

ELKHORN PUBLIC SCHOOLS

Fiscal Year 2023-2024 Audit Report

District Auditors - Dana F. Cole



INDEPENDENT AUDITORS' REPORT

Standard Communication in the Report:

District Management is responsible for utilizing proper internal controls, and ensuring accurate preparation and presentation of the financial statements for the District.

Auditors are responsible for obtaining evidence and performing proper testing to express an opinion on the financial statements of the District, that they fairly represent the true financial activity and position of the District.

Elkhorn Public Schools FY 24 Report confirms that, consistent with prior years, there were no audit findings, and the financial reporting is a fair representation of financial activity and fund balance which follows proper accounting principles.

There is a letter in addition to the audit report, that is submitted to the state, documenting that our auditors have tested our system of reporting student membership and attendance, which must be verified, since it is a significant factor in determining State Aid.

FINANCIAL STATEMENT REVIEW

FOR FISCAL YEAR ENDED AUGUST 31, 2024

MANAGEMENT DISCUSSION & ANALYSIS (Pages 4-12)

This portion of the audit report is written and provided by the District to highlight key financial data, and changes in the factors impacting our financial position each year.

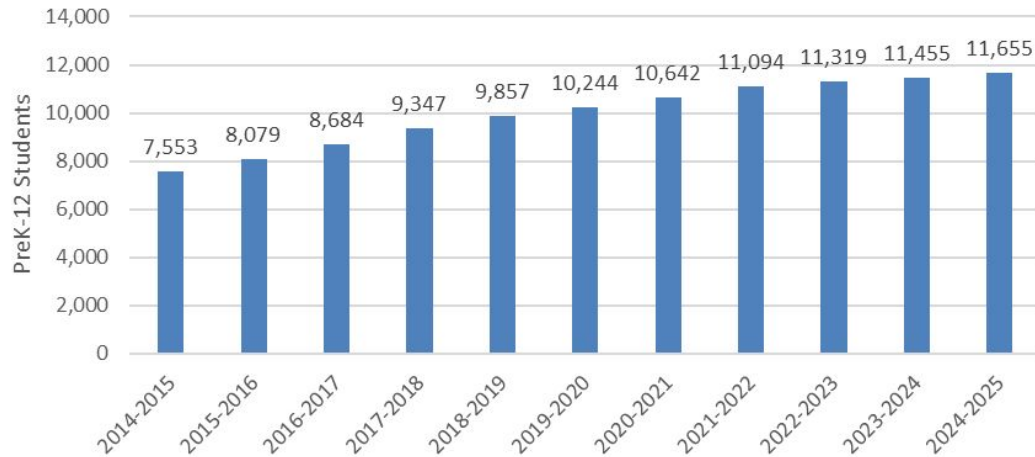
Continued Student Growth - Fiscal Year 24 experienced student growth of 1.2% (136 students) down from 2% in FY 23 and 4.34% in FY 22. Consistent growth for more than 15 years, has been closely monitored - with two new elementaries and a middle school addition slated to open for FY 26. The elementary enrollment growth has focused in two key areas within the District and has impacted capacity at Woodbrook and Blue Sage.

Taxable Valuation Growth - FY 25 growth of 8.5% compared to 16.5% for FY 24, 9.5% for FY 23, and 7% for FY 22.

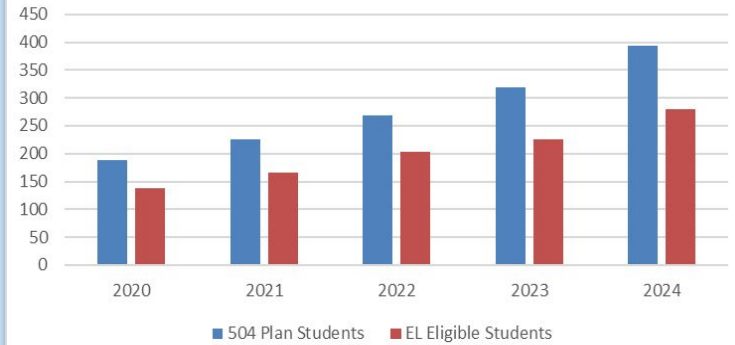
Enrollment growth and changes in the needs of students impact staffing, program, and facility needs. Students with unique educational needs affects staffing needs for changes in:

- students qualifying for free/ reduced lunch,
- students with a 504 plan (19% increase in FY 24, 23.5% increase in FY 25), and
- students with English Language eligibility (10% increase in FY 24, 24% increase in FY 25).

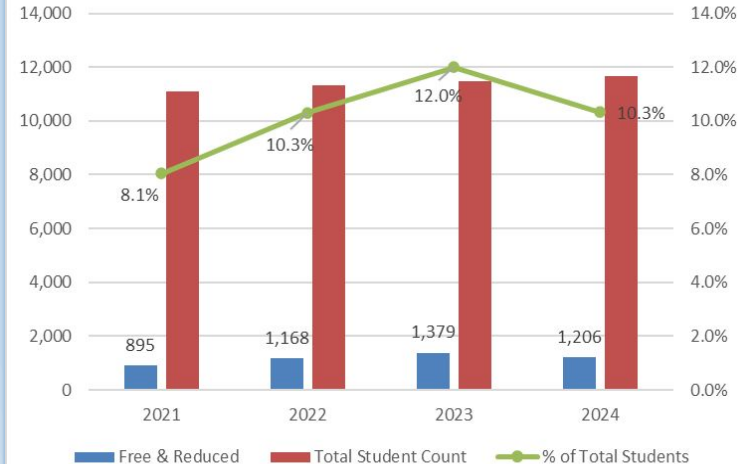
Prek-12 Official Fall Membership




Changes in Student Needs
(Oct 1st Fall Student Counts)



Free and Reduced Student Counts as of Nov 1st





OUR MISSION - Elkhorn Public Schools unites students, families, educators, and the community to ensure a challenging and enriching academic environment that inspires students to develop the knowledge and skills necessary to become responsible citizens and lifelong learners.

BLUE RIBBON SCHOOLS: Grandview Middle School (2024), Sagewood Elementary (2021), Elkhorn Middle School (2019).

TOP SCHOOLS as rated by US News & World Report:

- Elkhorn South, Elkhorn North & Elkhorn High Schools are Rated #1, #2 & #3 for best High Schools in Nebraska.
- Valley View, Grandview, & Elkhorn Ridge Middle Schools are Rated #1, 2 & 3 for best Middle Schools in Nebraska.
- Blue Sage, Fire Ridge, West Bay, Spring Ridge, Woodbrook, Sagewood, Skyline, & Manchester Elementaries are Rated in the top 12 for best Elementary Schools in Nebraska.

Audited Statements of Activity by Fund (pages 13-18)

Schedules break down each major fund's sources of income, and areas of expense along with the beginning and ending fund balances. The schedule on Page 17, also identifies the components of each fund's balance - the monies held by the District versus those held by the County at fiscal year end, & the monies that are restricted for a specific purpose versus those that are available for general operations.

GENERAL FUND: *includes the Depreciation Fund*

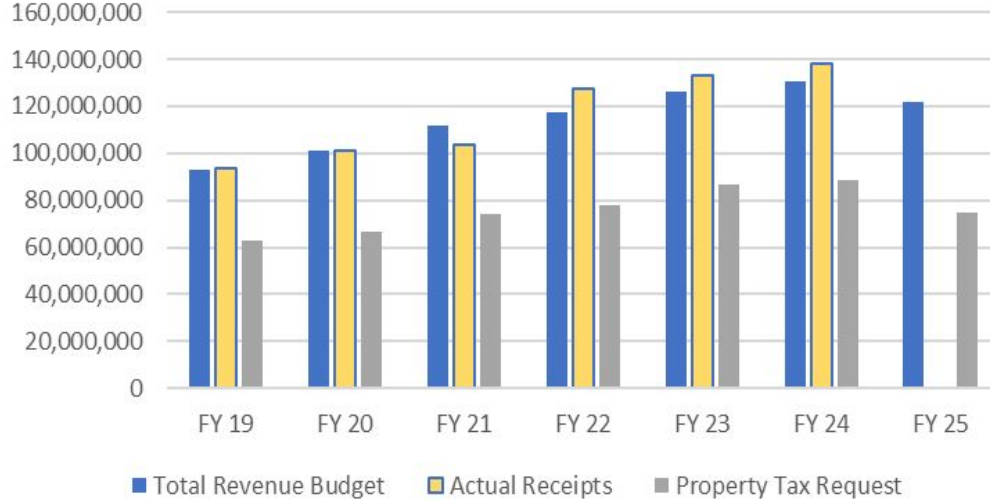
Revenue Sources with

noteworthy changes in:

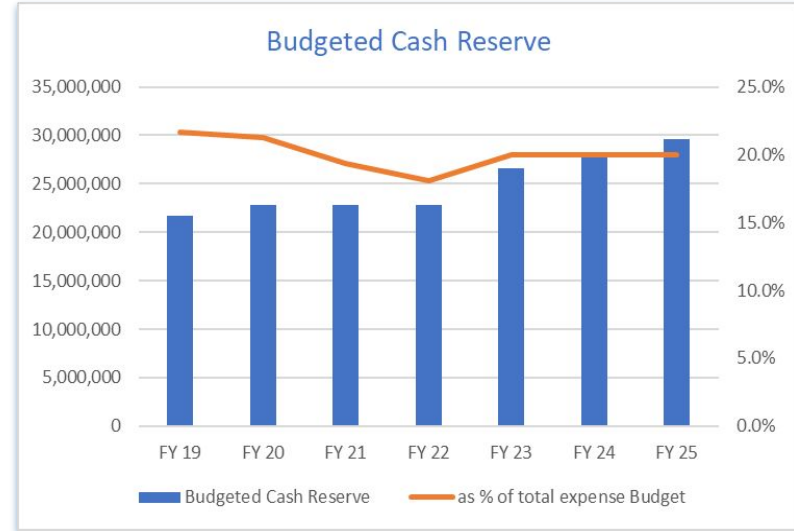
- Property tax revenues - decreased (\$5.8 million)
- Interest earnings - increased \$756,000
- State aid - increased \$2.8 million
- Special Ed reimbursement - increased \$6.3 million

	GENERAL FUND	2021	2022	2023	2024
1100	Taxes	\$ 70,356,879	\$ 90,862,396	\$ 97,755,014	\$ 92,457,874
1300	Tuition	\$ 86,601	\$ 115,476	\$ 95,742	\$ 85,247
1500	Investments	\$ 81,208	\$ 126,385	\$ 846,635	\$ 1,602,332
1900	Other Local Receipts	\$ 270,640	\$ 189,826	\$ 350,334	\$ 384,015
2100	County Fines & Other	\$ 246,449	\$ 251,785	\$ 235,182	\$ 247,974
3100	State Sources	\$ 28,911,588	\$ 30,303,330	\$ 28,458,184	\$ 38,693,786
3400	State Apportionment	\$ 1,279,546	\$ 1,280,904	\$ 1,826,463	\$ 1,831,406
3500	State Categorical Programs	\$ 216,958	\$ 220,332	\$ 224,921	\$ 561,343
4400	IDEA	\$ 72,058	\$ 289,908	\$ 359,485	\$ 95,869
4500	Title I, II, IV, IDEA	\$ 2,000,645	\$ 2,001,565	\$ 2,161,583	\$ 2,118,930
4700	Medicaid	\$ 182,675	\$ 188,449	\$ 208,252	\$ 164,642
4900	Other Federal Programs	\$ 137,760	\$ 1,507,407	\$ 412,231	\$ 191,033

Revenue Budget vs Actual with Property Tax



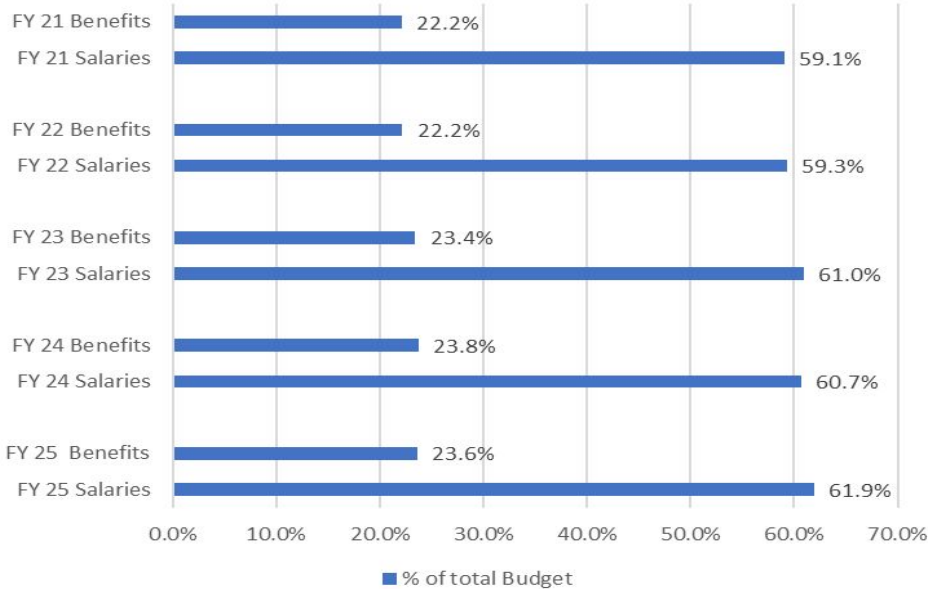
Budget Data Comparison



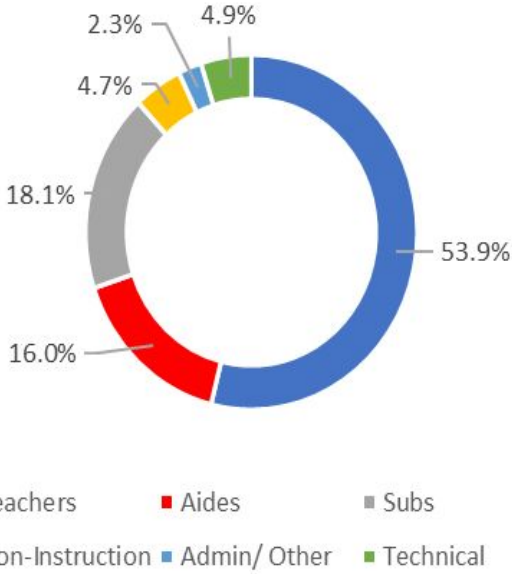
General Fund Budget to Actual Revenues took a unique swing in FY 21 because tax receipts held at the county at August 31st took a big jump. Cash held at the county reflects a more normal trend in other years. The change in the calculation for OPPD tax in lieu in FY 22, created an unexpected increase of \$3.1 million that year. The increase in this revenue source created a decrease in state aid beginning in FY 23. New legislation shifted more state funding to special education reimbursement and state aid, which pushed actual revenues for FY 24 above budget goals, and forced a reduction in revenue budget and property tax request for FY 25.

General Fund Expenditures - Wages and benefits comprised 83.4% of all expenses in FY 24 down from 86.3%. The increase in overall expenditures primarily relates to the needs associated with student growth, addressing student and staff needs. Increased costs for costly building repairs and updates especially hvac, combined with an overall increase in supplies due to inflation and delivery costs, significant increased property & liability insurance costs for the district, and educational curriculum including digital subscriptions. FY 25 Budget reflects a 5% increase for staff total package (salaries and benefits).

Salaries & Benefits



FY 24 Personnel Allocation



Bond Fund: Activity reflects revenues from taxes levied for debt service payments, state tax sources such as the property tax credit, and OPPD Tax in Lieu. Debt service payments for bonds included principal of \$18 million, along with further principal reductions from the December 2023 bond refunding. New issue in June 2024, added \$65 million in principal funding 2 new elementary buildings, an addition to Valley View Middle School and the Young Adult Program, as well as other district projects for safety and facility needs.

Special Building Fund: Reflects taxes levied and other state tax sources for the Special Building Fund levy. Expenses reflect the costs incurred in FY 24 for Parking lot expansions, restrooms at the EHS softball field.

Construction Fund: New construction costs for safety upgrades at Elkhorn Ridge Middle School, elementary buildings, start up for two new elementary buildings, an addition to Valley View Middle School, and expenses for concrete & HVAC repairs, etc.

Other Governmental Funds: Reflects activity for student activity accounts, student fees and the nutrition fund.

Most of the activity in other funds is related to the School Lunch/ Nutrition Fund. Other student activity income is generated by fundraisers, & admissions for activities/ events.

General Notes regarding Fund Balances: General, Nutrition, Bond & Student Fee Funds reflect an increase in fund balance at year end. The Depreciation Fund was utilized more in FY 24 to fund repairs and replacements. The Special Building Fund shows a large increase in the fund balance as construction projects started up and the first bond issue was sold in June 2024.

AUDIT REPORT FOOTNOTES (PGS 19 - 35)

The Notes to the Financial Statements include extra information about Cash & Investments, the Nebraska Public Employees Retirement System, Long-Term Debt Balances by Issue, Debt Principal & Interest Due by Year, and Bond Issue Interest Rates. Note that the District has one “Fiduciary” fund which is for the Employee Benefit Plan monies withheld from paychecks for Flexible Spending Accounts.



Summary of Compliance & Internal Controls

Auditors Highlight Items on the Schedule of Findings & Questioned Costs (pg 58)

Everything noted is as expected: No material weaknesses, audit findings or noncompliance identified. Note that all Nebraska School Districts are required to be labeled as “NO” on the question for low-risk audits because the Districts are required to report on a cash basis. This does not reflect any concerns for the District.

ANNUAL FINANCIAL REPORT - *submitted to NDE by Nov 1*

AUDIT REPORT - *submitted to NDE & NE Auditor of Public Accounts by Nov 5*

Thank you to all staff for adhering to internal control policies and procedures for safeguarding monies received, and proper use of our funds in purchasing - this teamwork leads to a clean audit and is important to our district!