

**CASS COUNTY SCHOOL DISTRICT NO. 1
PLATTSMOUTH, NEBRASKA**

FINANCIAL STATEMENTS

AUGUST 31, 2021

(WITH INDEPENDENT AUDITOR'S REPORTS)



FrankelZacharia^{LLC}

Certified Public Accountants

CASS COUNTY SCHOOL DISTRICT NO. 1

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cass County School District No. 1 (the District), as of and for the year ended August 31, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1.D.; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2021, and the related receipts, disbursements, and activities arising from cash transactions, for the year then ended in conformity with the cash basis of accounting described in Note 1.D.

Basis of Accounting

We draw attention to Note 1.D. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Management's Discussion and Analysis, the Combined Schedule of Cash Receipts, Disbursements, and Fund Balances, the General Fund Components - Combining Schedule of Receipts, Disbursements, and Changes in Fund Balances, the Fiduciary Fund Supplemental Schedule of Changes in Cash and Investment Balances, and Schedules of Cash Receipts, Disbursements and Fund Balance - Budget and Actual are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Combined Schedule of Cash Receipts, Disbursements, and Fund Balances, the General Fund Components - Combining Schedule of Receipts, Disbursements, and Fund Balances, the Fiduciary Fund Supplemental Schedule of Changes in Cash and Investment Balances 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Management's Discussion and Analysis and Schedules of Cash Receipts, Disbursements and Fund Balance - Budget and Actual have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

FRANKEL ZACHARIA LLC

November 3, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
CASS COUNTY SCHOOL DISTRICT NO. 1
(Unaudited)

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, 2021. 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 Section, and the notes thereto to enhance their understanding of the District's financial performance.

OVERVIEW AND BACKGROUND FOR 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 and Other Information and the Single Audit (Federal Funds).

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

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general receipts.

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

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

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 Supplementary and Other Information that further explains and supports the information in the financial statements.

FINANCIAL HIGHLIGHTS

The District's total net position as of August 31, 2021, was \$3,287,865, down from the 2019-20 net position of \$5,325,746. This decline is due to the bond lettings in 2019 and 2020, which inflated the net position in 18-19 and 19-20.

The fund balance of the General Fund on 8-31-21 was (\$600,970), up from (\$722,447) in 19-20.

The Bond Fund had an ending balance of \$234,505. The District made principal and interest payments on its bond issues totaling \$684,860.

Total outstanding principal bond debt (bond fund and QCPUF fund) at the end of the 20-21 fiscal year was \$11,520,000.

The Qualified Capital Purpose Undertaking Fund (QCPUF) ended the year with a fund balance of \$409,880. Principal payments paid during the 20-21 fiscal year total \$270,000.

The School Nutrition Fund balance on August 31, 2021, was \$228,477. Federal reimbursement to the district for food was \$641,323, up \$80,466 from 19-20, due primarily to enhanced Federal assistance due to the pandemic.

The net position 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 Student Fee Fund, the Wiley Memorial Scholarship, the Wiles Scholarship and the Duda Scholarship. The activities account, exclusive of the scholarship funds, increased in value by \$39,425, with an ending balance of \$184,868. The Student Fee Fund decreased in value by \$6,489, with an ending balance of \$87,408. The Wiley Memorial Scholarship Fund increased in value by \$36,765, with an ending balance of \$1,056,200. The Wiles Scholarship increased in value by \$1,263, with an ending balance of \$34,986. The Duda Scholarship decreased in value by \$10,119, with an ending balance of \$565,999.

Financial Analysis of the District as a Whole

Total Governmental Funds - The District's Revenue was \$22,422,124 for the fiscal year 2020-21. Local sources of revenue accounted for 49.80% of the District's revenue, 38.78% of the revenue was from state sources and 11.43% came from federal sources.

The District disbursed \$30,067,508 in 2020-21. The District expended 49.24% of its total funds on instruction, and 5.07% on support services related to instruction. Business and administrative services, buildings and grounds, and pupil transportation contributed to 14.55% of expenditures. These figures include the bond payments construction related expenses of \$9,294,790, or 31.14%.

**Plattsmouth Community School District
Levies 2019-20 and 2020-21**

	<u>2019-20</u>	<u>2020-21</u>
General Fund	1.0475	1.0469
Bond Fund	.1231	.1376
Special Building Fund	.0000	.0000
QCPUF	<u>.0461</u>	<u>.0469</u>
Total	<u>1.2167</u>	<u>1.2314</u>

**Plattsmouth Community School District
General Fund Receipts
Comparison of 2017-18 to 2020-21**

<u>Revenue Source</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Local	\$ 8,188,812	8,561,278	8,525,149	9,470,395
State	8,806,754	8,761,838	9,313,477	8,557,949
Federal	636,926	923,670	1,622,364	2,562,220
Other	<u>155,352</u>	<u>18,423</u>	<u>6,042</u>	<u>79,504</u>
	\$ <u>17,787,844</u>	<u>18,265,209</u>	<u>19,467,032</u>	<u>20,670,068</u>

**Plattsmouth Community School District
General Fund Disbursements
Comparison 2017-18 to 2020-21**

Numbers below were adjusted based on the Depreciation Fund and Employee Benefit Fund components and reclassifications.

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Disbursements				
Regular instruction	\$ 9,278,535	9,407,766	9,099,924	8,821,858
Special education	3,675,674	3,609,476	3,780,677	3,801,294
Pupil support	958,113	160,693	348,766	316,017
Gifted program	13,963	12,047	13,026	12,284
Guidance services	300,255	306,426	311,030	317,011
Health services	92,871	95,542	97,877	91,433
Building maintenance and Operations	1,167,544	1,242,603	1,449,692	1,379,600
Vehicle maintenance	19,599	67,835	22,144	11,940
Pupil transportation	656,209	695,100	522,317	583,873
Board of Education	319,696	320,447	289,723	289,116
Executive administration	198,626	206,416	210,339	212,654
Office of the Principal	1,070,551	1,226,131	1,267,010	1,288,748
Business services	375,285	716,058	828,588	561,309
Library services	249,209	253,802	266,678	228,712

**Plattsmouth Community School District
General Fund 2017-18 to 2020-2021**

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Disbursements (Continued)				
Community Service/ Fitness Center	31,525	39,303	27,389	15,640
Federal programs	769,662	727,379	1,759,560	2,598,854
Other programs	<u>10,007</u>	<u>133,624</u>	<u>123,773</u>	<u>18,248</u>
Total disbursements	\$ <u>19,187,324</u>	<u>19,220,648</u>	<u>20,418,513</u>	<u>20,548,591</u>

**Plattsmouth Community School District
General Fund Cash Position
Change from 2019-2020 to 2020-2021**

Cash Carryover 2019-2020	\$ (722,447)
General Fund Receipts	20,670,068
General Fund Expenditures	<u>(20,548,591)</u>
Cash Carryover 2020-2021	\$ <u>(600,970)</u>

DEBT ADMINISTRATION

Despite the financial pressure on school districts in Nebraska, Plattsmouth Community School District continues to maintain excellent bond ratings. Currently, Standard and Poor's rates the District "A." Total outstanding bonds at the end of the 2020-21 year were \$20,183,572, 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 Old Highway 34, Plattsmouth, Nebraska 68048. The telephone number is (402) 296-3361.

CASS COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF NET POSITION - CASH BASIS

AUGUST 31, 2021

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash in Bank	\$ 251,998	228,477	480,475
Cash at County Treasurer	2,807,390	--	2,807,390
TOTAL ASSETS	\$ 3,059,388	228,477	3,287,865

NET POSITION

Restricted for:			
Debt service	\$ 644,385	--	644,385
Unrestricted	2,415,003	228,477	2,643,480
TOTAL NET POSITION	\$ 3,059,388	228,477	3,287,865

CASS COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF ACTIVITIES - CASH BASIS

YEAR ENDED AUGUST 31, 2021

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipt and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	
Primary government						
Governmental Activities						
Instruction	\$ 11,939,346	90,696	1,505,972	(10,342,678)	--	(10,342,678)
Support services						
Students	969,853	--	--	(969,853)	--	(969,853)
Instruction	544,729	--	--	(544,729)	--	(544,729)
General administration	501,770	--	--	(501,770)	--	(501,770)
Office of the principal	1,288,748	--	--	(1,288,748)	--	(1,288,748)
Central services	561,309	--	--	(561,309)	--	(561,309)
Operations and maintenance of plant	1,391,540	--	--	(1,391,540)	--	(1,391,540)
Student transportation	583,873	--	98,859	(485,014)	--	(485,014)
Operation of non-instructional services	15,640	--	--	(15,640)	--	(15,640)
Private and state categorical programs	92,721	--	--	(92,721)	--	(92,721)
Federal programs	2,598,854	--	2,517,796	(81,058)	--	(81,058)
Transfers (outgoing)	234,832	--	--	(234,832)	--	(234,832)
Non-program expenditures	49,503	--	--	(49,503)	--	(49,503)
Capital outlay	8,223,804	--	--	(8,223,804)	--	(8,223,804)
Subtotal of governmental activities carried forward	\$ 28,996,522	90,696	4,122,627	(24,783,199)	--	(24,783,199)

CASS COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF ACTIVITIES - CASH BASIS - CONTINUED

YEAR ENDED AUGUST 31, 2021

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipt and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	
Governmental Activities (continued)						
Balances carried forward	\$ 28,996,522	90,696	4,122,627	(24,783,199)	--	(24,783,199)
Debt service						
Principal	640,000	--	--	(640,000)	--	(640,000)
Interest	361,138	--	--	(361,138)	--	(361,138)
Wire fees	16,885	--	--	(16,885)	--	(16,885)
Miscellaneous expense	52,963	--	--	(52,963)	--	(52,963)
Total governmental activities	30,067,508	90,696	4,122,627	(25,854,185)	--	(25,854,185)
Business-type activities						
Food program services	671,938	57,768	646,673	--	32,503	32,503
Total business-type activities	671,938	57,768	646,673	--	32,503	32,503
Total primary government	\$ 30,739,446	148,464	4,769,300	(25,854,185)	32,503	(25,821,682)

CASS COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF ACTIVITIES - CASH BASIS - CONTINUED

YEAR ENDED AUGUST 31, 2021

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipt and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
General receipts						
Taxes						
Property taxes - general purpose				\$ 7,912,276	--	7,912,276
Property taxes - debt service				1,382,461	--	1,382,461
Motor vehicle tax				986,567	--	986,567
Carline taxes				9,716	--	9,716
Public Power District sales tax				176,323	--	176,323
Railroad taxes				7,821	--	7,821
In-lieu-of tax - Housing Authority				6,992	--	6,992
County fines and licenses				87,816	--	87,816
State aid				5,927,291	--	5,927,291
Other state receipts				1,206,967	--	1,206,967
Interest				5,173	--	5,173
Proceeds from the sale of property				154,979	--	154,979
Proceeds from bond issuance				5,575,000	--	5,575,000
Other receipts				344,419	--	344,419
Total general receipts				23,783,801	--	23,783,801
Change in net position				\$ (2,070,384)	32,503	(2,037,881)
Net position - beginning				\$ 5,129,772	195,974	5,325,746
Change in net position				(2,070,384)	32,503	(2,037,881)
Net position - ending				\$ 3,059,388	228,477	3,287,865

CASS COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS**

AUGUST 31, 2021

	General Fund	Qualified Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	Total Governmental Funds
ASSETS					
Cash in Bank	\$ --	166,791	85,207	--	251,998
Cash at County Treasurer	2,400,527	103,565	303,298	--	2,807,390
Due from other funds	--	139,524	--	1,960,235	2,099,759
Total assets	\$ 2,400,527	409,880	388,505	1,960,235	5,159,147
LIABILITIES					
Due to other funds	\$ 1,945,759	--	154,000	--	2,099,759
FUND BALANCES					
Restricted for:					
Debt service	--	409,880	234,505	--	644,385
Assigned	1,055,738	--	--	1,960,235	3,015,973
Unassigned	(600,970)	--	--	--	(600,970)
Total fund balance	454,768	409,880	234,505	1,960,235	3,059,388
Total liabilities and fund balance	\$ 2,400,527	409,880	388,505	1,960,235	5,159,147

CASS COUNTY SCHOOL DISTRICT NO. 1

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

YEAR ENDED AUGUST 31, 2021

	General Fund	Qualified Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	Total Governmental Funds
RECEIPTS					
Taxes					
Property - general purpose	\$ 7,912,253	--	--	23	7,912,276
Property - debt service	--	354,222	1,028,239	--	1,382,461
Motor vehicle	986,567	--	--	--	986,567
Carline	8,286	370	1,060	--	9,716
Public Power District sales tax	155,841	--	20,482	--	176,323
In-lieu of tax - Housing Authority	--	6,992	--	--	6,992
Railroad	7,821	--	--	--	7,821
Tuition	57,191	--	--	--	57,191
Other local receipts/rental of school facilities	33,505	--	--	--	33,505
County receipts	87,816	--	--	--	87,816
State receipts	8,557,949	34,814	101,902	--	8,694,665
Federal receipts	2,562,220	--	--	--	2,562,220
Interest income	3,820	389	72	892	5,173
Proceeds from sale of property	--	--	--	154,979	154,979
Other nonrevenue receipts	299,336	--	--	45,083	344,419
Total receipts	20,672,605	396,787	1,151,755	200,977	22,422,124
DISBURSEMENTS					
Instruction	11,939,346	--	--	--	11,939,346
Support services:					
Students	969,853	--	--	--	969,853
Instruction	544,729	--	--	--	544,729
General administration	501,770	--	--	--	501,770
Office of the principal	1,288,748	--	--	--	1,288,748
Central services	561,309	--	--	--	561,309
Operations and maintenance of plant	1,391,540	--	--	--	1,391,540
Student transportation	583,873	--	--	--	583,873
Operation of non-instructional services	15,640	--	--	--	15,640
Subtotal of disbursements carried forward	\$ 17,796,808	--	--	--	17,796,808

See accompanying notes to financial statements

CASS COUNTY SCHOOL DISTRICT NO. 1

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

YEAR ENDED AUGUST 31, 2021

	General Fund	Qualified Capital Purpose Undertaking Fund	Bond Fund	Special Building Fund	Total Governmental Funds
DISBURSEMENTS (continued)					
Balance carried forward	\$ 17,796,808	--	--	--	17,796,808
Private and state categorical programs	92,721	--	--	--	92,721
Federal programs	2,598,854	--	--	--	2,598,854
Transfers (outgoing)	234,832	--	--	--	234,832
Non-program expenditures	49,503	--	--	--	49,503
Capital outlay	--	--	--	8,223,804	8,223,804
Debt service:					
Principal	--	270,000	370,000	--	640,000
Interest	--	46,278	314,860	--	361,138
Wire fees	--	600	16,285	--	16,885
Bond issuance costs	--	--	--	52,963	52,963
Total disbursements	20,772,718	316,878	701,145	8,276,767	30,067,508
Excess (deficit) of receipts over disbursements	(100,113)	79,909	450,610	(8,075,790)	(7,645,384)
Other sources of financial resources					
Proceeds from bond issuance	--	--	--	5,575,000	5,575,000
NET CHANGE IN FUND BALANCES	\$ (100,113)	79,909	450,610	(2,500,790)	(2,070,384)
Fund balances - beginning	\$ 554,881	329,971	(216,105)	4,461,025	5,129,772
Net change in fund balances	(100,113)	79,909	450,610	(2,500,790)	(2,070,384)
Fund balances - ending	\$ 454,768	409,880	234,505	1,960,235	3,059,388

CASS COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET POSITION - CASH BASIS
PROPRIETARY FUND**

AUGUST 31, 2021

	<u>School Nutrition Fund</u>
ASSETS	
Cash in Bank	\$ 228,477
TOTAL ASSETS	228,477
NET POSITION	
Unrestricted	228,477
TOTAL NET POSITION	\$ 228,477

CASS COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND NET POSITION - CASH BASIS
PROPRIETARY FUND**

YEAR ENDED AUGUST 31, 2021

	<u>School Nutrition Fund</u>
Operating receipts	
Charges for sales and services	
Lunchroom sales	\$ 57,768
Operating disbursements	
Cost of sales and services	671,938
Operating loss	(614,170)
Nonoperating receipts	
USDA and State subsidy	646,673
Total nonoperating receipts	646,673
Change in net position	32,503
Net position - beginning	195,974
Net position - ending	\$ 228,477

CASS COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET POSITION - CASH BASIS
FIDUCIARY FUNDS**

AUGUST 31, 2021

	Activities Fund	Student Fee Fund	Private Purpose Trust Funds		
			Wiley Memorial Scholarship Fund	Wiles Scholarship Fund	Duda Scholarship Fund
ASSETS					
Cash and cash equivalents	\$ 184,868	87,408	--	1,713	116,601
Investments	--	--	1,056,200	33,273	449,398
Due from Wiles Scholarship Fund	13,000	--	--	--	--
Due from Duda Scholarship Fund	20,000	--	--	--	--
TOTAL ASSETS	\$ 217,868	87,408	1,056,200	34,986	565,999
LIABILITIES					
Due to student groups and other	\$ 217,868	--	--	13,000	20,000
NET POSITION	--	87,408	1,056,200	21,986	545,999
TOTAL LIABILITIES AND NET POSITION	\$ 217,868	87,408	1,056,200	34,986	565,999

CASS COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF CHANGES IN NET POSITION - CASH BASIS
FIDUCIARY FUNDS

YEAR ENDED AUGUST 31, 2021

	Student Fee Fund	Private Purpose Trust Funds		
		Wiley Memorial Scholarship Fund	Wiles Scholarship Fund	Duda Scholarship Fund
ADDITIONS				
Net investment income	\$ --	96,765	1,263	9,883
Other receipts	54,107	--	--	--
Total additions	54,107	96,765	1,263	9,883
DEDUCTIONS				
Scholarships awarded	--	60,000	--	20,000
Student fee expenses	60,596	--	--	--
Total deductions	60,596	60,000	--	20,000
Change in net position	(6,489)	36,765	1,263	(10,117)
Net position - beginning	93,897	1,019,435	20,723	556,116
Net position - ending	\$ 87,408	1,056,200	21,986	545,999

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2021

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 Cass County School District No. 1 (the District) which is commonly known as Plattsmouth Community School District.

- A. 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. 90, 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.

- B. 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 interfund 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 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

1. Summary of Significant Accounting Policies - Continued

- C. Fund Types - The accounts of the District are organized on the basis of funds which are grouped into governmental, proprietary and fiduciary fund types as follows:

Governmental Funds:

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 and 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.

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, 110 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

1. Summary of Significant Accounting Policies - Continued

C. Fund Types - Continued

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. This fund is used for the administration of the District's flexible spending account. The Employee Benefit Fund is considered a component of the General Fund.

Proprietary Fund:

School Nutrition Fund – The School Nutrition 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 Nutrition Fund; accordingly, no inventories are maintained in this fund.

Fiduciary Funds:

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. The cash is received by the District to be held or disbursed on the instructions of the organization from whom they are received. This is not cash of the District.

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.

Private Purpose Trust Funds – These funds are held to provide scholarships for students in accordance with the donor's stipulations.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

1. Summary of Significant Accounting Policies - Continued

- D. 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 or available, 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 Treasurer are included in revenues of the District in the year collected by the county and the District funds held by the County Treasurer 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.

- E. 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.
- F. 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.
- G. Equity Classification

Government-Wide Statements

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

- a. Restricted net position

Consists of net position 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

1. Summary of Significant Accounting Policies – Continued

G. Equity Classification - Continued

b. Unrestricted net position

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

It is the District's policy to use restricted net position first, prior to the use of unrestricted net position, when a disbursement is paid for purposes in which both restricted and unrestricted net positions 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:

a. 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.

b. 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.

c. 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

1. Summary of Significant Accounting Policies – Continued

G. Equity Classification - Continued

d. 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.

e. 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.

H. 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.

In December 2020, a loan of \$154,000 was made from the Special Building Fund to the Bond Fund. The balance of the loan is \$154,000 as of August 31, 2021. The District will make payments as tax receipts allow with the intention to have it paid off as soon as possible.

In the year ending August 31, 2020, a loan totaling \$630,000 was made from the Special Building Fund to the General Fund. The balance of the loan is \$630,000 as of August 31, 2021. The District will make payments as tax receipts allow with the intention to have it paid off as soon as possible.

In addition, the District utilizes bank accounts that are allocated between funds. This allows the District to manage its cash flows. As a result of this cash management strategy, at August 31, 2021 the Special Building Fund and Qualified Capital Purpose Undertaking Fund have advanced cash to the General Fund and Bond Fund.

I. 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. In accordance with the Nebraska Budget Act, 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

1. Summary of Significant Accounting Policies – Continued

I. Budget Process and Property Taxes - Continued

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.

J. 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, 2021, as all vacation earned during the year must be used by August 31 with no carryover.

K. Use of Estimates - The preparation of financial statements in conformity with the special purpose framework 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.

L. Tax Receipts - Taxes collected by the County Treasurer are recorded as receipts by the District when received by the County Treasurer.

M. Retirement System - The District participates in the Nebraska School Retirement System retirement plan (See Note 11).

2. Cash and Investments

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, the majority of the District's deposits with financial institutions were fully insured or collateralized with pooled securities held by the financial institution but not registered in the District's name. The District had no uncollateralized position at year-end. 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

2. Cash and Investments - Continued

Investments

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

Investments are carried at cost. Investments of \$1,056,200 (market value of \$1,332,560) held by the Wiley Memorial Scholarship Fund, \$33,273 (market value of \$45,941) held by the Wiles Scholarship Fund and \$449,398 (market value of \$983,341) held by the Duda Scholarship Fund primarily consist of exchange traded and mutual funds.

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 \$1,282,769 invested with NLAF as of August 31, 2021.

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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

3. Bonds Payable

The District has four bond issues outstanding as of August 31, 2021:

Qualified Capital Purpose Undertaking Fund

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 Bonds, Series 2016, dated April 12, 2016, principal of \$2,810,000, interest rate 1.55% to 2.35%, matures December 15, 2026. 1,490,000

Bond Fund

General Obligation School Building Bonds, Series 2019 dated August 21, 2019, principal of \$9,480,000, interest rate 2.00% to 3.00%, matures December 15, 2039. 9,110,000

General Obligation School Building Bonds, Series 2020 dated August 21, 2019, principal of \$5,575,000, interest rate 0.75% to 2.125%, matures December 15, 2039. 5,575,000

Total bonds payable, August 31, 2021 **\$ 16,455,000**

Interest paid during fiscal 2021 **\$ 361,938**

The following is a summary of long-term debt transactions of the District for the year ended August 31, 2021.

	Original Issue	Balance August 31, 2020	Issued	Retire- ments	Bonds Outstanding August 31, 2021
Qualified School Construction Bonds Bond Series 2010B	\$ 280,000	280,000	--	--	280,000
Limited Tax Obligation Series 2016	2,810,000	1,760,000	--	270,000	1,490,000
General Obligation School Building Bonds Series 2019	9,840,000	9,480,000	--	370,000	9,110,000
General Obligation School Building Bonds Series 2020	5,575,000	--	5,575,000	--	5,575,000
<u>Total bonds</u>		<u>\$11,520,000</u>	<u>5,575,000</u>	<u>640,000</u>	<u>16,455,000</u>

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

3. Bonds Payable – Continued

The above bonds mature as follows:

<u>Year ended August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 895,000	377,309	1,272,309
2023	930,000	355,108	1,285,108
2024	955,000	330,586	1,285,586
2025	975,000	305,004	1,280,004
2026	1,000,000	278,394	1,278,394
2027-2031	3,990,000	1,141,158	5,131,158
2032-2036	4,075,000	742,686	4,817,686
2037-2040	3,635,000	198,327	3,833,327
	<u>\$ 16,455,000</u>	<u>3,728,572</u>	<u>20,183,572</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.

4. Debt Obligations

The District has an annual unsecured promissory note for a \$2,228,000 line of credit with First State Bank Nebraska, which matures November 4, 2021. Any outstanding balance on the note bears interest at 5.25%. As of August 31, 2021, the outstanding balance was \$945,421.

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 commingled 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 graduating 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.

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.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

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.

8. **Interfund Transfers**

During the year ended August 31, 2021, the District had interfund transfers reported with receipts and disbursements for support of other funds as shown below.

	Transfer In	Transfer Out
Depreciation Fund	\$ --	219,473
Employee Benefit Fund	--	359
Activity Fund	15,000	--
General Fund	219,832	15,000
Total	\$ 234,832	234,832

9. **Commitments and Contingencies**

In the normal course of operations, the District may be involved in routine litigation. The District maintains insurance to assist in covering the risks associated with these contingencies (Note 7). There are no significant pending legal proceedings which the District believes would have a material adverse effect on their financial position.

The District has a contingent loan agreement with First State Bank Nebraska (FSBN) that essentially guarantees a loan issued by FSBN to Plattsmouth Community Schools Fitness Center Incorporated (PCSFCI), an unrelated party to the District comprised of community leaders. In the event PCSFCI would default on their loan associated with the improvements to the District's athletic facilities, the District would incur a loan in an amount not to exceed \$1,225,000. The balance on the guaranteed loan was approximately \$538,000 at August 31, 2021.

The District has entered into various construction related contracts for school improvements which have a remaining obligation of approximately \$1,256,000 at August 31, 2021.

On August 1, 2021, the District extended an agreement with the Cass County Sheriff's Office to have a School Resource Officer assigned to the District through the 2023-2024 school year. The extended agreement is for one School Resource officer for the period with the option to add an additional officer for after hours or weekend events for additional cost. The agreement contains a termination clause that allows either party to terminate the agreement with written 90-day notice prior to August 1st of each year of the agreement. The remaining agreed upon non-cancellable cost at August 31, 2021 is approximately \$60,000.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

9. Commitments – Continued

On September 10, 2018, the District entered into a three-year service agreement with Professional Heating and Air Conditioning. The district will receive services related to cooling and heating system maintenance and related labor and materials, and systems review and inspections. This agreement has an automatic renewal clause that was utilized, resulting in a three-year renewal of the original contract which can be cancelled upon 30 days notice before work is performed. The service agreement's remaining non-cancellable cost at August 31, 2021 is approximately \$42,000.

On July 1, 2020, the District entered into a seven-year agreement with Mid States School Bus, Inc. The district will receive student transportation services during the school year including daily routes, special education routes, and out-of-district transportation. Payments are due in monthly installments based on services provided. Additional charges for out-of-district transportation and Special Education transportation mileage will be incurred. The agreement may be terminated by either party, with or without cause, by written notice and effective at the end of the school year. During 2021, Mid States School Bus, Inc. was purchased by First Student resulting in an assignment of the contract upon closing. The remaining agreed upon non-cancellable cost at August 31, 2021 is approximately \$492,000.

On August 31, 2020, the District entered into a three-year agreement with Witte Physical Therapy for athletic training services. The agreement contains a termination clause which allows either party to terminate the contract with a written 30-day notice at any time or immediately with cause. The remaining agreed upon non-cancellable cost at August 31, 2021 is approximately \$26,500.

The District entered into lease agreements for the use of various office equipment, machinery and effective purchase of computer equipment and athletic field lighting. Total payments, including interest, for all lease agreements totaled \$125,259 in the year ended August 31, 2021. Future minimum annual payments under all lease agreements for the years ending after August 31, 2021 are as follows:

Year Ending August 31,	
2022	\$ 113,727
2023	58,769
2024	23,340
2025	23,340
2026	23,340
Thereafter	89,470

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

10. Subsequent Events

Management evaluated transactions and events occurring subsequent to August 31, 2021, and through November 3, 2021 (the date the financial statements were available to be issued), to determine whether any events should be recognized or disclosed in these statements. There were no material transactions or events in subsequent period requiring disclosure or recognition in the financial statements.

11. Retirement Plan

The 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.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2020, there were 265 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the plan.

Normal retirement is at age 65. For an employee who became a member before July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

Benefit calculations vary with early retirement. Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

11. Retirement Plan - Continued

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or two and one-half percent. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

For school employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or one percent. There is no purchasing power floor for employees who fall under this tier.

For the District's year ended August 31, 2021, the District's total payroll for all employees was \$11,828,056. Total covered payroll was \$11,476,473. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to two percent of the compensation of all members. This contribution is considered a nonemployer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78 percent from July 1, 2019, to June 30, 2020 (and from July 1, 2020 through, August 31, 2021). The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for the year ended August 31, 2021 was \$1,133,625.

Pension Liabilities

At June 30, 2020 the District had a liability of \$7,453,648 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying cash basis financial statements.) The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERS School Plan was 88.73% funded as of June 30, 2020 based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the District's proportion was 0.576806 percent, which was a decrease of 0.025109 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the District's allocated pension expense was \$1,324,139.

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

11. Retirement Plan - Continued

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases, including wage inflation	3.50 – 8.50%
Cost-of-Living Adjustment	Members hired before July 1, 2013: 2.25% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on or after July 1, 2013: 1.00% with no floor benefit
Investment Rate Return, net of investment expense, including price inflation	7.50%

The School Plan's pre-retirement mortality rates were based on the RP-2014 White Collar Table for Employees (100% of male rates for males, 55% of female rate for females), projected generationally with MP-2015.

The School Plan's post-retirement mortality rates were based on the RP-2014 White Collar Table for Employees, set back two years, scaled (males: under 80, 1.008; over 80, 1.449; females: under 85, 0.924; over 85, 1.5855; geometrically blended), projected generationally with a Society of Actuaries projection scale tool using 0.5% ultimate rate in 2035.

The School Plan's disability mortality rates were based on the RP-2014 Disabled Lives Table (static table).

The actuarial assumptions used in the July 1, 2020, valuations for the School plan is based on the results of the most recent actuarial experience study, which covered the four year period ending June 30, 2015. The experience study report is dated November 17, 2016.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, (see the discussion of the pension plan's investment policy) are summarized in the following table:

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

11. Retirement Plan – Continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Large Cap US Equity	26.10%	5.83%
Small Cap US Equity	2.90%	7.56%
Global Equity	15.00%	6.51%
International Developed Equity	10.80%	6.80%
Emerging Markets	2.70%	10.55%
Core Bonds	20.00%	1.63%
High Yield	3.50%	5.22%
Bank Loans	5.00%	2.78%
International Bonds	1.50%	1.41%
Private Equity	5.00%	9.70%
Real Estate	7.50%	5.18%
Total	100.00%	

*Arithmetic mean, net of investment expenses.

Discount Rate

The discount rate used to measure the Total Pension Liability at June 30, 2020, was 7.5 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2011, through June 30, 2015. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2119.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS - CONTINUED

AUGUST 31, 2021

11. Retirement Plan – Continued

	Discount rate	District's proportionate Share of net pension liability (asset)
1% decrease	6.5%	\$ 16,551,825
Current discount rate	7.5%	7,453,648
1% increase	8.5%	(56,993)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained via the internet at:
http://www.auditors.nebraska.gov/APA_Reports.

SUPPLEMENTAL SCHEDULES

CASS COUNTY SCHOOL DISTRICT NO. 1

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND NOTES**

YEAR ENDED AUGUST 31, 2021

FEDERAL GRANTOR	Federal Assistance Listing #	Pass-through Entity Identifying #	Expenditures	
<i>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i>				
Head Start	93.600	N/A	\$	1,127,463
COVID-19 - Head Start	93.600	N/A		96,669
<i>Passed through Nebraska Association of School Boards Medicaid Consortium</i>				
Medical Assistance Program	93.778	13-0001		<u>39,228</u>
Total U.S. Department of Health and Human Services				1,263,360
<i>U.S. DEPARTMENT OF EDUCATION</i>				
<i>Passed through State Department of Education</i>				
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	21-6408-00-03-013-0001 21-6412-00-03-013-0001	\$	383,834
Special Education Preschool Grants	84.173	21-6406-00-03-013-0001		<u>12,028</u> 395,862
Adult Education - Basic Grants to States	84.002	21-2AEF-07-00-130001		9,786
Title I Grants to Local Educational Agencies	84.010	21-6200-00-03-013-0001		262,472
Twenty-First Century Community Learning Centers	84.287	21-6968 A0-03-013-0001		39,091
Improving Teacher Quality State Grants	84.367	21-6310-00-03-013-0001		33,391
Student Support & Academic Enrichment	84.424	21-6969-00-03-013-0001		15,650
COVID-19 - Education Stabilization Fund	84.425	20-6996-00-03-013-0001		249,650
COVID-19 - Education Stabilization Fund	84.425D	21-6997-00-03-013-0001		226,785
<i>Passed through Nebraska ESU Coordinating Council</i>				
COVID-19 - Education Stabilization Fund	84.425C	None		<u>141,805</u> <u>618,240</u>
Total U.S. Department of Education				1,374,492

CASS COUNTY SCHOOL DISTRICT NO. 1

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND NOTES - CONTINUED**

YEAR ENDED AUGUST 31, 2021

FEDERAL GRANTOR	Federal	Pass-through		
<i>Pass through Grantor</i>	Assistance	Entity		
Program Title	Listing #	Identifying #	Expenditures	
U.S. DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster				
<i>Passed through Nebraska Department of Health and Human Services</i>				
Food Donation - non-cash award	10.555	2020IN202043, 2021IN202043	\$ 53,801	
<i>Passed through State Department of Education</i>				
National School Lunch Program	10.555	None	32,434	
Summer Food Services Program for Children	10.559	2021IN109943	<u>573,195</u>	\$ 659,430
Child and Adult Care Food Program	10.558	2020IN202043, 2021IN202043		<u>35,693</u>
Total U.S. Department of Agriculture				<u>695,123</u>
Total Federal Awards Expended				\$ <u><u>3,332,975</u></u>

Note to Schedule of Expenditures of Federal Awards

Basis of Presentation - The above schedule has been prepared on the cash basis of accounting and includes all expenditures of federal awards during the fiscal year regardless of when the related federal funds were received.

Federal Expenditures - Federal reimbursements for the Medical Assistance Program (MAPS) (93.778) and National School Lunch Program (10.555) are based on approved rates for services provided and are not reimbursements for specific expenditures. Therefore, this amount represents cash received rather than federal expenditures.

Subrecipients - The District expended no awards to subrecipients during the year.

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

Indirect Cost Rate - The District did not elect to use the 10% de minimis cost rate.

CASS COUNTY SCHOOL DISTRICT NO. 1

SUPPLEMENTAL SCHEDULE
 COMBINED SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND FUND BALANCES

YEAR ENDED AUGUST 31, 2021

	Fund Balances At Beginning of Year	Receipts	Disbursements	Transfers In (Out)	Excess (Deficiency) of Receipts Over (Under) Disbursements	Fund Balances At End of Year	Fund Balance Composition			
							Cash in Bank	Investments	Cash at County Treasurer	Due from (to) others
General Fund	\$ 554,881	20,672,605	20,772,718	--	(100,113)	454,768	--	--	2,400,527	(1,945,759)
Qualified Capital Purpose Undertaking Fund	329,971	396,787	316,878	--	79,909	409,880	166,791	--	103,565	139,524
Bond Fund	(216,105)	1,151,755	701,145	--	450,610	234,505	85,207	--	303,298	(154,000)
Special Building Fund	4,461,025	5,775,977	8,276,767	--	(2,500,790)	1,960,235	--	--	--	1,960,235
School Nutrition Fund	195,974	704,441	671,938	--	32,503	228,477	228,477	--	--	--
Fiduciary Funds	1,690,171	162,018	140,596	--	21,422	1,711,593	390,590	1,538,871	--	(217,868)
Total	\$ 7,015,917	28,863,583	30,880,042	--	(2,016,459)	4,999,458	871,065	1,538,871	2,807,390	(217,868)

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS

AUGUST 31, 2021

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
RECEIPTS					
Local sources					
Taxes					
Property taxes - general purpose	\$ 7,912,253	--	--	--	7,912,253
Carline tax	8,286	--	--	--	8,286
Public Power District sales tax	155,841	--	--	--	155,841
Motor vehicle taxes	986,567	--	--	--	986,567
Railroad taxes	7,821	--	--	--	7,821
Interest	1,283	2,537	--	--	3,820
Tuition	57,191	--	--	--	57,191
Other local receipts/rental of school facilities	33,505	--	--	--	33,505
Total local sources	9,162,747	2,537	--	--	9,165,284
County sources					
ESU receipts	4,649	--	--	--	4,649
County fines and license fees	83,167	--	--	--	83,167
Total county sources	87,816	--	--	--	87,816

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND COMPONENTS

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS -
CONTINUED**

AUGUST 31, 2021

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
RECEIPTS (continued)					
State sources					
State aid	\$ 5,927,291	--	--	--	5,927,291
Special education	1,461,548	--	--	--	1,461,548
Special education transportation	98,859	--	--	--	98,859
Homestead exemption	333,278	--	--	--	333,278
Property tax credit	413,999	--	--	--	413,999
High ability learners	12,086	--	--	--	12,086
Preschool flex funding	4,179	--	--	--	4,179
Prorate motor vehicle	21,023	--	--	--	21,023
State appointment	206,982	--	--	--	206,982
State grants	78,704	--	--	--	78,704
Total state sources	8,557,949	--	--	--	8,557,949

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS

CONTINUED

AUGUST 31, 2021

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
RECEIPTS (continued)					
Federal sources					
Title I	230,397	--	--	--	230,397
Title II, Part A	53,749	--	--	--	53,749
IDEA Part B Supplemental	12,191	--	--	--	12,191
IDEA Part B (619) Preschool	14,243	--	--	--	14,243
IDEA Part B (611) Special education	419,669	--	--	--	419,669
IDEA Nonpublic	20,972	--	--	--	20,972
Medicaid in public schools	5,196	--	--	--	5,196
Medicaid Administrative Activities	39,228	--	--	--	39,228
21st Century Learning Grant	68,794	--	--	--	68,794
ABE/GED	588	--	--	--	588
Head Start	1,379,540	--	--	--	1,379,540
Presidential Disaster Aid/ESSERS	175,847	--	--	--	175,847
Other Federal receipts	141,806	--	--	--	141,806
Total Federal sources	2,562,220	--	--	--	2,562,220
Nonrevenue receipts					
Transfers from other funds	219,832	--	41,960	(41,960)	219,832
Other	79,504	--	--	--	79,504
Total nonrevenue receipts	299,336	--	41,960	(41,960)	299,336
TOTAL RECEIPTS	\$ 20,670,068	2,537	41,960	(41,960)	20,672,605

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS

CONTINUED

AUGUST 31, 2021

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
DISBURSEMENTS					
Instruction	\$ 11,981,306	--	--	(41,960)	11,939,346
Support services					
Students	969,853	--	--	--	969,853
Instruction	544,729	--	--	--	544,729
General administration	501,770	--	--	--	501,770
Office of the principal	1,288,748	--	--	--	1,288,748
Central services	561,309	--	--	--	561,309
Operations and maintenance of plant	1,391,540	--	--	--	1,391,540
Student transportation	583,873	--	--	--	583,873
Operation of non-instructional services	15,640	--	--	--	15,640
Private and state categorical programs	92,721	--	--	--	92,721
Federal programs	2,598,854	--	--	--	2,598,854
Transfers (outgoing)	15,000	219,473	359	--	234,832
Non-program expenditures	3,248	--	46,255	--	49,503
TOTAL DISBURSEMENTS	20,548,591	219,473	46,614	(41,960)	20,772,718
RECEIPTS UNDER DISBURSEMENTS	121,477	(216,936)	(4,654)	--	(100,113)
FUND BALANCE, beginning of year	(722,447)	1,242,315	35,013	--	554,881
FUND BALANCE, end of year	\$ (600,970)	1,025,379	30,359	--	454,768

CASS COUNTY SCHOOL DISTRICT NO. 1

**GENERAL FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL
(Unaudited)**

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 581,070	(722,447)
RECEIPTS		
Local sources		
Property taxes - general purpose	8,561,097	7,912,253
Carline tax	10,000	8,286
Public Power District sales tax	180,000	155,841
Motor-vehicle taxes	1,250,000	986,567
Railroad taxes	--	7,821
Interest	2,500	1,283
Local license fees and fines	5,000	--
Tuition	50,000	57,191
Other local receipts/rental of school facilities	57,000	33,505
	10,115,597	9,162,747
County sources		
ESU receipts	5,000	4,649
Fines and licenses	90,000	83,167
	95,000	87,816
State sources		
State aid	5,927,291	5,927,291
Special education	1,500,000	1,461,548
Special education transportation	130,000	98,859
Homestead exemption	388,000	333,278
Property tax credit	500,000	413,999
High ability learners	12,500	12,086
Preschool flex funding	12,000	4,179
Prorate motor vehicle	25,000	21,023
State apportionment	260,000	206,982
State grants	200,000	78,704
	8,954,791	8,557,949

CASS COUNTY SCHOOL DISTRICT NO. 1

**GENERAL FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
(Unaudited)**

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
RECEIPTS - continued		
Federal sources		
Title I	\$ 260,000	230,397
Title II, Part A	40,000	53,749
IDEA Part B Supplemental	--	12,191
IDEA Part B (619) Preschool	12,000	14,243
IDEA Part B (611) Special education	395,000	419,669
IDEA Nonpublic	18,000	20,972
Medicaid in public schools	10,000	5,196
Medicaid activities/outreach	35,000	39,228
Title IV, Part B NCLB - 21st Century Community Learning Centers	75,000	68,794
Adult Education	--	588
Head Start	1,270,364	1,379,540
Presidential Disaster Aid/ESSER	175,847	175,847
Other Federal receipts	--	141,806
	2,291,211	2,562,220
Nonrevenue receipts		
Sale of property	5,000	--
ROTC reimbursements	85,000	77,991
Other non-revenue receipts	1,500	1,513
	91,500	79,504
Transfers (incoming)	--	219,832
Total Receipts	21,548,099	20,670,068
Total Available Resources	22,129,169	19,947,621

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
DISBURSEMENTS		
Instruction		
Regular instruction	\$ 7,700,243	7,673,983
Regular instructional programs - school age (flex-spending)	182,084	136,968
Regular instructional programs - below age 5 (flex-spending)	26,305	23,840
Limited English proficiency programs	73,882	87,230
Poverty programs	783,969	797,789
Special education instructional programs - school age	2,991,559	3,066,040
Special education instructional programs - ages 3-5	203,487	173,845
Summer school	19,558	21,611
	11,981,087	11,981,306
Support services - students		
Attendance and social work services	212,699	581
Guidance services	315,206	317,011
Health services	89,814	91,433
Psychological services: SPED school age	179,237	180,659
Speech pathology & audiology services: SPED school age	163,656	152,549
Speech pathology & audiology services: SPED ages 3-5	126,100	145,156
Occupational therapy - related services: SPED school age	25,000	21,432
Occupational therapy - related services: SPED ages 3-5	25,000	18,924
Physical therapy - related services: SPED school age	20,000	15,502
Physical therapy - related services: SPED ages 3-5	18,000	11,844
Visually impaired - related services: SPED school age	20,000	14,762
	1,194,712	969,853
Support services - instruction		
Instruction and curriculum development	99,000	210,728
Instructional staff training	28,000	1,579
Library/media services	229,094	228,712
Instruction-related technology	141,185	103,710
	497,279	544,729

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
DISBURSEMENTS - continued		
Support services - general administration		
Board of education	\$ 239,300	272,088
Executive administration	211,765	212,654
District legal services	30,000	17,028
	481,065	501,770
Office of the principal	1,297,559	1,288,748
Central services		
Fiscal services	289,843	216,819
Printing, publishing, and duplicating services	96,700	94,450
Planning, research, development, & evaluation services	100	--
Administrative technology services	243,441	250,040
	630,084	561,309
Operations and maintenance of plant		
Operation of buildings	798,792	772,253
Maintenance of buildings	411,109	451,352
Care and upkeep of grounds	17,850	26,704
Vehicle operation, maintenance and purchasing (other than student transportation vehicles)	66,500	11,940
Security	210,000	124,588
Safety	12,000	4,703
	1,516,251	1,391,540
Student transportation		
Vehicle operation and purchasing - regular education	450,300	387,689
Vehicle operation and purchasing - school age SPED	214,000	186,196
Vehicle operation and purchasing - below age 5 SPED	40,000	9,988
	704,300	583,873

CASS COUNTY SCHOOL DISTRICT NO. 1

GENERAL FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
DISBURSEMENTS - continued		
Operation of non-instructional services		
Community services operations	\$ 32,815	15,640
	32,815	15,640
Private and state categorical programs		
Categorical grants from corporations and other private interests	4,600	5,011
Other state categorical programs	10,939	1,879
High ability learners	12,086	12,284
Early childhood endowment grants	75,000	73,547
	102,625	92,721
Federal programs	2,173,392	2,598,854
Transfers (outgoing)	15,000	15,000
Non-program expenditures	3,000	3,248
Total disbursements	20,629,169	20,548,591
Fund balance, end of year	\$ 1,500,000	(600,970)

CASS COUNTY SCHOOL DISTRICT NO. 1

DEPRECIATION FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
FUND BALANCE, Beginning of year	\$ 1,242,315	1,242,315
Receipts		
Interest	3,400	2,537
Total receipts	3,400	2,537
Total available resources	1,245,715	1,244,852
Disbursements		
Supplies	100,000	--
Transfer to other Funds	--	219,473
Capital outlay	1,145,715	--
Total disbursements	1,245,715	219,473
FUND BALANCE, End of year	\$ --	1,025,379

CASS COUNTY SCHOOL DISTRICT NO. 1

**QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND
 SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 FUND BALANCE - BUDGET AND ACTUAL
 (Unaudited)**

YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
FUND BALANCE, Beginning of year	\$ 426,095	329,971
Receipts		
Taxes		
Property taxes - debt purpose	384,082	354,222
Carline	350	370
In-lieu-of tax	--	6,992
Homestead exemption	15,000	14,952
Property tax credit	14,826	18,574
Prorate motor vehicle	650	937
Railroad tax	--	351
Interest	475	389
Total receipts	415,383	396,787
Total available resources	841,478	726,758
Disbursements		
Operation of Building	375,000	--
Principal	270,000	270,000
Interest payments	46,078	46,278
Miscellaneous expense	400	600
Total disbursements	691,478	316,878
FUND BALANCE, End of year	\$ 150,000	409,880

CASS COUNTY SCHOOL DISTRICT NO. 1

BOND FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
FUND BALANCE, Beginning of year	\$ 77,965	(216,105)
Receipts		
Taxes		
Property taxes - debt purpose	1,125,153	1,028,239
Carline	1,000	1,060
In-lieu-of tax	--	20,482
Homestead exemption	80,000	43,802
Property tax credit	10,000	54,410
Prorate motor vehicle	2,500	2,662
Railroad tax	--	1,028
Interest	300	72
Total receipts	1,218,953	1,151,755
Total available resources	1,296,918	935,650
Disbursements		
Principal payments	370,000	370,000
Interest payments	326,418	314,860
Transfer to other Funds	549,000	--
Miscellaneous expense	1,500	16,285
Total disbursements	1,246,918	701,145
FUND BALANCE, End of year	\$ 50,000	234,505

CASS COUNTY SCHOOL DISTRICT NO. 1

SPECIAL BUILDING FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
FUND BALANCE, Beginning of year	\$ 4,461,792	4,461,025
Receipts		
Taxes		
Property taxes - general purpose	--	23
Homestead Exemption	100	--
Interest	75,000	892
Sale of property	165,000	154,979
Non-revenue receipts	--	45,083
Bond proceeds	5,652,565	5,575,000
Total receipts	5,892,665	5,775,977
Total available resources	10,354,457	10,237,002
Disbursements		
Capital outlay	10,294,457	8,186,454
Bond issuance costs	--	52,963
Miscellaneous	60,000	37,350
Total disbursements	10,354,457	8,276,767
FUND BALANCE, End of year	\$ --	1,960,235

CASS COUNTY SCHOOL DISTRICT NO. 1

**EMPLOYEE BENEFIT FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL
(Unaudited)**

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
FUND BALANCE, Beginning of year	\$ 359	35,013
Receipts		
Transfers from other funds	--	41,960
Total receipts	--	41,960
Total available resources	359	76,973
Disbursements		
Benefits paid	359	46,255
Transfers to other funds	--	359
Total disbursements	359	46,614
FUND BALANCE, End of year	\$ --	30,359

CASS COUNTY SCHOOL DISTRICT NO. 1

SCHOOL NUTRITION FUND
 SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 FUND BALANCE - BUDGET AND ACTUAL
 (Unaudited)

YEAR ENDED AUGUST 31, 2021

	Original and Final Budget	Actual
FUND BALANCE, Beginning of year	\$ 117,337	195,974
Receipts		
Sales of lunches	320,000	57,768
State reimbursement	3,850	5,350
Federal reimbursement	505,000	641,323
Total receipts	828,850	704,441
Total available resources	946,187	900,415
Disbursements		
Salaries	22,000	21,158
Payroll taxes and benefits	5,200	5,012
Purchased services	868,987	626,613
Food and supplies	20,000	10,667
Equipment purchases	30,000	8,120
Other expenses	--	368
Total disbursements	946,187	671,938
FUND BALANCE, End of year	\$ --	228,477

CASS COUNTY SCHOOL DISTRICT NO. 1

STUDENT FEE FUND

**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
FUND BALANCE - BUDGET AND ACTUAL**

(Unaudited)

YEAR ENDED AUGUST 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>
FUND BALANCE, Beginning of year	\$ 80,265	93,897
Receipts		
Activity receipts	30,000	54,107
<hr/>		
Total receipts	30,000	54,107
Total available resources	110,265	148,004
Disbursements		
Extracurricular activity fees	110,265	60,596
Total disbursements	110,265	60,596
FUND BALANCE, End of year	\$ --	87,408

CASS COUNTY SCHOOL DISTRICT NO. 1

NOTES TO BUDGETARY SCHEDULES (UNAUDITED)

AUGUST 31, 2021

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.

Budgetary 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.

Reconciliations

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:

	<u>Receipts</u>	<u>Expenditures</u>	<u>Excess Receipts over (under) Expenditures</u>
Financial reporting basis			
<u>General Fund</u>	<u>\$ 20,672,605</u>	<u>20,772,718</u>	<u>(100,113)</u>
Budgetary basis			
General Fund	\$ 20,670,068	20,548,591	121,477
Depreciation Fund	2,537	219,473	(216,936)
Employee Benefit Fund	--	4,654	(4,654)
<u>Total</u>	<u>\$ 20,672,605</u>	<u>20,772,718</u>	<u>\$ (100,113)</u>

CASS COUNTY SCHOOL DISTRICT NO. 1

FIDUCIARY FUND

SUPPLEMENTAL SCHEDULE OF CHANGES IN CASH AND INVESTMENT BALANCES

YEAR ENDED AUGUST 31, 2021

	Balance			Balance
	9/1/20	Receipts	Disbursements	8/31/21
Activities Fund	\$ 145,443	329,700	290,275	184,868
Student Fee Fund	93,897	54,107	60,596	87,408
Wiley Memorial Scholarship Fund	1,019,435	96,765	60,000	1,056,200
Wiles Scholarship Fund	33,723	1,263	--	34,986
Duda Scholarship Fund	556,116	9,883	--	565,999
Total	\$ 1,848,614	491,718	410,871	1,929,461

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cass County School District No. 1 (the District), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2021-001 and 2021-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Responses to Findings

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FRANKEL ZACHARIA LLC

November 3, 2021

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Cass County School District No. 1’s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District’s major federal programs for the year ended August 31, 2021. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the District’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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FRANKEL ZACHARIA LLC

November 3, 2021

CASS COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED AUGUST 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered
to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered
to be material weaknesses? No

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR, Section 200.516(a)? No

Identification of major program

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A
and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? No

CASS COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

YEAR ENDED AUGUST 31, 2021

Section II – Financial Statement Findings

2021-001 Financial Statement Preparation (Repeat of 2020-001)

Criteria: Internal controls should be in operation that provide reasonable assurance of the District's ability to report financial data reliably in accordance with the cash basis of accounting.

Condition: The District's accounting personnel and those charged with governance do not have the expertise required to prepare the financial statements and related footnotes in accordance with the cash basis of accounting.

Cause: The District has chosen to use its external audit firm to assist with preparation of their annual financial statements rather than devoting internal resources.

Effect: The District on its own cannot comply with the regulatory requirements to prepare annual financial statements in accordance with the cash basis of accounting.

Response: Management has determined it is not cost-beneficial to create a system of internal control that would allow the District to prepare its own financial statements. Accordingly, management intends to continue to engage their audit firm to assist in the preparation of the statements and the related supplementary schedules.

2021-002 Segregation of Duties (Repeat of 2020-002)

Criteria: A key component of internal control over financial reporting is 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.

Cause: The District has a limited number of staff.

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

Response: The District continues to implement new and upgraded procedures such as reviews of bank statements and bank reconciliations by the Superintendent to improve 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.

CASS COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

YEAR ENDED AUGUST 31, 2021

Section III – Federal Award Findings and Questioned Costs

No federal award findings and questioned costs.

Section IV – Summary Schedule of Prior Audit Findings

2020-001 Financial Statement Preparation

Criteria: Internal controls should be in operation that provide reasonable assurance of the District's ability to report financial data reliably in accordance with the cash basis of accounting.

Condition: The District's accounting personnel and those charged with governance do not have the expertise required to prepare the financial statements and related footnotes in accordance with the cash basis of accounting.

Cause: The District has chosen to use its external audit firm to assist with preparation of their annual financial statements rather than devoting internal resources.

Effect: The District on its own cannot comply with the regulatory requirements to prepare annual financial statements in accordance with the cash basis of accounting.

Response: Management has determined it is not cost-beneficial to create a system of internal control that would allow the District to prepare its own financial statements. Accordingly, management intends to continue to engage their audit firm to assist in the preparation of the statements and the related supplementary schedules.

Current Year Status – This finding is repeated as finding 2021-001 as management has determined it is not cost beneficial to correct.

2020-002 Segregation of Duties

Criteria: A key component of internal control over financial reporting is 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.

Cause: The District has a limited number of staff.

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

CASS COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

YEAR ENDED AUGUST 31, 2021

Section IV – Summary Schedule of Prior Audit Findings - Continued

Response: The District continues to implement new and upgraded procedures such as reviews of bank statements and bank reconciliations by the Superintendent to improve 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.

Current Year Status – This finding is repeated as finding 2021-002 as management has determined it is not cost beneficial to correct.

2020-003 Expenditures in Excess of Budget

Criteria: The Nebraska Budget Act requires an annual budget by fund for all anticipated revenues and expenditures be adopted by the governing body and submitted to the State of Nebraska. Unless otherwise provided by law, any occurrence of expenditures exceeding budgeted amounts is considered a deviation from the Act if the governing board does not revise the previously adopted budget in accordance with Nebraska Statute 13-511.

Condition: Expenditures for the Bond Fund exceeded budgeted amounts for the year ending August 31, 2020, by \$705,869 and the adopted budget was not amended.

Cause: Expenditures in the Bond Fund exceeded budget due to additional required principal payments on loans and bonds that were not included in the budget.

Effect: Due to expenditures exceeding budgeted amounts for these funds, the District has deviated from the Nebraska Budget Act.

Response: The District will take the necessary actions to amend the budget in future years when actual expenditures exceed the original adopted budget. The General Fund expenditures exceeded the approved budget but did not exceed the allowable budget authority or the total available resources in the fund.

Current Year Status – This finding was not repeated as finding a for the year ending August 31, 2021.



Plattsmouth Community School District Central Office
1912 Old Highway 34
Plattsmouth, NE 68048
Dr. Richard E. Hasty, Superintendent/Special Ed. Director
Dr. Cherie Larson, Director of Instructional Services
Pamela Dobrovlny, Assistant Special Education Director
and Early Childhood/Head Start Director
Phone: (402) 296-3361 Fax: (402) 296-2667

Working in partnership to ensure Academic achievement, responsible Behavior and Civic engagement.

November 1, 2021

Corrective Action Plan

Auditor of Public Accounts
PO Box 98917
Lincoln NE 68509-8917

Gentlemen:

This letter is intended as a Response to Compliance or Control Issues contained in the Plattsmouth Community School's letter to the board of education, per rule 1, Regulations Governing Audit Procedures.

1. Financial Statement Preparations: 2021-001

Response: Management has determined that it is not cost beneficial to create a system of internal control that would allow the district to prepare its own financial statements. Accordingly, management intends to continue to engage their audit firm to assist in the preparation of the statements and the related supplementary schedules.

2. Segregation of Duties: 2021-002

Response: the district continues to implement new and upgraded procedures such as review of bank statements and bank reconciliations by the Superintendent to improve 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.

Sincerely,

Dr: Richard E. Hasty, Superintendent