steady student participation and adjusted meal pricing. However, FY 18 expenditures were \$84,731 higher than FY due to rising costs of products, wages and equipment repair and replacement.

Capital Assets

As of June 30, 2018 the District had \$18,732,530 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deletions, and depreciation) of \$343,482.

TABLE 3 - CAPITAL ASSETS

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
<u>Governmental Activities:</u>				
Capital Assets				
Site improvements	\$ 1,200,570	\$ 158,073	\$ -	\$ 1,358,643
Buildings	35,827,729	-	-	35,827,729
Transportation	678,469	-	-	678,469
Equipment and furniture	1,984,460	71,736	(5,228)	2,050,968
Construction in progress	-	373,972	-	373,972
Total Capital Assets	39,691,228	603,781	(5,228)	40,289,781
Less Accumulated Depreciation	(20,615,216)	(947,263)	5,228	(21,557,251)
Net Capital Assets	\$ 19,076,012	\$ (343,482)	\$ -	\$ 18,732,530

Please see Note 9 on page 22 of the financial statements for additional information related to District's capital assets.

Debt Administration

As of June 30, 2018 the School District had no outstanding bond principal due to being paid by the issuance of Certificates of Participation in 2016. The outstanding balance of the COP's at year-end is \$9,715,000. The District also has additional long-term liabilities in the amount of \$404,451 for Accrued Compensated Absences. A summary of the district's long-term obligations is as follows:

TABLE 4 - LONG TERM LIABILITIES

	Balance 6/30/17	Debt Issued And Additions	Reductions	Balance 6/30/18
<u>Governmental Activities:</u>				
Taxable refunding COPs	10,085,000	\$ -	\$ (370,000)	9,715,000
Discount	(37,655)	-	1,944	(35,711)
Total Bonds Payable	10,047,345	-	(368,056)	9,679,289
Capital Leases	1,649,047	-	(67,608)	1,581,439
Compensated Absences	329,290	75,161	-	404,451
Total Long-Term Liabilities	<u>\$ 12,025,682</u>	<u>\$ 75,161</u>	<u>\$ (435,664)</u>	<u>\$ 11,665,179</u>

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made mid-year after student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the General Fund budget are in the area of salary and benefits due to staff changes. The Designated Purpose Grants budget is revised, as final allocations become known. Revenues generated from the District's Program Funding (Colorado School Finance Act) change throughout the year. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is based on a combination of Property Tax, State Equalization, and Specific Ownership Tax. Because these factors are not known in June when the budget is adopted, the portion of revenue from each source is an estimate.

Economic Factors and Next Year's Budget

While there was an enrollment decline pause in FY 18, the District expects to report a decline in student numbers again in FY 2018-2019. For over a decade and a half, the District has experienced a prolonged period of declining enrollment. The District is encouraged continues to actively monitor annual enrollment. At the same time, regional and national economic and budgetary issues continue to impact program funding. The Governor's Preliminary Budget Request for FY 20 projects that District enrollment will again decline but per pupil revenue will remain stable or increase slightly. There are many challenges facing the District while maintaining instructional programs, keeping class sizes reasonable, and keeping up with the increased costs of technology, salary and benefits. To address some of these issues, the City of Woodland Park passed a sales tax measure in April, 2016 that directs 1.09% of annual sales tax collected to the District General Fund starting July 1, 2016. Sales tax revenues have now been realized for two full years and provide more sustainable local funding to address operational needs.

Requests for Information

This financial report is designed to provide a general overview of the Woodland Park School District Number RE-2's finances for all those with an interest in the government's finances. Questions

concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business Services, P.O. Box 99, Woodland Park, Colorado 80866.

BASIC FINANCIAL STATEMENTS

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$ 9,795,840
Investments	1,857,517
Cash with county treasurer	92,329
Taxes receivable	1,069,762
Other receivables	218,143
Inventory	11,097
Capital assets not being depreciated	373,972
Capital assets, net of depreciation	<u>18,358,558</u>
Total assets	<u>31,777,218</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred charges on refunding	910,261
Deferred pension outflows	25,074,397
Deferred OPEB outflows	<u>91,177</u>
Total deferred outflows of resources	<u>26,075,835</u>

LIABILITIES

Accounts payable	414,256
Accrued salaries and benefits	1,922,911
Accrued interest	40,036
Unearned revenue	116,886
Long-term liabilities:	
Due within one year	479,604
Due in more than one year	11,185,575
Net pension liability	85,482,353
Net OPEB liability	<u>1,951,141</u>
Total liabilities	<u>101,592,762</u>

DEFERRED INFLOWS OF RESOURCES

Deferred pension inflows	3,875,196
Deferred OPEB inflows	<u>32,642</u>
Total deferred inflows of resources	<u>3,907,838</u>

NET POSITION

Net investment in capital assets	8,382,063
Restricted for:	
Emergency reserve (TABOR)	700,000
Other purposes	596,736
Unrestricted	<u>(57,326,346)</u>
Total net position	<u>\$ (47,647,547)</u>

The accompanying notes are an integral part of these financial statements.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
Instruction	\$ 22,780,661	\$ 292,857	\$ 2,335,772	\$ -	\$ (20,152,032)
Supporting services	14,713,505	25,235	253,353	4,900	(14,430,017)
Community services	7,152	-	-	-	(7,152)
Food Service	907,833	398,522	427,639	-	(81,672)
Interest on long-term debt	544,464	-	-	-	(544,464)
Other debt service	3,350	-	-	-	(3,350)
Depreciation - unallocated	947,263	-	-	-	(947,263)
Total governmental activities	<u>\$ 39,904,228</u>	<u>\$ 716,614</u>	<u>\$ 3,016,764</u>	<u>\$ 4,900</u>	<u>(36,165,950)</u>
General revenues:					
Property taxes					7,119,394
Specific ownership taxes					875,882
State equalization					10,767,405
Sales Tax					2,189,820
Investment earnings					98,137
Miscellaneous					134,588
Total general revenues					<u>21,185,226</u>
Change in net position					(14,980,724)
Net position - beginning, as restated					<u>(32,666,823)</u>
Net position - ending					<u>\$ (47,647,547)</u>

The accompanying notes are an integral part of these financial statements.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 9,666,558	\$ 129,282	\$ 9,795,840
Investments	1,857,517	-	1,857,517
Cash with County Treasurer	92,328	-	92,328
Taxes receivable	1,069,762	-	1,069,762
Other receivables	136,153	81,990	218,143
Inventories	-	11,097	11,097
Due from other funds	-	179,544	179,544
	<u>-\$ 12,822,318</u>	<u>\$ 401,913</u>	<u>\$ 13,224,231</u>
LIABILITIES			
Accounts payable	\$ 406,492	\$ 7,763	\$ 414,255
Accrued salaries and benefits	1,814,503	108,408	1,922,911
Due to other funds	179,544	-	179,544
Unearned revenue	-	116,886	116,886
	<u>2,400,539</u>	<u>233,057</u>	<u>2,633,596</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	286,256	-	286,256
Unavailable revenue - sales taxes	220,457	-	220,457
	<u>506,713</u>	<u>-</u>	<u>506,713</u>
FUND BALANCES			
Nonspendable	-	11,097	11,097
Restricted:			
Emergency reserve (TABOR)	700,000	-	700,000
Multi-year obligations	596,736	-	596,736
Assigned:			
Risk Management	76,211	-	76,211
Transportation	-	5,805	5,805
Food Service	-	151,954	151,954
Unassigned	8,542,119	-	8,542,119
	<u>9,915,066</u>	<u>168,856</u>	<u>10,083,922</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,822,318</u>	<u>\$ 401,913</u>	<u>\$ 13,224,231</u>

The accompanying notes are an integral part of these financial statements.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$	10,083,922
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds but are reported in the governmental activities of the statement of net position.		18,732,530
Accrued interest is not due and payable in the current period, and therefore is not reported as a liability in the funds.		(40,036)
Certain taxes receivable are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position.		506,713
Deferred charges on refunding are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.		910,261
Premiums and discounts on issued debt are reported when incurred in governmental funds and are deferred and amortized in the statement of activities. The net unamortized portion of this long-term debt related item is included with governmental activities.		35,711
Long-term liabilities, including certificates of participation payable, are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.		(11,700,890)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred outflows of resources.		
Pension outflows	\$ 25,074,397	
OPEB outflows	<u>91,177</u>	25,165,574
Net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liabilities	\$ (85,482,353)	
Net OPEB liabilities	<u>(1,951,141)</u>	(87,433,494)
Other long-term liabilities are not due and payable in the current period and, therefore, are reported as deferred inflows of resources.		
Pension inflows	\$ (3,875,196)	
OPEB inflows	<u>(32,642)</u>	<u>(3,907,838)</u>
Net position - governmental activities		<u>\$ (47,647,547)</u>

The accompanying notes are an integral part of these financial statements.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Total Non-major Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources	\$ 10,564,023	\$ 444,832	\$ 11,008,855
State sources	11,409,608	997,031	12,406,639
Federal sources	507,262	806,771	1,314,033
Total revenues	<u>22,480,893</u>	<u>2,248,634</u>	<u>24,729,527</u>
EXPENDITURES			
Instruction	12,542,330	433,369	12,975,699
Supporting services	8,372,437	986,367	9,358,804
Community services	6,089	-	6,089
Food services	-	925,571	925,571
Capital outlay	664,128	-	664,128
Debt service	817,891	-	817,891
Total expenditures	<u>22,402,875</u>	<u>2,345,307</u>	<u>24,748,182</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>18,585</u>	<u>(18,585)</u>	<u>-</u>
Total other financing sources (uses)	<u>18,585</u>	<u>(18,585)</u>	<u>-</u>
Net change in fund balances	96,603	(115,258)	(18,655)
Fund balances - beginning	<u>9,818,463</u>	<u>284,114</u>	<u>10,102,577</u>
Fund balances - ending	<u>\$ 9,915,066</u>	<u>\$ 168,856</u>	<u>\$ 10,083,922</u>

The accompanying notes are an integral part of these financial statements.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds:	\$	(18,655)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(343,482)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		193,977
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.		269,406
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change to interest reported in the statement of activities.		670
Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year. This amount represents the net effect of compensated absences payable on the statement of activities.		(75,161)
Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Pension expenses	\$ (14,979,248)	
OPEB expenses	<u>(28,231)</u>	<u>(15,007,479)</u>
Change in net position - governmental activities	\$	<u><u>(14,980,724)</u></u>

The accompanying notes are an integral part of these financial statements.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2018

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 419,399
Total assets	<u>419,399</u>
LIABILITIES	
Payable to student organizations	<u>419,399</u>
Total liabilities	<u><u>\$ 419,399</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Woodland Park School District RE-2 (the District) conform to generally accepted accounting policies as applicable to governments.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The inclusion or exclusion of component units is based on a determination of the elected official's financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

The District has no component units for which either discrete or blended presentation is required.

C. Basis of Presentation – Government-Wide Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the District is consistent with legal and managerial requirements.

The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

The *Food Service Fund* accounts for the District's food service program.

The *Governmental Designated-Purpose Grants Fund* is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

The *Transportation Fund* is authorized by Colorado State law to account for revenues from a tax levied or fee imposed for the purpose of paying excess transportation costs.

The *Debt Service Fund* accounts for the servicing of long-term debt not being financed by the capital reserve or other funds.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. The District has one fiduciary fund:

The *Agency Fund* is custodial in nature and does not present results of operations or a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation – Fund Financial Statements (continued)

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt are reported as other financing sources, and acquisitions of capital leased assets are reported as other financing uses.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (continued)

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Other revenues, such as transportation, vocational and special education, are not susceptible to accrual because, generally, they are not measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

F. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash account is available to meet current operating requirements. Surplus or temporary surplus money in each separate fund may be invested, but no mixing between funds is allowed. Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory

Inventory is valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

In the Food Service Fund, commodity inventories are stated at USDA's assigned values, which approximate fair value at the date of receipt.

Restricted cash and cash equivalents

The use of certain cash and cash equivalents of the District may be restricted. These cash items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include sites, site improvements, buildings and improvements, transportation, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The capitalization level for equipment is \$5,000 in all funds. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, improvements, vehicles, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	5 - 50 years
Site improvements	5 - 20 years
Transportation	3 - 8 years
Equipment	3 - 15 years

Pensions

Woodland Park School District Number RE-2 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance (continued)

Health Care Trust Fund

Woodland Park School District Number RE-2 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, Deferred Outflows of Resources, and Net Position/Fund Balance (continued)

Fund balance flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Revenues and Expenditures/Expenses

Program revenues

Amounts reported as *program revenues* include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as programs revenues. Likewise, general revenues include all taxes.

Compensated Absences

Sick Pay: Under the District’s policies, all employees earn annual sick leave based upon their employment status as either a nine month or twelve month employee. All full time employees with at least five years of continuous service are eligible to receive upon resignation, termination, retirement or death, prorated payment of their accumulated annual sick leave.

The District has recorded the accrued liability for the sick pay in the accompanying financial statements. Unpaid liability for the sick pay for the governmental funds is recorded in the government-wide financial statements.

Vacation Pay: The District has recorded the accrued liability for the dollar value of accumulated unpaid vacation that will be paid to employees upon separation from District service.

The current portion of this liability represents the amounts that would be liquidated with expendable available financial resources and would be recorded in the General Fund. The current portion is not material. Therefore, a liability of these benefits has not been reflected in these statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Adoption of new accounting standards

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (OPEB)*, effective July 1, 2017. This Statement establishes standards of accounting and financial reporting for defined benefit Health Care Trust funds provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. As a result, net position at June 30, 2017, was restated to reflect the cumulative effect of adopting the standards.

Net Position, June 30, 2017, as Originally Stated	\$ (30,802,449)
Adjustment to fund balance	<u>(1,864,374)</u>
Net Position, June 30, 2017, as Restated (deficit)	<u>\$ (32,666,823)</u>

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes a reconciliation between *total fund balance—governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains that “capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds”. The details of this difference are as follows:

Capital assets	\$ 40,289,781
Accumulated depreciation	<u>(21,557,251)</u>
Net adjustment to <i>total fund balance—governmental funds</i> to arrive at <i>net position—governmental activities</i>	<u>\$ 18,732,530</u>

Another element of that reconciliation explains that “Long-term liabilities, including certificates of participation payable, are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the statement of net position.” The details of this difference are as follows:

Certificates of participation payable	\$ (9,715,000)
Capital lease payable	(1,581,439)
Compensated absences	<u>(404,451)</u>
Net adjustment to <i>total fund balance—governmental funds</i> to arrive at <i>net position—governmental activities</i>	<u>\$ (11,700,890)</u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances—total governmental funds* and *change in net position—governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this difference are as follows:

Depreciation	\$ (947,263)
Capital outlays	<u>603,781</u>
Net adjustment to <i>net change in fund balances—governmental funds</i> to arrive at <i>change in net position—governmental activities</i>	<u>\$ (343,482)</u>

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.” The details of the difference are as follows:

Principal payments	\$ 437,608
Amortization on refunding	<u>(168,202)</u>
Net adjustment to <i>net change in fund balances—governmental funds</i> to arrive at <i>change in net position—governmental activities</i>	<u>\$ 269,406</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the May board meeting of the Board of Education, the Director of Business Services and Superintendent of Schools submit to the Board of Education, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at Board of Education meetings to obtain taxpayers comments.
3. Prior to June 30, the budget is adopted by the Board of Education.
4. Any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, and Trust and Agency Funds.
6. Budgets for the General, Special Revenue, Debt Service, and Trust and Agency Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in this report are as originally adopted or amended.
7. All original and supplemental appropriations for all funds lapse at the end of the fiscal year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk-deposits. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value must be at least equal to 102% of the uninsured deposits.

As of June 30, 2018, the carrying amounts of the District’s deposits were \$1,981,344 and the bank balances were \$1,772,559. Of the bank balances \$250,000 was covered by the federal deposit insurance and \$1,522,559 was uninsured but collateralized in accordance with the provisions of the PDPA.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The District is authorized by Colorado Statutes to invest in the following:

- Bonds and other interest-bearing obligations of the United States government.
- Bonds and other interest-bearing obligations which are guaranteed by the United States government.
- Bonds which are a direct obligation of the State of Colorado, or of any city, county or school district therein.
- Notes or bonds issued to the “National Housing Act”.
- Repurchase agreements.
- Local government investment pools.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates the District’s investment policy limits its investment portfolio to investment maturities not to exceed five years from the date of purchase.

Credit Risk. The District’s investment policy limits investments as described above. As of June 30, 2018 all of the District’s investments were rated Aaa by Moody’s Investor Services.

As of June 30, 2018 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less than 90 days</u>	<u>90 days to 1 year</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>
Money Market Funds	\$ 207,829	\$ 207,829	\$ -	\$ -	\$ -
ColoTrust	7,606,667	7,606,667	-	-	-
Fixed Income	<u>1,857,517</u>	<u>529,678</u>	<u>455,353</u>	<u>436,131</u>	<u>436,355</u>
Total	<u>\$ 9,672,013</u>	<u>\$ 8,344,174</u>	<u>\$ 455,353</u>	<u>\$ 436,131</u>	<u>\$ 436,355</u>

As of June 30, 2018, the District has invested \$7,606,667 in the Colorado Government Liquid Asset Trust (ColoTrust). ColoTrust is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. This investment vehicle operates similarly to money market funds and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares.

The designated custodial bank provides safekeeping and depository services to ColoTrust in connection with the direct investment and withdrawal function of ColoTrust. Substantially all securities owned by ColoTrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by ColoTrust. Investments of ColoTrust consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. However, the District does not categorize investments with ColoTrust because they are not evidenced by securities that exist in physical or book entry form.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Reconciliation of Deposits and Investments to the Statement of Net Position

Cash and cash equivalents:	
Deposits	\$ 1,981,344
Money Market Funds	207,829
ColoTrust	7,606,667
	\$ 9,795,840
Investments:	
Fixed Income	\$ 1,857,517

NOTE 5 – FAIR VALUE MEASUREMENT

The District records assets and liabilities in accordance with GASB 72, which establishes general principles for measuring fair value, provides additional fair value application guidance and enhances disclosures about fair value measurements.

GASB 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique. As a basis for considering market participant assumptions in fair value measurements, GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – FAIR VALUE MEASUREMENT (CONTINUED)

Investments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Investments classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments - unrestricted				
Fixed Income	\$ -	\$ 1,857,517	\$ -	\$ 1,857,517
Total Investments - unrestricted	<u>\$ -</u>	<u>\$ 1,857,517</u>	<u>\$ -</u>	<u>\$ 1,857,517</u>

NOTE 6 – OTHER RECEIVABLES

Other receivables as of year end for the government’s individual major funds and non-major and enterprise funds in the aggregate, are as follows:

	<u>General</u>	<u>Non-major and Other Funds</u>	<u>Total</u>
Receivables:			
Grants	\$ -	\$ 81,990	\$ 81,990
Other	<u>136,153</u>	<u>-</u>	<u>136,153</u>
Total	<u>\$ 136,153</u>	<u>\$ 81,990</u>	<u>\$ 218,143</u>

The District expects uncollectible amounts to be insignificant; accordingly, no allowance for uncollectible accounts has been made.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – TAXES

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on December 31 and are payable in full by April 30, or are payable in two equal installments due February 28 and June 15. The Teller County Treasurer bills and collects the District’s property tax. District property tax revenues are recognized when levied to the extent they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2018 is 26.896 mills for general operating expenses. The District’s assessed valuation for the collection year 2018 is \$255,708,976.

Sales Taxes

The city of Woodland Park collects sales tax at the rate of 1.09%, which is used by the District to service Certificates of Participation which were issued to reduce property taxes by 6.725 mills.

Specific Ownership Taxes

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District’s assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month. Specific ownership taxes are recorded as revenue when collected by the county.

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES

Receivables and Payables

All interfund receivables and payables are created in conjunction with the District’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances at June 30, 2018 is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 179,544
Grants Fund	<u>179,544</u>	<u>-</u>
 Total	 <u>\$ 179,544</u>	 <u>\$ 179,544</u>

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in Progress	\$ -	\$ 373,972	\$ -	\$ 373,972
Total non-depreciable assets	<u>-</u>	<u>373,972</u>	<u>-</u>	<u>373,972</u>
Capital assets, being depreciated:				
Site improvements	1,200,570	158,073	-	1,358,643
Buildings	35,827,729	-	-	35,827,729
Transportation	678,469	-	-	678,469
Equipment and furniture	<u>1,984,460</u>	<u>71,736</u>	<u>5,228</u>	<u>2,050,968</u>
Total capital assets	<u>39,691,228</u>	<u>229,809</u>	<u>5,228</u>	<u>39,915,809</u>
Less accumulated depreciation for:				
Site improvements	815,829	128,510	-	944,339
Buildings	17,573,741	688,413	-	18,262,154
Transportation	535,262	40,260	-	575,522
Equipment and furniture	<u>1,690,384</u>	<u>90,080</u>	<u>5,228</u>	<u>1,775,236</u>
Total accumulated depreciation	<u>20,615,216</u>	<u>947,263</u>	<u>5,228</u>	<u>21,557,251</u>
Total capital assets being depreciated, net	<u>19,076,012</u>	<u>(717,454)</u>	<u>-</u>	<u>18,358,558</u>
Capital assets, net	<u>\$ 19,076,012</u>	<u>\$ (343,482)</u>	<u>\$ -</u>	<u>\$ 18,732,530</u>

NOTE 10 – ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2018 are \$1,922,911. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the Governmental Activities.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - LONG-TERM LIABILITIES

Certificates of Participation

Principal
Balance

\$10,085,000 of Taxable Refunding Certificate of Participation, Series 2016, were issued on October 26, 2016 to advance refund on General Obligation Refunding Bonds, Series 2011, to advance refund General Obligation Refunding Bonds, Series 2013, and prepay a portion of an energy efficiency lease. Principal and interest are due semi-annually on May 15 and November 15. Interest accrues at an annual rate between 1.45% and 3.20%.

\$ 9,715,000

Annual debt service requirements to maturity for the certificate of participation are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 405,000	\$ 316,847
2020	410,000	309,305
2021	420,000	300,585
2022	425,000	290,865
2023	435,000	280,001
2024 – 2028	2,390,000	1,196,676
2029 – 2033	2,735,000	756,088
2034 – 2037	<u>2,495,000</u>	<u>204,300</u>
Total	<u>\$ 9,715,000</u>	<u>\$ 3,654,667</u>

Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds and certificate of participation in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2018, \$9,465,000 of the defeased bonds remain outstanding.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - LONG-TERM LIABILITIES (CONTINUED)

Capital Leases

District-wide Energy Project

The District entered into a lease as lessee on June 26, 2014 for energy improvements to the facilities with a cost of \$2,098,116. This lease qualifies as a capital lease. The lease requires monthly payments beginning July 26, 2015 through June 26, 2030. Upon full satisfaction of the lease, the ownership of the equipment will transfer to the District.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	
2019	\$ 126,240
2020	136,968
2021	142,224
2022	148,008
2023	153,216
2024 – 2028	855,816
2029 – 2030	<u>387,511</u>
Total minimum lease payments	1,949,983
Less: amount representing interest	<u>(368,544)</u>
Present value of minimum lease payments	<u>\$ 1,581,439</u>

Compensated Absences

Accrued sick leave and vacation pay for all of the District’s full time employees total \$404,451. Sick leave and vacation is payable upon employee’s separation from the District. Sick leave is payable only to full time employees with at least five years of continuous service with the District.

Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2018:

	<u>Balance</u> <u>06/30/17</u>	<u>Debt Issued</u> <u>And Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/18</u>	<u>Due Within</u> <u>One year</u>
Certificate of participation:					
Taxable refunding COP’s	\$ 10,085,000	\$ -	\$ 370,000	\$ 9,715,000	\$ 405,000
Discount	(37,655)	-	(1,944)	(35,711)	-
Capital lease	1,649,047	-	67,608	1,581,439	74,604
Compensated absences	<u>329,290</u>	<u>75,161</u>	<u>-</u>	<u>404,451</u>	<u>-</u>
 Total	 <u>\$ 12,025,682</u>	 <u>\$ 75,161</u>	 <u>\$ 435,664</u>	 <u>\$ 11,665,179</u>	 <u>\$ 479,604</u>

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – NET POSITION

The District has net position consisting of three components—net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. As of June 30, 2018, the District had net investment in capital assets as follows:

Capital assets, net of depreciation	\$ 18,732,530
Long term liabilities due within one year	(479,604)
Long term liabilities due in more than one year:	<u>(9,870,863)</u>
	<u>\$ 8,382,063</u>

Restricted net position is restricted for use either externally, imposed by creditors, grantors, contributors; or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of June 30, 2018, the District had restricted net position as follows:

Emergency reserve (TABOR)	\$ 700,000
Other purposes	<u>596,736</u>
	<u>\$ 1,296,736</u>

Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets, or restricted net position.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – OPERATING LEASES

Copy Equipment

In June of 2014 the District entered into an operating lease for copy equipment. The lease requires monthly payments of \$2,628 for a period of 60 months. The future minimum lease payments for the lease are as follows:

<u>Year Ending June 30</u>	
2019	\$ 31,536
	<u>\$ 31,536</u>

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; general liability; unemployment; and employee benefit expenses related to health programs. The District accounts for and finances its risk activities in the General Fund. The District purchases commercial insurance for claims in excess of the above limits and for all other risks of loss. Insurance settlements did not exceed insurance coverage during the last three fiscal years.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Grants

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant.

NOTE 16 – JOINTLY GOVERNED ORGANIZATION

Ute Pass Board of Cooperative Educational Services

The District in conjunction with other surrounding districts created the Ute Pass Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The District does not have an ongoing financial interest in or responsibility for the BOCES. Financial statements for the BOCES can be obtained from their office at 405 El Monte Place, Manitou Springs, Colorado 80829.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Woodland Park School District Number RE-2 are provided with pensions through the School Division Trust Fund (SCHDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. §24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2018: Eligible employees and Woodland Park School District Number RE-2 are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer contribution rate ¹	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%	5.50%
Total employer contribution rate to the SCHDTF¹	18.63%	19.13%

Rates are expressed as a percentage of salary as defined in C.R.S. §24-51-101(42)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Woodland Park School District Number RE-2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Woodland Park School District Number RE-2 were \$2,368,456 for the year ended June 30, 2018.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Woodland Park School District Number RE-2 reported a liability of \$85,482,353 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The Woodland Park School District Number RE-2 proportion of the net pension liability was based on Woodland Park School District Number RE-2 contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the Woodland Park School District Number RE-2's proportion was 0.2643529622 percent, which was an increase of 0.0029445545 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Woodland Park School District Number RE-2 recognized pension expense of \$17,347,704. At June 30, 2018, the Woodland Park School District Number RE-2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual Experience	\$ 1,571,660	\$ -
Changes of assumptions or other inputs	21,826,820	138,508
Net difference between projected and actual earnings on pension plan investments	-	3,356,973
Changes in proportion and differences between contributions recognized and proportionate share of contributions	443,847	379,715
Contributions subsequent to the measurement date	1,232,070	N/A
Total	\$ 25,074,397	\$ 3,875,196

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$1,232,070 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2018:	
2019	\$ 13,315,398
2020	\$ 7,777,130
2021	\$ 137,510
2022	\$ (1,262,907)
2023	\$ -
Thereafter	\$ -

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

A discount rate of 4.78 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the above assumptions and methods, the projection test indicates the SCHDTF’s fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

Sensitivity of the Woodland Park School District Number RE-2 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$ 107,978,750	\$ 85,482,353	\$ 67,150,358

Pension plan fiduciary net position. Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes between the measurement date of the net pension liability and June 30, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 17 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At June 30, 2018, the Woodland Park School District Number RE-2 reported a liability of \$85,482,353 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the Woodland Park School District Number RE-2 proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 38,620,186

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$39,903,696 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Health Care Trust Fund

Plan description. Eligible employees of the Woodland Park School District Number RE-2 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

**NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Woodland Park School District Number RE-2 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Woodland Park School District Number RE-2 were \$2,495,244 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Woodland Park School District Number RE-2 reported a liability of \$1,951,141 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Woodland Park School District Number RE-2 proportion of the net OPEB liability was based on Woodland Park School District Number RE-2 contributions to the HCTF for calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Woodland Park School District Number RE-2 proportion was 0.1501339357 percent, which was an increase of 0.0015423817 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Woodland Park School District Number RE-2 recognized OPEB expense of \$156,083. At June 30, 2018, the Woodland Park School District Number RE-2 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

**NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,227	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	32,642
Changes in proportion and differences between contributions recognized and proportionate share of contributions	16,256	-
Contributions subsequent to the measurement date	65,694	N/A
Total	\$ 91,177	\$ 32,642

\$65,694 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2018:	
2019	\$ (3,154)
2020	\$ (3,154)
2021	\$ (3,154)
2022	\$ (3,150)
2023	\$ 5,008
Thereafter	\$ 445

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

**NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

**NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

**NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the Woodland Park School District Number RE-2 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$ 1,897,457	\$ 1,951,141	\$ 2,015,799

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

**NOTE 18 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the Woodland Park School District Number RE-2 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 2,193,696	\$ 1,951,141	\$ 1,744,113

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 19 – COLORADO SCHOOL DISTRICT/BOCES, ELECTRONIC DATA INTEGRITY CHECK FIGURES

The School Finance Act requires inclusion of the Colorado School District/BOCES, Electronic Financial Data Integrity Check Figures as a supplement schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

NOTE 20 - TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments.

The entity's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The amendment excludes from its provisions Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of its annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On November 3, 1998, voters of the District elected out of compliance with the Tabor Amendment with passage of the following election question:

Shall the Woodland Park School District RE-2 be authorized and permitted to retain, appropriate, and utilize, by retention for reserve, carryover, fund balance, or expenditure, the full proceeds and revenues received from every source whatever, without limitation, in 1998 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution, provided, however, that no local tax rate or property mill levy shall be increased at any time, nor shall any new tax be imposed, without the prior consent of the voters of the Woodland Park School District RE-2?

On April 5, 2016, voters of the City of Woodland Park passed the following election question:

Shall the City of Woodland Park, Colorado, taxes be increased by \$2.296 million in the first full fiscal year and by such amounts as may be generated annually thereafter by an additional sales tax at the rate of 1.09% commencing July 1, 2016, and continuing thereafter, to be used exclusively by Woodland Park School District RE-2 for educational purposes?

The passage of this question enabled the District to refinance its existing general obligation debt with the issuance of certificates of participation and reduced property taxes by 6.725 mills.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 20 - TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, the Amendment specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocable pledging present cash reserves for all future payments.

The Amendment requires Emergency Reserves to be established. These reserves must be 3 percent of Fiscal Year Spending. The entity is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. Emergency Reserves totaling \$700,000 have been presented as a reservation of fund balance in the General Fund.

The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance.

REQUIRED SUPPLEMENTARY INFORMATION

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF EMPLOYER'S SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.2643529622%	0.2614084077%	0.2628276915%	0.2735285320%	0.2863548648%
District's proportionate share of the net pension liability (asset)	\$ 85,482,353	\$ 77,831,392	\$ 40,197,640	\$ 37,072,304	\$ 36,524,486
District's covered payroll	\$ 12,194,290	\$ 11,732,477	\$ 11,453,971	\$ 11,458,883	\$ 11,543,876
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	701.00%	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	44.0%	43.1%	59.2%	62.8%	64.1%

* The amounts presented for each fiscal year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,271,796	\$ 2,127,098	\$ 1,984,973	\$ 1,882,695	\$ 1,792,764
Contributions in relation to the contractually required contribution	<u>(2,271,796)</u>	<u>(2,127,098)</u>	<u>(1,984,973)</u>	<u>(1,882,695)</u>	<u>(1,792,764)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,194,290	\$ 11,732,477	\$ 11,453,971	\$ 11,458,883	\$ 11,543,876
Contributions as a percentage of covered payroll	18.63%	18.13%	17.33%	16.43%	15.53%

* The amounts presented for each fiscal year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF EMPLOYER'S SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2018

	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.1501339357%	0.1485915540%
District's proportionate share of the net OPEB liability (asset)	\$ 1,951,141	\$ 1,926,540
District's covered payroll	\$ 12,188,574	\$ 11,732,784
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.5%	16.7%

* The amounts presented for each fiscal year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2018**

	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 124,323	\$ 119,674
Contributions in relation to the contractually required contribution	<u>(124,323)</u>	<u>(119,674)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,188,574	\$ 11,732,784
Contributions as a percentage of covered payroll	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 6,615,729	\$ 6,909,110	\$ 6,934,592	\$ 25,482
Specific ownership taxes	750,000	850,000	875,882	25,882
Sales Tax	2,163,000	2,163,000	2,180,202	17,202
State sources	11,746,821	11,552,854	11,409,608	(143,246)
Federal sources	471,311	398,619	507,262	108,643
Investment earnings	30,000	40,000	98,137	58,137
Other local revenue	445,452	449,694	475,210	25,516
Total revenues	<u>22,222,313</u>	<u>22,363,277</u>	<u>22,480,893</u>	<u>117,616</u>
EXPENDITURES				
Instruction	12,834,805	12,831,808	12,069,872	761,936
Athletics	588,874	615,874	472,458	143,416
Supporting services				
Student support	1,159,925	1,179,635	1,143,462	36,173
Instructional staff	1,208,568	1,302,864	1,301,239	1,625
General administration	757,134	786,755	740,773	45,982
School administration	1,330,349	1,328,891	1,306,747	22,144
Business services	413,767	415,767	409,883	5,884
Operations and maintenance	1,885,871	1,934,188	1,894,904	39,284
Student transportation	1,004,586	1,095,761	876,201	219,560
Central support service	741,263	797,932	691,684	106,248
Other support services	15,218	15,218	7,544	7,674
Community service	3,500	5,280	6,089	(809)
Capital outlay	830,566	1,264,141	664,128	600,013
Debt service	814,469	815,719	817,891	(2,172)
Contingency reserves	6,732,189	7,812,550	-	7,812,550
Total expenditures	<u>30,321,084</u>	<u>32,202,383</u>	<u>22,402,875</u>	<u>9,799,508</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	20,643	18,585	(2,058)
Net change in fund balances	(8,098,771)	(9,818,463)	96,603	9,915,066
Fund balance - beginning	8,098,771	9,818,463	9,818,463	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,915,066</u>	<u>\$ 9,915,066</u>

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

GENERAL FUND

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund of the District.

Included in this presentation is a Risk-Management Sub-Fund of the General Fund. This fund allows the District to separate risk management accounting and maintain a self-balancing set of records specific to insurance reserve requirements.

The General Fund is deemed to be a major fund for financial reporting purposes.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources			
Property taxes	\$ 6,909,110	\$ 6,934,592	\$ 25,482
Specific ownership taxes	850,000	875,882	25,882
Sales Tax	2,163,000	2,180,202	17,202
Tuition	210,000	246,300	36,300
Earnings on investments	40,000	98,137	58,137
Other local sources	239,694	228,910	(10,784)
Total local sources	<u>10,411,804</u>	<u>10,564,023</u>	<u>152,219</u>
State sources			
State equalization	11,001,597	10,767,406	(234,191)
Other state sources	551,257	642,202	90,945
Total state sources	<u>11,552,854</u>	<u>11,409,608</u>	<u>(143,246)</u>
Federal sources			
IDEA Part B	104,915	118,200	13,285
Forest service	35,000	10,039	(24,961)
Medicaid	235,827	356,146	120,319
Other	22,877	22,877	-
Total federal sources	<u>398,619</u>	<u>507,262</u>	<u>108,643</u>
Total revenues	<u>\$ 22,363,277</u>	<u>\$ 22,480,893</u>	<u>\$ 117,616</u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Instructional services			
Instruction			
Salaries	\$ 8,293,603	\$ 8,051,256	\$ 242,347
Employee benefits	2,690,332	2,556,550	133,782
Purchased services	644,140	586,707	57,433
Supplies	944,754	546,812	397,942
Capital outlay	253,793	326,455	(72,662)
Other expenses	5,186	2,092	3,094
Total instruction	<u>12,831,808</u>	<u>12,069,872</u>	<u>761,936</u>
Athletics			
Salaries	353,560	268,350	85,210
Employee benefits	80,624	66,234	14,390
Purchased services	127,447	86,153	41,294
Supplies	32,743	30,391	2,352
Capital outlay	21,500	21,330	170
Total athletics	<u>615,874</u>	<u>472,458</u>	<u>143,416</u>
Total instructional services	<u>13,447,682</u>	<u>12,542,330</u>	<u>905,352</u>
Supporting services			
Student support			
Salaries	765,461	727,977	37,484
Employee benefits	241,368	224,046	17,322
Purchased services	54,070	69,302	(15,232)
Supplies	12,166	10,308	1,858
Capital outlay	1,000	6,259	(5,259)
Transfers	105,570	105,570	-
Total student support	<u>1,179,635</u>	<u>1,143,462</u>	<u>36,173</u>
Instructional staff			
Salaries	836,353	873,580	(37,227)
Employee benefits	245,974	253,179	(7,205)
Purchased services	65,637	39,621	26,016
Supplies	4,900	4,910	(10)
Capital outlay	150,000	129,949	20,051
Total instructional staff	<u>1,302,864</u>	<u>1,301,239</u>	<u>1,625</u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
General administration			
Salaries	\$ 454,913	\$ 427,501	\$ 27,412
Employee benefits	131,388	133,168	(1,780)
Purchased services	134,375	111,016	23,359
Supplies	46,879	50,600	(3,721)
Capital outlay	2,200	3,895	(1,695)
Other expenses	17,000	14,593	2,407
Total general administration	<u>786,755</u>	<u>740,773</u>	<u>45,982</u>
School administration			
Salaries	974,128	977,197	(3,069)
Employee benefits	291,972	282,648	9,324
Purchased services	47,350	39,199	8,151
Supplies	10,421	4,953	5,468
Capital outlay	1,520	19	1,501
Other expenses	3,500	2,731	769
Total school administration	<u>1,328,891</u>	<u>1,306,747</u>	<u>22,144</u>
Business services:			
Salaries	261,403	263,414	(2,011)
Employee benefits	69,474	73,978	(4,504)
Purchased services	84,890	72,491	12,399
Total business services	<u>415,767</u>	<u>409,883</u>	<u>5,884</u>
Operations and maintenance:			
Salaries	897,968	867,106	30,862
Employee benefits	314,380	317,084	(2,704)
Purchased services	134,975	132,569	2,406
Supplies	557,365	551,194	6,171
Capital outlay	29,500	26,951	2,549
Total operations and maintenance	<u>\$ 1,934,188</u>	<u>\$ 1,894,904</u>	<u>\$ 39,284</u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
Student transportation			
Salaries	\$ 76,144	\$ 70,046	\$ 6,098
Employee benefits	15,207	14,831	376
Purchased services	816,410	689,218	127,192
Supplies	97,000	102,106	(5,106)
Capital outlay	91,000	-	91,000
Total student transportation	<u>1,095,761</u>	<u>876,201</u>	<u>219,560</u>
Central support services			
Salaries	45,045	46,672	(1,627)
Employee benefits	24,341	21,513	2,828
Purchased services	670,519	569,723	100,796
Supplies	8,027	39,524	(31,497)
Capital outlay	50,000	14,252	35,748
Total central support services	<u>797,932</u>	<u>691,684</u>	<u>106,248</u>
Other supporting services			
Salaries	15,000	6,996	8,004
Employee benefits	218	548	(330)
Total other supporting services	<u>15,218</u>	<u>7,544</u>	<u>7,674</u>
Community Support			
Salaries	1,071	1,071	-
Employee benefits	709	708	1
Purchased services	2,500	2,646	(146)
Supplies	1,000	1,664	(664)
Total community support	<u>5,280</u>	<u>6,089</u>	<u>(809)</u>
Total supporting services	<u>8,862,291</u>	<u>8,378,526</u>	<u>483,765</u>
Capital outlay	1,264,141	664,128	600,013
Debt service	815,719	817,891	(2,172)
Contingency reserves	7,812,550	-	7,812,550
Total expenditures	<u>32,202,383</u>	<u>22,402,875</u>	<u>9,799,508</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	20,643	18,585	(2,058)
Net change in fund balances	<u>(9,818,463)</u>	<u>96,603</u>	<u>9,915,066</u>
Fund balance - beginning	<u>9,818,463</u>	<u>9,818,463</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 9,915,066</u>	<u>\$ 9,915,066</u>

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The District has the following Special Revenue Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Governmental Designated-Purpose Grant Fund

This fund is authorized by Colorado state law for the purpose of accounting for financial assistance from certain state and federal grants.

Transportation Fund

The Transportation Fund is authorized by Colorado state law to account for revenues from a tax levied or fee imposed for the purpose of paying excess transportation costs.

Bond Redemption Fund

Used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter approved lease-purchase debt.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Food Service Fund	Designated Purpose Grants Fund	Transportation Fund	Bond Redemption Fund	
ASSETS					
Cash and cash equivalents	\$ 123,577	\$ -	\$ 5,705	\$ -	\$ 129,282
Other receivables	34,831	47,059	100	-	81,990
Inventories	11,097	-	-	-	11,097
Due from other funds	-	179,544	-	-	179,544
Total assets	<u>\$ 169,505</u>	<u>\$ 226,603</u>	<u>\$ 5,805</u>	<u>\$ -</u>	<u>\$ 401,913</u>
LIABILITIES					
Accounts payable	\$ 6,454	\$ 1,309	\$ -	\$ -	\$ 7,763
Accrued salaries and benefits	-	108,408	-	-	108,408
Unearned revenue	-	116,886	-	-	116,886
Total liabilities	<u>6,454</u>	<u>226,603</u>	<u>-</u>	<u>-</u>	<u>233,057</u>
FUND BALANCES					
Nonspendable:					
Inventory	11,097	-	-	-	11,097
Assigned:					
Transportation	-	-	5,805	-	5,805
Food Service	151,954	-	-	-	151,954
Total fund balances	<u>163,051</u>	<u>-</u>	<u>5,805</u>	<u>-</u>	<u>168,856</u>
Total liabilities and fund balances	<u>\$ 169,505</u>	<u>\$ 226,603</u>	<u>\$ 5,805</u>	<u>\$ -</u>	<u>\$ 401,913</u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Designated Purpose Grants Fund</u>	<u>Transportation Fund</u>	<u>Bond Redemption Fund</u>	
REVENUES					
Local sources	\$ 401,471	\$ 17,684	\$ 25,235	\$ 442	\$ 444,832
State sources	13,492	730,186	253,353	-	997,031
Federal sources	414,148	392,623	-	-	806,771
Total revenues	<u>829,111</u>	<u>1,140,493</u>	<u>278,588</u>	<u>442</u>	<u>2,248,634</u>
EXPENDITURES					
Instruction	-	433,369	-	-	433,369
Supporting services	-	707,124	279,243	-	986,367
Food services	925,571	-	-	-	925,571
Total expenditures	<u>925,571</u>	<u>1,140,493</u>	<u>279,243</u>	<u>-</u>	<u>2,345,307</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	1,298	-	-	(19,883)	(18,585)
Total other financing sources (uses)	<u>1,298</u>	<u>-</u>	<u>-</u>	<u>(19,883)</u>	<u>(18,585)</u>
Net change in fund balances	(95,162)	-	(655)	(19,441)	(115,258)
Fund balances - beginning	<u>258,213</u>	<u>-</u>	<u>6,460</u>	<u>19,441</u>	<u>284,114</u>
Fund balances - ending	<u>\$ 163,051</u>	<u>\$ -</u>	<u>\$ 5,805</u>	<u>\$ -</u>	<u>\$ 168,856</u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 416,000	401,471	\$ (14,529)
State sources	9,773	13,492	3,719
Federal sources	452,000	414,148	(37,852)
Total revenues	<u>877,773</u>	<u>829,111</u>	<u>(48,662)</u>
EXPENDITURES			
Salaries	323,000	318,249	4,751
Employee benefits	95,000	96,980	(1,980)
Purchased services	114,200	77,065	37,135
Supplies	256,000	348,778	(92,778)
Commodities	55,000	53,796	1,204
Equipment	35,870	30,703	5,167
Appropriated reserve	258,214	-	258,214
Total expenditures	<u>1,137,284</u>	<u>925,571</u>	<u>211,713</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>1,298</u>	<u>1,298</u>	<u>-</u>
Total other financing sources (uses)	<u>1,298</u>	<u>1,298</u>	<u>-</u>
Net change in fund balances	(258,213)	(95,162)	163,051
Fund balance - beginning	<u>258,213</u>	<u>258,213</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 163,051</u>	<u>\$ 163,051</u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DESIGNATED PURPOSE GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 44,900	\$ 17,684	\$ (27,216)
State sources	773,606	730,186	(43,420)
Federal sources	415,083	392,623	(22,460)
Total revenues	<u>1,233,589</u>	<u>1,140,493</u>	<u>(93,096)</u>
EXPENDITURES			
Instruction	489,819	433,369	56,450
Supporting services	743,770	707,124	36,646
Total expenditures	<u>1,233,589</u>	<u>1,140,493</u>	<u>93,096</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 25,000	\$ 25,235	\$ 235
State sources	250,000	253,353	3,353
Total revenues	<u>275,000</u>	<u>278,588</u>	<u>3,588</u>
EXPENDITURES			
Supporting services	<u>281,460</u>	<u>279,243</u>	<u>2,217</u>
Total expenditures	<u>281,460</u>	<u>279,243</u>	<u>2,217</u>
Net change in fund balance	(6,460)	(655)	5,805
Fund balance - beginning	<u>6,460</u>	<u>6,460</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 5,805</u></u>	<u><u>\$ 5,805</u></u>

See the accompanying independent auditors' report.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND REDEMPTION FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 2,500	\$ 442	\$ (2,058)
Total revenues	2,500	442	(2,058)
OTHER FINANCING SOURCES (USES)			
Transfers out	(21,941)	(19,883)	2,058
Total other financing sources (uses)	(21,941)	(19,883)	2,058
Net change in fund balance	(19,441)	(19,441)	-
Fund balance - beginning	19,441	19,441	-
Fund balance - ending	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the District in a trustee capacity. The District has the following Fiduciary Fund:

Agency Fund

This fund was created to act as custodian for various student groups and activity funds.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
ASSETS				
Cash and cash equivalents	\$ 369,827	\$ 822,312	\$ (772,740)	\$ 419,399
Total assets	<u>\$ 369,827</u>	<u>\$ 822,312</u>	<u>\$ (772,740)</u>	<u>\$ 419,399</u>
LIABILITIES				
Due to student organizations	\$ 369,827	\$ 822,312	\$ (772,740)	\$ 419,399
Total liabilities	<u>\$ 369,827</u>	<u>\$ 822,312</u>	<u>\$ (772,740)</u>	<u>\$ 419,399</u>

See the accompanying independent auditors' report.

EXPENDITURES OF FEDERAL AWARDS

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
<i>Child Nutrition Cluster:</i>				
Passed Through Colorado Department of Education				
School Breakfast Program	10.553	4553		\$ 93,546
National School Lunch Program	10.555	4555		266,806
Passed Through Colorado Department of Human Services				
National School Lunch Program	10.555	4555		<u>53,796</u>
<i>Total Child Nutrition Cluster</i>				414,148
Passed Through Teller County, Colorado				
Schools and Roads - Grants to States	10.665	7665		<u>10,039</u>
Total U.S. Department of Agriculture				<u>424,187</u>
U.S. Department of Education				
Passed Through Colorado Department of Education				
No Child Left Behind, Title I, Part A	84.010	4010		278,366
Teacher and Principal Training and Recruiting Fund	84.367	4367		76,871
Race to the Top - Early Childhood Readiness Assessment	84.412	5412		1,395
Passed Through Colorado Community College System				
Vocational Education - Basic Grants to States	84.048	4048		<u>32,124</u>
Total U.S. Department of Education				<u>388,756</u>
				<u><u>\$ 812,943</u></u>

See the accompanying independent auditors' report.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Woodland Park School District Number RE-2 under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Woodland Park School District Number RE-2, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Woodland Park School District Number RE-2.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

Woodland Park School District Number RE-2 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – NON-CASH ASSISTANCE

During the year end June 30, 2018, Woodland Park School District Number RE-2 received \$53,796 in non-cash assistance in the form of food commodities.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Woodland Park School District Number RE-2

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Park School District Number RE-2, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Woodland Park School District Number RE-2's basic financial statements, and have issued our report thereon dated November 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodland Park School District Number RE-2's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Woodland Park School District Number RE-2's internal control. Accordingly, we do not express an opinion on the effectiveness of Woodland Park School District Number RE-2's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woodland Park School District Number RE-2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hoelting & Company Inc.

Colorado Springs, Colorado

November 13, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Woodland Park School District Number RE-2

Report on Compliance for Each Major Federal Program

We have audited Woodland Park School District Number RE-2's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Woodland Park School District Number RE-2's major federal programs for the year ended June 30, 2018. Woodland Park School District Number RE-2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Woodland Park School District Number RE-2's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Woodland Park School District Number RE-2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Woodland Park School District Number RE-2's compliance.

Opinion on Each Major Federal Program

In our opinion, Woodland Park School District Number RE-2, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Woodland Park School District Number RE-2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Woodland Park School District Number RE-2's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Woodland Park School District Number RE-2's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hoelting & Company Inc.

Colorado Springs, Colorado
November 13, 2018

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? x yes ___ no
- Significant deficiency(ies) identified? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs?

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? ___ yes x none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
CFDA 10.553 & 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs? \$750,000

Auditee qualified as low-risk auditee? x yes ___ no

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section II—Financial Statement Findings

2018-001 Accounts payable cut-off procedures

Criteria: During the accounts payable process, invoice details should be reviewed to ensure disbursements are recorded in the correct period.

Condition: During the year, certain disbursements were not recorded in the current fiscal year.

Context: This finding was noted during procedures to test accounts payable cutoff.

Effect: Accounts payable and expenses were understated by \$335,460.

Cause: Misapplication of established cutoff procedures.

Recommendation: The finance department should follow policies currently in place requiring that invoice details be reviewed to ensure disbursement are recorded in the correct period.

Management response: Management will follow the above recommendation beginning in the 2018-2019 school year.

Section III—Findings and Questioned Costs for Federal Awards

No findings reported.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

The Summary Schedule of Prior Audit Findings (the Summary) summarizes the status of the audit findings reported in the Woodland Park School District Number RE-2 Schedule of Findings and Questioned Costs for the year ended June 30, 2017. If the prior audit finding was fully addressed, the Summary indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary references the page number of the June 30, 2018 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

There were no prior year audit findings.

**COLORADO SCHOOL DISTRICT/BOCES AUDITORS'
DATA INTEGRITY REPORT**



**INDEPENDENT AUDITORS' REPORT ON COLORADO SCHOOL
DISTRICT/BOCES AUDITOR'S INTEGRITY REPORT**

To the Board of Education
Woodland Park School District Number RE-2

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodland Park School District Number RE-2, as of and for the year ended June 30, 2018, which collectively comprise Woodland Park School District Number RE-2's basic financial statements, and our report thereon dated November 13, 2018, which expressed an unmodified opinion on those financial statement, appears as listed in the table of contents.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodland Park School District Number RE-2's financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hoelting & Company, Inc.

Colorado Springs, Colorado
November 13, 2018



Colorado Department of Education
Auditors Integrity Report
 District: 3020 - WOODLAND PARK RE-2
 Fiscal Year 2017-18
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	9,796,644	21,997,088	21,954,876	9,838,856
18 Risk Mgmt Sub-Fund of General Fund	21,819	502,391	447,999	76,211
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	9,818,463	22,499,478	22,402,875	9,915,066
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	258,214	830,408	925,571	163,051
22 Govt Designated-Purpose Grants Fund	0	1,140,493	1,140,493	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	6,460	278,588	279,243	5,805
31 Bond Redemption Fund	19,441	-19,441	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	10,102,578	24,729,527	24,748,182	10,083,922
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	369,827	822,312	772,740	419,399
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	369,827	822,312	772,740	419,399

FINAL