

Woodland Park School District Re-2

BOARD OF EDUCATION

Special Board Meeting – May 4, 2026

CALL MEETING TO ORDER

The meeting was called to order by Board President Keegan Barkley at 5:32 p.m. with the following members present: Robb Davidson, Kassidi Gilgenast, Laura Gordon, Carol Greenstreet, and Mrs. Barkley.

APPROVAL OF AGENDA

MOTION Greenstreet, second Davidson, to approve the agenda.

MOTION CARRIED; Voting Aye – Barkley, Davidson, Gilgenast, Gordon, Greenstreet.

FISCAL YEAR 2025 AUDIT – CHRIS BANTA OF HOELTING & CO.

Chris Banta of Hoelting & Co. opened by acknowledging it had been a more challenging audit than usual and recognized Mr. Kuritar and his team for their significant effort throughout the process. He explained that disclaimed opinions were issued for all funds except the component unit, citing several unique challenges including the district not being prepared for fieldwork in October due to accounting system limitations and unbalanced trial balances, which pushed fieldwork to mid-February. Throughout the process, numerous balance sheet and income statement accounts were unreconciled, grants were unbalanced, and 27 journal entries were required to bring balance sheet figures to their correct numbers. Banta outlined findings that largely mirrored those from the prior year, including a lack of year-end closing procedures, ineffective controls over grant accounting and bank reconciliations, insufficient travel policies, and a significant number of incorrect or unsupported journal entries. A particularly notable issue involved an approximate \$3 million plug entry for component unit accounting spanning over 80-line items. He emphasized that many findings stem from a broader lack of segregation of duties and recommended that an additional responsible individual be designated to verify reconciliations, payroll, and approvals.

Banta then walked the Board through the financial statements, noting that the district's overall financial condition had been trending downward, with net position decreasing by approximately \$475,000 and the ratio of unassigned fund balance to expenses dropping from 115 days in fiscal year 2024 to 79 days in fiscal year 2025, falling below the healthy range of 90 to 120 days. Revenue declined approximately 8%, driven by about a \$1.1 million loss in sales tax, a \$1.1 million reduction in per-pupil revenue funding, and a \$500,000 decrease in state grants, partially offset by a \$600,000 increase in property tax. He anticipated grant activity would stabilize in fiscal year 2026 and noted that the single audit had been intentionally delayed to prioritize completion of the financial statement audit so that property tax funding could be restored as quickly as possible. Banta closed by stressing that the audit findings are serious, represent the second consecutive year of similar concerns, and that despite the district's improvement plans, he remains concerned that the appropriate controls, processes, and staffing may not yet be in place to prevent a recurrence.

The Board engaged in an extensive discussion with Banta and Tom Sistare of Hoelting & Co., covering a wide range of topics related to the audit and the district's path forward. Banta was asked to speak to how much of the audit challenges were attributable to prior staff and management versus issues that still needed to be addressed going forward, and he acknowledged that while some findings were tied to past practices and the ill-timed implementation of a new accounting system, others such as bank reconciliations and grant balancing were ongoing concerns regardless of who was in place. The Board

also asked about what a clean audit would realistically look like, and Banta noted that the district had historically been among the first to complete its audit by the end of October with no findings, and that refocusing on timely bank reconciliations and grant balancing would address the majority of issues. He estimated it would likely take a couple of years to return to that standard, suggesting a reasonable goal of reducing findings by roughly half each year. Additional discussion touched on the nature of plug entries, the distinction between balance sheet and income statement items and why getting balance sheet figures correct is critical for future audit starting balances, and the concerning discrepancy between the district's accounting data and the auditor's integrity report, which Banta indicated would need to be corrected well in advance of the fiscal year close.

The Board also discussed the Merit true-up entry at length, with Banta explaining that the approximate \$3 million journal entry consisting of over 80-line items indicated that the district had not been consistently recording payments to the charter school in its accounting system throughout the year, and he recommended that the Board request monthly general ledger detail to verify those payments going forward. Questions were raised about charter school auditing practices, including whether the district and charter school should use the same auditor and how other districts manage reconciliation processes, with Banta pointing to District 11 as a strong example of effective monthly reconciliation practices. The Board also asked about the potential formation of a finance committee and an advisory oversight committee, and Banta expressed support for both, recommending that the Board adopt a "trust but verify" approach in the near term by actively requesting documentation and holding the finance team accountable for timely reconciliations, while also engaging with the incoming auditors early to establish clear expectations and a roadmap for achieving a cleaner audit in future years.

FISCAL YEAR 2025 AUDIT

MOTION Greenstreet, second Gilgenast, to approve the Fiscal Year 2025 Audit.

Secretary Gordon inquired about the process and potential ramifications of not accepting the audit, prompting a discussion among the Board about what would constitute sufficient grounds for withholding approval. President Barkley clarified that the reasoning would matter greatly, distinguishing between general discomfort with the findings versus a legitimate concern that the auditing firm had not fulfilled its responsibilities, and noted that outstanding internal finance items alone would not likely justify withholding approval but would warrant follow-up with the finance department. Vice President Greenstreet agreed, affirming that the primary basis for not approving the audit would be if the Board believed something within it was incomplete or incorrect.

Director Gilgenast raised the question of whether the Board should delay acceptance of the audit given that the single audit package with recommendations, as referenced by Banta, was still a pending deliverable, and asked whether it would be appropriate to wait until all deliverables had been received in their entirety before approving. Barkley clarified that approving the audit as presented that evening would not constitute the completion of the auditing firm's contractual obligations, as the firm had agreed to specific deliverables that would still need to be fulfilled regardless of the Board's approval. She indicated that while ensuring those remaining deliverables were received remained important, she did not believe their absence would affect the Board's ability to approve the audit as it currently stood.

Greenstreet noted that under the previous Board in the prior year, there was no formal audit presentation given, with the superintendent merely noting it was a clean audit and was in the board packet. Barkley explained that the audit had already been submitted to CDE and that the Board's role is

to exercise due diligence, ensuring the work is done properly and holding the superintendent accountable if it is not. Interim Superintendent Slocum shared that she viewed the audit as a starting point, emphasizing that now that problem areas had been identified, the focus could shift to establishing procedures, accountability, and consistent communication with the Board. Gordon clarified that she was not considering rejecting the audit, but simply wanted to understand the Board's responsibilities and options. Barkley added that both the current and previous audits exposed inadequate financial controls and insufficient separation of duties, problems left unresolved by the prior administration, and stressed that the Board intends to operate with greater oversight, including the formation of a finance committee to strengthen governance.

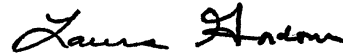
MOTION CARRIED; Voting Aye – Barkley, Davidson, Gilgenast, Gordon, Greenstreet.

ADJOURN SPECIAL MEETING

MOTION Gilgenast, second Davidson, to adjourn the meeting at 6:56 p.m.

MOTION CARRIED; Voting Aye – Barkley, Davidson, Gilgenast, Gordon, Greenstreet.

Attest:



Board of Education Secretary



Board of Education President