

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

FINANCIAL STATEMENTS  
With Independent Auditors' Report

Year Ended June 30, 2024

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Woodland Park School District Number RE-2, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Woodland Park School District Number RE-2's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Woodland Park School District Number RE-2, as of June 30, 2024 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Woodland Park School District Number RE-2 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Woodland Park School District Number RE-2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Woodland Park School District Number RE-2's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Woodland Park School District Number RE-2's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***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 is the responsibility of management and, 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.

### ***Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 basic financial statements. The 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 nonmajor fund financial 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 March 1, 2025 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 solely 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 the effectiveness of the Woodland Park School District Number RE-2's 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  
March 1, 2025

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2024**

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, 2024. 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 decreased by \$28,630. Actual revenue was slightly higher than budgeted and actual expenditures were well under the appropriated amount. In order to ensure that it does not exceed appropriations, the District budgets sufficient contingencies to cover any unanticipated operational needs. Food Service operations in the district exhibited an increase in fund balance of \$46,371, indicating appropriate administration of National School Lunch Program funds while minimizing cost impact to students. The Food Service Fund ending balance was \$357,221 due to actual expenditures coming well under budget. The Capital Project Fund ending balance was \$35,107 with expenditures coming in under the appropriated amount.

**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 \$(14,709,989) as of June 30, 2024. Fiscal Year 2023-2024 was the ninth 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.

## **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**

	<u>2024</u>	<u>2023</u>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
Current Assets	\$ 12,088,004	\$ 13,140,212
Capital Assets - Net	18,030,863	18,806,799
<b>Total Assets</b>	<u>30,118,867</u>	<u>31,947,011</u>
Deferred Outflows of Resources	10,522,000	8,260,195
Current Liabilities	2,602,491	2,913,440
Long-Term Liabilities	49,477,257	44,233,699
<b>Total Liabilities</b>	<u>52,079,748</u>	<u>47,147,139</u>
Deferred Inflows of Resources	3,271,108	6,983,667
<b>Net Position:</b>		
Net investment in capital assets	9,910,667	10,169,273
Restricted	915,536	790,000
Unrestricted	(25,536,192)	(24,882,927)
<b>Total Net Position</b>	<u><u>\$ (14,709,989)</u></u>	<u><u>\$ (13,923,654)</u></u>

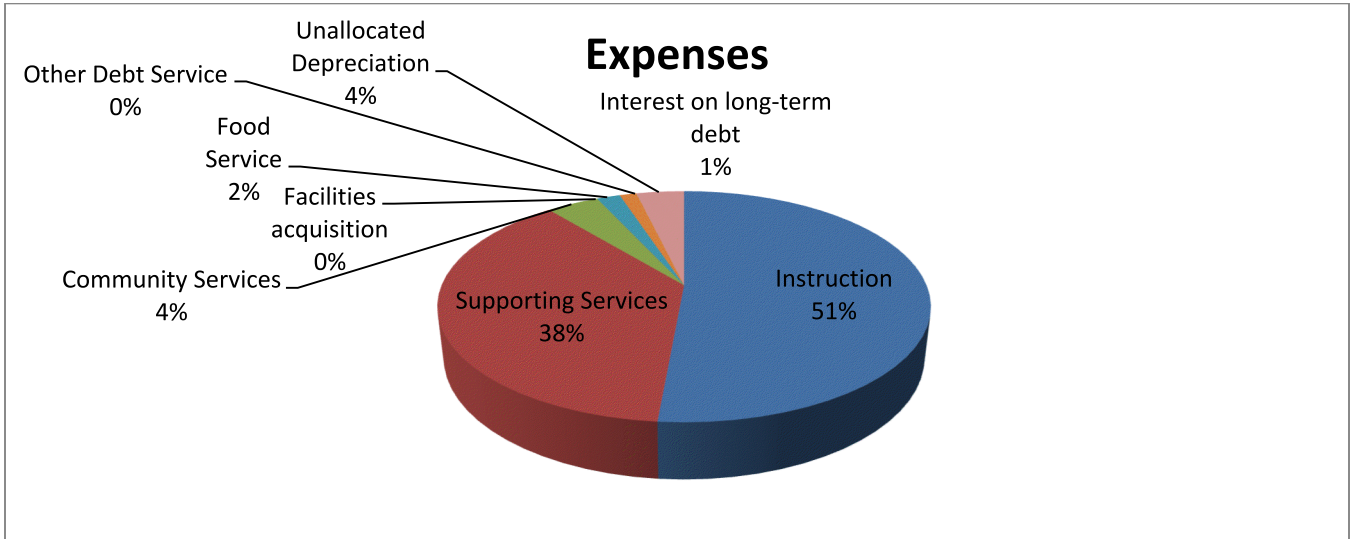
A portion of the District’s net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted net position is an amount set aside by management to finance future purchases or capital projects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

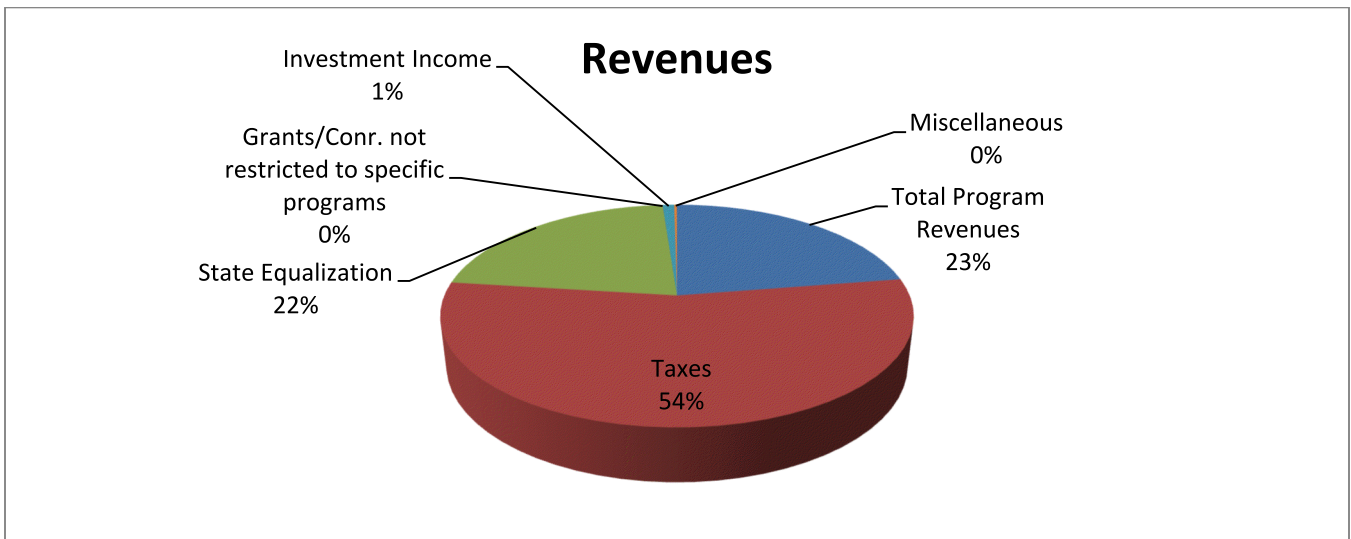
**TABLE 2 - CONDENSED STATEMENT OF ACTIVITES**

	<b>2024</b>	<b>2023</b>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
<b>Program Revenues:</b>		
Charges for Services	\$ 1,436,633	\$ 1,999,622
Operating Grants	4,883,621	5,467,252
Total Program Revenues	<u>6,320,254</u>	<u>7,466,874</u>
<b>General Revenues:</b>		
Taxes	15,278,458	12,401,982
State Equalization	6,132,350	9,171,739
Grants/Conr. not restricted to specific programs	1,821	18,608
Investment Income	263,576	224,242
Miscellaneous	64,386	58,738
Total General Revenues	<u>21,740,591</u>	<u>21,875,309</u>
<b>Total Revenues</b>	<u>28,060,845</u>	<u>29,342,183</u>
<b>Expenses</b>		
Instruction	14,835,171	14,932,537
Supporting Services	10,844,438	12,383,441
Community Services	1,178,619	64,247
Facilities acquisition	2,695	507,758
Food Service	525,417	937,662
Interest on long-term debt	383,158	485,577
Other Debt Service	1,575	2,715
Unallocated Depreciation	1,076,107	1,079,004
<b>Total Expenses</b>	<u>28,847,180</u>	<u>30,392,941</u>
<b>Change in Net Position</b>	<u>(786,335)</u>	<u>(1,050,758)</u>
<b>Net Position - Beginning</b>	<u>(13,923,654)</u>	<u>(12,872,896)</u>
<b>Net Position - Ending</b>	<u>\$ (14,709,989)</u>	<u>\$ (13,923,654)</u>

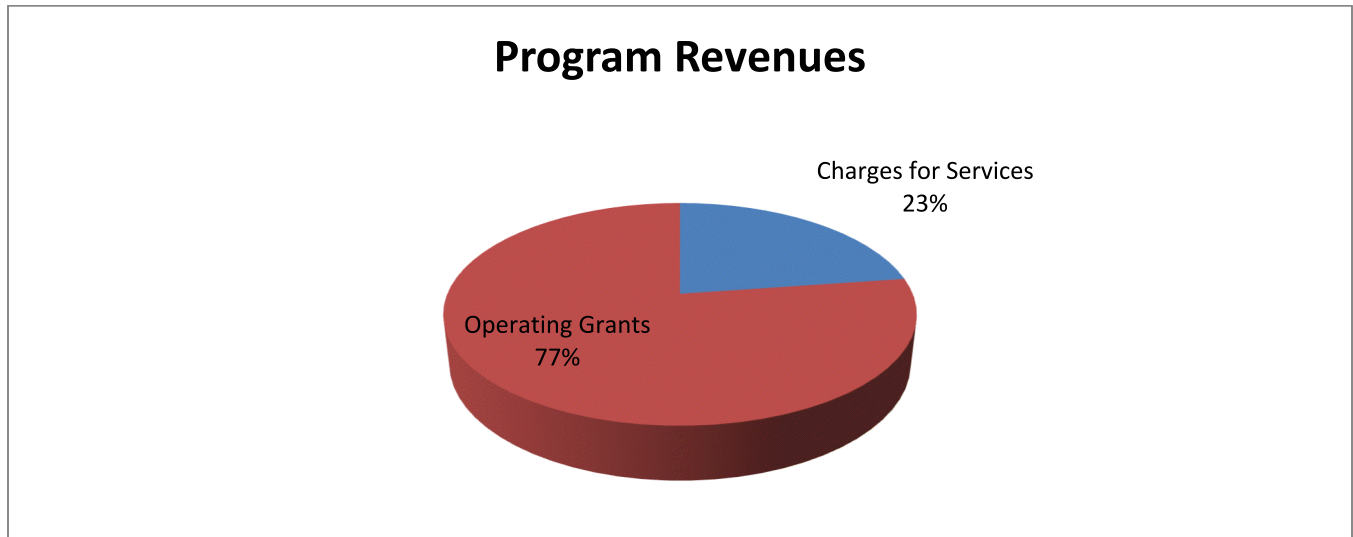
The District's largest activity is the instruction of students. The District also provides related services that support the educational activity. The distribution of the District's cost to provide these activities is as follows:



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 District’s major funds begins on page 3 of the basic financial statements. 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, 2024, the District's governmental funds reported a combined fund balance of \$9,316,038, which is a decrease of \$752,021 from the June 30, 2023 balance. The following is additional information by fund, which contributed to the change.

General Fund revenues reported a decrease of \$246,351 from FY 23 to FY 24. General Fund Expenditures decreased \$1,620,700 from FY 23 to FY 24 as a direct result of no contingency expended.

Revenue and expenditures in the Designated Purpose Grants decreased by \$1,980,573 from the prior year. The District continues to pursue grants as opportunities arise that meet the needs of students and staff.

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, 2024, The District's Transportation Fund showed an Ending Fund Balance of \$75,020.

The District contracts with Chartwells Dining Services to run the District's food service program. On June 30, 2024, The District's Food Service Fund showed an Ending Fund Balance of \$357,221.

## **Capital Assets**

As of June 30, 2024, the District reported \$18,030,863 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 \$775,936.

Please see Note 5 on page 20 of the financial statements for additional information related to the District's capital assets.

## **Debt Administration**

As of June 30, 2024, the outstanding balance of the COP's at year-end is \$7,165,000. The District also has additional long-term liabilities in the amount of \$456,476 for Accrued Compensated Absences and \$979,243 for leases.

Please see Note 7 starting on page 21 of the financial statements for additional information related to the District's long-term liabilities.

## **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 1<sup>st</sup> 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. The general fund came in \$417,045 over budget for revenues when compared to the final budget and \$7,162,317 under budget for expenditures when compared to the final budget.

## **Economic Factors**

Normal funding changes for school districts in Colorado are limited to inflation plus population growth. Inflation is determined by the consumer price index for the Denver-Boulder area, and that rate is applied to the amount of per pupil funding for an FTE student. Population growth is defined by the change in the number of students attending the school district. The largest component of per pupil funding for the District is state equalization paid by the state of Colorado.

Funded pupil count for the 2023-2024 school year was 1,691.5.

In the last three school years, enrollment has varied through the aftermath of COVID-19, with pandemic-related loss of enrollment followed by exclusion then inclusion of charter school enrollment as one school was formed out of district then chartered in-district. Enrollment is limited by the District's "landlocked" location with mountains on one side and the city of Colorado Springs (and other school districts) on the other. There is little available land for the development of new housing areas that would bring an increasing number of students. The District's loss of enrollment during the COVID-19 pandemic was consistent with school districts throughout the State.

## **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, 2024**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Charter School</b>
<b>ASSETS</b>		
Cash and investments	\$ 10,077,290	\$ 681,294
Cash with County Treasurer	143,174	-
Taxes receivable	1,024,262	-
Intergovernmental receivables	577,893	200,616
Other receivables	20,860	33,221
Lease receivables	111,565	-
Due from component units	103,973	-
Inventories and prepaid expenses	28,987	2,251
Capital assets, not being depreciated	3,600	-
Capital assets, net of accumulated depreciation/amortization	18,027,263	-
Total assets	<u>30,118,867</u>	<u>917,382</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension outflows	10,408,955	3,905,738
Deferred OPEB outflows	113,045	196,071
Total deferred outflows of resources	<u>10,522,000</u>	<u>4,101,809</u>
<b>LIABILITIES</b>		
Accounts payable and other current liabilities	203,794	122,900
Accrued salaries and benefits	1,869,040	520,506
Due to components units	233,046	-
Unearned revenue	263,924	21,645
Accrued interest	32,687	-
Long-term liabilities		
Due within one year	599,148	24,000
Due in more than one year	7,977,524	143,454
Net pension liability	39,936,284	6,671,122
Net OPEB liability	964,301	161,080
Total liabilities	<u>52,079,748</u>	<u>7,664,707</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred lease inflows	111,565	-
Deferred pension inflows	2,726,107	-
Deferred OPEB inflows	433,436	50,095
Total deferred inflows of resources	<u>3,271,108</u>	<u>50,095</u>
<b>NET POSITION</b>		
Net investment in capital assets	9,910,667	-
Restricted for:		
Emergency reserve (TABOR)	790,000	152,000
Preschool	125,536	-
Unrestricted	(25,536,192)	(2,847,611)
Total net position	<u>\$ (14,709,989)</u>	<u>\$ (2,695,611)</u>

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

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
<b>Primary government</b>						
Governmental activities:						
Instruction	\$ 14,835,171	\$ 1,120,303	\$ 3,409,948	\$ -	\$ (10,304,920)	\$ -
Supporting services	10,844,438	220,509	324,520	-	(10,299,409)	-
Food service operations	1,178,619	95,821	1,149,153	-	66,355	-
Community services	2,695	-	-	-	(2,695)	-
Facilities acquisition	525,417	-	-	-	(525,417)	-
Interest on long-term debt	383,158	-	-	-	(383,158)	-
Other debt service	1,575	-	-	-	(1,575)	-
Depreciation - unallocated	1,076,107	-	-	-	(1,076,107)	-
Total primary government	<u>\$ 28,847,180</u>	<u>\$ 1,436,633</u>	<u>\$ 4,883,621</u>	<u>\$ -</u>	<u>(22,526,926)</u>	
<b>Component unit</b>						
Charter school	<u>\$ 6,825,558</u>	<u>\$ 14,831</u>	<u>\$ 387,595</u>	<u>\$ 58,935</u>		<u>(6,364,197)</u>
General revenues:						
Property and sales taxes					14,195,244	728,967
Specific ownership taxes					1,083,214	-
State equalization					6,132,350	-
Per pupil revenue					-	4,095,799
Grants and contributions not restricted to specific programs					1,821	91,223
Unrestricted investment earnings					263,576	60
Gain on sale of capital assets					-	835
Miscellaneous					64,386	2,954
Total general revenues					<u>21,740,591</u>	<u>4,919,838</u>
Change in net position					(786,335)	(1,444,359)
Net position - beginning (deficit)					<u>(13,923,654)</u>	<u>(1,251,252)</u>
Net position - ending (deficit)					<u>\$ (14,709,989)</u>	<u>\$ (2,695,611)</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, 2024**

	<b>General Fund</b>	<b>Governmental Designated- Purpose Grants Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 8,876,112	\$ -	\$ 1,201,178	\$ 10,077,290
Cash with County Treasurer	143,174	-	-	143,174
Taxes receivable	1,024,262	-	-	1,024,262
Intergovernmental receivables	489,456	88,437	-	577,893
Other receivables	-	-	20,860	20,860
Lease receivables	111,565	-	-	111,565
Due from component units	103,774	199	-	103,973
Due from other funds	323,626	325,867	217,104	866,597
Inventories and prepaids	-	-	28,987	28,987
	<u>\$ 11,071,969</u>	<u>\$ 414,503</u>	<u>\$ 1,468,129</u>	<u>\$ 12,954,601</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 118,727	\$ 8,338	\$ 76,729	\$ 203,794
Accrued salaries and benefits	1,820,634	48,406	-	1,869,040
Due to other funds	542,971	-	323,626	866,597
Due to component units	80,059	152,987	-	233,046
Unearned revenue	40,527	204,772	18,624	263,923
	<u>2,602,918</u>	<u>414,503</u>	<u>418,979</u>	<u>3,436,400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	90,598	-	-	90,598
Unavailable revenue-leases	111,565	-	-	111,565
	<u>202,163</u>	<u>-</u>	<u>-</u>	<u>202,163</u>
<b>FUND BALANCES</b>				
Nonspendable for:				
Inventories and prepaid expenses	-	-	28,987	28,987
Restricted for:				
Emergency reserve (TABOR)	790,000	-	-	790,000
Preschool	125,536	-	-	125,536
Committed for:				
Food service operations	-	-	328,234	328,234
Transportation	-	-	75,020	75,020
Pupil Activities	-	-	581,802	581,802
Assigned for:				
Risk management	(540,391)	-	-	(540,391)
Capital projects	-	-	35,107	35,107
Unassigned	7,891,743	-	-	7,891,743
	<u>8,266,888</u>	<u>-</u>	<u>1,049,150</u>	<u>9,316,038</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,071,969</u>	<u>\$ 414,503</u>	<u>\$ 1,468,129</u>	<u>\$ 12,954,601</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, 2024**

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

Total fund balance - governmental funds	\$	9,316,038
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated	\$	3,600
Capital assets, net of accumulated depreciation/amortization	<u>18,027,263</u>	18,030,863
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		
		90,597
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Net pension liabilities	\$	(39,936,284)
Pension outflows		10,408,955
Pension inflows		(2,726,107)
Net OPEB liabilities		(964,301)
OPEB outflows		113,045
OPEB inflows		(433,436)
Accrued interest		(32,687)
Compensated absences		(456,476)
Leases		(979,243)
Certificates of participation		(7,165,000)
Unamortized discount		<u>24,047</u>
		<u>(42,147,487)</u>
Net position of governmental activities in the statement of net position	\$	<u>(14,709,989)</u>

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

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Governmental Designated- Purpose Grants Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources	\$ 16,325,706	\$ 54,653	\$ 821,509	\$ 17,201,868
State sources	7,729,691	406,336	824,940	8,960,967
Federal sources	535,372	947,510	586,682	2,069,564
	<u>24,590,769</u>	<u>1,408,499</u>	<u>2,233,131</u>	<u>28,232,399</u>
<b>EXPENDITURES</b>				
Instruction	13,310,989	1,018,810	742,056	15,071,855
Supporting services	10,393,358	389,689	281,455	11,064,502
Food service operations	-	-	1,198,603	1,198,603
Community services	10,056	-	-	10,056
Facilities acquisition and construction	1,339	-	734,408	735,747
Debt service	903,657	-	-	903,657
	<u>24,619,399</u>	<u>1,408,499</u>	<u>2,956,522</u>	<u>28,984,420</u>
Net change in fund balances	(28,630)	-	(723,391)	(752,021)
Fund balances - beginning	<u>8,295,518</u>	<u>-</u>	<u>1,772,541</u>	<u>10,068,059</u>
Fund balances - ending	<u>\$ 8,266,888</u>	<u>\$ -</u>	<u>\$ 1,049,150</u>	<u>\$ 9,316,038</u>

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

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

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

Net change in fund balances - total governmental funds:	\$	(752,021)
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	\$ 302,666	
Depreciation/amortization	<u>(1,076,107)</u>	(773,441)
In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and, thus, is not reported in the funds.		(2,495)
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.		(102,342)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. 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.		
Repayment of principal		598,245
Some 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.		
Accrued interest on long-term debt	\$ 1,593	
Amortization of premiums and discounts and deferred on refunding	(80,915)	
Compensated absences	(23,033)	
Changes in pension related items	146,576	
Changes in OPEB related items	<u>201,498</u>	<u>245,719</u>
Change in net position of governmental activities		<u>\$ (786,335)</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, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Woodland Park School District Number RE-2 (the District) have been 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. REPORTING ENTITY*

Woodland Park School District Number RE-2 encompasses the northern half of Teller County. The District is home to three PK-5 elementary schools; one 6-8 middle school; one 9-12 high school; and one charter school.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

*Discretely Presented Component Unit.* The District's Board of Education has authorized one charter school for operation, Merit Academy (Merit). The charter school is fiscally dependent on the District since the District provides the majority of support to the school in the form of per pupil revenue. Also, the potential exists that their exclusion from the District's reporting entity would cause the District's statements to be misleading or incomplete.

Separately issued financial statements for the charter school may be obtained by writing to the following:

Merit Academy  
500 E. Kelley's Road  
Woodland Park, Colorado 80863

*B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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. *Program revenues* include (1) charges to students or other service users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

The emphasis of fund financial statements is on major funds. Major individual 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 District'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 *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.

The *Food Service Fund* accounts for transactions related to food service operations. It also accounts for USDA school breakfast/lunch money.

The *Pupil Activity Fund* accounts for financial transactions related to school sponsored pupil intra-scholastic and interscholastic athletic and other related activities.

The *Transportation Fund* accounts for revenues from a tax levied or fee imposed for the purpose of paying excess transportation costs pursuant to the provisions of § 22-40-102(1.7)(a), C.R.S., or § 22-32-113(5)(a), C.R.S., respectively.

*Capital Project Funds* account for the proceeds, construction, and acquisition of capital assets.

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, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

*C. 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 flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

*D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS 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. 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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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 reported at net asset value.

*Receivables*

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

*Inventories and prepaid items*

Inventories are recorded as expenditures/expenses when consumed rather than when purchased. General warehouse inventory is valued at cost using the first-in/first-out (FIFO) method. Food Service inventory is stated at cost using the weighted average method except for commodities. USDA donated food commodities are valued at estimated acquisition value at the date of receipt.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

*Capital assets*

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than \$50,000 are reported as capital assets.

As the District constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Land and construction in progress are not depreciated. The other tangible and intangible assets of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	5-50 years
Site improvements	5-20 years
Vehicles	3-8 years
Furniture & Equipment	3-15 years

*Accrued Salaries and Benefits*

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

*Unearned Revenue*

Unearned revenue includes resources received by the District before the related revenue can be recognized because the earnings process is not complete.

*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.

*Leases*

Lessee: The District is a lessee for noncancellable leases. The District recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The District is a lessor for noncancellable leases. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

*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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

*Other Post Employment Benefit (OPEB) Plan*

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.

*Net position*

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary 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 net position to have been depleted before unrestricted net position is applied.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 resolution 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.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

*E. REVENUES AND EXPENDITURES/EXPENSES*

*Property Taxes*

Property taxes for the current year are certified in arrears to the County by December 15, and attach as an enforceable lien on property the following January 1. Property taxes 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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, 2023 is 28.236 mills for general operating expenses. The District's assessed valuation for the collection year 2024 is \$425,351,880. Taxes are assessed on \$412,656,166 which is the assessed valuation net of tax increment financing.

*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 and are considered unrestricted intergovernmental revenues. Specific ownership taxes are recorded as revenue when collected by the county.

*Compensated Absences*

The District's policy permits employees to accumulate earned but unused leave pay, which is eligible for payment upon separation from employment. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

*F. 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**

*Budgetary Information*

Budgets are required by State law for all funds, except fiduciary funds. The Superintendent submits a proposed budget to the Board of Education for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the District and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Education to obtain public comments.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level.

Authorization to transfer budgeted amounts between line items within any fund rests with the Superintendent. Revisions that alter the total expenditures in any fund must be approved by the Board of Education. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Education.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the District budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Superintendent and/or Board of Education throughout the year. All appropriations lapse at the end of each fiscal year.

*Deficit Fund Equity*

At June 30, 2024, the Risk Management Fund, a sub-fund of the General Fund, has a deficit net position balance of \$540,391 due to transfers from the General Fund not taking place. This deficit will be eliminated through a budgeted transfer from the General Fund during the 2024-2025 fiscal year.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of June 30, 2024 is as follows:

Deposits	\$ 1,865,039
Investments	<u>8,212,251</u>
Total	<u>\$ 10,077,290</u>

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

Cash and investments	<u>\$ 10,077,290</u>
Total	<u>\$ 10,077,290</u>

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*Cash deposits with financial institutions*

Custodial Credit Risk—deposits: 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.

The carrying amount of the District’s deposits at June 30, 2024 was \$1,865,039 and the bank balances were \$2,133,440. Of the bank balances, \$250,000 were covered by federal deposit insurance, and the remaining balance 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:

- Obligations of the United States and certain U.S. government agencies’ securities;
- Certain international agencies’ securities;
- General obligation and revenue bonds of U.S. local government entities;
- Bankers’ acceptances of certain banks;
- Certain commercial paper;
- Local government investment pools;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market fund;
- Guaranteed investment contracts.

At June 30, 2024 the District’s investment balances were as follows:

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard &amp; Poor’s Rating</u>
ColoTrust	\$ 6,653,149	Net asset value	Less than 90 days	AAAm
Money Market	597,635	Amortized cost	Less than 90 days	AAA
Corporate Bonds	133,439	Fair market value	Up to 5 years	AAA
US Agencies	<u>828,028</u>	Fair market value	Up to 5 years	AA+
	<u>\$ 8,212,251</u>			

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*Local Government Investment Pools.* The Colorado Local Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools, which operate in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the District has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and District policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount it may invest in any one issuer. More than 20 percent of the District's investments are in ColoTrust. These investments are 81.01% of the District's total investments.

*Fair value of investments.* The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- 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.

All of the District's investments that are measured at fair market value are categorized as Level 2 investments. District investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES**

*Receivables and Payables*

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 as of June 30, 2024, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 323,626	\$ 542,971
Governmental Designated Purpose Grants Fund	325,867	-
Nonmajor Funds	217,104	323,626
Total	\$ 866,597	\$ 866,597

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 3,600	\$ -	\$ 3,600
Total capital assets not being depreciated	<u>-</u>	<u>3,600</u>	<u>-</u>	<u>3,600</u>
Capital assets being depreciated:				
Buildings and improvements	38,154,687	-	(108,979)	38,045,708
Site improvements	1,843,911	28,444	-	1,872,355
Vehicles	1,052,500	-	(45,169)	1,007,331
Furniture and equipment	<u>2,714,946</u>	<u>270,622</u>	<u>(27,930)</u>	<u>2,957,638</u>
Total capital assets being depreciated	<u>43,766,044</u>	<u>299,066</u>	<u>(182,078)</u>	<u>43,883,032</u>
Less accumulated depreciation for:				
Buildings and improvements	(21,540,334)	(733,184)	106,484	(22,167,034)
Site improvements	(1,285,394)	(49,884)	-	(1,335,278)
Vehicles	(886,311)	(51,279)	45,169	(892,421)
Furniture and equipment	<u>(2,299,135)</u>	<u>(77,165)</u>	<u>27,930</u>	<u>(2,348,370)</u>
Total accumulated depreciation	<u>(26,011,174)</u>	<u>(911,512)</u>	<u>179,583</u>	<u>(26,743,103)</u>
Total capital assets being depreciated, net	<u>17,754,870</u>	<u>(612,446)</u>	<u>(2,495)</u>	<u>17,139,929</u>
Lease assets being amortized:				
Furniture and equipment	<u>1,381,119</u>	<u>-</u>	<u>(58,604)</u>	<u>1,322,515</u>
Total lease assets being amortized	<u>1,381,119</u>	<u>-</u>	<u>(58,604)</u>	<u>1,322,515</u>
Less accumulated amortization for:				
Furniture and equipment	<u>(329,190)</u>	<u>(164,595)</u>	<u>58,604</u>	<u>(435,181)</u>
Total accumulated amortization	<u>(329,190)</u>	<u>(165,595)</u>	<u>58,604</u>	<u>(435,181)</u>
Total lease assets being amortized, net	<u>1,051,929</u>	<u>(164,595)</u>	<u>-</u>	<u>887,334</u>
Capital assets, net of accumulated depreciation/amortization	<u>18,806,799</u>	<u>(777,041)</u>	<u>(2,495)</u>	<u>18,027,263</u>
Total governmental activities capital assets	<u>\$ 18,806,799</u>	<u>\$ (773,441)</u>	<u>\$ (2,495)</u>	<u>\$ 18,030,863</u>

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 – LEASES**

*District as lessee*

The District, as a lessee, has entered into lease agreements for equipment with lease terms ranging from 3 to 16 years. The total costs of these right-to-use lease assets are recorded as \$1,322,515, less accumulated amortization of \$435,181. The District has determined that as of June 30, 2024, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2024 are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 134,148	\$ 30,732	\$ 164,880
2026	144,864	26,136	171,000
2027	156,132	21,132	177,264
2028	167,964	15,756	183,720
2029	180,408	7,584	187,992
2030	<u>195,727</u>	<u>3,792</u>	<u>199,519</u>
Total	<u>\$ 979,243</u>	<u>\$ 105,132</u>	<u>\$ 1,084,375</u>

*District as lessor*

The District, as a lessor, has entered into lease agreements with a third party involving buildings. The lease is for 5 years and the District will receive monthly payments of \$5,000. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$60,000. As of June 30, 2024, the District receivable for lease payments was \$111,565. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$111,565.

**NOTE 7 – LONG-TERM LIABILITIES**

*Certificate of Participation*

Certificates of participation (COPs) are lease-financing agreements used by the District to provide funds for the acquisition and construction of major capital facilities. Under such agreements, the District makes regular payments over an annually renewable contract for the acquisition and use of the property. COPs have been issued for governmental activities. COPs are not considered general obligations of the District. COPs are secured by lease revenues through a lease-financing agreement.

Certificates of participation outstanding at June 30, 2024 are as follows:

	<u>Original</u> <u>Borrowing</u>	<u>Interest</u> <u>Rates</u>	<u>Final</u> <u>Maturity</u>	<u>Outstanding</u> <u>at Year-end</u>
<i>Governmental Activities</i>				
Certificates of Participation 2016	\$ 10,085,000	1.45% - 3.20%	2037	<u>\$ 7,165,000</u>

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 465,000	\$ 254,639
2026	475,000	240,418
2027	490,000	225,215
2028	505,000	208,538
2029	520,000	190,600
2030 – 2034	2,805,000	653,488
2035 – 2037	<u>1,905,000</u>	<u>116,300</u>
Total	<u>\$ 7,165,000</u>	<u>\$ 1,889,196</u>

*Changes in Long-Term Liabilities*

Changes in the District’s long-term liabilities for the year ended June 30, 2024, are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amount</u> <u>Due Within</u> <u>One year</u>
<i>Governmental Activities</i>					
Certificates of participation	\$ 7,620,000	\$ -	\$ (455,000)	\$ 7,165,000	\$ 465,000
Discount	<u>(25,991)</u>	-	<u>1,944</u>	<u>(24,047)</u>	-
Total	7,594,009	-	(453,056)	7,140,953	465,000
Leases	1,122,488	-	(143,245)	979,243	134,148
Compensated absences	433,443	23,033	-	456,476	-
Net pension liability	33,928,011	8,604,902	(2,596,629)	39,936,284	-
Net OPEB liability	<u>1,155,748</u>	<u>107,167</u>	<u>(298,614)</u>	<u>964,301</u>	-
<i>Total Governmental Activities</i>	<u>\$ 44,233,699</u>	<u>\$ 8,735,102</u>	<u>\$ (3,491,544)</u>	<u>\$ 49,477,257</u>	<u>\$ 599,148</u>

General obligation bonds are liquidated in the debt service fund. Leases are liquidated in the general fund. Approximately 90% of compensated absences, net pension liabilities, and net OPEB liabilities are normally liquidated in the general fund, with remaining amounts liquidated in other governmental funds.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – 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 annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2023.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100% 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% 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% or 100% 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the 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.

*Contributions provisions as of June 30, 2024:* 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 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
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	10.38%
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	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Woodland Park School District Number RE-2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Woodland Park School District Number RE-2 were \$2,888,345 for the year ended June 30, 2024.

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. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million direct distribution 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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*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, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. 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 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the Woodland Park School District Number RE-2 reported a liability of \$39,936,284 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. 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	\$ 39,936,284
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	875,684
Total	\$ 40,811,968

At December 31, 2023, the Woodland Park School District Number RE-2 proportion was 0.2258402475%, which was an increase of 0.0395194998% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Woodland Park School District Number RE-2 recognized pension expense of \$(146,576) and revenue of \$81,969 for support from the State as a nonemployer contributing entity. At June 30, 2024, the Woodland Park School District Number RE-2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,893,736	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	2,862,810	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,223,220	2,726,107
Contributions subsequent to the measurement date	1,429,189	N/A
Total	<u>\$ 10,408,955</u>	<u>\$ 2,726,107</u>

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

\$1,429,189 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, 2025. 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:	
2025	\$ 475,194
2026	3,304,735
2027	3,271,958
2028	(798,228)
2029	-
Thereafter	-

*Actuarial assumptions.* The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

<sup>1</sup> 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.

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

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

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

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

The actuarial assumptions used in the December 31, 2022, valuation were 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 the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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% 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	6.00%	4.70%
Total	100.00%	

Note: 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%.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Discount rate.* The discount rate used to measure the TPL was 7.25%. 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%.
- 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions 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.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million 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.
- 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 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*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%, 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%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 53,401,455	\$ 39,936,284	\$ 28,707,961

*Pension plan fiduciary net position.* Detailed information about the SCHDTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**  
*2023 Changes in Plan Provision Since 2022*

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

**Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**  
*2023 Changes in Assumptions or Other Inputs Since 2022*

- There were no changes made to the actuarial methods or assumptions.

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

*General Information about the OPEB Plan*

*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, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

*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 health benefits program 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% 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.

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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

*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% 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 \$144,559 for the year ended June 30, 2024.

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

At June 30, 2024, the Woodland Park School District Number RE-2 reported a liability of \$964,301 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. 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 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Woodland Park School District Number RE-2 proportion was 0.1351079482%, which was a decrease of 0.0064447343% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Woodland Park School District Number RE-2 recognized OPEB expense of \$(201,498). At June 30, 2024, 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	\$ -	\$ 197,643
Changes of assumptions or other inputs	11,340	102,248
Net difference between projected and actual earnings on OPEB plan investments	29,824	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	351	133,545
Contributions subsequent to the measurement date	71,530	N/A
Total	\$ 113,045	\$ 433,436

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

\$71,530 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, 2025. 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:	
2025	\$ (153,651)
2026	(95,963)
2027	(50,412)
2028	(59,970)
2029	(23,780)
Thereafter	(8,145)

*Actuarial assumptions.* The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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 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 <sup>1</sup>	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

<sup>1</sup> UnitedHealthcare MAPD PPO plans are 0% for 2023.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2023 Medicare Part A premium is \$506 per month.

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

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and 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, 2022, 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 TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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**  
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**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% 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% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% 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% of the rates for all ages with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 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.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

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% 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	6.00%	4.70%
Total	100.00%	

Note: 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%.

*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 <sup>1</sup>	5.75%	6.75%	7.75%
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	\$ 936,624	\$ 964,301	\$ 994,407

<sup>1</sup>For the January 1, 2024, plan year.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN  
(CONTINUED)**

*Discount rate.* The discount rate used to measure the TOL was 7.25%. 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, 2023, 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%.
- 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – 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%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 1,138,960	\$ 964,301	\$ 814,879

*OPEB plan fiduciary net position.* Detailed information about the HCTF’s FNP is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**  
*2023 Changes in Plan Provision Since 2022*

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

**Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information**  
*2023 Changes in Assumptions or Other Inputs Since 2022*

- There were no changes made to the actuarial methods or assumptions.

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, and natural disasters. The District accounts for and finances its risk activities in the General Fund. The District purchases commercial insurance for property, liability and worker’s compensation risks of loss. Settlements have not exceeded premiums for each of the past three fiscal years.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 – 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.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

*Grants*

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. However, in the opinion of the District, any such adjustments will not have a material adverse effect on the financial position of the District.

*Legal*

The District is involved in pending or threatened lawsuits and claims. The District estimates that potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

**NOTE 13 - 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, including school districts.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2024 there is a \$790,000 reservation of fund balance in the General Fund for 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.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 13 - TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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

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

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

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

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

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

**NOTE 14 – 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**JUNE 30, 2024**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.2258402475%	0.1863207477%	0.2201452348%	0.2604049683%	0.2339465591%	0.2372314330%	0.2643529622%	0.2614084077%	0.2628276915%	0.2735285320%
District's proportionate share of the net pension liability (asset)	\$ 39,936,284	\$ 33,928,011	\$ 25,619,107	\$ 39,367,979	\$ 34,951,108	\$ 42,006,698	\$ 85,482,353	\$ 77,831,392	\$ 40,197,640	\$ 37,072,304
State's proportionate share of the net pension liability (asset) associated with the District	875,684	9,886,963	2,936,903	-	4,433,104	5,743,833	-	-	-	-
Total	\$ 40,811,968	\$ 43,814,974	\$ 28,556,010	\$ 39,367,979	\$ 39,384,212	\$ 47,750,531	\$ 85,482,353	\$ 77,831,392	\$ 40,197,640	\$ 37,072,304
District's covered payroll	\$ 14,930,079	\$ 14,372,494	\$ 13,758,383	\$ 13,929,877	\$ 13,747,499	\$ 13,041,886	\$ 12,194,290	\$ 11,732,477	\$ 11,453,971	\$ 11,458,883
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	267.49%	236.06%	186.21%	282.62%	254.24%	322.09%	701.00%	663.38%	350.95%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%

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

See the accompanying independent auditors' report.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION**  
**JUNE 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,888,345	\$ 3,081,448	\$ 2,753,338	\$ 2,737,211	\$ 2,714,172	\$ 2,567,433	\$ 2,368,456	\$ 2,209,755	\$ 2,037,969	\$ 1,886,081
Contributions in relation to the contractually required contribution	(2,888,345)	(3,081,448)	(2,753,338)	(2,737,211)	(2,714,172)	(2,567,433)	(2,368,456)	(2,209,755)	(2,037,969)	(1,886,081)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 14,172,450	\$ 15,119,963	\$ 13,849,790	\$ 13,768,667	\$ 14,005,002	\$ 13,420,976	\$ 12,544,789	\$ 12,022,604	\$ 11,494,468	\$ 11,173,463
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%

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

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, 2024**

	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.1351079482%	0.1415526825%	0.1437381589%	0.1506346130%	0.1528929755%	0.1541919701%	0.1501339357%	0.1485915540%
District's proportionate share of the net OPEB liability (asset)	\$ 964,301	\$ 1,155,748	\$ 1,239,461	\$ 1,431,368	\$ 1,718,514	\$ 2,097,847	\$ 1,951,141	\$ 1,926,540
District's covered payroll	\$ 14,930,079	\$ 14,372,494	\$ 13,758,383	\$ 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	6.46%	8.04%	9.01%	10.28%	12.50%	16.09%	16.00%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	46.2%	38.6%	39.4%	32.8%	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, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 144,559	\$ 154,182	\$ 141,268	\$ 140,413	\$ 142,853	\$ 137,043	\$ 127,853	\$ 122,555
Contributions in relation to the contractually required contribution	(144,559)	(154,182)	(141,268)	(140,413)	(142,853)	(137,043)	(127,853)	(122,555)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 14,172,450	\$ 15,119,963	\$ 13,849,790	\$ 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%	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, 2024**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Property taxes	\$ 9,808,295	\$ 12,127,839	\$ 11,393,025	\$ (734,814)
Specific ownership taxes	950,000	873,424	1,083,214	209,790
Sales Tax	2,735,650	2,634,088	2,904,560	270,472
State sources	9,874,050	6,859,102	7,729,691	870,589
Federal sources	634,511	634,511	535,372	(99,139)
Investment earnings	135,000	200,000	263,576	63,576
Other local revenue	958,533	844,760	681,331	(163,429)
Total revenues	<u>25,096,039</u>	<u>24,173,724</u>	<u>24,590,769</u>	<u>417,045</u>
<b>EXPENDITURES</b>				
Instruction	14,499,372	13,838,946	13,310,989	527,957
Supporting services				
Student support	1,287,045	1,230,245	971,894	258,351
Instructional staff	1,438,848	1,438,862	1,336,839	102,023
General administration	1,259,036	1,232,205	1,273,703	(41,498)
School administration	1,613,351	1,559,717	1,574,251	(14,534)
Business services	426,701	503,598	547,923	(44,325)
Operations and maintenance	2,459,536	2,715,956	2,665,596	50,360
Student transportation	1,103,830	1,024,630	974,608	50,022
Central support service	1,063,786	1,090,985	962,537	128,448
Other support services	61,425	61,425	86,007	(24,582)
Community service	3,000	3,000	10,056	(7,056)
Capital outlay	100,673	100,673	1,339	99,334
Debt service	871,570	891,570	903,657	(12,087)
Contingency reserves	8,038,215	6,089,904	-	6,089,904
Total expenditures	<u>34,226,388</u>	<u>31,781,716</u>	<u>24,619,399</u>	<u>7,162,317</u>
Excess (deficiency) of revenues over expenditures	(9,130,349)	(7,607,992)	(28,630)	7,579,362
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	<u>(2,000,000)</u>	<u>(687,526)</u>	<u>-</u>	<u>687,526</u>
Net change in fund balances	(11,130,349)	(8,295,518)	(28,630)	8,266,888
Fund balance - beginning	<u>11,130,349</u>	<u>8,295,518</u>	<u>8,295,518</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,266,888</u>	<u>\$ 8,266,888</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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources	\$ 37,150	\$ 51,047	\$ 54,653	\$ 3,606
State sources	561,891	561,891	406,336	(155,555)
Federal sources	1,331,454	1,039,093	947,510	(91,583)
Total revenues	<u>1,930,495</u>	<u>1,652,031</u>	<u>1,408,499</u>	<u>(243,532)</u>
<b>EXPENDITURES</b>				
Instruction	1,396,386	1,194,964	1,018,810	176,154
Supporting services				
Student support	283,026	242,201	206,497	35,704
Instructional staff	197,414	168,938	144,034	24,904
Business services	44,477	38,062	32,451	5,611
Operations and maintenance	4,500	3,851	3,283	568
Central support service	4,693	4,016	3,424	592
Total expenditures	<u>1,930,495</u>	<u>1,652,031</u>	<u>1,408,499</u>	<u>243,532</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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**

## **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.

### **Capital Projects Fund**

The Capital Projects Fund is used to account for significant capital expenditures of the District.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

Special Revenue Funds					
	Food Service Fund	Pupil Activity Fund	Transportation Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 219,918	\$ 892,153	\$ 89,107	\$ -	\$ 1,201,178
Other receivables	20,860	-	-	-	20,860
Due from other funds	106,080	-	-	111,024	217,104
Inventories	28,987	-	-	-	28,987
	\$ 375,845	\$ 892,153	\$ 89,107	\$ 111,024	\$ 1,468,129
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 812	\$ -	\$ 75,917	\$ 76,729
Due to other funds	-	309,539	14,087	-	323,626
Unearned revenue	18,624	-	-	-	18,624
	18,624	310,351	14,087	75,917	418,979
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	28,987	-	-	-	28,987
Committed:					
Food Service	328,234	-	-	-	328,234
Transportation	-	-	75,020	-	75,020
Pupil Activities	-	581,802	-	-	581,802
Assigned:					
Capital projects	-	-	-	35,107	35,107
	357,221	581,802	75,020	35,107	1,049,150
Total liabilities and fund balances	\$ 375,845	\$ 892,153	\$ 89,107	\$ 111,024	\$ 1,468,129

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, 2024**

	<b>Special Revenue Funds</b>				
	<b>Food Service Fund</b>	<b>Pupil Activity Fund</b>	<b>Transportation Fund</b>	<b>Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>					
Local sources	\$ 95,821	\$ 714,344	\$ 11,344	\$ -	\$ 821,509
State sources	562,471	-	262,469	-	824,940
Federal sources	586,682	-	-	-	586,682
	1,244,974	714,344	273,813	-	2,233,131
<b>EXPENDITURES</b>					
Instruction	-	742,056	-	-	742,056
Supporting services	-	-	281,455	-	281,455
Food services	1,198,603	-	-	-	1,198,603
Facilities acquisition and construction	-	-	-	734,408	734,408
	1,198,603	742,056	281,455	734,408	2,956,522
Net change in fund balances	46,371	(27,712)	(7,642)	(734,408)	(723,391)
Fund balances - beginning	310,850	609,514	82,662	769,515	1,772,541
Fund balances - ending	\$ 357,221	\$ 581,802	\$ 75,020	\$ 35,107	\$ 1,049,150

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, 2024**

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Local sources	\$ 93,453	\$ 95,821	\$ 2,368
State sources	729,210	562,471	(166,739)
Federal sources	238,307	586,682	348,375
Total revenues	<u>1,060,970</u>	<u>1,244,974</u>	<u>184,004</u>
 <b>EXPENDITURES</b>			
Salaries	470,609	367,836	102,773
Employee benefits	125,936	99,376	26,560
Purchased services	122,508	93,536	28,972
Supplies	493,887	526,522	(32,635)
Commodities	52,970	60,029	(7,059)
Equipment	40,000	51,304	(11,304)
Appropriated reserve	65,910	-	65,910
Total expenditures	<u>1,371,820</u>	<u>1,198,603</u>	<u>173,217</u>
Net change in fund balances	(310,850)	46,371	357,221
Fund balance - beginning	<u>310,850</u>	<u>310,850</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 357,221</u>	<u>\$ 357,221</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, 2024**

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Local sources	\$ 875,000	\$ 714,344	\$ (160,656)
Total revenues	<u>875,000</u>	<u>714,344</u>	<u>(160,656)</u>
<b>EXPENDITURES</b>			
Purchased services	80,000	139,714	(59,714)
Supplies	<u>795,000</u>	<u>602,342</u>	<u>192,658</u>
Total expenditures	<u>875,000</u>	<u>742,056</u>	<u>132,944</u>
Net change in fund balances	-	(27,712)	(27,712)
Fund balance - beginning	<u>609,514</u>	<u>609,514</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 609,514</u></u>	<u><u>\$ 581,802</u></u>	<u><u>\$ (27,712)</u></u>

See the accompanying independent auditors' report.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Local sources	\$ 30,000	\$ 11,344	\$ (18,656)
State sources	263,285	262,469	(816)
Total revenues	<u>293,285</u>	<u>273,813</u>	<u>(19,472)</u>
<b>EXPENDITURES</b>			
Supporting services	<u>375,947</u>	<u>281,455</u>	<u>94,492</u>
Total expenditures	<u>375,947</u>	<u>281,455</u>	<u>94,492</u>
Net change in fund balance	(82,662)	(7,642)	75,020
Fund balance - beginning	<u>82,662</u>	<u>82,662</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 75,020</u></u>	<u><u>\$ 75,020</u></u>

See the accompanying independent auditors' report.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Total revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Facilities acquisition and construction	1,457,041	734,408	722,633
Total expenditures	1,457,041	734,408	722,633
Excess (deficiency) of revenues over expenditures	(1,457,041)	(734,408)	(722,633)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	687,526	-	687,526
Net change in fund balance	(769,515)	(734,408)	(35,107)
Fund balance - beginning	769,515	769,515	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 35,107</u>	<u>\$ (35,107)</u>

See the accompanying independent auditors' report.

## **COMPLIANCE SECTION**

# **SINGLE AUDIT**

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Additional Award Identification</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Agriculture</b>					
<i>Child Nutrition Cluster</i>					
Passed Through Colorado Department of Education					
School Breakfast Program (SBP)	10.553		4553	\$ -	\$ 127,382
National School Lunch Program	10.555		4555, 6555		399,270
Passed Through Colorado Department of Human Services					
National School Lunch Program	10.555		4555		60,029
<i>Total Child Nutrition Cluster</i>					<u>586,681</u>
<i>Forest Service Schools and Roads Cluster</i>					
Passed Through Teller County, Colorado					
Schools and Roads - Grants to States	10.665		7665		42,955
<i>Total Forest Service Schools and Roads Cluster</i>					<u>42,955</u>
Total U.S. Department of Agriculture					<u>629,636</u>
<b>U.S. Department of Education</b>					
Passed Through Colorado Department of Education					
Title I Grants to Local Educational Agencies	84.010		4010		254,864
English Language Acquisition Grants	84.365A		4365		5,726
Supporting Effective Instruction State Grant	84.367		4367		62,051
Student Support and Academic Enrichment Program	84.424A		4424		5,604
Education Stabilization Fund					
ESSER III	84.425U	COVID-19	4414, 4436		600,631
ESSER II	84.425D	COVID-19	4420		18,633
Total U.S. Department of Education				<u>-</u>	<u>947,509</u>
<b>Total Federal Awards</b>				<u>\$ -</u>	<u>\$ 1,577,145</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, 2024**

**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, 2024. 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.

**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, 2024, Woodland Park School District Number RE-2 received \$60,029 in non-cash assistance in the form of food commodities. Valuation of commodities is based on fair market value at the time of receipt.



**INDEPENDENT AUDITOR'S 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, the aggregate discretely presented component unit, 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, 2024, 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 The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with those component units.

**Report on 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) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-004, 2024-005, 2024-006, 2024-007, 2024-008, 2024-009, 2024-010, 2024-011, 2024-012, and 2024-015 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-013 , and 2024-014 to be significant deficiencies.

### **Report on 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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-010.

### **Woodland Park School District Number RE-2's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Woodland Park School District Number RE-2's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Woodland Park School District Number RE-2's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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  
March 1, 2025



**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**

***Qualified Opinion***

We have audited Woodland Park School District Number RE-2’s compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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.

***Qualified Opinion on Education Stabilization Fund Assistance***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Woodland Park School District Number RE-2 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Education Stabilization Fund for the year ended June 30, 2024.

***Basis for Qualified Opinion***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Woodland Park School District Number RE-2 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Woodland Park School District Number RE-2’s compliance with the compliance requirements referred to above.

*Matter Giving Rise to Qualified Opinion on Education Stabilization Fund*

As described in the accompanying schedule of findings and questioned costs, Woodland Park School District Number RE-2 did not comply with requirements regarding Education Stabilization Fund as described in finding number 2024-016 for Reporting.

Compliance with such requirements is necessary, in our opinion, for Woodland Park School District Number RE-2 to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Woodland Park School District Number RE-2's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Woodland Park School District Number RE-2's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Woodland Park School District Number RE-2's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Woodland Park School District Number RE-2's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Woodland Park School District Number RE-2's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Woodland Park School District Number RE-2's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-016 to be a material weakness.

*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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Woodland Park School District Number RE-2's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Woodland Park School District Number RE-2's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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  
March 1, 2025

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section I—Summary of Auditors’ Results

*Financial Statements*

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  x  yes  \_\_\_  no

*Federal Awards*

Internal control over major programs?

- Material weakness(es) identified?  x  yes  \_\_\_  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)?  x  yes  \_\_\_  no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
ALN 84.425 D&U	Education Stabilization Fund

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, 2024**

Section II—Financial Statement Findings

2024-001 Year-End Closing Procedures

*Criteria:* The District should have a system of internal controls that ensures that its books are closed on in a timely manner. The system of internal controls should also ensure that financial accounting data is recorded accurately and timely during the normal course of operations.

*Condition:* The District was unable to reconcile and close its books in a timely manner. Most closing procedures took place during audit field work when significant and material errors were brought to the attention of the business services staff. A number of adjusting entries were discussed with and posted by management during the audit process in order to reflect accurate balances. Assets, liabilities, equity, revenue, and expenditures all contained material errors that were not detected by management.

*Cause:* At the end of fiscal year 2023, the District experienced complete turnover in the business services department and little institutional knowledge was passed on to the new business services staff. Due to this turnover, we noted a lack of supervision, training, and resources within the business services department. The District does not have the proper controls, processes, or personnel in place to analyze, adjust, or independently review account balances prior to audit field work. Based on the nature of the errors that we identified, it was determined that the business services office does not have personnel who have the appropriate skill, knowledge, or resources to ensure that the financial statements are free from material error.

*Effect:* Many balances in balance sheet and other significant accounts required material adjustments identified by the audit team as discussed in subsequent findings.

*Recommendation:* We recommend that the District review the business service department personnel and accounting procedures to ensure that the necessary time, resources, and supervision is in place to close its books in a timely manner. Additionally, we recommend that management develop year-end closing procedures that provide for review of transactions and balances for appropriate accounting treatment and should define the responsibilities of performing those procedures.

*Management response:* As noted, the District had a turnover of finance department staff at the beginning of the fiscal year. The new CFO worked to get proper processes and controls in place with new staff, but resigned prior to year-end, with short notice before year-end closing. Filling the CFO position was slow, leaving the district with inexperienced staff continuing operations until a new CFO could be found. The new CFO did not succeed in attempts to cleanly close the prior year and overcome accounting issues that had accumulated.

Management has recently terminated the CFO and contracted interim CFO services, as well as contracted supplemental finance services, to ensure proper controls and accounting are in place this year. Analysis of finance and accounting staffing needs are being conducted with the help of the contracted CFO. Review of accounting procedures and responsibilities will be completed with CFO to ensure timely year-end closing that includes review of transactions and balances.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

2024-002 P-Card Usage

*Criteria:* The District should have controls in place so that ensure that District P-Cards are used for approved District purposes. These controls should ensure that P-Cards are used by authorized individuals for approved budget items. Controls should ensure that proper documentation and review of transactions occurs timely.

*Condition:* During fiscal year 2024, the District did not require all P-Card holders to turn in support other than a receipt, such an expenditure form that indicates what budget line is effected and supervisor review. The District did not require card holders to get approval of purchases from someone else other than the business services department. As a result, the business services department was not able to provide adequate support for credit card purchases that were selected as a part of audit procedures.

*Cause:* Lack of procedures requiring individual department head to approve P-Card transactions.

*Effect:* There is a lack of controls over P-Card usage, increasing the risk of error or fraud.

*Recommendation:* We recommend that management review its procedures around P-Card usage. Management should ensure that there are controls in place that ensure that proper documentation is gathered at the time of P-Card usage and that the appropriate supervisor is reviewing and signing off on such documentation before it is provided to the business services department.

*Management response:* P-card usage was identified by management to the new CFO as an area requiring better documentation and controls in the Fall 2024. Accounts Payable has communicated guidance on usage and implemented tighter controls, but further work is required. Department head review and approval of P-Card transactions will be evidenced.

2024-003 District Travel Policy

*Criteria:* The District has a policy titled “Expense Authorization/Reimbursement (Mileage and Travel). In reference to travel costs the policy states that actual costs for meals, lodging, and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by the Internal Revenue Service.

*Condition:* There was a significant amount of travel that occurred for various trainings in fiscal year 2024. When audit documentation was requested for the travel the District could not provide detailed documentation to show who attended these trainings and how it complied with the District policies.

*Cause:* The business services department does not have the travel policy on hand or the current limits established by the IRS.

*Effect:* There is a lack of control over district travel, increasing the risk of fraud or abuse.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

*Recommendation:* We recommend that the District develop better controls around travel so that any District sanctioned travel has appropriate support. Additionally, we recommend that the District ensure that such documentation shows adherence to its travel policy.

*Management response:* The Superintendent has met with school leaders and communicated per diem rates per IRS and that the policy requirements must be reviewed for travel approvals. Leadership will communicate travel policy via a meeting with school staff, as soon as a procedure is available from the accounting and finance team. Procedures and training will be implemented to ensure adherence to existing travel policy, and that controls are in place, understood, and effective.

2024-004 Grant Accounting

*Criteria:* As a local government who receives local, state, and federal grant awards, the District is required to account for these awards in a timely and detailed manner throughout the year. The Colorado Department of Education (CDE) requires districts to account for the revenue, expenditures, receivables, payables, and deferred revenues using distinct coding as outlined in its chart of accounts and FPP manual. Additionally, districts are required to timely reconcile grants to the federal data warehouse reports (FDW) and ensure that grants are balancing in regard to revenue and expenditures.

*Condition:* Prior to audit field work, the District was unable to reconcile grants that flowed from CDE to the FDW. The District was unable to balance grant revenues and expenditures. There were twelve grants that did not reconcile the CDE FDW, twenty-seven state and federal awards that did not balance regarding revenue and expenditures, over ten grants that were not properly reviewed for deferred revenue, and nine grants that showed collective receivables exceeding one million six hundred thousand dollars that could not be substantiated.

*Cause:* As described in finding 2024-001, the District experienced complete turnover in the business services department. Prior to this turnover, the District had experienced staff dedicated to grants. This position was not filled after the position was vacated.

*Effect:* Prior to audit adjustment, grant revenues, expenditures, and receivables were materially misstated.

*Recommendation:* We recommend that management hire an experienced grant accountant to ensure that grants are properly managed throughout the year. Additionally, we recommend that the District review and implement controls over grant accounting. As of our field work we could not identify any functioning controls over grant accounting.

*Management response:* Grant accounting was performed by a part-time contractor who left at the beginning of the fiscal year. The CFO absorbed those accounting tasks within the remaining team. Management will ensure grant accounting expertise is again employed or contracted in the district. Management will further ensure that year-end close procedures include grants review.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

2024-005 Bank Reconciliations

*Criteria:* An effective system of controls over cash ensures that all bank and investment accounts are reconciled in a timely manner. Effective controls ensure that bank reconciliations are accurate and tie to the general ledger. Once completed, bank reconciliations should be reviewed by an appropriate official, typically the CFO.

*Condition:* The District did not timely complete bank reconciliations. Various bank accounts were not reconciled timely. In some cases we noted reconciliations had not been completed for over six months.

*Cause:* As described in finding 2024-001, the District experienced complete turnover in the business services department. Due to this turnover the task of bank reconciliations changed several hands and was not prioritized.

*Effect:* Without appropriate bank reconciliation procedures, there is a lack of controls over cash, increasing the risk of error or fraud.

*Recommendation:* We recommend that management ensure that the business services department is adequately staffed and that there is appropriate supervision to ensure that bank reconciliations are completed timely and reviewed by an appropriate official.

*Management response:* Bank reconciliations fell behind late in the fiscal year and further behind in the CFO gap. The recently terminated CFO did not get bank reconciliations caught up with current staff. Bank reconciliations have been contracted with an education financial services provider and will be caught up and kept timely through that agreement until such a time as they can be performed in-house.

2024-006 Pupil Activities

*Criteria:* School districts often have a Pupil Activity Fund to account for various pupil activities such as clubs, sports, and other various activities for the students that they serve. An effective system of controls over pupil activities ensure that these activities are tracked at the school level and are reported within the Districts accounting system.

*Condition:* Prior to audit field work, the District did not record pupil activities within its general ledger software. Individual schools recorded pupil activities in a separate software system. However, business services staff did not use these reconciliations or the data that was produced by this software to record pupil activities in the general ledger software. Due to this oversight, the audit team worked with management and management proposed a material correcting entry to record this information.

*Cause:* As described in finding 2024-001, the District experienced complete turnover in the business services department. Due to this turnover, the task of recording pupil activities within the general ledger software was not done.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

*Effect:* Prior to audit adjustment, the Pupil Activity Fund was materially misstated.

*Recommendation:* We recommend that management review its controls over pupil activities and ensure that pupil activities are recorded monthly in the general ledger software.

*Management response:* Pupil activities controls gaps will be identified and corrected. This work was under way prior to the CFO change and will be completed.

2024-007 BOCES Flow Through Activity

*Criteria:* It is common practice for school districts to be a part of board of cooperative educational services (BOCES) in order to obtain services that it cannot provide on its own. The District is a part of Ute Pass BOCES. Effective controls over BOCES activity ensure that all items regarding funds received from the BOCES are recorded correctly and timely and reviewed by an appropriate official.

*Condition:* Prior to field work, the District had not correctly recorded BOCES flow through revenue.

*Cause:* As described in finding 2024-004, the District experienced turnover in the grant accountant position and did not replace this role.

*Effect:* The District did not account for a material amount of revenue that was received from the BOCES.

*Recommendation:* We recommend that management ensure that effective controls are in place to ensure BOCES activity is correctly recorded, reconciled, and reviewed by an appropriate official.

*Management response:* Management is working to substantially reduce the complexity of the BOCES relationship. Regardless of success in reconfiguring the BOCES relationship to reduce complexity, controls and their effectiveness will be reviewed and weaknesses and gaps corrected, with specific attention to related grant accounting.

2024-008 Component Unit Accounting

*Criteria:* The District has one component unit, Merit Academy. Merit Academy is a charter school that has been authorized to operate within the boundaries of the District. As such, Merit Academy relies on flow-through funding from the District. Proper controls over component unit accounting ensure that accurate and timely funding and occur between the District and its component unit.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

*Condition:* The District did not timely consult with its component unit to reconcile 2024 activity and did not timely record accrual activity related to the component unit. The District did not meet with its component unit to reconcile fiscal year 2024 activity until November of 2024. In one instance, it was discovered that a reimbursement request for Title IV funding had not been requested from CDE until of February 2025.

*Cause:* As described in finding 2024-001, the District does not have staff with the skills, knowledge, or resources to properly record, reconcile, or analyze the activity of its component unit in a timely manner.

*Effect:* The District general ledger did not agree to the final reconciliations with its component unit nor did it reflect the proper accruals which led to significant audit adjustments due to a lack of controls over component unit accounting.

*Recommendation:* We recommend that management ensure that staff have the necessary skills, knowledge, and resources to properly account for component unit activity. Additionally, we recommend that management ensure that there is proper oversight of this activity and that a system of controls is in place that will allow for proper recording, reconciliation, and review of component unit accounting.

*Management response:* The District had a turnover of finance department staff at the beginning of the fiscal year. The new CFO worked to get proper processes and controls in place with new staff, including a review of Merit Academy funding with a CDE representative. Prior to year-end, the CFO resigned with short notice before year-end closing. Filling the CFO position was slow, leaving the district with inexperienced staff continuing operations until a new CFO could be found. The new CFO did not succeed in attempts to cleanly close the prior year and overcome accounting issues that had accumulated, including reconciling Merit Academy flow through accounting.

Management has terminated the prior CFO and contracted interim CFO services, as well as contracted supplemental finance services, to ensure proper controls and accounting are in place this year. Management will ensure Merit Academy flow through accounting is reconciled timely, and that controls are documented and effective surrounding this activity.

2024-009 Journal Entries

*Criteria:* Throughout the normal course of business, organizations will record manual journal entries to accomplish a number of tasks. Manual journal entries pose a risk for error and fraud as they can be posted to any account and are outside most modules or normal workflow environments. Given the elevated risks, it is crucial that any organization maintain effective controls over journal entries to ensure that the journal entries are necessary, accurate, and well documented.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

*Condition:* The District made multiple material journal entries that were erroneous and required substantial work from the audit team to trace and reverse. The District provided the audit team trial balances where beginning equity was materially different from fiscal year 2023 ending equity. When the audit team reviewed this, it was discovered that a number of material journal entries were made to the general fund, grants fund, and food service fund that had no support. In working with the business services department, we identified that entries approaching two million dollars had been made to various beginning equity accounts in an attempt to reverse prior year accruals and post current year activity.

*Cause:* As described in finding 2024-001, the District does not have staff with the skills, knowledge, or resources to properly record, reconcile, or analyze manual journal entries.

*Effect:* There is a lack of controls over review for journal entries, increasing the risk of error or fraud.

*Recommendation:* We recommend that management ensure that there is a system of controls in place that requires proper support for manual journal entries. Support should include documentation as to why the entry is being made and proof of review prior to posting manual journal entries.

*Management response:* CFO review of journal entries made by staff and the adequacy of documented justification will be confirmed. Analysis of staffing needs are being conducted with the help of the contracted CFO. Management will ensure controls confirming proper support for manual journal entries will be documented, in place and effective.

2024-010 State and Federal Grant Reporting to CDE

*Criteria:* The Colorado Department of Education (CDE) issues a number of flow through grants to the various school districts within in the state. An effective system of internal controls over grant reporting ensures that reporting requirements are accurately and timely met.

*Condition:* The District was not in compliance with CDE reporting requirements. The District failed to file annual financial reports for ESSER until February of 2025 and did not file annual financial reports for the ARP Mentor grant, or ESSA awards which include Title I-A, Title II, and Title IV. When asked, the District could not provide any annual financial reports for grants other than food service, transportation related activity, and the annual financial report for ESSER which did not agree to general ledgers.

*Cause:* As described in finding 2024-001 and 2024-004, the District does not have staff with the skills, knowledge, or resources to properly record, reconcile, or report on grants that are obtained through CDE.

*Effect:* A lack of controls exists over grant reporting to CDE constituting both a material weakness and material non-compliance over the financial statements.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

*Recommendation:* We recommend that management ensure that there is a system of controls in place requiring grant reporting is done timely and accurately. Additionally, we recommend that the District hire an experienced grant accountant to oversee grant accounting.

*Management response:* Grant accounting was performed by a part-time contractor who left at the beginning of the fiscal year. The CFO absorbed those accounting tasks within the remaining finance team. Management will ensure controls are instated to confirm State and Federal grant reporting is complete and accurate. Management will ensure grant accounting expertise is again employed or contracted in the district.

2024-011 Salary Accruals

*Criteria:* School districts employ teaching staff on a contract basis for any given school year. Most contracts allow for teaching staff to work through the end of a school year but get paid over a full year. An effective system of controls over salary accruals ensures that the salaries that are paid after the school year are accrued and recorded in the correct fiscal year.

*Condition:* The District did not accurately account for salaries that should have been accrued. : As a part of our audit procedures, the audit team was made aware that salary accruals had been done incorrectly requiring material adjustment. Management was able to provide correcting entries to resolve the salary accruals.

*Cause:* The District does not have an effective process in place to ensure salary accruals are recorded or reconciled in a timely manner.

*Effect:* Prior to audit adjustment, the salary accruals were materially misstated.

*Recommendation:* We recommend that management develop and implement a process to ensure that salary accruals are recorded accurately, timely, and reviewed.

*Management response:* The District had a turnover of finance department staff at the beginning of the fiscal year. The new CFO worked to get proper processes and controls in place with new staff, however, prior to year-end, resigned with short notice before year-end closing. Filling the CFO position was slow, leaving the district with inexperienced staff continuing operations until a new CFO could be found. The new CFO did not succeed in attempts to cleanly close the prior year and overcome accounting issues that had accumulated.

Management has terminated the prior CFO and contracted interim CFO services, as well as contracted supplemental finance services, to ensure proper controls and accounting are in place this year. Analysis of staffing needs are being conducted with the help of the contracted CFO. Management will ensure the salary accruals process and controls are reviewed and effective.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

2024-012 Sales Tax Accounting

*Criteria:* The District is under an intergovernmental agreement with the City of Woodland Park where the District receives a portion of sales tax revenue. An effective system of internal controls would ensure that the District accurately and timely records and reconciles all activity related to the sales tax that it receives.

*Condition:* The District did not accurately reverse sales tax accruals or record the year-end sales tax accruals.

*Cause:* There is not a system of controls in place related to sales tax revenue and receivables.

*Effect:* Prior to audit adjustment, sales tax revenue and related accruals were materially misstated.

*Recommendation:* We recommend that Management ensures that there are controls in place over the receipt of sales tax revenue.

*Management response:* Management will review and ensure controls over the receipt of sales tax revenue are in place and effective.

2024-013 Accounting For Long-Term Debt Payments

*Criteria:* Effective controls over debt payments ensure that debt payments are recorded accurately within the general ledger software and that such payments are reconciled to amortization schedules.

*Condition:* The amounts recorded as debt services payments for interest and principal were not correct at year end.

*Cause:* Insufficient controls over posting debt services activity.

*Effect:* Prior to audit adjustment, debt services activities were misstated by an immaterial amount.

*Recommendation:* We recommend that management ensure that there are controls in place that require debt service payments to be recorded correctly, reconciled, and reviewed for accuracy.

*Management response:* Management will ensure that debt service payments are correct and reconciled against amortization schedules and that controls are in place and effective to confirm.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section II—Financial Statement Findings (continued)

2024-014 Accounting For Investment Revenue

*Criteria:* Effective controls over investment revenue, such as interest received, ensure that all payments received are properly recorded in a timely manner.

*Condition:* Controls over recording investment revenue were not followed. The District did not accurately record interest revenue that was received throughout the year.

*Cause:* There was not proper review of bank reconciliations or review of revenue ledgers throughout the year.

*Effect:* Prior to audit adjustment, investment balances were misstated by an immaterial amount.

*Recommendation:* We recommend that management ensure that interest and investment income are recorded properly and reconciled timely.

*Management response:* Management will ensure that controls are in place and effective to confirm investment revenue is correctly recorded in a timely manner, in coordination with bank reconciliation.

2024-015 Fixed Assets

*Criteria:* The District has a capitalization policy that states it will capitalize assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. An effective system of controls over fixed assets ensures that the District's capitalization policy is followed and that a schedule of asset additions and deletions is maintained throughout the year.

*Condition:* The District over capitalized a material amount of asset additions in fiscal year 2024. The District provided the audit team a schedule of fixed asset additions that contained items to be capitalized that did not meet the District's capitalization threshold. Management proposed and updated schedule that removed the asset additions in question.

*Cause:* The District did not have an effective review process in place to review fixed asset additions..

*Effect:* Prior to audit adjustment, fixed asset additions were materially overstated.

*Recommendation:* We recommend that Management implement review procedures over fixed asset additions and deletions to ensure that changes to the fixed asset schedule are accurate.

*Management response:* Management will ensure controls to review fixed assets are in place and effective.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Section III—Findings and Questioned Costs for Federal Awards

2024-016 Reporting for Education Stabilization Fund

<i>Federal program:</i>	ALN 84.425U&D	Education Stabilization Fund
<i>Federal agency:</i>		U.S. Department of Education
<i>Pass-through entity:</i>		Colorado Department of Education

*Criteria:* ESSER grantees must submit an annual performance report with data on expenditures, planned expenditures, subrecipients, and uses of funds, including for mandatory reservations. An LEA is required to submit certain annual financial reports to its SEA on an annual basis.

*Condition:* The District did not timely file the annual financial report and the filed report did not agree to the general ledger. The District did not file its annual financial report for grant 4414 until February of 2025. The District has not filed its annual financial report for the ARP-Mentor grant.

*Cause:* As reported in finding 2024-010 the District does not have staff with the skills, knowledge, or resources to properly report on grants that are obtained through CDE .

*Effect:* There is a material weakness in internal controls over grant reporting to CDE, the District’s SEA. Additionally, material non-compliance exists for Reporting due to the lack of reporting to the SEA.

*Questioned costs:* None noted.

*Context:* Testing was performed over the total population of required reports. Statistical sampling was not used.

*Recommendation:* We recommend that management ensures that there is a system of controls in place that requires grant reporting to be done timely and accurately. Additionally, we recommend that the District hire an experienced grant accountant to oversee grant accounting.

*Views of responsible officials and planned corrective action:* Grant accounting was performed by a part-time contractor who left at beginning of the fiscal year. The CFO absorbed those accounting tasks within the remaining finance team. Failure to file ESSER reporting timely was communicated by Superintendent to CFO when the CDE sent notice, but reporting was not completed before dismissal. Management will ensure controls are in place to confirm grant accounting and reporting are reviewed, completed, correct, and timely. Management will further ensure grant accounting expertise is again employed or contracted in the district.

**WOODLAND PARK SCHOOL DISTRICT NUMBER RE-2  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2023. 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, 2024 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.



*Serving Woodland Park, Divide and Florissant*

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2024**

2024-001 Year-End Closing Procedures

*Criteria:* The District should have a system of internal controls that ensures that its books are closed on in a timely manner. The system of internal controls should also ensure that financial accounting data is recorded accurately and timely during the normal course of operations.

*Condition:* The District was unable to reconcile and close its books in a timely manner. Most closing procedures took place during audit field work when significant and material errors were brought to the attention of the business services staff. A number of adjusting entries were discussed with and posted by management during the audit process in order to reflect accurate balances. Assets, liabilities, equity, revenue, and expenditures all contained material errors that were not detected by management.

*Management Response and Planned Corrective Actions:* As noted, the District had a turnover of finance department staff at the beginning of the fiscal year. The new CFO worked to get proper processes and controls in place with new staff, but resigned prior to year-end, with short notice before year-end closing. Filling the CFO position was slow, leaving the district with inexperienced staff continuing operations until a new CFO could be found. The new CFO did not succeed in attempts to cleanly close the prior year and overcome accounting issues that had accumulated.

Management has recently terminated the CFO and contracted interim CFO services, as well as contracted supplemental finance services, to ensure proper controls and accounting are in place this year. Analysis of finance and accounting staffing needs are being conducted with the help of the contracted CFO. Review of accounting procedures and responsibilities will be completed with CFO to ensure timely year-end closing that includes review of transactions and balances.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-002 P-Card Usage

*Criteria:* The District should have controls in place so that ensure that District P-Cards are used for approved District purposes. These controls should ensure that P-Cards are used by authorized individuals for approved budget items. Controls should ensure that proper documentation and review of transactions occurs timely.

*Condition:* During fiscal year 2024, the District did not require all P-Card holders to turn in support other than a receipt, such an expenditure form that indicates what budget line is effected and supervisor review. The District did not require card holders to get approval of purchases from someone else other than the business services department. As a result, the business services department was not able to provide adequate support for credit card purchases that were selected as a part of audit procedures.

*Management Response and Planned Corrective Actions:* P-card usage was identified by management to the new CFO as an area requiring better documentation and controls in the Fall 2024. Accounts Payable has communicated guidance on usage and implemented tighter controls, but further work is required. Department head review and approval of P-Card transactions will be evidenced.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-003 District Travel Policy

*Criteria:* The District has a policy titled “Expense Authorization/Reimbursement (Mileage and Travel). In reference to travel costs the policy states that actual costs for meals, lodging, and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by the Internal Revenue Service.

*Condition:* There was a significant amount of travel that occurred for various trainings in fiscal year 2024. When audit documentation was requested for the travel the District could not provide detailed documentation to show who attended these trainings and how it complied with the District policies.

*Management Response and Planned Corrective Actions:* The Superintendent has met with school leaders and communicated per diem rates per IRS and that the policy requirements must be reviewed for travel approvals. Leadership will communicate travel policy via a meeting with school staff, as soon as a procedure is available from the accounting and finance team. Procedures and training will be implemented to ensure adherence to existing travel policy, and that controls are in place, understood, and effective.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-004 Grant Accounting

*Criteria:* As a local government who receives local, state, and federal grant awards, the District is required to account for these awards in a timely and detailed manner throughout the year. The Colorado Department of Education (CDE) requires districts to account for the revenue, expenditures, receivables, payables, and deferred revenues using distinct coding as outlined in its chart of accounts and FPP manual. Additionally, districts are required to timely reconcile grants to the federal data warehouse reports (FDW) and ensure that grants are balancing in regard to revenue and expenditures.

*Condition:* Prior to audit field work, the District was unable to reconcile grants that flowed from CDE to the FDW. The District was unable to balance grant revenues and expenditures. There were twelve grants that did not reconcile the CDE FDW, twenty-seven state and federal awards that did not balance regarding revenue and expenditures, over ten grants that were not properly reviewed for deferred revenue, and nine grants that showed collective receivables exceeding one million six hundred thousand dollars that could not be substantiated.

*Management Response and Planned Corrective Actions:* Grant accounting was performed by a part-time contractor who left at the beginning of the fiscal year. The CFO absorbed those accounting tasks within the remaining team. Management will ensure grant accounting expertise is again employed or contracted in the district. Management will further ensure that year-end close procedures include grants review.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-005 Bank Reconciliations

*Criteria:* An effective system of controls over cash ensures that all bank and investment accounts are reconciled in a timely manner. Effective controls ensure that bank reconciliations are accurate and tie to the general ledger. Once completed, bank reconciliations should be reviewed by an appropriate official, typically the CFO.

*Condition:* The District did not timely complete bank reconciliations. Various bank accounts were not reconciled timely. In some cases we noted reconciliations had not been completed for over six months.

*Management Response and Planned Corrective Actions:* Bank reconciliations fell behind late in the fiscal year and further behind in the CFO gap. The recently terminated CFO did not get bank reconciliations caught up with current staff. Bank reconciliations have been contracted with an education financial services provider and will be caught up and kept timely through that agreement until such a time as they can be performed in-house.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-006 Pupil Activities

*Criteria:* School districts often have a Pupil Activity Fund to account for various pupil activities such as clubs, sports, and other various activities for the students that they serve. An effective system of controls over pupil activities ensure that these activities are tracked at the school level and are reported within the Districts accounting system.

*Condition:* Prior to audit field work, the District did not record pupil activities within its general ledger software. Individual schools recorded pupil activities in a separate software system. However, business services staff did not use these reconciliations or the data that was produced by this software to record pupil activities in the general ledger software. Due to this oversight, the audit team worked with management and management proposed a material correcting entry to record this information.

*Management Response and Planned Corrective Actions:* Pupil activities controls gaps will be identified and corrected. This work was under way prior to the CFO change and will be completed.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-007 BOCES Flow Through Activity

*Criteria:* It is common practice for school districts to be a part of board of cooperative educational services (BOCES) in order to obtain services that it cannot provide on its own. The District is a part of Ute Pass BOCES. Effective controls over BOCES activity ensure that all items regarding funds received from the BOCES are recorded correctly and timely and reviewed by an appropriate official.

*Condition:* Prior to field work, the District had not correctly recorded BOCES flow through revenue.

*Management Response and Planned Corrective Actions:* Management is working to substantially reduce the complexity of the BOCES relationship. Regardless of success in reconfiguring the BOCES relationship to reduce complexity, controls and their effectiveness will be reviewed and weaknesses and gaps corrected, with specific attention to related grant accounting.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-008 Component Unit Accounting

*Criteria:* The District has one component unit, Merit Academy. Merit Academy is a charter school that has been authorized to operate within the boundaries of the District. As such, Merit Academy relies on flow-through funding from the District. Proper controls over component unit accounting ensure that accurate and timely funding and occur between the District and its component unit.

*Condition:* The District did not timely consult with its component unit to reconcile 2024 activity and did not timely record accrual activity related to the component unit. The District did not meet with its component unit to reconcile fiscal year 2024 activity until November of 2024. In one instance, it was discovered that a reimbursement request for Title IV funding had not been requested from CDE until of February 2025.

*Management Response and Planned Corrective Actions:* The District had a turnover of finance department staff at the beginning of the fiscal year. The new CFO worked to get proper processes and controls in place with new staff, including a review of Merit Academy funding with a CDE representative. Prior to year-end, the CFO resigned with short notice before year-end closing. Filling the CFO position was slow, leaving the district with inexperienced staff continuing operations until a new CFO could be found. The new CFO did not succeed in attempts to cleanly close the prior year and overcome accounting issues that had accumulated, including reconciling Merit Academy flow through accounting.

Management has terminated the prior CFO and contracted interim CFO services, as well as contracted supplemental finance services, to ensure proper controls and accounting are in place this year. Management will ensure Merit Academy flow through accounting is reconciled timely, and that controls are documented and effective surrounding this activity.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-009 Journal Entries

*Criteria:* Throughout the normal course of business, organizations will record manual journal entries to accomplish a number of tasks. Manual journal entries pose a risk for error and fraud as they can be posted to any account and are outside most modules or normal workflow environments. Given the elevated risks, it is crucial that any organization maintain effective controls over journal entries to ensure that the journal entries are necessary, accurate, and well documented.

*Condition:* The District made multiple material journal entries that were erroneous and required substantial work from the audit team to trace and reverse. The District provided the audit team trial balances where beginning equity was materially different from fiscal year 2023 ending equity. When the audit team reviewed this, it was discovered that a number of material journal entries were made to the general fund, grants fund, and food service fund that had no support. In working with the business services department, we identified that entries approaching two million dollars had been made to various beginning equity accounts in an attempt to reverse prior year accruals and post current year activity.

*Management Response and Planned Corrective Actions:* CFO review of journal entries made by staff and the adequacy of documented justification will be confirmed. Analysis of staffing needs are being conducted with the help of the contracted CFO. Management will ensure controls confirming proper support for manual journal entries will be documented, in place and effective.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-010 State and Federal Grant Reporting to CDE

*Criteria:* The Colorado Department of Education (CDE) issues a number of flow through grants to the various school districts within in the state. An effective system of internal controls over grant reporting ensures that reporting requirements are accurately and timely met.

*Condition:* The District was not in compliance with CDE reporting requirements. The District failed to file annual financial reports for ESSER until February of 2025 and did not file annual financial reports for the ARP Mentor grant, or ESSA awards which include Title I-A, Title II, and Title IV. When asked, the District could not provide any annual financial reports for grants other than food service, transportation related activity, and the annual financial report for ESSER which did not agree to general ledgers.

*Management Response and Planned Corrective Actions:* Grant accounting was performed by a part-time contractor who left at the beginning of the fiscal year. The CFO absorbed those accounting tasks within the remaining finance team. Management will ensure controls are instated to confirm State and Federal grant reporting is complete and accurate. Management will ensure grant accounting expertise is again employed or contracted in the district.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-011 Salary Accruals

*Criteria:* School districts employ teaching staff on a contract basis for any given school year. Most contracts allow for teaching staff to work through the end of a school year but get paid over a full year. An effective system of controls over salary accruals ensures that the salaries that are paid after the school year are accrued and recorded in the correct fiscal year.

*Condition:* The District did not accurately account for salaries that should have been accrued. : As a part of our audit procedures, the audit team was made aware that salary accruals had been done incorrectly requiring material adjustment. Management was able to provide correcting entries to resolve the salary accruals.

*Management Response and Planned Corrective Actions:* The District had a turnover of finance department staff at the beginning of the fiscal year. The new CFO worked to get proper processes and controls in place with new staff, however, prior to year-end, resigned with short notice before year-end closing. Filling the CFO position was slow, leaving the district with inexperienced staff continuing operations until a new CFO could be found. The new CFO did not succeed in attempts to cleanly close the prior year and overcome accounting issues that had accumulated.

Management has terminated the prior CFO and contracted interim CFO services, as well as contracted supplemental finance services, to ensure proper controls and accounting are in place this year. Analysis of staffing needs are being conducted with the help of the contracted CFO. Management will ensure the salary accruals process and controls are reviewed and effective.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-012 Sales Tax Accounting

*Criteria:* The District is under an intergovernmental agreement with the City of Woodland Park where the District receives a portion of sales tax revenue. An effective system of internal controls would ensure that the District accurately and timely records and reconciles all activity related to the sales tax that it receives.

*Condition:* The District did not accurately reverse sales tax accruals or record the year-end sales tax accruals.

*Management Response and Planned Corrective Actions:* Management will review and ensure controls over the receipt of sales tax revenue are in place and effective.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-013 Accounting For Long-Term Debt Payments

*Criteria:* Effective controls over debt payments ensure that debt payments are recorded accurately within the general ledger software and that such payments are reconciled to amortization schedules.

*Condition:* The amounts recorded as debt services payments for interest and principal were not correct at year end.

*Management Response and Planned Corrective Actions:* Management will ensure that debt service payments are correct and reconciled against amortization schedules and that controls are in place and effective to confirm.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-014 Accounting For Investment Revenue

*Criteria:* Effective controls over investment revenue, such as interest received, ensure that all payments received are properly recorded in a timely manner.

*Condition:* Controls over recording investment revenue were not followed. The District did not accurately record interest revenue that was received throughout the year.

*Management Response and Planned Corrective Actions:* Management will ensure that controls are in place and effective to confirm investment revenue is correctly recorded in a timely manner, in coordination with bank reconciliation.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-015 Fixed Assets

*Criteria:* The District has a capitalization policy that states it will capitalize assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. An effective system of controls over fixed assets ensures that the District's capitalization policy is followed and that a schedule of asset additions and deletions is maintained throughout the year.

*Condition:* The District over capitalized a material amount of asset additions in fiscal year 2024. The District provided the audit team a schedule of fixed asset additions that contained items to be capitalized that did not meet the District's capitalization threshold. Management proposed and updated schedule that removed the asset additions in question.

*Management Response and Planned Corrective Actions:* Management will ensure controls to review fixed assets are in place and effective.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

2024-016 Activities Allowed or Unallowed, and Allowable Costs and Cost Principles for Education Stabilization Fund

*Federal program:* ALN 84.425U&D Education Stabilization Fund  
*Federal agency:* U.S. Department of Education  
*Pass-through entity:* Colorado Department of Education

*Criteria:* ESSER grantees must submit an annual performance report with data on expenditures, planned expenditures, subrecipients, and uses of funds, including for mandatory reservations. An LEA is required to submit certain annual financial reports to its SEA on an annual basis.

*Condition:* The District did not timely file the annual financial report and the filed report did not agree to the general ledger. The District did not file its annual financial report for grant 4414 until February of 2025. The District has not filed its annual financial report for the ARP-Mentor grant.

*Management Response and Planned Corrective Actions Criteria:* Grant accounting was performed by a part-time contractor who left at beginning of the fiscal year. The CFO absorbed those accounting tasks within the remaining finance team. Failure to file ESSER reporting timely was communicated by Superintendent to CFO when the CDE sent notice, but reporting was not completed before dismissal. Management will ensure controls are in place to confirm grant accounting and reporting are reviewed, completed, correct, and timely. Management will further ensure grant accounting expertise is again employed or contracted in the district.

*Responsibility for Corrective Action:* Ken Witt, Superintendent

*Anticipated Completion Date:* Summer of 2025

## **STATE COMPLIANCE**



**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 accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Woodland Park School District Number RE-2, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Woodland Park School District Number RE-2's basic financial statements as listed in the table of contents. Our report thereon, dated March 1, 2025, expressed an unmodified opinion on those financial statements.

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 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 basic financial statements. The 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 *Colorado School District/BOCES, Auditor's Integrity Report* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hoelting & Company, Inc.*

Colorado Springs, Colorado  
March 3, 2025



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 3020 – Woodland Park Re-2  
 Fiscal Year 2023-24  
 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
<b>Governmental</b>						
10 General Fund	8,281,607		24,590,769	24,065,098		8,807,278
18 Risk Mgmt Sub-Fund of General Fund	13,911		0	554,301		-540,391
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>8,295,517</b>		<b>24,590,769</b>	<b>24,619,399</b>		<b>8,266,888</b>
11 Charter School Fund	428,234		5,378,652	5,554,555		252,331
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	310,850		1,244,973	1,198,602		357,221
22 Govt Designated-Purpose Grants Fund	0		1,408,499	1,408,499		0
23 Pupil Activity Special Revenue Fund	609,514		714,344	742,056		581,802
25 Transportation Fund	82,662		273,813	281,454		75,020
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	769,515		0	734,408		35,107
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>10,496,292</b>		<b>33,611,051</b>	<b>34,538,974</b>		<b>9,568,369</b>
<b>Proprietary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
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
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>FINAL</b>						<b>0</b>