

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

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended June 30, 2021

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
TABLE OF CONTENTS
JUNE 30, 2021**

PAGE

INDEPENDENT AUDITORS' REPORT	
MANAGEMENT'S DISCUSSION AND ANALYSIS	<i>i</i>
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet—Governmental Funds	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Notes to the Financial Statements	7
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Employer's Proportionate Share of the Net Pension Liability	42
Schedule of the Employer's Payroll Contributions - Pension	43
Schedule of the Employer's Proportionate Share of the Net OPEB Liability	44
Schedule of the Employer's Payroll Contributions – OPEB	45
Budgetary Comparison Schedule—General Fund	46
Budgetary Comparison Schedule –Governmental Designated-Purpose Grants Fund	47
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
<i>General Fund:</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual	48
<i>Governmental Designated-Purpose Grants Fund:</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual	52
<i>Non-major Governmental Funds:</i>	
Combining Balance Sheet	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual:	
Food Service Fund	55
Pupil Activity Fund	56
Transportation Fund	57

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
TABLE OF CONTENTS
JUNE 30, 2021

PAGE

EXPENDITURES OF FEDERAL AWARDS

Schedule of Expenditures of Federal Awards	58
Notes to the Schedule of Expenditures of Federal Awards	59
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60
Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	62
Schedule of Findings and Questioned Costs	64
Summary Schedule of Prior Audit Findings	66

COLORADO SCHOOL DISTRICT/BOCES AUDITORS'
DATA INTEGRITY REPORTS

Independent Auditors' Report on Colorado School District/BOCES Auditors' Integrity Report	67
Colorado School District/BOCES Auditors' Integrity Report	68



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, 2021, 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, 2021, 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.

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 4, 2021, 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 4, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

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, 2021. 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 \$1,072,873. Overall revenues exceeded budgeted expectations. Expenditures came in under-budget in most major categories due to a significantly modified educational model. Additionally, the District paused all but emergency large capital project expenditures in the face of an uncertain pandemic-influenced fiscal environment. The District budgets sufficient contingencies to cover any unanticipated operational needs. Food Service operations in the District exhibited an increase in fund balance of \$160,226. This increase in food service revenue is attributed to increased reimbursement revenues resulting from the shift from the National School Lunch Program to the Summer Food Service Program and Seamless Summer Option Program. Students were not charged for meals in FY20 and the alternate programs carried reimbursement rates that exceeded those typical of the NSLP. Additionally, the reimbursements throughout the fiscal year exceeded the reduced production costs. The \$111,408 increase in the Transportation Fund was due to actual expenditures coming in under budget as contracted bus routes were modified from typical school years. More students participated in online and remote learning systems than in FY20 and bus ridership for in-person learners declined.

Using the Basic Financial Statements

The Basic Financial Statements consist 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. 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 \$(26,648,718) as of June 30, 2021. Fiscal Year 2020-2021 was the sixth year the District's Governmental net position reflected the implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the third year GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions was implemented. This figure fluctuates annually based on the District's proportion of the net pension liability, which increased compared to Fiscal year 2019-2020.

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

	2021	2020
	Governmental Activities	Governmental Activities
Current Assets	\$ 13,983,741	\$ 13,888,301
Capital Assets - Net	<u>18,104,010</u>	<u>18,583,071</u>
Total Assets	<u>32,087,751</u>	<u>32,471,372</u>
Deferred Outflows of Resources	<u>12,094,049</u>	<u>5,057,209</u>
Current Liabilities	3,096,277	3,818,315
Long-Term Liabilities	<u>50,500,163</u>	<u>47,552,240</u>
Total Liabilities	<u>53,596,440</u>	<u>51,370,555</u>
Deferred Inflows of Resources	<u>17,234,078</u>	<u>23,871,206</u>
Net Position:		
Net investment in capital assets	8,742,861	8,296,067
Restricted	1,145,000	980,983
Unrestricted	<u>(36,536,579)</u>	<u>(46,990,230)</u>
Total Net Position	<u>\$ (26,648,718)</u>	<u>\$ (37,713,180)</u>

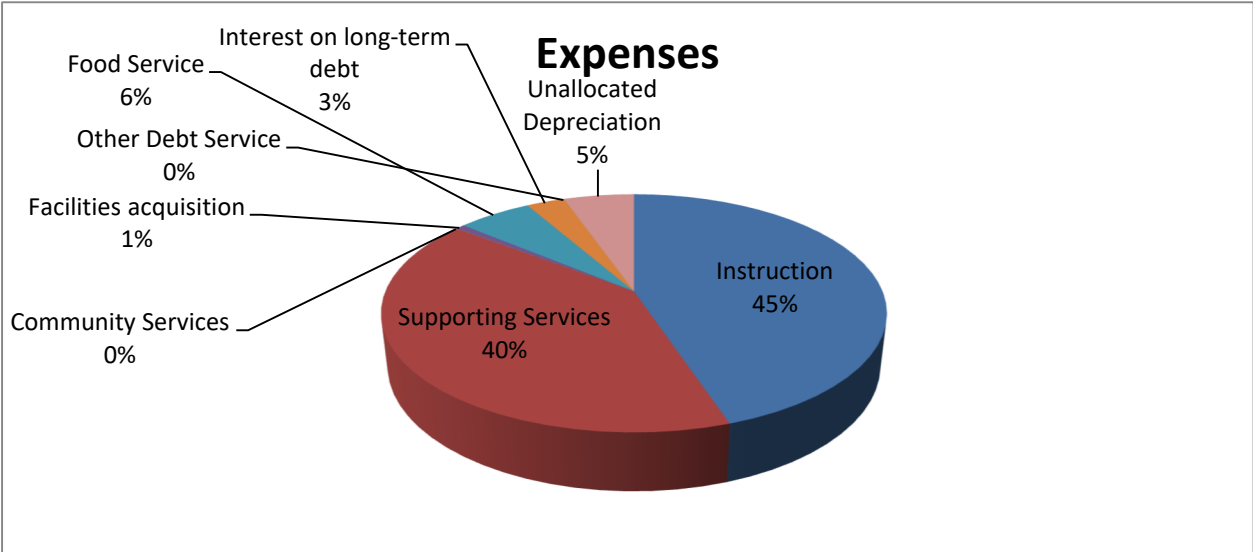
A portion of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted net position is an amount set aside by management to finance future purchases or capital projects 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:

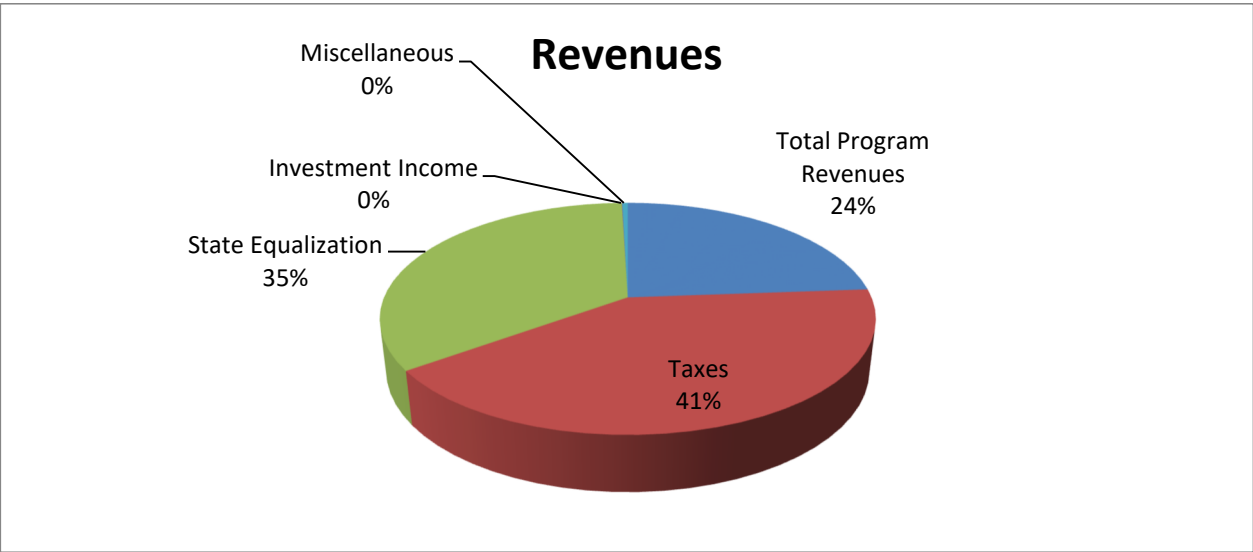
TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	2021	2020
	Governmental Activities	Governmental Activities
Program Revenues:		
Charges for Services	\$ 704,959	\$ 1,201,575
Operating Grants	6,101,132	3,502,476
Total Program Revenues	6,806,091	4,704,051
General Revenues:		
Taxes	11,768,687	11,114,256
State Equalization	9,842,834	11,296,170
Investment Income	10,323	125,934
Miscellaneous	122,750	135,747
Total General Revenues	21,744,594	22,672,107
Total Revenues	28,550,685	27,376,158
Expenses		
Instruction	7,843,599	10,904,019
Supporting Services	7,085,420	7,804,799
Community Services	4,148	8,459
Facilities acquisition	116,510	149,108
Food Service	985,497	767,181
Interest on long-term debt	513,408	525,319
Other Debt Service	3,460	3,470
Unallocated Depreciation	934,181	971,839
Total Expenses	17,486,223	21,134,194
Change in Net Position	11,064,462	6,241,964
Net Position - Beginning	(37,713,180)	(44,414,773)
Prior period adjustment	-	459,629
Net Position - Beginning, As Restated	(37,713,180)	(43,955,144)
Net Position - Ending	\$ (26,648,718)	\$ (37,713,180)

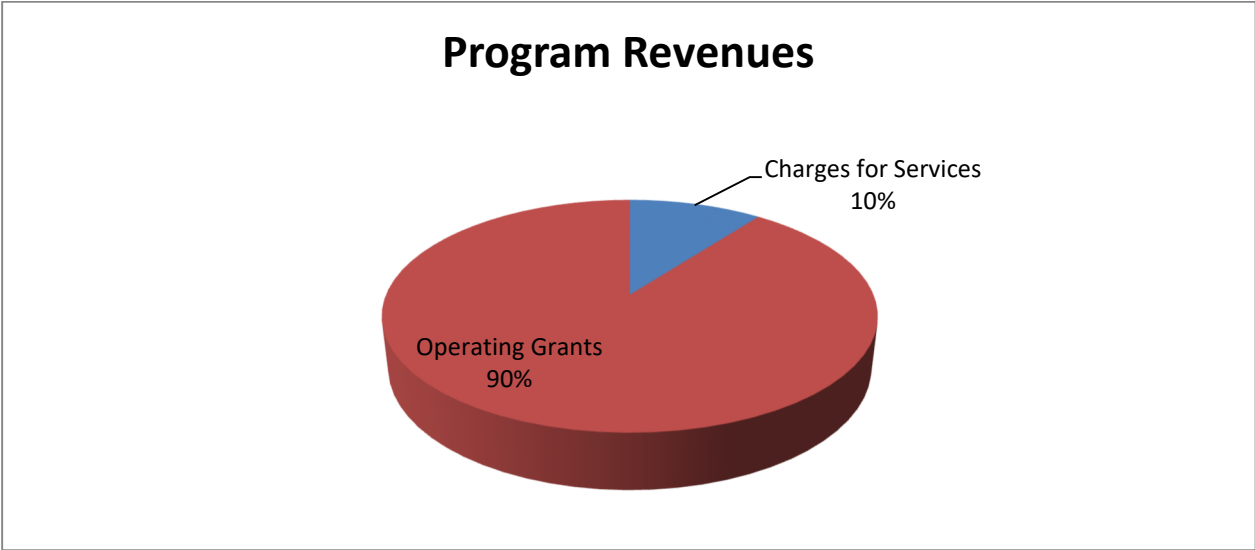
The District's largest activity is the instruction of students. The District also provides related services that support the educational activity. The distribution of the District's cost to provide these activities is as follows:



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 District has two major funds: General Fund and Designated Purpose Grants 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.

Fund Financial Statements

As of June 30, 2021, the District's governmental funds reported a combined fund balance of \$10,996,660, which is an increase of \$1,377,788 from the June 30, 2020 balance. The following is additional information by fund, which contributed to the change.

General Fund revenues decreased \$(927,618) from FY 20 to FY 21. This reflects decreased program funding tied to student enrollment. General Fund Expenditures decreased \$(2,302,356) from FY 20 to FY 21. While the District strategically planned fund balance expenditures in FY 21 as had been done in FY 20, federal stimulus funding, a conservative expenditure approach and challenges to fill all staffing vacancies led to expenditures falling short of projected levels.

Revenue and expenditures in the Designated Purpose Grants increased by \$1,822,303 from the prior year. The District continues to pursue grants as opportunities arise that meet the needs of students and staff. Additionally, the District benefited from significant CRF and ESSER stimulus funds in FY 21 that more than doubled the size of the fund.

The District contracts with Durham School Services to transport pupils. The purpose of the Transportation Fund is to document student transportation fees and the 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, 2021, The District's Transportation Fund showed an Ending Fund Balance of \$166,607.

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 \$350,045 compared to FY 20. Expenditures in the Food Service Fund increased by \$209,826 from FY 20 to FY 21.

Capital Assets

As of June 30, 2021, the District had \$18,104,010 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 \$(479,061).

TABLE 3 - CAPITAL ASSETS

	Balance 6/30/20	Additions	Deletions	Balance 6/30/21
<u>Governmental Activities:</u>				
Capital Assets				
Site improvements	\$ 1,612,041	\$ 7,200	\$ -	\$ 1,619,241
Buildings	36,858,224	524,835	-	37,383,059
Transportation	927,014	-	-	927,014
Equipment and furniture	2,342,219	28,898	-	2,371,117
Construction in progress	105,813	378,001	(483,814)	-
Total Capital Assets	41,845,311	938,934	(483,814)	42,300,431
Less Accumulated Depreciation	(23,262,240)	(934,181)	-	(24,196,421)
Net Capital Assets	<u>\$ 18,583,071</u>	<u>\$ 4,753</u>	<u>\$ (483,814)</u>	<u>\$ 18,104,010</u>

Please see Note 7 on page 18 of the financial statements for additional information related to District's capital assets.

Debt Administration

As of June 30, 2021, the outstanding balance of the COP's at year-end is \$8,480,000. The District also has additional long-term liabilities in the amount of \$458,240 for Accrued Compensated Absences and \$1,322,515 for Capital leases. A summary of the district's long-term obligations is as follows:

TABLE 4 - LONG TERM LIABILITIES

	Balance 6/30/20	Debt Issued And Additions	Reductions	Balance 6/30/21
<u>Governmental Activities:</u>				
Taxable refunding COP's	\$ 8,900,000	\$ -	\$ (420,000)	\$ 8,480,000
Discount	(31,823)	-	1,944	(29,879)
Total COP's Payable	8,868,177	-	(418,056)	8,450,121
Capital Leases	1,418,827	-	(96,312)	1,322,515
Compensated Absences	595,614	-	(137,374)	458,240
Total Long-Term Liabilities	<u>\$ 10,882,618</u>	<u>\$ -</u>	<u>\$ (651,742)</u>	<u>\$ 10,230,876</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

Enrollment numbers in the previous fiscal year illustrated an increased annual funded pupil count. However, FY 20 was the first year Kindergarteners were funded at 1.0 status, thus inflating that count. In all reality, the District continues in a declining enrollment status as has been the case for approximately two decades. WPSD continues to actively monitor annual enrollment and expects the trend to continue especially with the opening of a contract school within District boundaries in FY 22. At the same time, regional and national economic, legislative and budgetary issues paired with pandemic impacts continue to impact program funding. WPSD awaits the Governor's Preliminary Budget Request for FY 23 and expects it to more clearly illustrate the impact of the economy emerging from a COVID-19 pandemic initiated recession as well as statewide enrollment impacts. There are many challenges facing the District while innovating, maintaining instructional programs, stabilizing class sizes, competing for high-quality staff and keeping up with the increased costs of technology, infrastructure and maintenance. 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 five full years and provide more sustainable local funding to address operational needs. As noted previously, a contract school opened within District boundaries in the fall of 2021. The potential long term financial impacts to the District of this venture are presently being analyzed. Lastly, in the face of declining enrollment and an unstable statewide economic situation, the District is engaged in a significant expenditure adjustment process that aims to balance the WPSD budget in three years. WPSD is currently operating with the strategic spend-down of reserves to cover some necessary operational and staffing costs.

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, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 11,691,904
Cash with County Treasurer	142,944
Taxes receivable	1,276,532
Intergovernmental receivables	730,311
Other receivables	114,914
Inventories and prepaid expenses	27,136
Capital assets being depreciated	18,104,010
Total assets	32,087,751
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	411,486
Deferred pension outflows	11,564,126
Deferred OPEB outflows	118,437
Total deferred outflows of resources	12,094,049
LIABILITIES	
Accounts payable and other current liabilities	80,599
Accrued salaries and benefits	1,964,717
Unearned revenue	483,905
Accrued interest	36,996
Long-term liabilities	
Due within one year	530,060
Due in more than one year	9,700,816
Net pension liability	39,367,979
Net OPEB liability	1,431,368
Total liabilities	53,596,440
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	16,735,884
Deferred OPEB inflows	498,194
Total deferred inflows of resources	17,234,078
NET POSITION	
Net investment in capital assets	8,742,861
Restricted for:	
Emergency reserve (TABOR)	745,000
Other purposes	400,000
Unrestricted	(36,536,579)
Total net position	\$ (26,648,718)

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, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Primary government				
Governmental activities:				
Instruction	\$ 7,843,599	\$ 656,030	\$ 4,730,337	\$ (2,457,232)
Supporting services	7,085,420	7,705	275,811	(6,801,904)
Food service operations	985,497	41,224	1,094,984	150,711
Community services	4,148	-	-	(4,148)
Facilities acquisition	116,510	-	-	(116,510)
Interest on long-term debt	513,408	-	-	(513,408)
Other debt service	3,460	-	-	(3,460)
Depreciation - unallocated	934,181	-	-	(934,181)
Total primary government	<u>\$ 17,486,223</u>	<u>\$ 704,959</u>	<u>\$ 6,101,132</u>	<u>(10,680,132)</u>
General revenues:				
Property taxes				10,842,705
Specific ownership taxes				925,982
State equalization				9,842,834
Unrestricted investment earnings				10,323
Miscellaneous				122,750
Total general revenues				<u>21,744,594</u>
Change in net position				11,064,462
Net position - beginning (deficit)				<u>(37,713,180)</u>
Net position - ending (deficit)				<u>\$ (26,648,718)</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, 2021

	General Fund	Governmental Designated- Purpose Grants Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 10,841,510	\$ -	\$ 850,394	\$ 11,691,904
Cash with County Treasurer	142,944	-	-	142,944
Taxes receivable	1,276,532	-	-	1,276,532
Intergovernmental receivables	377,908	177,054	175,349	730,311
Other receivables	114,702	-	212	114,914
Due from other funds	161,381	407,070	-	568,451
Inventories and prepaids	-	-	27,136	27,136
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 12,914,977</u>	<u>\$ 584,124</u>	<u>\$ 1,053,091</u>	<u>\$ 14,552,192</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 60,528	\$ -	\$ 20,071	\$ 80,599
Accrued salaries and benefits	1,801,036	163,681	-	1,964,717
Due to other funds	568,451	-	-	568,451
Unearned revenue	38,493	420,443	24,969	483,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>2,468,508</u>	<u>584,124</u>	<u>45,040</u>	<u>3,097,672</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	457,860	-	-	457,860
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>457,860</u>	<u>-</u>	<u>-</u>	<u>457,860</u>
FUND BALANCES				
Nonspendable for:				
Inventories and prepaid expenses	-	-	27,136	27,136
Restricted for:				
Emergency reserve (TABOR)	745,000	-	-	745,000
Multi-year obligations	400,000	-	-	400,000
Committed for:				
Food service operations	-	-	265,584	265,584
Transportation	-	-	166,607	166,607
Pupil Activities	-	-	548,724	548,724
Assigned for:				
Risk management	46,884	-	-	46,884
Unassigned	8,796,725	-	-	8,796,725
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>9,988,609</u>	<u>-</u>	<u>1,008,051</u>	<u>10,996,660</u>
Total liabilities, deferred inflows of resources, and fund balances				
	<u>\$ 12,914,977</u>	<u>\$ 584,124</u>	<u>\$ 1,053,091</u>	<u>\$ 14,552,192</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, 2021

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

Total fund balance - governmental funds	\$	10,996,660
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net of depreciation		18,104,010
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		457,860
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Deferred charges on refunding	\$	411,486
Net pension liabilities		(39,367,979)
Pension outflows		11,564,126
Pension inflows		(16,735,884)
Net OPEB liabilities		(1,431,368)
OPEB outflows		118,437
OPEB inflows		(498,194)
Accrued interest		(36,996)
Compensated absences		(458,240)
Capital leases		(1,322,515)
Certificates of participation		(8,480,000)
Unamortized discount		29,879
		(56,207,248)
Net position of governmental activities in the statement of net position	\$	(26,648,718)

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, 2021

	<u>General Fund</u>	<u>Governmental Designated- Purpose Grants Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources	\$ 12,260,265	\$ 69,593	\$ 407,065	\$ 12,736,923
State sources	10,387,558	1,487,252	281,870	12,156,680
Federal sources	835,456	1,765,606	1,087,425	3,688,487
	<u>23,483,279</u>	<u>3,322,451</u>	<u>1,776,360</u>	<u>28,582,090</u>
EXPENDITURES				
Instruction	12,385,985	1,539,525	322,391	14,247,901
Supporting services	8,870,308	1,517,500	172,108	10,559,916
Food service operations	-	12,020	976,946	988,966
Community services	5,853	-	-	5,853
Facilities acquisition and construction	282,126	253,406	-	535,532
Debt service	866,134	-	-	866,134
	<u>22,410,406</u>	<u>3,322,451</u>	<u>1,471,445</u>	<u>27,204,302</u>
Net change in fund balances	1,072,873	-	304,915	1,377,788
Fund balances - beginning	<u>8,915,736</u>	<u>-</u>	<u>703,136</u>	<u>9,618,872</u>
Fund balances - ending	<u>\$ 9,988,609</u>	<u>\$ -</u>	<u>\$ 1,008,051</u>	<u>\$ 10,996,660</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 TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds:	\$	1,377,788
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.		
Capital outlays	\$ 455,120	
Depreciation	<u>(934,181)</u>	(479,061)
Governmental funds do not present property tax revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
		(31,405)
Interest expense is reported when incurred in the statement of activities but is not reported in the funds until paid.		
		(790)
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of principal	\$ 516,312	
Amortization of deferred on refunding	<u>(166,258)</u>	350,054
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.		
		137,374
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	\$ 9,608,266	
OPEB expenses	<u>102,236</u>	<u>9,710,502</u>
Change in net position of governmental activities		<u><u>\$ 11,064,462</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, 2021

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, 2021

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. 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.

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.

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 *Pupil Activity Fund* is used to record and monitor financial transactions related to school sponsored pupil intra and interscholastic athletics and other student activities.

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.

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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, except for grants which are considered available if collected within 120 days.

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.

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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment may be sold.

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.

Capital Assets

Capital assets 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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (continued)

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 plan 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 (FNP) and additions to/deductions from the FNP 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.

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*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

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 (FNP) and additions to/deductions from the FNP 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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Revenues and Expenditures/Expenses (continued)

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.

NOTE 2 – 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 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2021 is as follows:

Deposits	\$ 2,115,217
Investments	<u>9,576,687</u>
Total	<u>\$ 11,691,904</u>

Deposits and investments are reported in the financial statements as follows:

Cash and investments	<u>\$ 11,691,904</u>
----------------------	----------------------

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. 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 of the collateral must be at least equal to 102% of the uninsured deposits.

As of June 30, 2021, the carrying amounts of the District’s deposits were \$2,115,217 and the bank balances were \$2,548,839. Of the bank balances \$250,000 was covered by the federal deposit insurance and \$2,298,839 was uninsured but collateralized in accordance with the provisions of the PDPA.

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, 2021 all of the District’s investments were rated Aaa by Moody’s Investor Services.

As of June 30, 2021 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	\$ 1,974,057	\$ 1,974,057	\$ -	\$ -	\$ -
ColoTrust	6,830,063	6,830,063	-	-	-
Fixed Income	772,567	542,111	10,183	-	220,273
Total	\$ 9,576,687	\$ 9,346,231	\$ 10,183	\$ -	\$ 220,273

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2021, the District has invested \$6,830,063 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.

NOTE 4 – 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.

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	\$ _____ -	\$ <u>772,567</u>	\$ _____ -	\$ <u>772,567</u>
Total Investments - unrestricted	\$ _____ -	\$ <u>772,567</u>	\$ _____ -	\$ <u>772,567</u>

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – 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 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, 2021 is 26.639 mills for general operating expenses. The District’s assessed valuation for the collection year 2021 is \$307,126,168.

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 6 – 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, 2021 is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 161,381	\$ 568,451
Grants Fund	<u>407,070</u>	<u>-</u>
Total	<u>\$ 568,451</u>	<u>\$ 568,451</u>

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Construction in Progress	\$ 105,813	\$ 378,001	\$ (483,814)	\$ -
Total non-depreciable assets	<u>105,813</u>	<u>378,001</u>	<u>(483,814)</u>	<u>-</u>
Capital assets, being depreciated:				
Site improvements	1,612,041	7,200	-	1,619,241
Buildings	36,858,224	524,835	-	37,383,059
Transportation	927,014	-	-	927,014
Equipment and furniture	<u>2,342,219</u>	<u>28,898</u>	<u>-</u>	<u>2,371,117</u>
Total capital assets	<u>41,739,498</u>	<u>560,933</u>	<u>-</u>	<u>42,300,431</u>
Less accumulated depreciation for:				
Site improvements	(1,136,082)	(49,788)	-	(1,185,870)
Buildings	(19,410,695)	(697,115)	-	(20,107,810)
Transportation	(676,530)	(72,377)	-	(748,907)
Equipment and furniture	<u>(2,038,933)</u>	<u>(114,901)</u>	<u>-</u>	<u>(2,153,834)</u>
Total accumulated depreciation	<u>(23,262,240)</u>	<u>(934,181)</u>	<u>-</u>	<u>(24,196,421)</u>
Total capital assets being depreciated, net	<u>18,477,258</u>	<u>(373,248)</u>	<u>-</u>	<u>18,104,010</u>
Capital assets, net	<u>\$ 18,583,071</u>	<u>\$ 4,753</u>	<u>\$ (483,814)</u>	<u>\$ 18,104,010</u>

NOTE 8 – 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, 2021 are \$1,964,717. 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, 2021

NOTE 9 - 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%.

\$ 8,480,000

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>
2022	\$ 425,000	\$ 290,865
2023	435,000	280,001
2024	455,000	267,867
2025	465,000	254,639
2026	475,000	240,418
2027 – 2031	2,620,000	948,240
2032 – 2036	2,945,000	432,700
2037	660,000	13,200
Total	\$ 8,480,000	\$ 2,727,930

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, 2021, \$4,940,000 of the defeased bonds remain outstanding.

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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30</u>	
2022	\$ 148,008
2023	153,216
2024	158,952
2025	164,880
2026	171,000
2027 – 2030	<u>748,495</u>
Total minimum lease payments	1,554,551
Less: amount representing interest	<u>(222,036)</u>
Present value of minimum lease payments	<u>\$ 1,322,515</u>

Compensated Absences

Accrued sick leave and vacation pay for all of the District’s full time employees total \$458,240. 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, 2021:

	<u>Balance</u> <u>06/30/20</u>	<u>Debt Issued</u> <u>And Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/21</u>	<u>Due Within</u> <u>One year</u>
Certificate of participation:					
Taxable refunding COP’s	\$ 8,900,000	\$ -	\$ (420,000)	\$ 8,480,000	\$ 425,000
Discount	(31,823)	-	1,944	(29,879)	-
Capital lease	1,418,827	-	(96,312)	1,322,515	105,060
Compensated absences	<u>595,614</u>	<u>-</u>	<u>(137,374)</u>	<u>458,240</u>	<u>-</u>
Total	<u>\$ 10,882,618</u>	<u>\$ -</u>	<u>\$ (651,742)</u>	<u>\$ 10,230,876</u>	<u>\$ 530,060</u>

NOTE 10 – NET POSITION

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

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – NET POSITION (CONTINUED)

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, 2021, the District had net investment in capital assets as follows:

Capital assets, net of depreciation	\$ 18,104,010
Long term liabilities due within one year	(530,060)
Long term liabilities due in more than one year	(9,242,576)
Deferred on refunding	<u>411,487</u>
	<u>\$ 8,742,861</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, 2021, the District had restricted net position as follows:

Emergency reserve (TABOR)	\$ 745,000
Other purposes	<u>400,000</u>
	<u>\$ 1,145,000</u>

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

NOTE 11 – 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 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. 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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2020, 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., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) 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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2021: Eligible employees of, Woodland Park School District Number RE-2 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

**Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

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 \$2,737,211 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. 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 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2021, the Woodland Park School District Number RE-2 reported a liability of \$39,367,979 for its proportionate share of the net pension liability. The amount recognized by the Woodland Park School District Number RE-2 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Woodland Park School District Number RE-2 were as follows:

Woodland Park School District Number RE-2 proportionate share of the net pension liability	\$ 39,367,979
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Woodland Park School District Number RE-2	-
Total	\$ 39,367,979

At December 31, 2020, the Woodland Park School District Number RE-2 proportion was 0.2604049683 percent, which was an increase of 0.0264584092 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Woodland Park School District Number RE-2 recognized pension expense of (\$9,608,266). At June 30, 2021, 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	\$ 2,163,075	\$ -
Changes of assumptions or other inputs	3,787,077	6,617,424
Net difference between projected and actual earnings on pension plan investments	-	8,665,788
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,238,684	1,452,672
Contributions subsequent to the measurement date	1,375,290	N/A
Total	\$ 11,564,126	\$ 16,735,884

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$1,357,290 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, 2022. 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:	
2022	\$ (6,439,749)
2023	2,166,771
2024	(906,994)
2025	(1,367,076)
2026	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% – 9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Post-retirement non-disabled mortality assumptions 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.

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

The actuarial assumptions used in the December 31, 2019, valuation 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 PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

Discount rate. The discount rate used to measure the total pension 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:

- 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 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect 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.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State’s 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, 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. AIR transfers to the FNP 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 middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior 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 7.25 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 (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 pension liability	\$ 53,701,147	\$ 39,367,979	\$ 27,423,726

Pension plan fiduciary net position. Detailed information about the SCHDTF’s FNP is available in PERA’s Annual 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, 2021

NOTE 12 – 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 (Annual 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 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, 2021

NOTE 12 – 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.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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 \$140,413 for the year ended June 30, 2021.

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

At June 30, 2021, the Woodland Park School District Number RE-2 reported a liability of \$1,431,368 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. 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 the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Woodland Park School District Number RE-2 proportion was 0.150634613 percent, which was a decrease of 0.0022583625 from its proportion measured as of December 31, 2019.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2021, the Woodland Park School District Number RE-2 recognized OPEB expense of (\$102,236). At June 30, 2021, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,799	\$ 314,683
Changes of assumptions or other inputs	10,695	87,770
Net difference between projected and actual earnings on OPEB plan investments	-	58,487
Changes in proportion and differences between contributions recognized and proportionate share of contributions	33,380	37,254
Contributions subsequent to the measurement date	70,563	N/A
Total	\$ 118,437	\$ 498,194

\$70,563 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, 2022. 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:	
2022	\$ (100,177)
2023	(91,995)
2024	(105,647)
2025	(106,890)
2026	(42,851)
Thereafter	(2,760)

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self- Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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.

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
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

Post-retirement non-disabled 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, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40% ¹	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of “State Troopers” to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA’s 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board’s actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) 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 nominal rate of return assumption of 7.25 percent.

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
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$1,394,372	\$1,431,368	\$1,474,436

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, 2020, 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 3.00 percent.
- 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF’s FNP 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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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	\$ 1,639,658	\$ 1,431,368	\$ 1,253,400

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

NOTE 13 – 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 provides for these risks through the purchase of commercial insurance in the General Fund. Settled claims resulting from these risks have not exceeded the insurance coverage during any of the last three fiscal years.

NOTE 14 - 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 reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. District management believes disallowances, if any, will be immaterial.

NOTE 15 – 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, 2021

NOTE 16 – 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 17 - 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?

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 - TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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.

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 \$745,000 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 THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.2604049683%	0.2339465591%	0.2372314330%	0.2643529622%	0.2614084077%	0.2628276915%	0.2735285320%	0.2863548648%
District's proportionate share of the net pension liability (asset)	\$ 39,367,979	\$ 34,951,108	\$ 42,006,698	\$ 85,482,353	\$ 77,831,392	\$ 40,197,640	\$ 37,072,304	\$ 36,524,486
State's proportionate share of the net pension liability (asset) associated with the District	-	4,433,104	5,743,833	-	-	-	-	-
Total	<u>\$ 39,367,979</u>	<u>\$ 39,384,212</u>	<u>\$ 47,750,531</u>	<u>\$ 85,482,353</u>	<u>\$ 77,831,392</u>	<u>\$ 40,197,640</u>	<u>\$ 37,072,304</u>	<u>\$ 36,524,486</u>
District's covered payroll	\$ 13,929,877	\$ 13,747,499	\$ 13,041,886	\$ 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	282.62%	254.24%	322.09%	701.00%	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

* The amounts presented for each 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 THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,737,211	\$ 2,714,172	\$ 2,567,433	\$ 2,368,456	\$ 2,209,755	\$ 2,037,969	\$ 1,886,081	\$ 1,727,460
Contributions in relation to the contractually required contribution	<u>(2,737,211)</u>	<u>(2,714,172)</u>	<u>(2,567,433)</u>	<u>(2,368,456)</u>	<u>(2,209,755)</u>	<u>(2,037,969)</u>	<u>(1,886,081)</u>	<u>(1,727,460)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,768,667	\$ 14,005,002	\$ 13,420,976	\$ 12,544,789	\$ 12,022,604	\$ 11,494,468	\$ 11,173,463	\$ 10,810,136
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%

* The amounts presented for each fiscal year were determined as of 6/30.

* 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 THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.1506346130%	0.1528929755%	0.1541919701%	0.1501339357%	0.1485915540%
District's proportionate share of the net OPEB liability (asset)	\$ 1,431,368	\$ 1,718,514	\$ 2,097,847	\$ 1,951,141	\$ 1,926,540
District's covered payroll	\$ 13,929,877	\$ 13,747,499	\$ 13,041,886	\$ 12,194,290	\$ 11,732,477
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.00%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	24.5%	24.5%	17.0%	17.5%	16.7%

* The amounts presented for each 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 THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 140,413	\$ 142,853	\$ 137,043	\$ 127,853	\$ 122,555
Contributions in relation to the contractually required contribution	<u>(140,413)</u>	<u>(142,853)</u>	<u>(137,043)</u>	<u>(127,853)</u>	<u>(122,555)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,768,667	\$ 14,005,002	\$ 13,420,976	\$ 12,544,789	\$ 12,022,604
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

* 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, 2021**

	<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	\$ 8,160,017	\$ 8,025,695	\$ 8,129,366	\$ 103,671
Specific ownership taxes	840,000	840,000	925,982	85,982
Sales Tax	2,357,673	2,405,903	2,744,744	338,841
State sources	10,249,658	10,703,362	10,387,558	(315,804)
Federal sources	569,434	672,127	835,456	163,329
Investment earnings	90,000	20,000	10,323	(9,677)
Other local revenue	490,500	491,119	449,850	(41,269)
Total revenues	<u>22,757,282</u>	<u>23,158,206</u>	<u>23,483,279</u>	<u>325,073</u>
EXPENDITURES				
Instruction	13,760,801	13,483,126	12,385,984	1,097,142
Supporting services				
Student support	1,397,292	1,226,512	1,134,648	91,864
Instructional staff	1,324,788	1,323,994	1,175,246	148,748
General administration	995,382	1,025,809	959,090	66,719
School administration	1,507,985	1,571,786	1,508,847	62,939
Business services	449,855	497,554	450,747	46,807
Operations and maintenance	2,070,643	2,197,102	1,996,387	200,715
Student transportation	1,062,897	1,084,528	924,895	159,633
Central support service	757,706	821,351	695,548	125,803
Other support services	18,964	18,716	24,901	(6,185)
Community service	9,100	10,000	5,853	4,147
Capital outlay	363,968	394,590	282,126	112,464
Debt service	866,158	866,158	866,134	24
Contingency reserves	5,836,458	7,552,716	-	7,552,716
Total expenditures	<u>30,421,997</u>	<u>32,073,942</u>	<u>22,410,406</u>	<u>9,663,536</u>
Net change in fund balances	(7,664,715)	(8,915,736)	1,072,873	9,988,609
Fund balance - beginning	7,664,715	8,915,736	8,915,736	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,988,609</u>	<u>\$ 9,988,609</u>

See the accompanying independent auditors' report.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	\$ 63,219	\$ 186,116	\$ 69,593	\$ (116,523)
State sources	1,761,715	1,891,420	1,487,252	(404,168)
Federal sources	1,761,734	2,675,101	1,765,606	(909,495)
Total revenues	<u>3,586,668</u>	<u>4,752,637</u>	<u>3,322,451</u>	<u>(1,430,186)</u>
EXPENDITURES				
Instruction	\$ 1,710,499	\$ 2,169,596	1,539,525	630,071
Supporting services				
Student support	995,817	1,533,414	960,807	572,607
Instructional staff	238,158	331,213	255,791	75,422
General administration	-	1,020	1,020	-
School administration	1,600	3,133	3,133	-
Business services	36,833	30,676	41,103	(10,427)
Operations and maintenance	92,226	229,302	93,974	135,328
Student transportation	-	65,739	76,521	(10,782)
Central support service	-	87,277	85,151	2,126
Other support services	-	12,020	12,020	-
Capital Outlay	511,535	289,247	253,406	35,841
Total expenditures	<u>3,586,668</u>	<u>4,752,637</u>	<u>3,322,451</u>	<u>1,430,186</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditor's 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, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources			
Property taxes	\$ 8,025,695	\$ 8,129,366	\$ 103,671
Specific ownership taxes	840,000	925,982	85,982
Sales Tax	2,405,903	2,744,744	338,841
Tuition	404,798	328,065	(76,733)
Earnings on investments	20,000	10,323	(9,677)
Other local sources	86,321	121,785	35,464
Total local sources	<u>11,782,717</u>	<u>12,260,265</u>	<u>477,548</u>
State sources			
State equalization	9,844,225	9,842,834	(1,391)
Other state sources	859,137	544,724	(314,413)
Total state sources	<u>10,703,362</u>	<u>10,387,558</u>	<u>(315,804)</u>
Federal sources			
IDEA Part B	154,806	116,850	(37,956)
Preschool BOCES	23,851	39,266	15,415
Medicaid	473,470	626,381	152,911
Other	20,000	52,959	32,959
Total federal sources	<u>672,127</u>	<u>835,456</u>	<u>163,329</u>
Total revenues	<u>\$ 23,158,206</u>	<u>\$ 23,483,279</u>	<u>\$ 325,073</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, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
Instructional services			
Instruction			
Salaries	\$ 8,664,372	\$ 8,323,710	\$ 340,662
Employee benefits	3,063,320	2,664,001	399,319
Purchased services	667,425	281,955	385,470
Supplies	707,665	765,873	(58,208)
Capital outlay	213,077	181,943	31,134
Other expenses	167,267	168,502	(1,235)
Total instruction	<u>13,483,126</u>	<u>12,385,984</u>	<u>1,097,142</u>
Supporting services			
Student support			
Salaries	822,297	771,473	50,824
Employee benefits	283,025	244,794	38,231
Purchased services	108,056	109,598	(1,542)
Supplies	13,134	8,783	4,351
Total student support	<u>1,226,512</u>	<u>1,134,648</u>	<u>91,864</u>
Instructional staff			
Salaries	943,330	860,418	82,912
Employee benefits	323,771	277,880	45,891
Purchased services	50,853	33,211	17,642
Supplies	4,040	3,737	303
Capital outlay	2,000	-	2,000
Total instructional staff	<u>\$ 1,323,994</u>	<u>\$ 1,175,246</u>	<u>\$ 148,748</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, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
General administration			
Salaries	\$ 627,839	\$ 572,073	\$ 55,766
Employee benefits	191,998	160,478	31,520
Purchased services	129,994	149,618	(19,624)
Supplies	50,978	56,437	(5,459)
Capital outlay	6,000	2,649	3,351
Other expenses	19,000	17,835	1,165
Total general administration	<u>1,025,809</u>	<u>959,090</u>	<u>66,719</u>
School administration			
Salaries	1,131,864	1,120,582	11,282
Employee benefits	375,561	336,670	38,891
Purchased services	48,149	38,465	9,684
Supplies	11,696	10,898	798
Capital outlay	1,347	415	932
Other expenses	3,169	1,817	1,352
Total school administration	<u>1,571,786</u>	<u>1,508,847</u>	<u>62,939</u>
Business services			
Salaries	297,090	272,006	25,084
Employee benefits	97,497	81,280	16,217
Purchased services	102,967	97,461	5,506
Total business services	<u>497,554</u>	<u>450,747</u>	<u>46,807</u>
Operations and maintenance			
Salaries	1,029,573	937,183	92,390
Employee benefits	402,086	348,299	53,787
Purchased services	165,823	159,945	5,878
Supplies	590,810	548,699	42,111
Capital outlay	8,810	2,261	6,549
Total operations and maintenance	<u>\$ 2,197,102</u>	<u>\$ 1,996,387</u>	<u>\$ 200,715</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, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
Student transportation			
Salaries	\$ 97,823	\$ 71,540	\$ 26,283
Employee benefits	22,291	15,153	7,138
Purchased services	862,414	767,051	95,363
Supplies	101,000	71,151	29,849
Capital outlay	1,000	-	1,000
Total student transportation	<u>1,084,528</u>	<u>924,895</u>	<u>159,633</u>
Central support services			
Salaries	10,441	9,241	1,200
Employee benefits	29,192	15,737	13,455
Purchased services	707,817	627,365	80,452
Supplies	48,901	34,103	14,798
Capital outlay	25,000	9,102	15,898
Total central support services	<u>821,351</u>	<u>695,548</u>	<u>125,803</u>
Other support			
Salaries	15,000	23,186	(8,186)
Employee benefits	3,716	1,715	2,001
Total other supporting services	<u>18,716</u>	<u>24,901</u>	<u>(6,185)</u>
Community service			
Purchased services	5,500	4,024	1,476
Supplies	1,500	136	1,364
Equipment	3,000	1,693	1,307
Total community support	<u>10,000</u>	<u>5,853</u>	<u>4,147</u>
Total supporting services	<u>9,777,352</u>	<u>8,876,162</u>	<u>901,190</u>
Capital outlay	394,590	282,126	112,464
Debt service	866,158	866,134	24
Contingency reserves	7,552,716	-	7,552,716
Total expenditures	<u>32,073,942</u>	<u>22,410,406</u>	<u>9,663,536</u>
Net change in fund balances	(8,915,736)	1,072,873	9,988,609
Fund balance - beginning	8,915,736	8,915,736	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 9,988,609</u>	<u>\$ 9,988,609</u>

See the accompanying independent auditors' report.

GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND

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

For financial reporting purposes, the Governmental Designated-Purpose Grants Fund was determined to be a major fund of the District for the current fiscal year.

WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED-PURPOSE GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 186,116	\$ 69,593	\$ (116,523)
State sources	1,891,420	1,487,252	(404,168)
Federal sources	2,675,101	1,765,606	(909,495)
	<u>4,752,637</u>	<u>3,322,451</u>	<u>(1,430,186)</u>
EXPENDITURES			
Instruction	2,169,596	1,539,525	630,071
Supporting services			
Student support	1,533,414	960,807	572,607
Instructional staff	331,213	255,791	75,422
General administration	1,020	1,020	-
School administration	3,133	3,133	-
Business services	30,676	41,103	(10,427)
Operations and maintenance	229,302	93,974	135,328
Student transportation	65,739	76,521	(10,782)
Central support service	87,277	85,151	2,126
Other support services	12,020	12,020	-
Capital Outlay	289,247	253,406	35,841
	<u>4,752,637</u>	<u>3,322,451</u>	<u>1,430,186</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.

Pupil Activity Fund

This fund is used to record and monitor financial transactions related to school sponsored pupil intra and interscholastic athletics and other student activities.

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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Food Service Fund	Pupil Activity Fund	Transportation Fund	
ASSETS				
Cash and cash equivalents	\$ 135,275	\$ 548,656	\$ 166,463	\$ 850,394
Receivable	-	68	144	212
Intergovernmental receivables	175,349	-	-	175,349
Inventories	27,136	-	-	27,136
	<u>\$ 337,760</u>	<u>\$ 548,724</u>	<u>\$ 166,607</u>	<u>\$ 1,053,091</u>
LIABILITIES				
Accounts payable	\$ 20,071	\$ -	\$ -	\$ 20,071
Unearned revenue	24,969	-	-	24,969
	<u>45,040</u>	<u>-</u>	<u>-</u>	<u>45,040</u>
FUND BALANCES				
Nonspendable:				
Inventory	27,136	-	-	27,136
Committed:				
Transportation	-	-	166,607	166,607
Food Service	265,584	-	-	265,584
Pupil Activities	-	548,724	-	548,724
	<u>292,720</u>	<u>548,724</u>	<u>166,607</u>	<u>1,008,051</u>
Total liabilities and fund balances	<u>\$ 337,760</u>	<u>\$ 548,724</u>	<u>\$ 166,607</u>	<u>\$ 1,053,091</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, 2021

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Food Service Fund	Pupil Activity Fund	Transportation Fund	
REVENUES				
Local sources	\$ 43,688	\$ 355,672	\$ 7,705	\$ 407,065
State sources	6,059	-	275,811	281,870
Federal sources	1,087,425	-	-	1,087,425
Total revenues	<u>1,137,172</u>	<u>355,672</u>	<u>283,516</u>	<u>1,776,360</u>
EXPENDITURES				
Instruction	-	322,391	-	322,391
Supporting services	-	-	172,108	172,108
Food services	976,946	-	-	976,946
Total expenditures	<u>976,946</u>	<u>322,391</u>	<u>172,108</u>	<u>1,471,445</u>
Net change in fund balances	160,226	33,281	111,408	304,915
Fund balances - beginning	<u>132,494</u>	<u>515,443</u>	<u>55,199</u>	<u>703,136</u>
Fund balances - ending	<u>\$ 292,720</u>	<u>\$ 548,724</u>	<u>\$ 166,607</u>	<u>\$ 1,008,051</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
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 392,560	\$ 43,688	\$ (348,872)
State sources	6,059	6,059	-
Federal sources	891,547	1,087,425	195,878
Total revenues	<u>1,290,166</u>	<u>1,137,172</u>	<u>(152,994)</u>
 EXPENDITURES			
Salaries	364,777	366,579	(1,802)
Employee benefits	76,944	89,352	(12,408)
Purchased services	115,603	79,483	36,120
Supplies	317,780	368,097	(50,317)
Commodities	48,212	49,017	(805)
Equipment	110,000	24,418	85,582
Appropriated reserve	389,344	-	389,344
Total expenditures	<u>1,422,660</u>	<u>976,946</u>	<u>445,714</u>
Net change in fund balances	(132,494)	160,226	292,720
Fund balance - beginning	<u>132,494</u>	<u>132,494</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 292,720</u>	<u>\$ 292,720</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
PUPIL ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 725,000	\$ 355,672	\$ (369,328)
EXPENDITURES			
Purchased services	50,000	50,088	(88)
Supplies	675,000	272,303	402,697
Total expenditures	725,000	322,391	402,609
Net change in fund balances	-	33,281	33,281
Fund balance - beginning - as restated	515,443	515,443	-
Fund balance - ending	\$ 515,443	\$ 548,724	\$ 33,281

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, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 8,500	\$ 7,705	\$ (795)
State sources	261,600	275,811	14,211
Total revenues	<u>270,100</u>	<u>283,516</u>	<u>13,416</u>
EXPENDITURES			
Supporting services	<u>325,299</u>	<u>172,108</u>	<u>153,191</u>
Total expenditures	<u>325,299</u>	<u>172,108</u>	<u>153,191</u>
Net change in fund balance	(55,199)	111,408	166,607
Fund balance - beginning	<u>55,199</u>	<u>55,199</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 166,607</u></u>	<u><u>\$ 166,607</u></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, 2021**

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				
National School Lunch Program	10.555	4555		\$ 155,584
Summer Food Service Program for Children	10.559	4559		887,094
Child Nutrition Discretionary Grants Limited Availability	10.579	4579		2,666
Passed Through Colorado Department of Human Services				
National School Lunch Program	10.555	4555		<u>44,747</u>
<i>Total Child Nutrition Cluster</i>				<u>1,090,091</u>
<i>Forest Service Schools and Roads Cluster:</i>				
Passed Through Teller County, Colorado				
Schools and Roads - Grants to States	10.665	7665		<u>39,266</u>
<i>Total Forest Service Schools and Roads Cluster</i>				<u>39,266</u>
Total U.S. Department of Agriculture				<u>1,129,357</u>
U.S. Department of Treasury				
Passed Through Colorado Department of Education				
Coronavirus Relief Fund	21.019	4012,5012		<u>1,160,979</u>
U.S. Department of Education				
Passed Through Colorado Department of Education				
No Child Left Behind, Title I, Part A	84.010	4010		297,520
English Language Acquisition State Grants	84.365	4365		3,816
Teacher and Principal Training and Recruiting Fund	84.367	4367		67,277
Student Support and Academic Enrichment Program	84.424	4424		19,593
Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act	84.425	4425		218,375
Passed Through Colorado Community College System				
Vocational Education - Basic Grants to States	84.048	4048		<u>48,339</u>
Total U.S. Department of Education				<u>654,920</u>
				<u><u>\$ 2,945,256</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, 2021**

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, 2021. 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 position, 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, 2021, Woodland Park School District Number RE-2 received \$44,747 in non-cash assistance in the form of food commodities. Commodities are valued at fair market value at the time of receipt.



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, 2021, 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 4, 2021.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 4, 2021



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, 2021. 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, 2021.

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 4, 2021

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes x 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 21.019	Coronavirus Relief Fund
CFDA 84.425	Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act

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, 2021**

Section II—Financial Statement Findings

No findings reported.

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, 2021**

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, 2020. 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, 2021 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, 2021, which collectively comprise Woodland Park School District Number RE-2's basic financial statements, and our report thereon dated November 4, 2021, 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.

Colorado Springs, Colorado
November 4, 2021



Colorado Department of Education

Auditors Integrity Report

District: 3020 - Woodland Park Re-2

Fiscal Year 2020-21

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	8,772,350	23,110,445	21,941,071	9,941,725
18 Risk Mgmt Sub-Fund of General Fund	143,385	372,833	469,334	46,884
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	8,915,736	23,483,278	22,410,405	9,988,609
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
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	132,494	1,137,172	976,946	292,720
22 Govt Designated-Purpose Grants Fund	0	3,322,451	3,322,451	0
23 Pupil Activity Special Revenue Fund	515,443	355,672	322,391	548,724
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	55,199	283,516	172,108	166,607
31 Bond Redemption Fund	0	0	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	9,618,872	28,582,089	27,204,301	10,996,659
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	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL