

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1

PLATTSMOUTH, NEBRASKA

FINANCIAL STATEMENTS

AUGUST 31, 2010

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
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INDEPENDENT AUDITORS' REPORT

Board of Education
Plattsmouth Community School District
Cass County School District No. 1
Plattsmouth, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska, as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska, prepares its financial statements on the basis of cash receipts and disbursements in accordance with the accounting procedures and reporting requirements permitted by the Nebraska Commissioner of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska, as of August 31, 2010, and the respective changes in cash basis financial position, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2010, on our consideration of the Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 7 and 27 through 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's basic financial statements. The other supplemental information, pages 39 through 47 including the Schedule of Expenditures of Federal Awards as required by the U.S. Office of management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dana J Cole + Company, LLP

Lincoln, Nebraska
November 24, 2010

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Cass County School District No. 1 provides an overview and analysis of the District's financial activities for the fiscal year ended August 31, 2010. The intent of the MD&A is to look at the District's financial performance as a whole. Readers should also review the financial statements found in the Financial Statement Section, and the notes thereto to enhance their understanding of the District's financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: (1) Management's Discussion and Analysis (this section); (2) the Basic Financial Statements; (3) Required Supplemental Information; and (4) Other Information and the Single Audit (Federal Funds).

The accompanying basic financial statements have been prepared on the cash basis of accounting. Therefore, no capital assets are reported in this analysis. The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities that rely on fees, charges and donations for support.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include: (1) charges to customers or applicants 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. Taxes and other items not properly included among program revenues are reported instead as general receipts.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for the District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements. The District did not have any funds that met the definition of a proprietary fund.

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. The Activities Fund is a fiduciary fund, as are the Wiley Memorial Scholarship Fund and the Wiles Scholarship Fund.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data about the financial statements and the District's commitments, contingencies, and long-term debt obligations that are not reported in the cash basis financial statements. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

FINANCIAL HIGHLIGHTS

The District's total net assets as of August 31, 2010 were \$3,485,648, down \$647,153 from the 2008-09 net assets of \$4,132,801. This decline is in part due to the decrease in tax revenues for 2009-10, and the downturn in the market for the investment accounts.

Total General Fund payroll expenditures constituted 73.61% percent of General Fund disbursements in 2009-10, down significantly from 89.6 in 2004-05.

The net assets of the Special Building Fund decreased by \$130,462, due to the Sec 611 ARRA Construction project. Reimbursement of those Federal stimulus dollars is not completed at this time.

The net assets of the General Fund decreased by \$448,362.

The Depreciation Fund assets increased by \$79,282, resulting in a final balance of \$923,548.

The Bond Fund had an ending balance of \$695,605. The District made principal and interest payments on its bond issues totaling \$1,449,492.

Total outstanding bond debt at the end of the 2009-10 year was \$14,812,622, including interest, with \$970,000 of bond principal debt retired during the year. The District refinanced the Series 2003B bonds in July 2010 with a net savings of \$165,499.

The net assets of Head Start Funds were stable, with ending balances of \$1,806 in the program funds and (\$9,627) in nutrition funds. The nutrition fund deficit is being addressed by the PECC director and will return to a positive balance in 2010-11.

The Qualified Capital Purpose Undertaking Fund ended the year with a balance of \$48,254. The fund was used during the 2009-10 school year to issue QSCB bonds in the amount of \$280,000, and Build America Bonds in the amount of \$635,000 for the purchase of the A & M Green Power facility adjacent to the Plattsmouth High School. The QSCB is a tax-free issue and the BABS issue is subsidized by Federal stimulus dollars at 35%.

The School Lunch Fund balance on August 31, 2010 was \$109,321. Federal reimbursement to the District for food was \$383,252, up \$36,553 from 2008-09.

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 MANAGEMENT'S DISCUSSION AND ANALYSIS

The net assets of the Fiduciary Funds, though not considered material for purposes of reporting the financial condition of the District's assets, are of interest to management. Fiduciary Funds include the Activities Account, the Wiley Memorial Scholarship and the Wiles Scholarship. The activities account, exclusive of the scholarship funds, rose in value by \$2,027, with an ending balance of \$153,440. The Wiley Memorial Scholarship Fund increased in value by \$52,445, with an ending balance of \$988,054. The Wiles Scholarship increased in value by \$1,640, with an ending balance of \$20,995.

Financial Analysis of the District as a Whole

Total Governmental Funds - The District's Revenue, exclusive of Head Start, was \$19,569,496 for the fiscal year 2009-10. Total funds consist of General Fund, Depreciation Fund, Employee Benefit Fund, Activity Funds, School Lunch Funds, Bond Funds, Special Building Funds, Qualified Capital Purpose Undertaking Fund, and Student Fees funds.

The District disbursed \$24,857,102 in 2009-10. The District expended 79.01 percent of its total funds on instruction, and 6.47 percent on support services related to instruction. Business and administrative services, buildings and grounds, and pupil transportation contributed to the remaining 14.52 percent of expenditures. These figures include the bond payments, school lunch expenses, and special building fund expenditures.

**Plattsmouth Community School District
 Levies 2008-2009 and 2009-2010**

	2008-2009	2009-2010	Change
General Fund	0.9686	1.0320	0.0634
Bond Fund	0.2469	0.2200	(0.0269)
Special Building Fund	<u>0.0801</u>	<u>0.0174</u>	<u>(0.0627)</u>
Total	<u>1.2956</u>	<u>1.2694</u>	<u>(0.0262)</u>

**Plattsmouth Community School District
 General Fund Receipts
 Comparison of 2006-2007 through 2009-2010**

Revenue Source	2006-2007	2007-2008	2008-2009	2009-2010
Local	6,700,506	6,963,737	6,410,135	6,721,554
State	7,310,105	7,603,786	8,507,331	7,941,927
Federal	1,466,937	1,388,242	1,102,873	2,331,088
Other	<u>57,671</u>	<u>75,203</u>	<u>95,933</u>	<u>96,737</u>
Total	<u>15,535,219</u>	<u>16,030,968</u>	<u>16,116,272</u>	<u>17,091,306</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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 MANAGEMENT'S DISCUSSION AND ANALYSIS

Disbursements increased by 5.71% percent from 2008-09 to 2009-10. Imbedded in the various categories of disbursements are expenditures for salaries and benefits for employees of the District. Total General Fund payroll expenditures constituted 73.61% percent of General Fund disbursements, down significantly from 87 percent in 2003-04.

**Plattsmouth Community School District
 General Fund Disbursements
 Comparison of 2006-2007 through 2009-2010**

Disbursements	2006-2007	2007-2008	2008-2009	2009-2010
Regular instruction	6,761,124	7,473,943	8,091,726	7,379,044
Special education	2,260,033	2,585,595	2,819,243	3,048,366
Pupil support	254,993	366,387	364,494	374,730
Gifted program	11,973	10,172	12,186	10,053
Guidance services	232,554	248,869	262,927	214,300
Health services	128,049	125,757	99,074	86,963
Building maintenance and operations	1,457,640	1,457,640	1,669,270	1,492,797
Vehicle maintenance	17,420	17,420	15,090	26,032
Pupil transportation	559,035	559,035	560,726	502,719
BOE	389,100	389,100	398,806	147,585
Executive administration	173,973	173,973	116,752	128,628
Office of the Principal	843,007	817,386	781,890	740,982
Business services	212,104	214,917	215,832	251,453
Library services	238,151	246,237		229,274
Community service/fitness center			44,327	32,822
Federal programs	1,173,111	1,264,541	1,380,336	1,306,578
Other programs	289,120	176,073	72,264	172,819
ARRA - ESEA				1,394,523
Total	<u>15,001,387</u>	<u>16,127,045</u>	<u>16,904,943</u>	<u>17,539,668</u>

**Plattsmouth Community School District
 General Fund Cash Position
 Change from 2008-2009 to 2009-2010**

Cash Carryover 2008-2009	1,718,391
General Fund Receipts	17,091,306
General Fund Expenditures	<u>(17,539,668)</u>
Cash Carryover 2009-2010	<u>1,270,029</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS

DEBT ADMINISTRATION

Despite the financial pressure on school districts in Nebraska, Plattsmouth Community School District continues to maintain exceptional bond ratings. Currently, Standard and Poor's rates the Districts "AAA." Total outstanding bonds at the end of the 2009-10 year were \$15,141,805, including interest obligations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide patrons, students, and bond buyers a general overview of the District's finances and to demonstrate accountability for the money entrusted to the District for the education of the community's youth. If you have questions or need additional financial information contact the Office of the Superintendent, Plattsmouth Community School District, 1912 East Highway 34, Plattsmouth, Nebraska 68048. The telephone number is (402) 296-3361.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2010

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Primary Government
				Total Governmental Activities
Governmental Activities				
Regular instruction	8,128,552	82,626	1,650,773	(6,395,153)
Limited English proficiency	69,717			(69,717)
Special education instruction	3,073,568		1,408,905	(1,664,663)
Support services				
Pupils	675,693			(675,693)
Safety and security	299			(299)
Instructional staff	229,276			(229,276)
Maintenance and operation of buildings	1,492,698			(1,492,698)
Regular pupil transportation	502,719			(502,719)
Special education pupil transportation	7,944		49,200	41,256
General and administrative				
Board of Education	107,684			(107,684)
Executive administration	128,627			(128,627)
Office of the Principal	740,981			(740,981)
Business services	277,485			(277,485)
Fitness center	117,556			(117,556)
State programs	185,998		118,620	(67,378)
Federal programs	2,704,758		2,025,660	(679,098)
Food program services	838,777	493,223	388,383	42,829
Employee benefits	6,263			(6,263)
Nutrition and meals	78,067			(78,067)
Student fee expenses	38,920			(38,920)
Capital outlay	1,396,248			(1,396,248)
Debt service				
Principal	3,530,000			(3,530,000)
Interest	498,012			(498,012)

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2010

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Total Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities (Continued)				
Debt service (Continued)				
Underwriter fees	25,950			(25,950)
Wire fees	1,310			(1,310)
Transfers	39,900			(39,900)
Total governmental activities	24,897,002	575,849	5,641,541	(18,679,612)
General Receipts				
Taxes				
Property taxes - general purpose				5,831,697
Property taxes - debt service				1,102,340
Motor vehicle tax				645,488
Carline taxes				14,429
Public Power District sales tax				125,899
County fines and license fees				179,085
State aid				5,706,289
Other state receipts				749,668
Interest				26,785
Bond proceeds				3,500,850
Other receipts				139,149
Total general receipts				18,021,679
Change in net assets resulting from receipts and disbursements				(657,933)
NET ASSETS, beginning of year				4,132,801
NET ASSETS, end of year				3,474,868

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS
 FOR THE YEAR ENDED AUGUST 31, 2010

				Net (Disbursements) Receipts and Changes in Net Assets
		Program Receipts		Primary Government
	Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
ASSETS				
Cash and cash equivalents				1,044,808
Cash at County Treasurer				<u>2,430,060</u>
TOTAL ASSETS				<u>3,474,868</u>
NET ASSETS				
Restricted for:				
Capital projects				1,412,438
Debt services				685,825
Lunch Fund				109,321
Unrestricted				<u>1,267,284</u>
TOTAL NET ASSETS				<u>3,474,868</u>

See accompanying notes to financial statements.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1

PLATTSMOUTH, NEBRASKA

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS AND
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2010

	Major Funds										Total Governmental Funds	
	General Fund	Depreciation Fund	Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	Employee Benefit Fund	School Lunch Fund	Head Start Fund	Student Fee Fund	Reclassifi- cations		
RECEIPTS												
Taxes												
Property taxes - general purpose	5,698,408			1,102,340	133,289							5,831,697
Property taxes - debt service												1,102,340
Motor vehicle tax	645,488											645,488
Carline taxes	12,223			2,000	206							14,429
Public Power District sales tax	113,605			12,294								125,899
Rental of school facilities	7,122											7,122
Preschool tuition	56,068											56,068
Local license fees	3,451				93	15,892						19,436
County receipts	179,085											179,085
State receipts	7,941,927			99,231	7,640							8,053,929
Federal receipts	2,331,088			173,411				1,155,818				4,043,569
Sale of lunches and milk												493,223
Interest income	5,372	4,077	748	2,127	1,514			12,905				26,785
Other nonrevenue receipts	97,469							41,680				139,149
Total receipts	17,091,306	4,077	748	1,218,085	331,952			41,722				20,738,219
DISBURSEMENTS												
Regular instruction	7,184,765											8,128,552
Limited English proficiency	69,717								(100,000)			69,717
Special education	3,073,568											3,073,568
Support services												
Pupils	675,693											675,693
Safety and security	299											299
Instructional staff	229,276											229,276
Maintenance and operation of buildings	1,492,698											1,492,698
Regular pupil transportation	502,719											502,719
Special education pupil transportation	7,944											7,944
General and administration												
Board of Education	107,684											107,684
Business services	277,485											277,485
Executive administration	128,627											128,627
Office of the Principal	740,981											740,981

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS AND
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	Major Funds										Total Governmental Funds	
	General Fund	Depreciation Fund	Qualified Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	Employee Benefit Fund	School Lunch Fund	Head Start Fund	Student Fec Fund	Reclassifi- cations		
DISBURSEMENTS (Continued)												
Summer school	117,556											117,556
State programs	185,998											185,998
Federal programs	2,704,758											2,704,758
Food program services						838,777						838,777
Employee benefits					42,345					(36,082)		6,263
Nutrition and meals							78,067					78,067
Student fee expenses								38,920				38,920
Capital outlay		24,795	909,039		462,414							1,396,248
Debt service												
Principal				3,530,000								3,530,000
Interest				498,012								498,012
Underwriter fees				25,950								25,950
Wire fees				1,310								1,310
Total disbursements	<u>17,499,768</u>	<u>24,795</u>	<u>909,039</u>	<u>4,055,272</u>	<u>462,414</u>	<u>838,777</u>	<u>1,121,854</u>	<u>38,920</u>	<u>(136,082)</u>			<u>24,857,102</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(408,462)</u>	<u>(20,718)</u>	<u>(908,291)</u>	<u>(2,837,187)</u>	<u>(130,462)</u>	<u>42,829</u>	<u>46,869</u>	<u>2,802</u>	<u>136,082</u>			<u>(4,118,883)</u>
OTHER FINANCING SOURCES (USES)												
Bond Proceeds				2,595,000								2,595,000
Transfers in	(39,900)	100,000	905,850							(136,082)		3,500,850
Transfers out	<u>(39,900)</u>	<u>100,000</u>	<u>905,850</u>	<u>2,595,000</u>		<u>36,082</u>			<u>(136,082)</u>			<u>(39,900)</u>
Total other financing sources (uses)												<u>3,460,950</u>
NET CHANGE IN FUND BALANCES	<u>(448,362)</u>	<u>79,282</u>	<u>(2,441)</u>	<u>(242,187)</u>	<u>(130,462)</u>	<u>42,829</u>	<u>46,869</u>	<u>2,802</u>				<u>(657,933)</u>
FUND BALANCES, beginning of year	<u>1,718,391</u>	<u>844,266</u>	<u>50,695</u>	<u>928,012</u>	<u>571,098</u>	<u>66,492</u>	<u>(54,690)</u>	<u>2,274</u>				<u>4,132,801</u>
FUND BALANCES, end of year	<u>1,270,029</u>	<u>923,548</u>	<u>48,254</u>	<u>685,825</u>	<u>440,636</u>	<u>109,321</u>	<u>(7,821)</u>	<u>5,076</u>				<u>3,474,868</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS AND
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	Major Funds										Total Governmental Funds
	General Fund	Depreciation Fund	Qualified Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	Employee Benefit Fund	School Lunch Fund	Head Start Fund	Student Fee Fund	Reclassifi- cations	
ASSETS											
Cash and cash equivalents	(793,017)	923,548	48,254	348,671	410,776	109,321	(7,821)	5,076			1,044,808
County Treasurer's balances	<u>2,063,046</u>			<u>337,154</u>	<u>29,860</u>						<u>2,430,060</u>
TOTAL ASSETS	<u>1,270,029</u>	<u>923,548</u>	<u>48,254</u>	<u>685,825</u>	<u>440,636</u>	<u>109,321</u>	<u>(7,821)</u>	<u>5,076</u>			<u>3,474,868</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES											
FUND BALANCES											
Reserved for:											
Debt services				685,825							685,825
Capital projects					440,636						1,412,438
Lunch fund						109,321	(7,821)	5,076			109,321
Unreserved	<u>1,270,029</u>	<u>923,548</u>	<u>48,254</u>	<u>685,825</u>	<u>440,636</u>	<u>109,321</u>	<u>(7,821)</u>	<u>5,076</u>			<u>3,474,868</u>
Total fund balances	<u>1,270,029</u>	<u>923,548</u>	<u>48,254</u>	<u>685,825</u>	<u>440,636</u>	<u>109,321</u>	<u>(7,821)</u>	<u>5,076</u>			<u>3,474,868</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>1,270,029</u>	<u>923,548</u>	<u>48,254</u>	<u>685,825</u>	<u>440,636</u>	<u>109,321</u>	<u>(7,821)</u>	<u>5,076</u>			<u>3,474,868</u>

See accompanying notes to financial statements.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 STATEMENT OF NET ASSETS - CASH BASIS
 FIDUCIARY FUNDS
 AUGUST 31, 2010

	Private Purpose Trust Funds		
	Activities Fund	Wiley Memorial Scholarship Fund	Wiles Scholarship Fund
ASSETS			
Cash and cash equivalents	<u>153,440</u>	<u>988,054</u>	<u>20,995</u>
TOTAL ASSETS	<u>153,440</u>	<u>988,054</u>	<u>20,995</u>
LIABILITIES			
Due to student groups and other	<u>153,440</u>	_____	_____
TOTAL NET ASSETS	<u>- 0 -</u>	<u>988,054</u>	<u>20,995</u>

See accompanying notes to financial statements.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS
 WILEY MEMORIAL SCHOLARSHIP FUND
 YEAR ENDED AUGUST 31, 2010

	Private Purpose <u>Trust Funds</u> Scholarship Fund
RECEIPTS	
Interest and dividend income	<u>180,675</u>
DISBURSEMENTS	<u>128,230</u>
RECEIPTS OVER DISBURSEMENTS	52,445
FUND BALANCE, beginning of year	<u>935,609</u>
FUND BALANCE, end of year	<u>988,054</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS
 WILES SCHOLARSHIP FUND
 YEAR ENDED AUGUST 31, 2010

	Private Purpose Trust Funds <hr style="width: 100%;"/> Scholarship Fund
RECEIPTS	
Interest and dividend income	<u>1,640</u>
DISBURSEMENTS	_____
RECEIPTS OVER DISBURSEMENTS	1,640
FUND BALANCE, beginning of year	<u>19,355</u>
FUND BALANCE, end of year	<u>20,995</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Plattsmouth Community School District, Plattsmouth, Nebraska (the District).

Reporting Entity

The Plattsmouth Community School District, Plattsmouth, Nebraska's Board of Education ("Board") is the basic level of government, which has financial accountability and control over all activities related to the public school education in the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 14, which are included in the District's reporting entity.

All significant activities and organizations on which the School exercises oversight responsibility have been included in the District's financial statements.

Basic Financial Statements - Government-Wide Statements

The District has adopted the provisions of Statement No. 34 ("Statement No. 34") of the Government Accounting Standards Board "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Statement No. 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements and the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted.

The statement of net assets and statement of activities report information on the District as a whole. They include all funds of the District except for fiduciary funds. The effects of inter-fund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services,

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Statements (Continued)

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. Taxes and other items not properly included among program revenues are reported instead as general receipts.

Basic Financial Statements - Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

The financial transactions of the District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and disbursements.

Fund Types

The accounts of the District are organized on the basis of funds, which are grouped into the following fund types:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. All property tax receipts and other receipts that are not allocated by law, budgetary requirement or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the new replacement capital outlay costs that are not paid through other funds are paid from the General Fund.

Depreciation Fund - A Depreciation Fund may be established by a District in order to facilitate the eventual purchase of a costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a District will show the movement of monies as an expense from the General Fund and the Depreciation Fund will show the revenue as a transfer from the General Fund. The District may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of a Depreciation Fund is to spread replacement costs of capital outlays over a period of years in order to avoid a disproportionate tax effect in a single year to meet such an expense. This fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Depreciation Fund shall be considered only a component of the General Fund.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Qualified Capital Purpose Undertaking Fund - The Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in District buildings, and the repayment of a qualified zone academy bond issued for a qualified special purpose. General Fund expenditures for the purpose of this fund are not allowed. The tax levy for this fund is limited to 0.052 cents per hundred dollars of valuation for the District and shall not exceed ten years for each environmental hazard abatement project or accessibility barrier elimination project and shall not exceed fifteen years for each qualified special purpose for which the qualified zone academy bond was issued according to Section 79-10, 100 R.R.S.

Bond Fund - The Bond Fund is used to record receipts and expenditures for bond principal and interest payments. Proceeds from bond issuance are deposited and recorded as a receipt in the Special Building Fund. The General Fund is used to make interest and bond retirement payments if the Bond Fund balance is not sufficient to meet these requirements.

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvements of buildings. The Board of Education may approve a budget with a levy limitation of 14 cents per one hundred dollars of valuation; or a tax levy not to exceed 17.5 cents per one hundred dollars of valuation may be established for this fund by a vote of the people within the District.

Employee Benefit Fund - The Employee Benefit Fund is established in order to specifically reserve General Fund money for the benefit of the District employees. The District accounts for the allocation of funds from the General Fund to this fund as an expense in the General Fund and as a "transfer from the General Fund" in the Employees Benefit Fund. This fund may consist of more than one account for valid allocation purposes. The Employee Benefit Fund is considered a component of the General Fund.

School Lunch Fund - The School Lunch Fund is used to accommodate all aspects of the school lunch program and accounts for all receipts and disbursements of all child nutrition programs. Receipts in this fund include the federal and state program cost reimbursements received by the District and General Fund support of the lunch program. All food purchases and other supplies are accounted for as expenses of the School Lunch Fund; accordingly, no inventories are maintained in this fund.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Headstart Fund - Used to account for receipts and disbursements for the financial operation of the Headstart programs.

Student Fee Fund - A Student Fee Fund shall be established to collect fees for participation in extracurricular activities, post secondary education costs and summer school or night school. The money shall be expended for the purposes for which it was collected from the students.

Fiduciary Fund Types

Activities Fund - The Activities Fund is used to account for the financial operations of quasi-independent student organizations, interschool athletics and other self-supporting or partially self-supporting school activities, not part of another fund.

Wiley Memorial Scholarship Fund - Used to account for receipts and disbursements of funds received from the Wiley Estate for the presentation of annual scholarships to selected high school graduates. Accordingly, such resources are held in a custodial capacity.

Wiles Scholarship Fund - Used to account for receipts and disbursements of funds received from private donors (Wiles family) for the presentation of scholarships to selected students. Accordingly, such resources are held in a custodial capacity.

Major Funds

The District reports all governmental funds as major funds.

Basis of Accounting

The District prepares its financial statements on the cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education; consequently, these statements represent a summary of the cash activity of the various funds of the District and do not include certain transactions that would be included if the District prepared its financial statements in accordance with generally accepted accounting principles, as applicable to governmental units. Under the cash basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles, as applicable to governmental units.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Taxes and other revenues collected by the County Treasurers are included in revenues of the District in the year collected by the counties and the District funds held by the County Treasurers at year end are included as assets of the District. This is in accordance with the requirements of the State of Nebraska Department of Education.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

Long-Term Obligations

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal are reported as disbursements in both the government-wide and fund financial statements.

Equity Classification

District-Wide Statements

Equity is classified as net assets and displayed in two components:

Restricted net assets consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provision or enabling legislation.

Unrestricted net assets do not meet the definition of "restricted."

It is the District's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved and unreserved. Reserved fund balances represent amounts not available for appropriation or legally restricted by outside parties for a specific purpose.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances and Activities

In the process of aggregating the financial information government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Budget Process and Property Taxes

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The General Fund is also subject to a total non-special education expenditure limit. Appropriations for expenditures lapse at year end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing. State statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditures and/or tax levy limitations.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with State statutes, which tax levy attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent after the following May 1, with the second one-half becoming delinquent after September 1.

Compensated Absences

Vacation and sick leave are recorded when paid. Certified employees who separate from the District upon retirement, disability, or death will receive pay for unused accumulated sick leave days at the substitute teacher's daily pay rate up to a maximum of 45 days. All other employees can accrue up to a maximum of 30 days for sick leave; however, there is no payment for unused sick leave. Management believes the amounts attributable to accumulated annual leave will not have a material financial impact on the accompanying financial statements. There was no liability for accrued vacation at August 31, 2010, as all vacation earned during the year must be used by August 31 with no carryover.

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures, accordingly, actual results could differ from those estimates.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits, including checking accounts, savings accounts, money market accounts and certificates of deposit, are all classified as cash or cash and cash equivalents on the financial statements.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2010, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized; and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

Investments

Nebraska statutes allow the District to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

As defined by Governmental Accounting Standards Board Statement No. 3, the District had no investments as of August 31, 2010.

The Nebraska School District Liquid Asset Fund Plus (NSDLAF) was established in March 1998 through the Interlocal Cooperation Act. NSDLAF was established to assist Nebraska school districts, educational service units and technical community colleges with the investment of their available cash reserves. Participation in the investment trust is voluntary for its members. The objective of NSDLAF is to provide its owner members with a conservative and effective investment alternative tailored to the needs of its members. NSDLAF portfolio management generally follows established investment criteria developed by the Securities and Exchange Commission for money market funds designed to offer acceptable yield while maintaining liquidity. NSDLAF is not registered with the Securities and Exchange Commission (SEC) as an investment company. The District has \$92,431 invested with NSDLAF as of August 31, 2010.

NSLDAF's short-term investment portfolio consists of cash and short-term investments valued at amortized cost, which is determined to approximate fair value due to the short-term nature of the instruments. This involves valuing a portfolio security at its original cost on the date of purchase and thereafter amortizing any premium or discount on the straight-line basis to maturity. The amount of premium or discount amortized to income under the straight-line method does not differ materially from the amount which would be amortized to income under the interest method. Procedures are followed to maintain a constant net asset value of \$1.00 per unit in NSLDAF.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN

Plan Description

The Plattsmouth Community School District contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, 1221 N Street, Suite 325, P.O. Box 94816, Lincoln, NE 68509-4816 or by calling 1-800-245-5712.

Funding Policy

Plan members were required to contribute 7.28% of their annual covered salary from September 1, 2007 - August 31, 2008. Plan members were required to contribute 7.28% of their annual covered salary from September 1, 2008 - August 31, 2009. Plan members were required to contribute 8.28% of their annual covered salary from September 1, 2009 to August 31, 2010. The Plattsmouth Community School District is required to contribute 101% of the employee contribution. The contribution requirements of plan members and Plattsmouth Community School District are established by the Nebraska statutes. The School District's contributions to NPERS for the years ending August 31, 2008, 2009, and 2010 were \$736,548, \$785,725 and \$936,701, respectively, equal to the required contributions for each year.

NOTE 4. LONG-TERM DEBT

The District's Bond Fund has three bond issues outstanding as of August 31, 2010:

One series is called "General Obligation Refunding Bonds, Series 2003A", which were dated February 27, 2003, and were issued in the principal amount of \$10,920,000 and interest ranging from 1.85% to 4.30%. The final payment on these bonds is expected on December 18, 2018.

Another series is called "General Obligation Refunding Bonds, Series 2003B", which were dated August 20, 2003, and were issued in the principal amount of \$2,560,000 and interest ranging from 4.05% to 4.15%. There are two principal payments for these bonds starting on December 15, 2018 and the final payment on December 15, 2019. On August 23, 2010 these bonds were refunded with the issuance of "General Obligation Refunding Bonds, Series 2010". No balance remained on these bonds as of August 31, 2010.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 PLATTSMOUTH, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Another series is called "General Obligation Refunding Bonds, Series 2006", which were dated December 12, 2006, and were issued in the principal amount of \$780,000 and interest ranging from 3.60% to 3.90%. The final payment on these bonds is expected on December 15, 2013.

The last series is called "General Obligation Refunding Bond, Series 2010", which were dated August 23, 2010, and were issued to refund the Series 2003B Bonds in the principal amount of \$2,595,000 and interest ranging from 2.85% to 3.05%. There are two principal payments for these bonds starting on December 15, 2018 and the final payment on December 15, 2019.

The District's Qualified Capital Purpose Undertaking Fund has two bond issues outstanding as of August 31, 2010:

One series is called "Taxable Limited Tax Obligation Building America Bonds, Series 2010A", which were dated August 5, 2010, and were issued in the principal amount of \$635,000 and interest ranging from 1.50% to 4.75%. The final payment on these bonds is expected on December 15, 2021.

The other series is called "Taxable Limited Tax Obligation Qualified School Construction Bonds, Series 2010B", which were dated August 5, 2010, and were issued in the principal amount of \$280,000 and interest ranging from 5.00% to 5.45%. Payments will begin on these bonds on December 15, 2022, with the last payment to be made on December 15, 2025.

The following is a summary of long-term debt transactions of the District for the year ended August 31, 2010.

	Original Issue	Balance August 31, 2009	Issued	Retire- ments	Bonds Outstanding August 31, 2010
General Obligation					
Bond Series 2003A	10,920,000	9,110,000		890,000	8,220,000
General Obligation					
Bond Series 2003B	2,560,000	2,560,000		2,560,000	
General Obligation					
Bond Series 2006	780,000	625,000		80,000	545,000
Build America Bonds					
Bond Series 2010A	635,000		635,000		635,000
Qualified School					
Construction Bonds					
Bond Series 2010B	280,000		280,000		280,000
General Obligation					
Bond Series 2010	2,595,000		<u>2,595,000</u>		<u>2,595,000</u>
Total bonds		<u>12,295,000</u>	<u>3,510,000</u>	<u>3,530,000</u>	<u>12,275,000</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

The principal and interest maturities over the next five years and thereafter are as follows:

	Principal	Interest	Total
Fiscal year 2011	1,025,000	417,155	1,442,155
Fiscal year 2012	1,125,000	399,832	1,524,832
Fiscal year 2013	1,170,000	358,845	1,528,845
Fiscal year 2014	1,205,000	314,748	1,519,748
Fiscal year 2015	1,090,000	270,757	1,360,757
2016 - 2020	6,245,000	659,043	6,904,043
2021 - 2025	345,000	63,590	408,590
2026	<u>70,000</u>	<u>1,908</u>	<u>71,908</u>
	<u>12,275,000</u>	<u>2,485,878</u>	<u>14,760,878</u>

All bonds require the District to levy taxes annually on all taxable property in the District for the purpose of paying the scheduled principal and interest payments due. The District levies the applicable taxes with the Bond and Qualified Capital Purpose Undertaking Funds as discussed in Note 1.

NOTE 5. WILEY MEMORIAL SCHOLARSHIP FUND

In previous school years, the District received donations from the Robert Wiley Estate. The will of the late Robert T. Wiley stipulates that the donation from his estate must be kept separate and not co-mingled with other funds of the District. The will also stipulates that "the corpus of the trust shall be invested and reinvested by the School Board in prudent man investments, such as designated blue-chip stocks, government bonds or securities, or highly rated industrial or municipal bonds". The will also provides that "the corpus of the trust shall remain intact and be used only for the production of income. The annual net income shall be used for scholarships each year." The will also stipulates that the income be used to provide scholarships of \$2,000 each to students using standards of eligibility as set by the School Board. The investment policy used by the District for the Wiley Memorial Scholarship Fund follows the investment policy stipulated by the donor's will.

NOTE 6. FEDERAL AWARD PROGRAMS

The District received funds under various federal grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 NOTES TO FINANCIAL STATEMENTS

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to offset these certain risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8. INTERFUND TRANSFERS

During the year ended August 31, 2010, the District had several interfund transfers as shown below:

	Transfer In	Transfer Out
General Fund (as expensed)		136,082
General Fund		39,000
Employee Benefit Fund	36,082	
Depreciation Fund	100,000	
Activities Fund	39,000	

The General Fund transferred funds to the each individual fund for support.

NOTE 9. SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 24, 2010, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Local sources		
Taxes		
Property taxes - general purpose	5,998,025	5,698,408
Motor vehicle taxes	685,000	645,488
Public Power District sales tax	115,000	113,605
Carline tax	9,200	12,223
In-lieu-of tax - other	6,000	
Tuition/special education	3,000	
Preschool tuition	55,000	56,068
Interest	18,000	5,372
Local license fees and fines	5,000	3,451
Rental of school facilities	5,000	7,122
Other local receipts	12,000	732
Total local sources	6,911,225	6,542,469
County sources		
County fines and license fees	255,000	170,337
SE NE Health Education Grant	1,000	1,650
Educational Service Unit receipts		7,098
Total county sources	256,000	179,085
State sources		
State aid	6,381,475	5,706,289
Homestead exemption	160,000	192,102
Property tax credit		222,730
Special education	1,450,000	1,408,905
Special education transportation	55,000	49,200
Prorate motor vehicle	15,000	17,977
State apportionment	236,000	209,988
High ability learners	13,000	10,053
Early Childhood B-3 Endowment	69,000	108,567
State categorical programs	8,000	16,116
Total state sources	8,387,475	7,941,927

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS (Continued)		
Federal sources		
Title I	240,000	280,261
Title II, Part A	63,500	103,428
Title II, Part D	2,581	2,581
Title III	2,800	2,465
Title IV, Part A	5,500	4,211
Title 8 (Impact Aid)		7,698
Public Law 874	14,000	9,373
Medicaid in public schools	20,000	22,848
Medicaid Administrative Activities	200,000	455,991
IDEA enrollment/poverty	354,000	274,641
IDEA Part B Special Education	175,000	166,386
ARRA State Fiscal Stabilization		675,186
ARRA ESEA Title I		116,742
21st Century Learning Grant	133,619	179,431
Indian Education	4,000	
Carl Perkins	16,000	19,812
Adult Education	13,000	10,034
Total federal sources	<u>1,244,000</u>	<u>2,331,088</u>
Nonrevenue receipts		
ROTC reimbursements	70,000	
Insurance adjustments		2,479
Sale of property		10,270
Other nonrevenue receipts	10,000	83,988
Total nonrevenue receipts	<u>80,000</u>	<u>96,737</u>
 TOTAL RECEIPTS	 <u>16,878,700</u>	 <u>17,091,306</u>
 DISBURSEMENTS		
Regular instruction	6,443,864	7,184,765
Limited English proficiency	69,620	69,717
Poverty programs	453,788	
Special education instruction	2,949,196	3,073,568

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
DISBURSEMENTS (Continued)		
Support services		
Pupils	722,477	675,693
Safety and security		299
Instructional staff	248,285	229,276
Maintenance and operation of buildings	1,535,550	1,492,698
Pupil transportation	424,737	502,719
Special education pupil transportation	266,566	7,944
General and administration		
Board of Education	291,495	107,684
Executive administration	139,224	128,627
Office of the Principal	834,865	740,981
Business services	254,101	277,485
State programs	230,402	185,998
Federal programs	2,502,540	2,704,758
Fitness center		117,556
Other programs	<u>134,535</u>	<u>39,900</u>
 TOTAL DISBURSEMENTS	 <u>17,501,245</u>	 <u>17,539,668</u>
 RECEIPTS UNDER DISBURSEMENTS		 (448,362)
 FUND BALANCE, beginning of year		 <u>1,718,391</u>
 FUND BALANCE, end of year		 <u>1,270,029</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 DEPRECIATION FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Transfer - General Fund (as expensed from the General Fund)	100,000	100,000
Interest received	<u>12,000</u>	<u>4,077</u>
Total receipts	<u>112,000</u>	<u>104,077</u>
DISBURSEMENTS		
Capital outlay	<u>992,221</u>	<u>24,795</u>
RECEIPTS OVER DISBURSEMENTS		79,282
FUND BALANCE, beginning of year		<u>844,266</u>
FUND BALANCE, end of year		<u>923,548</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Bond proceeds	628,650	905,850
QSCB proceeds	277,200	
Interest	<u>1,200</u>	<u>748</u>
Total receipts	<u>907,050</u>	<u>906,598</u>
DISBURSEMENTS		
Contracted services	<u>51,896</u>	<u>909,039</u>
RECEIPTS UNDER DISBURSEMENTS		(2,441)
FUND BALANCE, beginning of year		<u>50,695</u>
FUND BALANCE, end of year		<u>48,254</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 BOND FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Taxes		
Property taxes - debt purpose	1,191,598	1,102,340
Carline	1,500	2,000
In-lieu-of tax		12,294
Other local receipts		93
Homestead exemption		39,029
Property tax credit		56,527
Prorate motor vehicle	3,000	3,675
Bond proceeds		2,595,000
Interest	2,700	2,127
Total receipts	1,198,798	3,813,085
DISBURSEMENTS		
Principal payments	1,025,000	3,530,000
Interest payments	550,000	498,012
Underwriter fees		25,950
Wire fees	2,000	1,310
Total disbursements	1,577,000	4,055,272
RECEIPTS UNDER DISBURSEMENTS		(242,187)
FUND BALANCE, beginning of year		928,012
FUND BALANCE, end of year		685,825

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 SPECIAL BUILDING FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Taxes		
Property taxes - general purpose		133,289
Carline taxes	100	206
Homestead exemption		3,241
Prorate motor vehicle	500	603
Property tax credit		3,796
Interest	2,000	1,514
Other local receipts		15,892
ARRA IDEA Part B (611) E/P	<u>229,841</u>	<u>173,411</u>
Total receipts	<u>232,441</u>	<u>331,952</u>
DISBURSEMENTS		
Capital outlay	<u>827,620</u>	<u>462,414</u>
RECEIPTS UNDER DISBURSEMENTS		(130,462)
FUND BALANCE, beginning of year		<u>571,098</u>
FUND BALANCE, end of year		<u>440,636</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 EMPLOYEE BENEFIT FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Transfer - General Fund (as expensed from the General Fund)	<u>36,082</u>	<u>36,082</u>
DISBURSEMENTS		
Benefits paid	<u>42,345</u>	<u>42,345</u>
RECEIPTS UNDER DISBURSEMENTS		(6,263)
FUND BALANCE, beginning of year		<u>6,263</u>
FUND BALANCE, end of year		<u> </u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 SCHOOL LUNCH FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Sale of lunches	521,795	493,223
State reimbursement	5,300	5,131
Federal reimbursement	337,380	383,252
Other receipts	4,000	
Total receipts	<u>868,475</u>	<u>881,606</u>
DISBURSEMENTS		
Salaries	318,300	306,356
Payroll taxes and benefits	53,100	51,639
Purchased services	20,200	18,757
Food and supplies	475,875	432,859
Equipment purchases	1,000	25,023
Other expenses		4,143
Total disbursements	<u>868,475</u>	<u>838,777</u>
RECEIPTS OVER DISBURSEMENTS		42,829
FUND BALANCE, beginning of year		<u>66,492</u>
FUND BALANCE, end of year		<u>109,321</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 STUDENT FEE FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	2010 Actual
RECEIPTS		
Activities receipts	35,000	41,680
Interest	<u>140</u>	<u>42</u>
Total receipts	<u>35,140</u>	<u>41,722</u>
DISBURSEMENTS		
Extracurricular activity fees	<u>39,290</u>	<u>38,920</u>
RECEIPTS OVER DISBURSEMENTS		2,802
FUND BALANCE, beginning of year		<u>2,274</u>
FUND BALANCE, end of year		<u>5,076</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS - BUDGET AND ACTUAL
 HEAD START FUND
 YEAR ENDED AUGUST 31, 2010

	Original and Final Budget	Headstart	Actual Headstart Nutrition	Total
RECEIPTS				
Federal reimbursement	1,052,279	1,066,447	89,371	1,155,818
Interest income		12,905		12,905
Total receipts	<u>1,052,279</u>	<u>1,079,352</u>	<u>89,371</u>	<u>1,168,723</u>
DISBURSEMENTS				
Regular salaries	391,557	372,606		372,606
Noncertified salaries	368,898	354,037	22,218	376,255
Social security	62,766	57,075	1,700	58,775
Retirement	62,314	59,007	1,077	60,084
Health insurance	75,951	79,955		79,955
Life insurance	1,145	876		876
Disability insurance	4,117	3,442		3,442
Unemployment	1,500			
Secured services	10,672	6,753		6,753
Advertising and printing	317			
Professional services	659	563		563
Supplies	30,195	26,616	54	26,670
Utilities	26,097	22,510		22,510
Contracted transportation	9,539	7,172		7,172
In-lieu-of health insurance	8,183	6,000		6,000
Building costs and maintenance	383			
Dues and fees	1,000	99		99
In-service training	21,943	17,286		17,286
Furniture and equipment	3,096	2,996		2,996
Travel	1,000	814		814
Miscellaneous operating expenses				
Teacher stipend	83			
Administrative percentage	1,079	931		931
Food			55,059	55,059
Nutrition and meals	30,000		23,008	23,008
Total disbursements	<u>1,112,494</u>	<u>1,018,738</u>	<u>103,116</u>	<u>1,121,854</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		60,614	(13,745)	46,869
FUND BALANCE (DEFICIT), beginning of year		<u>(58,808)</u>	<u>4,118</u>	<u>(54,690)</u>
FUND BALANCE (DEFICIT), end of year		<u>1,806</u>	<u>(9,627)</u>	<u>(7,821)</u>

See accompanying notes to required supplemental information.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

NOTE 1. SCHEDULES OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedules of receipts, disbursements and changes in fund balance - cash basis - budget and actual are presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the basic financial statements. All unexpended appropriations lapse at the end of the budget year.

Budget Law

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The General Fund is also subject to a total non-special education expenditure limit. Appropriations for expenditures lapse at year end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

Funds Over Budget

For the year ended August 31, 2010, the General Fund had disbursements of \$17,539,668 and budgeted disbursements of \$17,501,245 resulting in \$38,423 of excess disbursements over budgeted disbursements.

For the year ended August 31, 2010, the Qualified Capital Purpose Fund had disbursements of \$909,039 and budgeted disbursements of \$51,896 resulting in \$857,143 of excess disbursements over budgeted disbursements.

For the year ended August 31, 2010, the Bond Fund had disbursements of \$4,055,272 and budgeted disbursements of \$1,577,000 resulting in \$2,478,272 of excess disbursements over budgeted disbursements.

For the year ended August 31, 2010, the Head Start Fund had disbursements of \$1,121,854 and budgeted disbursements of \$1,112,494 resulting in \$9,360 of excess disbursements over budgeted disbursements. Head Start is a federally funded program utilizing the federal fiscal year to account for receipts and disbursements, rather than the school fiscal year. Therefore, there will always be instances of expenditures made prior to being reimbursed.

OTHER SUPPLEMENTAL INFORMATION

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2010

Federal Grantor/Pass-through Grantor/ Program Title	CFDA Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>		
Direct Award - Head Start	93.600	959,880
Direct Award - ARRA Head Start	93.708	58,694
Medicaid Administrative Services	93.778	<u>455,991</u>
Total U.S. Department of Health and Human Services		<u>1,474,565</u>
<u>U.S. Department of Education</u>		
Indian Grant - Formula Grants to LEA's	84.060A	3,028
Passed-through Nebraska Department of Education		
Title I Part A - Improving the Academic Achievement ARRA - Title I	84.010	273,773
State Fiscal Stabilization Funds - ARRA	84.389	129,389
Special Education - grants to states	84.394	675,186
Below Age 5 Handicapped Program	84.027	166,386
IDEA Part B Enrollment/Poverty	84.027	567,432
IDEA Preschool (619) Enrollment/Poverty	84.027	16,395
21st Century Community Learning Centers	84.287	140,685
Technology Literacy Challenge Grants (Title II D)	84.318	2,560
ESEA Title II, Part D Technology	84.318	38,391
Improving Teacher Quality State Grants (Title IIA)	84.367	78,098
Adult Basic Education	84.002	14,788
Title IV	84.186	6,299
Career/Technical Education Basic Grants	84.048	39,092
ARRA - IDEA 611	84.391	459,066
Title III NCLB Limited English Proficient Grant	84.365	<u>1,699</u>
Total U.S. Department of Education		<u>2,612,267</u>
<u>U.S. Department of Agriculture</u>		
Passed-through the Nebraska Department of Education		
National School Lunch Program	10.555	833,022
Child and Adult Care Food Program	10.558	89,371
Noncash Awards - U.S. Department of Agriculture Pass-through from Nebraska Department Social Services:		
Food donation	10.550	<u>52,535</u>
Total U.S. Department of Agriculture		<u>974,928</u>
		<u>5,061,760</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 2
 PLATTSMOUTH, NEBRASKA
 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDING
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 YEAR ENDED AUGUST 31, 2010

ARRA RECEIPTS - FEDERAL FUNDS

General Fund
 State Fiscal Stabilization (TEEOSA Aid) 675,187

Title ESEA receipts
 ESEA Title I, Part A Improving Academic Achievement
 of the Disadvantaged 116,742

Total ARRA Federal Funds - General Fund 791,929

Other funds
 Special Building Fund
 Title 8 (Impact Aid)
 IDEA enrollment poverty 173,411

TOTAL ARRA RECEIPTS 965,340

ARRA DISBURSEMENTS - FEDERAL FUNDS

General Fund
 State Fiscal Stabilization - TEEOSA Aid
 Non-SPED 162,798
 POVERTY 512,388
 Total State fiscal stabilization - TEEOSA Aid 675,186

IDEA
 IDEA Preschool (619) Enrollment/Poverty 16,395

ESEA Title
 ESEA Title I, Part A 129,389
 ESEA Title II, Part D Technology 38,391
 Total ESEA Title 167,780

Total ARRA Federal Funds - General Fund 859,361

Other funds
 Special Building Fund
 IDEA enrollment poverty 459,066

Head Start Fund
 ARRA - Head Start 58,694

TOTAL ARRA DISBURSEMENTS 1,377,121

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2010

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include the federal grant activity of the Plattsmouth Community School District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 "Audits of State, Local Governments, and Non-Profit Organizations."

NOTE 2. SUBRECIPIENTS

The District expended no awards to subrecipients during the year.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 YEAR ENDED AUGUST 31, 2010

REGULAR INSTRUCTION

Regular salaries	4,466,945
Substitute salaries	143,597
Clerical and paraprofessional staff salaries	88,132
Payroll taxes	368,730
Retirement	335,997
Increased retirement contribution rate	45,956
Health insurance	1,043,490
Other employee benefits	42,525
Purchased services	38,067
Supplies and materials	306,368
Textbooks	96,150
Audiovisual materials	510
Capital outlay	194,784
Other expenses	13,514
Total regular instruction	<u>7,184,765</u>

LIMITED ENGLISH PROFICIENCY

Regular salaries	33,163
Clerical and paraprofessional staff salaries	11,347
Payroll taxes	2,995
Retirement	3,722
Health insurance	15,330
Other employee benefits	397
Supplies and materials	2,763
Total limited English proficiency	<u>69,717</u>

SPECIAL EDUCATION PROGRAMS

Regular salaries	1,260,720
Substitute salaries	11,921
Clerical and paraprofessional staff salaries	588,904
Payroll taxes	146,970
Retirement	155,508
Health insurance	254,242
Other employee benefits	14,391
Purchased services	304,457
Supplies and materials	82,311
Capital outlay	207,934
Other expenses	46,210
Total special education programs	<u>3,073,568</u>

TOTAL INSTRUCTIONAL PROGRAMS

10,328,050

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 YEAR ENDED AUGUST 31, 2010

SUPPORT SERVICES - PUPILS	
Regular salaries	476,866
Clerical and paraprofessional staff salaries	32,420
Payroll taxes	40,910
Retirement	36,589
Increased retirement contribution rate	5,026
Health insurance	34,484
Other employee benefits	2,302
Supplies and materials	<u>47,096</u>
Total support services - pupils	<u>675,693</u>
SUPPORT SERVICES - SAFETY AND SECURITY	
Supplies and materials	<u>299</u>
SUPPORT SERVICES - INSTRUCTIONAL STAFF	
Regular salaries	139,536
Payroll taxes	10,312
Retirement	10,260
Increased retirement contribution rate	1,409
Health insurance	39,408
Other employee benefits	1,394
Supplies and materials	<u>26,957</u>
Total support services - instructional staff	<u>229,276</u>
SUPPORT SERVICES - BOARD OF EDUCATION	
Clerical and paraprofessional staff salaries	14,087
Payroll taxes	887
Retirement	1,036
Increased retirement contribution rate	142
Health insurance	8,068
Other employee benefits	4,956
Purchased services	4,373
Legal services	41,037
Supplies and materials	7,155
Other expenses	<u>25,943</u>
Total support services - Board of Education	<u>107,684</u>
SUPPORT SERVICES - EXECUTIVE ADMINISTRATION	
Clerical and paraprofessional staff salaries	100,082
Payroll taxes	7,045
Retirement	7,526
Increased retirement contribution rate	1,034

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 YEAR ENDED AUGUST 31, 2010

SUPPORT SERVICES - EXECUTIVE ADMINISTRATION (Continued)

Health insurance	6,386
Other employee benefits	906
Supplies and materials	3,516
Other expenses	2,132
Total support services - executive administration	128,627

SUPPORT SERVICES - OFFICE OF THE PRINCIPAL

Regular salaries	391,229
Clerical and paraprofessional staff salaries	176,466
Payroll taxes	43,459
Retirement	41,727
Increased retirement contribution rate	5,732
Health insurance	57,485
Other employee benefits	3,856
Supplies and materials	10,644
Other expenses	10,383
Total support services - Office of the Principal	740,981

SUPPORT SERVICES - BUSINESS

Clerical and paraprofessional staff salaries	100,707
Payroll taxes	7,600
Retirement	7,580
Increased retirement contribution rate	1,041
Health insurance	26,985
Other employee benefits	20,450
Purchased services	80,004
Supplies and materials	33,118
Total support services - business	277,485

SUPPORT SERVICES - MAINTENANCE AND OPERATION
 OF BUILDING AND PLANT

Regular salaries	562,203
Payroll taxes	43,306
Retirement	40,217
Increased retirement contribution rate	5,524
Health insurance	46,845
Other employee benefits	530
Purchased services	506,510
Supplies and materials	133,441
Capital outlay	154,037
Other expenses	85
Total support services - maintenance and operation of building and plant	1,492,698

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 YEAR ENDED AUGUST 31, 2010

SUPPORT SERVICES - REGULAR PUPIL TRANSPORTATION	
Salaries of drivers	61,402
Payroll taxes	4,800
Retirement	4,507
Increased retirement contribution rate	619
Health insurance	1,355
Other employee benefits	20
Purchased services	401,070
Supplies and materials	<u>28,946</u>
Total regular pupil transportation	<u>502,719</u>
NONFEDERAL SUPPORT TO HEAD START	
Regular salaries	3,500
Supplies and materials	<u>4,444</u>
Total nonfederal support to head start	<u>7,944</u>
STATE PROGRAMS	
Flexible funding	104,867
Early Childhood Grant	<u>81,131</u>
Total state programs	<u>185,998</u>
FEDERAL PROGRAMS	
Title I	275,471
Title II, Part A	78,098
IDEA Part B Special Education	750,213
Carl Perkins	39,092
Title IV, Part A	146,984
Title II, Part D	2,561
ARRA Stabilization Funds	1,210,348
ARRA - Title I	129,389
ARRA - IDEA Preschool (619) Enrollment/Poverty	16,395
ARRA - ESEA Title II, Part D Technology	38,391
Indian Education Grant	3,028
Adult Education	<u>14,788</u>
Total federal programs	<u>2,704,758</u>
OTHER PROGRAMS	
Fitness center	<u>117,556</u>
TRANSFERS	
Transfers to the Activities Fund	<u>39,900</u>
TOTAL DISBURSEMENTS	<u>17,539,668</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 FIDUCIARY FUND
 SCHEDULE OF CHANGES IN CASH BALANCES
 YEAR ENDED AUGUST 31, 2010

	Balance 9/1/09	Receipts	Disburse- ments	Balance 8/31/10
Activities	151,413	516,868	514,841	153,440
Wiley Memorial Scholarship refunds	935,609	180,675	128,230	988,054
Wiles Scholarship Fund	<u>19,355</u>	<u>1,640</u>	<u> </u>	<u>20,995</u>
	<u>1,106,377</u>	<u>699,183</u>	<u>643,071</u>	<u>1,162,489</u>

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

Board of Education
Plattsmouth Community School District
Plattsmouth, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska, as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 24, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 2010-1 and 2010-2. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instance of noncompliance or other matters that are required to be reported under Government Auditing Standard as follows:

The General Fund had disbursements over budget in the amount of \$38,423

The Qualified Capital Purpose Fund had disbursements over budget in the amount of \$857,143

The Bond Fund had disbursements over budget in the amount of \$2,478,272

The Head Start Fund had disbursements over budget in the amount of \$9,360

Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's written response to the significant deficiencies identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, Board of Education, management, the Nebraska Department of Education and the State of Nebraska Auditor of Public Accounts and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dana J Cole + Company, LLP

Lincoln, Nebraska
November 24, 2010

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1248 O STREET, SUITE 500
LINCOLN, NEBRASKA 68508

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Plattsmouth Community School District
Cass County School District No. 1
Plattsmouth, Nebraska

Compliance

We have audited Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's compliance with the types of compliance requirements described in the OMB Circular A-133 "Compliance Supplement" that could have a direct and material effect on each of Plattsmouth Community School District, Plattsmouth, Nebraska's major federal programs for the year ended August 31, 2010. Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's management. Our responsibility is to express an opinion on Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's compliance with those requirements.

In our opinion, Plattsmouth Community School District, Plattsmouth, Nebraska complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended August 31, 2010.

Internal Control Over Compliance

Management of Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Plattsmouth Community School District, Plattsmouth, Nebraska's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2. 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.

Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's written response to the significant deficiencies identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, Board of Education, management, the Nebraska Department of Education and the State of Nebraska Auditor of Public Accounts and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dana J Cole + Company, LLP

Lincoln, Nebraska
November 24, 2010

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2010

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified: Yes No

Significant deficiencies identified that are not considered to be material weaknesses: Yes None reported

Noncompliance matter to the financial statements disclosed: Yes No

Federal Awards

Internal control over major programs:

Material weakness identified: Yes No

Significant deficiencies identified that are not considered to be material weaknesses: Yes None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133: Yes No

Identification of major programs:

Title I Grants to Local Educational Agencies	84.010
ARRA - State Fiscal Stabilization	84.394
Special Education	84.027/84.173
National School Lunch Program	10.555

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2010

SECTION I. SUMMARY OF AUDITORS' RESULTS (Continued)

Dollar threshold used to distinguish
between type A and type B programs: \$300,000

Auditee qualified as a low-risk auditee: X Yes ___ No

SECTION II. FINANCIAL STATEMENT FINDINGS

2010-1 SEGREGATION OF DUTIES

Condition

Due to the size of the District there is limited segregation of duties over bookkeeping, billing and accounting functions. The same individual routinely reconciles the bank statements, makes journal entries, and manages the general ledger functions.

Effect

Due to the lack of segregation of duties in this area, cash may be subject to misappropriation.

Cause

Limited number of staff.

Recommendation

We recommend that the organization continue to review the situation and make improvements where possible.

District's Response

The District has implemented procedures such as reviews of bank statements and bank reconciliations by the Superintendent to improve segregation of duties issues. The Board of Education also review and approve all expenditures. The District will within the constraints of existing time and cost considerations continue to review the situation and make improvements.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2010

SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

2010-2 FINANCIAL REPORTING PROCESSES

Condition

The District has limited controls over the period-end financial reporting processes. The District has limited controls over the selection of accounting procedures due to the lack of expertise over the selection and application of accounting principles. The District utilizes the expertise of the auditor to propose adjustments and disclosures and to draft the financial statements.

Effect

Errors in the financial statements or disclosures could occur and not be detected by management.

Cause

Limited number of staff.

Recommendation

Management should carefully review financial statements including disclosures and understand the relationship to the underlying data. All proposed adjustments should be understood and approved.

District's Response

The District relies on the auditor to propose the adjustments necessary to prepare the financial statements including the related disclosures. The District reviews such financial statements.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Section II Financial Statement Findings.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit findings are as follows:

FINANCIAL STATEMENT FINDINGS

2009-1 SEGREGATION OF DUTIES

The District remains diligent in correcting this problem and has created and implemented a new policy to address the finding. See current year finding 2010-1.

2009-2 FINANCIAL REPORTING PROCESSES

The District is becoming more aware of this process and would like to be able to complete the financial statements if they need to. See current year finding 2010-2.