

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1

PLATTSMOUTH, NEBRASKA

FINANCIAL STATEMENTS

AUGUST 31, 2012

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, 2012, 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, 2012, 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 7, 2012, on our consideration of the Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's basic financial statements. The supplemental information, pages 29 to 33, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is also not a required part of the basic financial statements. The supplemental information, pages 29 to 33, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's basic financial statements. The supplemental information, pages 34 to 52 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Dana J Cole + Company, LLP

Lincoln, Nebraska
November 7, 2012

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, 2012. 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 three parts: (1) Management's Discussion and Analysis (this section); (2) the Basic Financial Statements; and (3) Supplemental Information.

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 nonoperating 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.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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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 Supplemental Information that further explains and supports the information in the financial statements.

FINANCIAL HIGHLIGHTS

The District's total net assets as of August 31, 2012 were \$5,382,997 up \$167,401 from the 2010 - 2011 net assets of \$5,215,595.

The fund balance of the General Fund increased by \$470,349.

The Bond Fund had an ending fund balance of \$217,286. The District made principal and interest payments on its bond issues totaling \$1,547,431.

Total outstanding bond debt at the end of the 2011 - 2012 year was \$10,610,000, including interest, with \$1,125,000 of bond principal debt retired during the year.

The fund balance of Head Start Funds were stable, with ending balances of \$2,998 in the program funds and \$17,262 in nutrition funds.

The Qualified Capital Purpose Undertaking Fund ended the year with a fund balance of \$87,647.

The School Lunch Fund balance on August 31, 2012 was \$139,102. Federal reimbursement to the District for food was \$435,103 up \$30,785 from 2010 - 2011.

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, increased in value by \$84,522, with an ending balance of \$211,259. The Wiley Memorial Scholarship Fund increased in value by \$65,785, with an ending balance of \$1,060,168. The Wiles Scholarship increased in value by \$2,392, with an ending balance of \$24,665.

Financial Analysis of the District as a Whole

Total Governmental Funds - The District's Revenue was \$20,340,096 for the fiscal year 2011 - 2012. Total funds consist of the General Fund and its components, School Lunch Fund, Bond Fund, Special Building Fund, Qualified Capital Purpose Undertaking Fund, and Student Fee Fund.

The District disbursed \$20,172,695 in 2011 - 2012. The District expended 66.45% of its total funds on instruction, and 9.26% on support services related to instruction. Business and administrative services, buildings and grounds, and pupil transportation contributed to the remaining 24.29% of expenditures. These figures include the bond payments, school lunch expenses, and special building fund expenditures.

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

**Plattsmouth Community School District
 Levies 2010 - 2011 and 2011 - 2012**

	2010 - 2011	2011 - 2012	Change
General Fund	1.0478	1.0491	0.0013
Bond Fund	0.2113	0.2108	(0.0005)
Special Building Fund	0.0020		(0.0020)
Qualified Capital Purpose Undertaking Fund		<u>0.0007</u>	<u>0.0007</u>
Total	<u>1.2611</u>	<u>1.2606</u>	<u>(0.0005)</u>

**Plattsmouth Community School District
 General Fund Receipts
 Comparison of 2008 - 2009 through 2011 - 2012**

Revenue Source	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
Local	6,410,135	6,721,554	6,927,354	7,045,407
State	8,507,331	7,941,927	9,167,893	8,970,101
Federal	1,102,873	2,331,088	3,045,014	1,003,589
Other	<u>95,933</u>	<u>96,737</u>	<u>131,412</u>	<u>98,267</u>
Total	<u>16,116,272</u>	<u>17,091,306</u>	<u>19,271,673</u>	<u>17,117,364</u>

Disbursements decreased by 4.8% from 2010 - 2011 to 2011 - 2012. Imbedded in the various categories of disbursements are expenditures for salaries and benefits for employees of the District.

**Plattsmouth Community School District
 General Fund Disbursements
 Comparison of 2008 - 2009 through 2011 - 2012**

Disbursements	2008 - 2009	2009 - 2010	2010 - 2011	2011-2012
Regular instruction	8,091,726	7,379,044	7,172,184	8,233,256
Special education	2,819,243	3,048,366	3,024,449	3,267,963
Pupil support	364,494	374,730	385,972	435,395
Gifted program	12,186	10,053	7,942	13,025
Guidance services	262,927	214,300	223,639	275,762
Health services	99,074	86,963	74,788	75,611
Building maintenance and operations	1,669,270	1,492,797	1,525,090	1,420,361
Vehicle maintenance	15,090	26,032	36,424	20,938
Pupil transportation	560,726	502,719	329,230	580,714

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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 PLATTSMOUTH, NEBRASKA
 MANAGEMENT'S DISCUSSION AND ANALYSIS

**Plattsmouth Community School District
 General Fund Disbursements (Continued)
 Comparison of 2008 - 2009 through 2011 - 2012**

Disbursements	2008 - 2009	2009 - 2010	2010 - 2011	2011-2012
BOE	398,806	147,585	246,309	197,443
Executive administration	116,752	128,628	137,141	132,764
Office of the Principal	781,890	740,982	706,420	773,394
Business services	215,832	251,453	235,966	202,214
Library services		229,274	238,466	234,188
Community service/fitness center	44,327	32,822	20,891	28,836
Federal programs	1,380,336	1,306,578	1,458,502	871,261
Other programs	72,264	172,819	112,325	96,935
ARRA - ESEA		1,394,523	1,710,704	
Total	<u>16,904,943</u>	<u>17,539,668</u>	<u>17,646,442</u>	<u>16,860,060</u>

**Plattsmouth Community School District
 General Fund Cash Position
 Change from 2010 - 2011 to 2011 - 2012**

Cash Carryover 2010 - 2011	3,251,582
General Fund Receipts	17,115,708
General Fund Expenditures	<u>(16,860,060)</u>
Cash Carryover 2011 - 2012	<u>3,507,230</u>

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 2011 - 2012 year were \$10,610,000, 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, 2012

FUNCTIONS/PROGRAMS	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Primary Governmental Total Governmental Activities
Governmental Activities				
Regular instruction	8,418,377	87,844	1,364,423	(6,966,110)
Limited English proficiency	73,791			(73,791)
Poverty programs	607,711		357,103	(250,608)
Special education instruction	3,267,963		1,279,714	(1,988,249)
Support services				
Pupils	786,768			(786,768)
Instructional staff	234,188			(234,188)
Implementation of standards	46,829			(46,829)
Maintenance and operation of buildings	1,228,299			(1,228,299)
Regular pupil transportation	343,260			(343,260)
Special education pupil transportation	162,168		40,448	(121,720)
General and administrative				
Board of Education	197,443			(197,443)
Executive administration	132,764			(132,764)
Office of the Principal	773,394			(773,394)
Business services	202,214			(202,214)
Nonfederal support to Head Start	75,286			(75,286)
State programs	125,771		23,210	(102,561)
Federal programs	871,261		457,916	(413,345)
Food program services	847,141	389,719	440,360	(17,062)
Employee benefits	85,668			(85,668)
Nutrition and meals	84,204			(84,204)
Student fee expenses	36,691			(36,691)
Capital outlay	22,783			(22,783)
Debt service				
Principal	1,125,000			(1,125,000)
Interest	422,431		52,899	(369,532)
Wire fees	1,290			(1,290)
Total governmental activities	<u>20,172,695</u>	<u>477,563</u>	<u>4,016,073</u>	<u>(15,679,059)</u>

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, 2012

				Net (Disbursements) Receipts and Changes in Net Assets
		Program Receipts		Primary Government
	Disbursements	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
General Receipts				
Taxes				
Property taxes - general purpose				6,026,515
Property taxes - debt service				1,089,640
Motor vehicle tax				641,225
Carline taxes				10,681
Public Power District sales tax				170,296
In-lieu-of tax - Housing Authority				8,002
County fines and license fees				130,551
State aid				6,866,464
Other state receipts				740,339
Interest				4,866
Other receipts				157,881
Total general receipts				15,846,460
Change in net assets resulting from receipts and disbursements				167,401
NET ASSETS, beginning of year, restated				5,215,596
NET ASSETS, end of year				5,382,997
ASSETS				
Cash and cash equivalents				2,747,439
Cash at County Treasurer				2,635,558
TOTAL ASSETS				5,382,997
NET ASSETS				
Restricted for:				
Debt services				217,286
Unrestricted				5,165,711
TOTAL NET ASSETS				5,382,997

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, 2012

		Major Funds							
		General	Qualified	Bond	Special	School	Head	Student	Total
		Fund	Capital Purpose	Fund	Building	Lunch	Start	Fee	Governmental
			Undertaking		Fund	Fund	Fund	Fund	Funds
			Fund						
DISBURSEMENTS (Continued)									
General and administration									
	Board of Education	197,443							197,443
	Business services	202,214							202,214
	Executive administration	132,764							132,764
	Office of the Principal	773,394							773,394
	Nonfederal support to head start	75,286							75,286
	State programs	125,771							125,771
	Federal programs	871,261							871,261
	Food program services					847,141			847,141
	Employee benefits	85,668							85,668
	Nutrition and meals						84,204		84,204
	Student fee expenses							36,691	36,691
	Capital outlay		10,190		12,593				22,783
	Debt service								
	Principal		45,000	1,080,000					1,125,000
	Interest		58,643	363,788					422,431
	Wire fees			1,290					1,290
	Total disbursements	<u>16,647,015</u>	<u>113,833</u>	<u>1,445,078</u>	<u>12,593</u>	<u>847,141</u>	<u>1,070,344</u>	<u>36,691</u>	<u>20,172,695</u>
	NET CHANGE IN FUND BALANCES	470,349	(55,324)	(250,628)	(10,098)	(8,161)	7,241	14,022	167,401
	FUND BALANCES, beginning of year, restated	<u>3,950,769</u>	<u>142,971</u>	<u>467,914</u>	<u>453,294</u>	<u>147,263</u>	<u>13,019</u>	<u>40,366</u>	<u>5,215,596</u>
	FUND BALANCES, end of year	<u>4,421,118</u>	<u>87,647</u>	<u>217,286</u>	<u>443,196</u>	<u>139,102</u>	<u>20,260</u>	<u>54,388</u>	<u>5,382,997</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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 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, 2012

	Major Funds							Total Governmental Funds
	General Fund	Qualified Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	School Lunch Fund	Head Start Fund	Student Fee Fund	
ASSETS								
ASSETS								
Cash and cash equivalents	2,175,825	86,110	(171,442)	443,196	139,102	20,260	54,388	2,747,439
County Treasurer's balances	<u>2,245,293</u>	<u>1,537</u>	<u>388,728</u>					<u>2,635,558</u>
TOTAL ASSETS	<u>4,421,118</u>	<u>87,647</u>	<u>217,286</u>	<u>443,196</u>	<u>139,102</u>	<u>20,260</u>	<u>54,388</u>	<u>5,382,997</u>
= LIABILITIES AND FUND BALANCES								
LIABILITIES	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
FUND BALANCES								
Restricted for:								
Debt services			217,286					217,286
Committed	1,230,291	87,647		443,196				1,761,134
Assigned					139,102	20,260	54,388	213,750
Unassigned	<u>3,190,827</u>							<u>3,190,827</u>
Total fund balances	<u>4,421,118</u>	<u>87,647</u>	<u>217,286</u>	<u>443,196</u>	<u>139,102</u>	<u>20,260</u>	<u>54,388</u>	<u>5,382,997</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>4,421,118</u>	<u>87,647</u>	<u>217,286</u>	<u>443,196</u>	<u>139,102</u>	<u>20,260</u>	<u>54,388</u>	<u>5,382,997</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, 2012

	Private Purpose Trust Funds		
	Activities Fund	Wiley Memorial Scholarship Fund	Wiles Scholarship Fund
ASSETS			
Cash and cash equivalents	<u>211,259</u>	<u>1,060,168</u>	<u>24,665</u>
TOTAL ASSETS	<u>211,259</u>	<u>1,060,168</u>	<u>24,665</u>
LIABILITIES			
Due to student groups and other	<u>211,259</u>	_____	_____
TOTAL NET ASSETS	<u>- 0 -</u>	<u>1,060,168</u>	<u>24,665</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, 2012

	Private Purpose Trust Funds
	Scholarship Fund
RECEIPTS	
Interest and dividend income	119,255
DISBURSEMENTS	53,470
RECEIPTS OVER DISBURSEMENTS	65,785
FUND BALANCE, beginning of year	994,383
FUND BALANCE, end of year	1,060,168

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
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 SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS
 WILES SCHOLARSHIP FUND
 YEAR ENDED AUGUST 31, 2012

	Private Purpose <u>Trust Funds</u> Scholarship Fund
RECEIPTS	
Interest and dividend income	<u>2,392</u>
DISBURSEMENTS	<u>- 0 -</u>
RECEIPTS OVER DISBURSEMENTS	2,392
FUND BALANCE, beginning of year	<u>22,273</u>
FUND BALANCE, end of year	<u>24,665</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 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 District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the District's 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 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, 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.

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 - 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.

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

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)

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. The General Fund and its components are considered one fund for reporting purposes.

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 accounting principles generally accepted in the United States of America, 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 accounting principles generally accepted in the United States of America, as applicable to governmental units.

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-Wide Statements

Equity is classified as net assets and displayed in the following components:

a. Restricted net assets

Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets

All other assets that do not meet the definition of restricted net assets.

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

Fund Balance Classification. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District currently has no amounts classified in this category.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Statements (Continued)

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned

This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board delegating this responsibility to the District manager through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund.

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

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2012, 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.

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.

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

NOTE 2. CASH AND INVESTMENTS (Continued)

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, 2012, 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, 2012.

The Nebraska Liquid Asset Fund (NLAF) was established in March 1998 through the Interlocal Cooperation Act. NLAF 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 NLAF is to provide its owner members with a conservative and effective investment alternative tailored to the needs of its members. NLAF 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. NLAF is not registered with the Securities and Exchange Commission (SEC) as an investment company. The District has \$236,276 invested with NLAF as of August 31, 2012.

NLAF'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 NLAF.

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 8.28% of their annual covered salary from September 1, 2009 to August 31, 2010. Plan members were required to contribute 8.28% of their annual covered salary from September 1, 2010 to August 31, 2011. Plan members were required to contribute 8.88% of their annual covered salary from September 1, 2011 to August 31, 2012. 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, 2010, 2011, and 2012 were \$936,701, \$957,468, and \$1,016,927, 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, 2012:

Bond-Fund

General Obligation Refunding Bonds, Series 2003A, dated February 27, 2003, principal of \$10,920,000 interest rate 1.85% to 4.30%, matures December 18, 2018.	6,365,000
General Obligation Refunding Bonds, Series 2006, dated December 12, 2006, principal of \$780,000, interest rate 3.60% to 3.90%, matures December 13, 2013.	295,000
General Obligation Refunding Bond, Series 2010, dated August 23, 2010, principal of \$2,595,000, interest rate 2.85% to 3.05%. Two principal payments on December 15, 2018 and December 15, 2019.	2,595,000

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

NOTE 4. LONG-TERM DEBT (Continued)

Qualified Capital Purpose Undertaking Fund

Taxable Limited Tax Obligation Building America Bonds, Series 2010A, dated August 5, 2010, principal of \$635,000, interest rate 1.50% to 4.75%, matures December 15, 2021.	590,000
Taxable Limited Tax Obligation Qualified School Construction Bonds, Series 2010B, dated August 5, 2010, principal of \$280,000, interest rate 5.00% to 5.45%, payments begin December 15, 2022, matures December 15, 2025.	280,000
Taxable Limited Tax Obligation Building America Bonds, Series 2010C, dated December 16, 2010, principal of \$485,000, interest rate 2.00% to 5.75% Matures December 15, 2025.	<u>485,000</u>
	<u>10,610,000</u>

The following is a summary of long-term debt transactions of the District for the year ended August 31, 2012.

	Original Issue	Balance August 31, 2011	Issued	Retire- ments	Bonds Outstanding August 31, 2012
General Obligation					
Bond Series 2003A	10,920,000	7,305,000		940,000	6,365,000
General Obligation					
Bond Series 2006	780,000	435,000		140,000	295,000
General Obligation					
Bond Series 2010	2,595,000	2,595,000			2,595,000
Build America Bonds					
Bond Series 2010A	635,000	635,000		45,000	590,000
Qualified School					
Construction Bonds					
Bond Series 2010B	280,000	280,000			280,000
Build America Bonds					
Bond Series 2010C	485,000	<u>485,000</u>			<u>485,000</u>
Total bonds		<u>11,735,000</u>		<u>1,125,000</u>	<u>10,610,000</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:

Year Ending August 31	Principal	Interest	Total
2013	1,195,000	381,195	1,576,195
2014	1,230,000	336,523	1,566,523
2015	1,120,000	291,726	1,411,726
2016	1,170,000	246,351	1,416,351
2017	1,205,000	197,531	1,402,531
2018 - 2022	4,240,000	359,934	4,599,934
2023 - 2026	<u>450,000</u>	<u>50,809</u>	<u>500,809</u>
	<u>10,610,000</u>	<u>1,864,069</u>	<u>12,474,069</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, 2012, the District had several interfund transfers for support of other funds as shown below:

	Transfer In	Transfer Out
General Fund (as expensed)		298,713
Employee Benefit Fund	85,713	
Depreciation Fund	213,000	

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

NOTE 9. RESTATEMENT

As a result of an internal review of the District's beginning fund balance, the District discovered that tax revenues had been overstated due to the timing of posing the receipts for August 2011. Accordingly, the District restated its financial statements for the year ended August 31, 2011. The effect of the restatement was to decrease the District's General Fund balance by (\$316,403) and increase the Bond Fund by \$7,827. In addition, the Head Start Fund's beginning balance was restated by (\$21,491) due to timing issues related to receipts received in the previous fiscal year.

NOTE 10. SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 7, 2012, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2012

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	986,140
Medicaid in Administration	93.778	<u>188,571</u>
Total U.S. Department of Health and Human Services		<u>1,174,711</u>
<u>U.S. Department of Education</u>		
Indian Grant - Formula Grants to LEA's	84.060A	3,383
Impact Aid	84.041	8,033
Passed-through Nebraska Department of Education		
Title I Part A - Improving the Academic Achievement	84.010	233,888
Improving Teacher Quality State Grants (Title IIA)	84.367	48,895
IDEA Part B Base/Transportation	84.027	25,814
IDEA Part B 611 Base	84.027	168,325
IDEA Part B Poverty Section 611	84.027	269,169
IDEA Part B Proportionate Share	84.173	12,391
Career/Technical Education Basic Grants	84.048	2,875
Title IV, Part B NCLB - 21st Century Community Learning Centers	84.287	81,182
ARRA - IDEA Part C Special Projects	84.393	329
ARRA - Education Jobs Program	84.410	7,187
Adult Education	84.002	<u>9,546</u>
Total U.S. Department of Education		<u>871,017</u>
<u>U.S. Department of Labor</u>		
Incentive Grants - WIA Section 503	17.267	<u>3,960</u>
<u>U.S. Department of Agriculture</u>		
Passed-through the Nebraska Department of Education		
National School Lunch Program	10.555	435,103
Child and Adult Care Food Program	10.558	90,253
Noncash Awards - U.S. Department of Agriculture		
Passed-through from Nebraska Department Social Services Food donation	10.555	<u>42,867</u>
Total U.S. Department of Agriculture		<u>568,223</u>
		<u>2,617,911</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes 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.

NOTE 3. FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FUNDING
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED AUGUST 31, 2012

ARRA RECEIPTS - FEDERAL FUNDS

General Fund

IDEA receipts

IDEA Part C Special Projects

18,045

ARRA DISBURSEMENTS - FEDERAL FUNDS

General Fund

IDEA

IDEA Part C Special Projects

329

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
EDUCATION JOBS FUND PROGRAM
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED AUGUST 31, 2012

EDUCATION JOBS FUND PROGRAM RECEIPTS

General Fund

Education Jobs Fund Program

7,187

EDUCATION JOBS FUND PROGRAM DISBURSEMENTS

General Fund

Education Jobs Fund Program

Non-SPED

7,187

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND COMPONENTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS
 YEAR ENDED AUGUST 31, 2012

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
RECEIPTS					
Local sources					
Taxes					
Property taxes - general purpose	6,025,982				6,025,982
Carline tax	9,245				9,245
Public Power District sales tax	140,579				140,579
In-lieu-of tax - Housing Authority	7,890				7,890
Motor vehicle taxes	641,225				641,225
Interest	1,735	1,656			3,391
Local license fees and fines	97				97
Rental of school facilities	3,408				3,408
Other local receipts/tuition	83,039				83,039
Total local sources	<u>6,913,200</u>	<u>1,656</u>			<u>6,914,856</u>
County sources					
County fines and license fees	<u>130,551</u>				<u>130,551</u>
State sources					
State aid	6,866,464				6,866,464
Special education	1,279,714				1,279,714
Special education transportation	40,448				40,448
Homestead exemption	189,926				189,926
Property tax credit	217,429				217,429
High ability learners	12,842				12,842
Preschool flex funding	10,368				10,368
Prorate motor vehicle	18,720				18,720
State apportionment	235,896				235,896
State grants	98,294				98,294
Total state sources	<u>8,970,101</u>				<u>8,970,101</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND COMPONENTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS
 YEAR ENDED AUGUST 31, 2012

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
RECEIPTS (Continued)					
Federal sources					
Title I	176,275				176,275
Title II, Part A	32,213				32,213
IDEA Poverty/Base	112,606				112,606
IDEA Part B Supplemental	20,629				20,629
IDEA Part B (619) Preschool	2,287				2,287
IDEA Part B Poverty	244,497				244,497
IDEA Nonpublic	16,834				16,834
Medicaid in public schools	29,040				29,040
Medicaid Administrative Activities	159,530				159,530
Public Law 874	8,033				8,033
ARRA Education Jobs	7,187				7,187
ARRA Part C	18,045				18,045
Title IV Part A Drug Free	294				294
21st Century Learning Grant	87,954				87,954
Carl Perkins	34,082				34,082
ARRA Technology Grant	40,578				40,578
ABE/GED	13,505				13,505
Total federal sources	<u>1,003,589</u>				<u>1,003,589</u>
Nonrevenue receipts					
Transfers from other funds		213,000	85,713	(298,713)	
Other	98,267				98,267
Total nonrevenue receipts	<u>98,267</u>	<u>213,000</u>	<u>85,713</u>	<u>(298,713)</u>	<u>98,267</u>
TOTAL RECEIPTS	<u>17,115,708</u>	<u>214,656</u>	<u>85,713</u>	<u>(298,713)</u>	<u>17,117,364</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND COMPONENTS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -
 CASH BASIS
 YEAR ENDED AUGUST 31, 2012

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
DISBURSEMENTS					
Regular instruction	7,382,102			(85,713)	7,296,389
Regular instruction - school age (flex-spending)	118,787				118,787
Regular instruction - below age five (flex-spending)	17,061				17,061
Limited English proficiency	73,791				73,791
Poverty programs	607,711				607,711
Special education instruction	3,267,963				3,267,963
Support services					
Pupils	786,768				786,768
Instructional staff	234,188				234,188
Implementation of standards	46,829				46,829
Maintenance and operation of building	1,441,299			(213,000)	1,228,299
Regular pupil transportation	343,260				343,260
School-aged SPED transportation	162,168				162,168
General and administration					
Board of Education	197,443				197,443
Executive administration	132,764				132,764
Office of the Principal	773,394				773,394
Business services	202,214				202,214
Nonfederal support to head start	75,286				75,286
State programs	125,771				125,771
Federal programs	871,261				871,261
Employee benefits			85,668		85,668
TOTAL DISBURSEMENTS	<u>16,860,060</u>	<u> </u>	<u>85,668</u>	<u>(298,713)</u>	<u>16,647,015</u>
RECEIPTS OVER DISBURSEMENTS	255,648	214,656	45		470,349
FUND BALANCE, beginning of year, restated	<u>2,935,179</u>	<u>1,015,303</u>	<u>287</u>		<u>3,950,769</u>
FUND BALANCE, end of year	<u><u>3,190,827</u></u>	<u><u>1,229,959</u></u>	<u><u>332</u></u>		<u><u>4,421,118</u></u>

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Local sources		
Taxes		
Property taxes - general purpose	6,332,016	6,025,982
Carline tax	12,000	9,245
Public Power District sales tax	115,000	140,579
In-lieu-of tax - other	5,000	7,890
Motor vehicle taxes	585,000	641,225
Interest	1,500	1,735
Local license fees and fines	3,500	97
Rental of school facilities	1,000	3,408
Other local receipts/tuition	67,800	83,039
Total local sources	<u>7,122,816</u>	<u>6,913,200</u>
County sources		
County fines and license fees	138,000	130,551
Educational Service Unit receipts	1,000	
Total county sources	<u>139,000</u>	<u>130,551</u>
State sources		
State aid	6,866,463	6,866,464
Special education	1,140,352	1,279,714
Special education transportation	50,000	40,448
Homestead exemption		189,926
Property tax credit		217,429
High ability learners	8,000	12,842
Preschool flex funding	75,000	10,368
Prorate motor vehicle	15,000	18,720
State apportionment	250,000	235,896
State grants	14,800	98,294
Total state sources	<u>8,419,615</u>	<u>8,970,101</u>

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS (Continued)		
Federal sources		
Title I	280,000	176,275
Title II, Part A	55,000	32,213
IDEA Poverty/Base	165,000	112,606
IDEA Part B Poverty	196,400	244,497
IDEA Part B Supplemental		20,629
IDEA Part B (619) Preschool		2,287
IDEA Nonpublic		16,834
Medicaid in public schools	20,000	29,040
Medicaid activities/outreach	230,000	159,530
Public Law 874	10,000	8,033
ARRA Educational Jobs Fund		7,187
Title III LEP		18,045
Title IV, Part A NCLB - Safe and Drug Free Schools		294
Title IV, Part B NCLB - 21st Century Community Learning Centers	85,000	87,954
Carl Perkins	8,010	34,082
ARRA Stabilization Funds		40,578
Adult Education	9,000	13,505
Indian Education Grant	4,000	
Total federal sources	<u>1,062,410</u>	<u>1,003,589</u>
Nonrevenue receipts		
Insurance adjustments	2,000	10,181
Sale of property	2,000	
ROTC reimbursements	60,000	74,102
Other nonrevenue receipts	14,000	13,984
Total nonrevenue receipts	<u>78,000</u>	<u>98,267</u>
TOTAL RECEIPTS	<u>16,821,841</u>	<u>17,115,708</u>

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
DISBURSEMENTS		
Regular instruction	7,421,498	7,382,102
Regular instruction - school age (flex-spending)	129,841	118,787
Regular instruction - below age five (flex-spending)	22,262	17,061
Limited English proficiency	74,212	73,791
Poverty programs	620,000	607,711
Special education instruction	3,303,928	3,267,963
Support services		
Pupils	691,888	786,768
Instructional staff	227,930	234,188
Implementation of standards	78,418	46,829
Maintenance and operation of buildings	1,429,449	1,441,299
Regular pupil transportation	410,037	343,260
Special education pupil transportation	133,228	162,168
General and administration		
Board of Education	249,500	197,443
Executive administration	140,908	132,764
Office of the Principal	681,176	773,394
Business services	235,648	202,214
Nonfederal support to Head Start	80,000	75,286
State programs	124,677	125,771
Federal programs	900,744	871,261
TOTAL DISBURSEMENTS	<u>16,955,344</u>	<u>16,860,060</u>
RECEIPTS OVER DISBURSEMENTS		255,648
FUND BALANCE, beginning of year, restated		<u>2,935,179</u>
FUND BALANCE, end of year		<u>3,190,827</u>

See accompanying notes to budgetary schedules.

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Transfer - General Fund (as expensed from the General Fund)	100,000	213,000
Interest received	<u>2,500</u>	<u>1,656</u>
Total receipts	<u>102,500</u>	<u>214,656</u>
DISBURSEMENTS		
Supplies and materials	117,796	
Capital outlay	<u>1,000,000</u>	<u> </u>
Total disbursements	<u>1,117,796</u>	<u> </u>
RECEIPTS OVER DISBURSEMENTS		214,656
FUND BALANCE, beginning of year		<u>1,015,303</u>
FUND BALANCE, end of year		<u>1,229,959</u>

See accompanying notes to budgetary schedules.

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
 QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Taxes		
Property taxes - debt purpose	4,536	4,926
Carline		7
In-lieu-of tax		112
Homestead exemption		135
Property tax credit		151
Prorate motor vehicle	75	9
Bond proceeds		25,892
QSCB proceeds		27,007
Interest	700	270
Total receipts	<u>5,311</u>	<u>58,509</u>
DISBURSEMENTS		
Contracted services	60,000	10,190
Principal	50,000	45,000
Interest payments	<u>35,704</u>	<u>58,643</u>
Total disbursements	<u>145,704</u>	<u>113,833</u>
RECEIPTS UNDER DISBURSEMENTS		(55,324)
FUND BALANCE, beginning of year		<u>142,971</u>
FUND BALANCE, end of year		<u>87,647</u>

See accompanying notes to budgetary schedules.

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Taxes		
Property taxes - debt purpose	1,177,322	1,084,714
Carline	3,000	1,429
In-lieu-of tax	1,300	29,717
Homestead exemption		36,121
Property tax credit	30,000	39,241
Prorate motor vehicle	3,000	2,710
Interest	<u>1,200</u>	<u>518</u>
Total receipts	<u>1,215,822</u>	<u>1,194,450</u>
DISBURSEMENTS		
Principal payments	1,120,000	1,080,000
Interest payments	344,443	363,788
Miscellaneous expense	<u>2,000</u>	<u>1,290</u>
Total disbursements	<u>1,466,443</u>	<u>1,445,078</u>
RECEIPTS UNDER DISBURSEMENTS		(250,628)
FUND BALANCE, beginning of year, restated		<u>467,914</u>
FUND BALANCE, end of year		<u>217,286</u>

See accompanying notes to budgetary schedules.

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Taxes		
Property taxes - general purpose		533
Carline taxes	85	
Prorate motor vehicle	100	1
Interest	670	661
Other local receipts	855	1,300
Total receipts	<u>1,710</u>	<u>2,495</u>
DISBURSEMENTS		
Capital outlay	<u>487,083</u>	<u>12,593</u>
RECEIPTS UNDER DISBURSEMENTS		(10,098)
FUND BALANCE, beginning of year		<u>453,294</u>
FUND BALANCE, end of year		<u>443,196</u>

See accompanying notes to budgetary schedules.

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Transfer - General Fund (as expensed from the General Fund)	<u>86,000</u>	<u>85,713</u>
DISBURSEMENTS		
Benefits paid	<u>86,000</u>	<u>85,668</u>
RECEIPTS OVER DISBURSEMENTS		45
FUND BALANCE, beginning of year		<u>287</u>
FUND BALANCE, end of year		<u>332</u>

See accompanying notes to budgetary schedules.

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Sale of lunches	300,000	389,719
State reimbursement	5,400	5,257
Federal reimbursement	425,000	435,103
Other receipts	<u>10,950</u>	<u>8,901</u>
Total receipts	<u>741,350</u>	<u>838,980</u>
DISBURSEMENTS		
Salaries	312,050	310,671
Payroll taxes and benefits	53,410	52,985
Purchased services	29,800	29,626
Food and supplies	467,625	428,957
Equipment purchases	5,000	19,047
Other expenses	<u>14,500</u>	<u>5,855</u>
Total disbursements	<u>882,385</u>	<u>847,141</u>
RECEIPTS UNDER DISBURSEMENTS		(8,161)
FUND BALANCE, beginning of year		<u>147,263</u>
FUND BALANCE, end of year		<u>139,102</u>

See accompanying notes to budgetary schedules.

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
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	2012 Actual
RECEIPTS		
Activities receipts	90,000	50,713
Interest	<u>30</u>	
Total receipts	<u>90,030</u>	<u>50,713</u>
DISBURSEMENTS		
Extracurricular activity fees	<u>127,628</u>	<u>36,691</u>
RECEIPTS OVER DISBURSEMENTS		14,022
FUND BALANCE, beginning of year		<u>40,366</u>
FUND BALANCE, end of year		<u>54,388</u>

See accompanying notes to budgetary schedules.

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
(UNAUDITED)
YEAR ENDED AUGUST 31, 2012

	Original and Final Budget	Headstart	Actual Headstart Nutrition	Total
RECEIPTS				
Federal reimbursement	1,102,434	986,206	90,253	1,076,459
Interest income	1,000	26		26
Miscellaneous federal receipts		1,100		1,100
Total receipts	<u>1,103,434</u>	<u>987,332</u>	<u>90,253</u>	<u>1,077,585</u>
DISBURSEMENTS				
Regular salaries	374,685	356,589		356,589
Noncertified salaries	349,500	366,902	14,749	381,651
Social security	54,931	56,610	1,128	57,738
Retirement	52,840	50,964	1,320	52,284
Additional retirement	17,832	11,726		11,726
Health insurance	81,678	64,588		64,588
Life insurance	963	786		786
Disability insurance	10,722	2,990		2,990
Unemployment		1,921		1,921
Secured services	100			
Advertising and printing	100	84		84
Professional services	500	727		727
Supplies	23,237	21,101	246	21,347
Utilities	28,100	21,975		21,975
Contracted transportation	12,500	13,826		13,826
In-service training	16,146	14,068		14,068
Travel	600	244		244
Administrative percentage	1,000	1,039		1,039
Food	55,000		47,309	47,309
Nutrition and meals	22,000		19,452	19,452
Total disbursements	<u>1,102,434</u>	<u>986,140</u>	<u>84,204</u>	<u>1,070,344</u>
RECEIPTS OVER DISBURSEMENTS		1,192	6,049	7,241
FUND BALANCE, beginning of the year, restated		1,806	11,213	13,019
FUND BALANCE, end of year		<u>2,998</u>	<u>17,262</u>	<u>20,260</u>

See accompanying notes to budgetary schedules.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 NOTES TO BUDGETARY SCHEDULES

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.

Reconciliation

The Nebraska Department of Education requires separate budgets for those funds considered as General Fund components for budget purposes.

A reconciliation of the General Fund financial reporting basis to the budgetary basis is as follows:

Receipts over expenditures - financial reporting basis	
General Fund	<u>470,349</u>
Revenues over expenditures - budgetary basis	
General Fund	255,648
Depreciation Fund	214,656
Employee Benefit Fund	<u>45</u>
	<u>470,349</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

REGULAR INSTRUCTION

Regular salaries	4,786,087
Substitute salaries	130,957
Clerical and paraprofessional staff salaries	115,995
Payroll taxes	398,580
Retirement	362,010
Increased retirement contribution rate	76,645
Health insurance	1,009,391
Early retirements or terminations/voluntary terminations	85,713
Other employee benefits	44,156
Purchased services	22,209
Supplies and materials	229,470
Capital outlay	120,889
Total regular instruction	<u>7,382,102</u>

REGULAR INSTRUCTIONAL PROGRAMS

SCHOOL AGE (FLEX-SPENDING)

Regular salaries	27,878
Clerical and paraprofessional staff salaries	12,389
Payroll taxes	2,989
Retirement	2,977
Increased retirement contribution rate	627
Health insurance	5,672
Other employee benefits	311
Supplies and materials	65,944
Total regular instructional programs school age (flex-spending)	<u>118,787</u>

LIMITED ENGLISH PROFICIENCY

Regular salaries	36,345
Clerical and paraprofessional staff salaries	8,093
Payroll taxes	3,020
Retirement	3,276
Increased retirement contribution rate	695
Health insurance	14,302
Other employee benefits	406
Supplies and materials	7,654
Total limited English proficiency	<u>73,791</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

E/P POVERTY PROGRAMS

Regular salaries	394,010
Clerical and paraprofessional staff salaries	26,360
Payroll taxes	32,691
Retirement	31,091
Increased retirement contribution rate	6,577
Health insurance	75,550
Other employee benefits	3,742
Purchased services	12,666
Supplies and materials	22,584
Other expenses	<u>2,440</u>
Total E/P Poverty programs	<u>607,711</u>

REGULAR INSTRUCTIONAL PROGRAMS

BELOW AGE FIVE (FLEX-SPENDING)	
Clerical and paraprofessional staff salaries	12,258
Payroll taxes	938
Retirement	900
Increased retirement contribution rate	193
Other employee benefits	35
Supplies and materials	<u>2,737</u>
Total regular instructional programs below age five (flex-spending)	<u>17,061</u>

SPECIAL EDUCATION PROGRAMS

Regular salaries	1,264,430
Substitute salaries	2,830
Stipends/Curriculum work	25,129
Clerical and paraprofessional staff salaries	679,536
Payroll taxes	155,281
Retirement	145,865
Increased retirement contribution rate	30,616
Health insurance	227,402
Other employee benefits	26,079
Purchased services	198,815
Supplies and materials	140,873
Other expenses	<u>22,773</u>
Total special education programs	<u>2,919,629</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

EARLY CHILDHOOD SPECIAL EDUCATION PROGRAMS	
Regular salaries	153,522
Substitute salaries	5,594
Stipends/Curriculum work	640
Clerical and paraprofessional staff salaries	105,549
Payroll taxes	20,238
Retirement	19,402
Increased retirement contribution rate	4,221
Health insurance	25,053
Other employee benefits	1,828
Purchased services	9,370
Supplies and materials	1,763
Other expenses	1,154
Total early childhood special education programs	<u>348,334</u>
TOTAL INSTRUCTIONAL PROGRAMS	<u>11,467,415</u>
SUPPORT SERVICES - PUPILS	
Regular salaries	528,509
Clerical and paraprofessional staff salaries	40,353
Payroll taxes	45,453
Retirement	41,061
Increased retirement contribution rate	8,692
Health insurance	40,316
Other employee benefits	2,658
Supplies and materials	79,726
Total support services - pupils	<u>786,768</u>
SUPPORT SERVICES - INSTRUCTIONAL STAFF	
Regular salaries	141,802
Payroll taxes	11,182
Retirement	10,495
Increased retirement contribution rate	2,223
Health insurance	37,925
Other employee benefits	1,347
Supplies and materials	29,214
Total support services - instructional staff	<u>234,188</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

SUPPORT SERVICES - IMPLEMENTATION OF STANDARDS	
Inservice/Curriculum work	1,973
Extra Stipends/Curriculum work	13,289
Payroll taxes	1,168
Retirement	990
Increased retirement contribution rate	218
Supplies and materials	19,333
Other expenses	9,858
Total support services - implementation of standards	<u>46,829</u>
SUPPORT SERVICES - BOARD OF EDUCATION	
Clerical and paraprofessional staff salaries	
Payroll taxes	264
Other employee benefits	18,555
Purchased services	127,558
Legal services	14,963
Supplies and materials	9,399
Other expenses	26,704
Total support services - Board of Education	<u>197,443</u>
SUPPORT SERVICES - EXECUTIVE ADMINISTRATION	
Regular salaries	103,169
Payroll taxes	6,856
Retirement	7,822
Increased retirement contribution rate	1,654
Health insurance	6,805
Other employee benefits	1,553
Supplies and materials	3,964
Other expenses	941
Total support services - executive administration	<u>132,764</u>
SUPPORT SERVICES - OFFICE OF THE PRINCIPAL	
Regular salaries	438,097
Clerical and paraprofessional staff salaries	170,538
Payroll taxes	46,736
Retirement	44,662
Increased retirement contribution rate	9,491
Health insurance	56,199
Other employee benefits	4,188

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

SUPPORT SERVICES - OFFICE OF THE PRINCIPAL

(Continued)

Supplies and materials	1,354
Other expenses	<u>2,129</u>
Total support services - Office of the Principal	<u>773,394</u>

SUPPORT SERVICES - BUSINESS

Clerical and paraprofessional staff salaries	97,905
Payroll taxes	8,046
Retirement	7,415
Increased retirement contribution rate	1,554
Health insurance	20,694
Other employee benefits	4,452
Purchased services	33,123
Supplies and materials	<u>29,025</u>
Total support services - business	<u>202,214</u>

VEHICLE ACQUISITION AND MAINTENANCE OTHER THAN PUPIL TRANSPORTATION

Purchased services	18,019
Supplies and materials	<u>2,919</u>
Total vehicle acquisition and maintenance other than pupil transportation	<u>20,938</u>

SUPPORT SERVICES - MAINTENANCE AND OPERATION OF BUILDING AND PLANT

Clerical and paraprofessional staff salaries	489,080
Payroll taxes	38,083
Retirement	35,305
Increased retirement contribution rate	7,380
Health insurance	43,394
Other employee benefits	515
Purchased services	452,424
Supplies and materials	141,005
Capital outlay	213,000
Other expenses	<u>175</u>
Total support services - maintenance and operation of building and plant	<u>1,420,361</u>

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 GENERAL FUND
 SCHEDULE OF CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

SUPPORT SERVICES - REGULAR PUPIL TRANSPORTATION	
Purchased services	343,260
SUPPORT SERVICES - SCHOOL AGED SPED TRANSPORTATION	
Salaries of drivers	70,553
Payroll taxes	5,397
Retirement	5,231
Increased retirement contribution rate	1,097
Purchased services	60,777
Supplies and materials	19,113
Total support services - school aged SPED transportation	162,168
NONFEDERAL SUPPORT TO SPED	
Purchased services	75,286
STATE PROGRAMS	
Community services	28,836
State categorical programs	96,935
Total state programs	125,771
FEDERAL PROGRAMS	
Title I	233,888
Title II, Part A	48,895
IDEA Part B (611) Base Allocation	168,325
IDEA Preschool (619) Base Allocation	12,391
IDEA Enrollment/Poverty (611)	269,169
IDEA Part B Proportionate Share	25,814
Carl Perkins	2,875
Title IV, Part B NCLB - 21st Century Community	
Learning Centers	81,182
ARRA - IDEA Part C Special Projects	329
ARRA - Education Jobs Program	7,187
Indian Education Grant	3,383
Adult Education	17,823
Total federal programs	871,261
TOTAL DISBURSEMENTS	16,860,060

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 FIDUCIARY FUND
 SCHEDULE OF CHANGES IN CASH BALANCES
 (UNAUDITED)
 YEAR ENDED AUGUST 31, 2012

	Balance 9/1/11	Receipts	Disburse- ments	Balance 8/31/12
Activities	126,737	560,515	475,993	211,259
Wiley Memorial Scholarship refunds	994,383	119,255	53,470	1,060,168
Wiles Scholarship Fund	<u>22,273</u>	<u>2,392</u>	<u> </u>	<u>24,665</u>
	<u>1,143,393</u>	<u>682,162</u>	<u>529,463</u>	<u>1,296,092</u>

DANA F. COLE & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
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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
Cass County School District No. 1
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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 7, 2012. 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

Management of Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska is responsible for establishing and maintaining effective 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 as items 2012-1 and 2012-2. 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Plattsmouth Community School District, Cass County School District No. 1, Plattsmouth, Nebraska's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

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 7, 2012

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
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, Cass County School District No. 1, Plattsmouth, Nebraska's major federal programs for the year ended August 31, 2012. 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, Cass County School District No. 1, 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 for the year ended August 31, 2012.

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, Cass County School District No. 1, 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.

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 7, 2012

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
 CASS COUNTY SCHOOL DISTRICT NO. 1
 PLATTSMOUTH, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2012

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified: ___ Yes X No

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

Noncompliance matter to the financial statements disclosed: ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified: ___ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses: ___ Yes X 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 X No

Identification of major programs:

Head Start Cluster	93.600
Special Education Cluster	84.027/84.173
National School Lunch Program	10.555

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

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

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2012

SECTION II. FINANCIAL STATEMENT FINDINGS

2012-1 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 continues to implement new and upgraded procedures such as reviews of bank statements and bank reconciliations by the Superintendent to improved segregation of duties issues. The Board of Education also reviews and approves all expenditures. The District will, within the constraints of existing time and cost considerations, continue to review the situation and make improvements.

2012-2 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.

PLATTSMOUTH COMMUNITY SCHOOL DISTRICT
CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2012

SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

2012-2 FINANCIAL REPORTING PROCESSES (Continued)

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 prepare 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

No federal award findings and questioned costs.

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

2011-1 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 2012-1.

2011-2 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 2012-2.