SANITARY AND IMPROVEMENT DISTRICT NO. 81
OF SARPY COUNTY, NEBRASKA

Basic Financial Statements
with
Supplementary Information
and
Accompanying Independent
Auditors' Report
For the Year ended June 30, 2015

Sanitary and Improvements District No. 81
of Sarpy County Nebraska

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Sanitary and Improvement District No. 81
of Sarpy County, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sanitary and Improvement District No. 81 of Sarpy County, Nebraska as of and for the year ended June 30, 2015, 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sanitary and Improvement District No. 81 of Sarpy County, Nebraska as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Information – General Fund and the Budgetary Comparison Information – Debt Service Fund listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015, on our consideration of Sanitary and Improvement District No. 81 of Sarpy County, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sanitary and Improvement District No. 81 of Sarpy County, Nebraska's internal control over financial reporting and compliance.

Ritterbush & Piotrowski, LLP

Ritterbush & Piotrowski, L.L.P.
Omaha, Nebraska
December 11, 2015

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Government-Wide Statement of Net Position
June 30, 2015

Assets	
Cash on Deposit (Note 1)	$ 173,890
Taxes Receivable (Notes 1 and 6)	74,198
Capital Assets, Net of Accumulated Depreciation (Notes 1 and 3)	662,788
Prepaid Expenses	1,148
Total Assets	912,024
Liabilities	
Accounts Payable	22,137
Accrued Interest	27,270
Warrants Payable: (Note 4)	
Due within one year	55,563
Due in more than one year	141,615
Non-current Liabilities: (Note 5)	
Due within one year	45,000
Due in more than one year	880,000
Total Liabilities	1,171,585
Net Position	
Net Investment in Capital Assets	(262,212)
Restricted for Debt Service	136,004
Unrestricted	(133,353)
Total Net Position	$ (259,561)

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Government-Wide Statement of Activities
For the year ended June 30, 2015

Expenses (Note 1)		
General Government		
Accounting Service	$	4,079
Audit Fees		4,371
Bond Issue Costs		35,150
Broker Fees		4,141
Collection Fees - County Treasurer		2,280
Depreciation (Note 3)		45,166
Engineering		2,039
Insurance and Trustee Bonding		2,047
Interest Expense on Registered Warrants		11,764
Legal Fees		22,562
Repairs and Maintenance		29,611
Utilities		11,602
Uncollectible Taxes / Adjustments		626
Total General Government Expenses		175,438
Interest Expense on Long-Term Debt		32,734
Total Expenses		208,172
General Revenues (Note 1)		
Personal and Real Property Taxes Assessed (Note 6)		161,738
State Motor Vehicle Tax Allocation		346
Water Service Fees		19,112
Interest Income		242
Total Revenues		181,438
Change in Net Position		(26,734)
Net Position - Beginning of the Year		(232,827)
Net Position - End of the Year	$	(259,561)

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash on Deposit (Note 1)	$ 67,040	$ 106,850	$ 173,890
Taxes Receivable (Notes 1 and 6)	35,339	38,859	74,198
Prepaid Expenses	1,148	-	1,148
Total Assets	$ 103,527	$ 145,709	$ 249,236
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$ 21,387	$ 750	$ 22,137
Total Liabilities	21,387	750	22,137
Fund Balances			
Non-Spendable Fund Balance	1,148	-	1,148
Unrestricted Fund Balance:			
Assigned Fund Balance	-	144,959	144,959
Unassigned Fund Balance	80,992	-	80,992
	82,140	144,959	227,099
Total Liabilities and Fund Balances	$ 103,527	$ 145,709	$ 249,236

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the year ended June 30, 2015

Total Fund Equity of Governmental Funds	$ 227,099
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. This is the amount of capital assets, net of accumulated depreciation.	662,788
Warrants issued but not paid are shown as a liability in the government-wide statements, whereas warrants issued and paid are shown as revenues and expenditures in the governmental funds. This is the amount of warrants payable as of June 30, 2015.	(197,178)
Long-term liabilities are not due and payable in the current period and, therefore, not reported in the governmental funds:	
Bonds Payable	(925,000)
Interest payable on long-term debt does not require current financial resources. Therefore, this accrued interest is not reported on as a liability in the governmental funds balance sheet. This is the amount of interest accrued on bonds and warrants payable as of June 30, 2015.	(27,270)
Total Net Position of Governmental Activities	$ (259,561)

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2015

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues (Note 1)			
Taxes:			
Property Taxes (Note 6)	$ 77,018	$ 84,720	$ 161,738
State Motor Vehicle Tax Allocation	166	180	346
Water Service Fees	19,112	-	19,112
Interest Income:			
Interest on Taxes Collected	117	125	242
Total Revenues	96,413	85,025	181,438
Expenditures (Note 1)			
Current:			
General Government			
Accounting Service	4,079	-	4,079
Audit Fees	4,371	-	4,371
Bond Issue Costs	-	35,150	35,150
Broker Fees	3,391	750	4,141
Collection Fees, County Treasurer	1,102	1,178	2,280
Engineering	2,039	-	2,039
Insurance and Trustee Bonding	2,047	-	2,047
Legal Fees	22,562	-	22,562
Repairs and Maintenance	29,611	-	29,611
Utilities	11,602	-	11,602
Uncollectible Taxes / Adjustments	198	428	626
Total General Government	81,002	37,506	118,508
Debt Service:			
Warrant Principal Payment	38,866	8,295	47,161
Warrant Interest Payment	6,239	-	6,239
Bond Principal Payment	-	925,000	925,000
Bond Interest Payment	-	41,168	41,168
Total Expenditures	126,107	1,011,969	1,138,076
Excess Revenues Over (Under) Expenditures	(29,694)	(926,944)	(956,638)
Other Financing Sources:			
Proceeds from the Issuance of Warrants	65,973	8,295	74,268
Proceeds from the Issuance of Bonds	-	925,000	925,000
Total Other Financing Sources	65,973	933,295	999,268
Net Change in Fund Balances	36,279	6,351	42,630
Fund Balance - Beginning of Year	45,861	138,608	184,469
Fund Balance - End of Year	$ 82,140	$ 144,959	$ 227,099

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	$ 42,630
Amounts reported for governmental activities in the statement of activities are different because:	
Amortization and depreciation expense on intangible and capital assets are reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, amoritization and depreciation expenses are not reported as an expenditure in governmental funds. This is reported as an expenditure in governmental funds. This is the combined amount of amoritization and depreciation expenses in the current year for total intangible and capital assets.	(45,166)
Repayment of principal on noncurrent liabilities is reported as an expenditure in the governmental funds. In the statement of net position, the repayment reduces long-term liabilities. This is the amount of repayments in the current year.	
Warrant Principal Payments	47,161
Bond Principal Payments	925,000
Proceeds from issuance of warrants and bonds are reported as an other financing source in the governmental funds. In the statement of net position, the proceeds increase long-term liabilities. This is the amount of proceeds in the current year.	
Warrant Proceeds	(74,268)
Bond Proceeds	(925,000)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These expenses consist of:	
Change in Accrued Interest on Warrants	(5,525)
Change in Accrued Interest on Bonds	8,434
Change in Net Position of Governmental Activities	$ (26,734)

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Notes to Financial Statements
June 30, 2015

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Sanitary and Improvement District No. 81 of Sarpy County, Nebraska (the District) is presented to assist in understanding the District's basic financial statements. The basic financial statements and notes are representations of the District's management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the basic financial statements.

Reporting Entity

The District is a governmental subdivision authorized under the statutes of the State of Nebraska. A Board of Trustees is elected by the property owners of the District and has decision-making authority to levy taxes, the power to designate management, and the ability to significantly influence operations. The board has governance responsibilities over all activities related to streets, utility systems, and other public improvements within the jurisdiction of the District. The board also has primary financial accountability for fiscal matters of the District. The District is engaged in a single government program and is not included in any other governmental "reporting entity" as defined by GASB pronouncements. In addition, there are no component units as defined by GASB 14, which are included in the District's reporting entity.

Government Accounting Standards Board Statement No. 34

Effective June 30, 2004, the District adopted GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments," Statement No. 37, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus," and Statement No. 38, "Certain Financial Statement Note Disclosures." These statements require the presentation of government-wide financial statements in addition to fund financial statements.

The primary impact of adopting the statements includes changing the presentation of fund equity to net position and long-term debt in the statements in place of separate account groups, and presenting "Management's Discussion and Analysis." Management has elected to omit "Management's Discussion and Analysis" from the basic financial statements.

Basis of Presentation

The basic financial statements of the District include the government-wide and the fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities, which report financial information for all non-fiduciary activities of the District. Individual funds are not displayed, and internal activity between or within funds is eliminated.

The government-wide Statement of Net Position recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position for debt service; and unrestricted net position. Net position is restricted when constraints placed on it are either externally imposed or imposed by law through constitutional provisions or

Note 1 – Summary of Significant Accounting Policies (Continued)

enabling legislatures. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first then unrestricted resources, as they are needed.

The government-wide Statement of Activities reflects the expenses of the District's governmental activities, offset by general revenues to determine the change in net position for the year.

Fund Financial Statements
The fund financial statements provide additional and detailed information about the District. The emphasis of the fund financial statements is on the determination of financial position and changes in financial position rather than upon net income. The following is a description of the District's two governmental funds:

General Fund – This fund is the operating fund of the District. It is used to account for all financing resources, except those accounted for in other funds.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Measurement Focus and Basis of Accounting
Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide financial statements, the activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. On an accrual basis, revenues are recognized when earned. Expenditures are recorded when liabilities are incurred, regardless of the timing of related cash flows.

In the fund financial statements, both funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is when they become both measurable and available. Available means collectable within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized in the period the liability is incurred, except for unaccrued interest on general long-term debt, which is recognized when due.

Use of Estimates – The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue – See subsequent note, "Tax Levy", for property tax revenues. State motor vehicle tax allocation, taxes collected in excess, interest on taxes, and miscellaneous revenues are recognized as the amounts are collected as the amounts earned cannot be measured. However, investment earnings are recorded as earned since they are measurable and available.

Special Assessments - Revenues on special assessments levied after June 15, 1987 are recognized as the amounts are collected on the fund financial statements and in the year when they were assessed on the government-wide statements. Uncollected special assessments outstanding are recorded as receivable on the government-wide statement of net position and balance sheet and as receivable and deferred revenue on the fund financial statements. Special assessment levied before June 15, 1987 were recorded as income in the year assessed.

Long-Lived Assets – Long-lived assets and certain identifiable intangibles held and used by the entity are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This application has not materially affected the entity's reported earnings, financial condition or cash flows.

Capital Assets and Depreciation – Capital assets of the District are recorded at historical costs except for minor expenses for street and sidewalk improvements, recreational equipment, costs of constructing improvements for utilities, etc.

Depreciation is expensed over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for significant assets capitalized are as follows:

Infrastructure Assets	25-40 Years
Equipment	10 Years

Infrastructure assets include all water systems, drainage systems, easements, sewage disposal works system, waterways, electrical systems, and roads.

GASB 34 requires the District to report and depreciate new infrastructure assets effective July 1, 2003 and allows for an extended implementation period for retroactive reporting of infrastructure assets. The District has elected to report and depreciate all major general infrastructure assets retroactively.

Interest Expense - GASB 37 eliminated the requirement to capitalize construction-period interest for government activities. Effective July 1, 2003, all interest not related to long-term debt is expensed when incurred. Long-term debt related interest is expensed when incurred for government-wide financial statements and expensed when paid for fund financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments - Investments are stated at cost or amortized cost, which approximates market.

Bond Issue Costs and Amortization – In the government-wide financial statements bond issue costs are expensed when incurred. Fund financial statements expense bond issue costs when paid. Net bond issue costs incurred prior to July 1, 2012 have been charged to net position to properly recognize them in the prior periods they were incurred.

Contributions in Aid of Construction – This is an equity account, which includes the proceeds of Federal and State Grants, contributions from other governmental units, and contributions from any other source.

Subsequent Events – The District has evaluated subsequent events through December 11, 2015, the date which the financial statements were available to be issued.

Concentration of Credit Risks

Taxes and Special Assessments Receivable - Receivables for real estate and property taxes and special assessments are due from property owners within the boundaries of the District located in Sarpy County, Nebraska.

Budget and Budgetary Accounting – The District is required by Nebraska law to adopt an annual operating budget for all the funds over which the District controls. The budget is adopted using the cash basis of accounting. Under the cash basis of accounting, revenues and expenditures are recorded when cash is received or paid. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

a) The Board of Trustees considers a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.

b) Public hearings are conducted to obtain taxpayer comments.

c) Expenditures and transfers cannot exceed appropriations at the fund level. When expenditures and transfers are required for functions that have not been budgeted, authorization to amend the budget and to incur the expenditures is permitted following a public hearing. No significant supplemental appropriations were made for the fiscal year ended June 30, 2015.

d) A majority vote by the Board of Trustees authorizes transfer of budgeted amounts from the General Fund to the Debt Service Fund.

e) Prior to September 20, the budget is legally enacted by a resolution of the Board of Trustees. On or before September 20, the budget document is filed with the County Board and State Auditor of Public Accounts.

f) Appropriations for the General Fund and the Debt Service Fund lapse at the end of the fiscal year.

Note 2 – Deposits and Investments

Nebraska statutes provide that the District may, by and with the consent of the Board of Trustees of the District, invest the funds of the District in certificates of deposit or treasury bills.

Listed below is a summary of the deposits and investments that comprise the Cash on Deposit, County Treasurer and Investments on the June 30, 2015, basic financial statements.

Deposits. At June 30, 2015, the carrying amounts of the District's deposits were $67,040 in the General Fund and $106,850 in the Debt Service Fund. The County Treasurer balances for all funds totaled $173,590. The balance at American National Bank totaled $300. For purposes of classifying categories of custodial risk, the County Treasurer balances of the District's deposits as of June 30, 2015 were entirely insured by the federal depository insurance corporation.

Investments. As of June 30, 2015 the District held no investments.

Note 3 – Capital Assets and Accumulated Depreciation

A summary of capital assets for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Sales or Disposals	Balance June 30, 2015
Depreciable Capital Assets:				
Infrastructure Assets	$ 1,264,762	$ -	$ -	$ 1,264,762
Equipment	18,326	-	-	18,326
Subtotal	1,283,088	-	-	1,283,088
Less: Accumulated Depreciation	(575,134)	(45,166)	-	(620,300)
Net Capital Assets	$ 707,954	$ (45,166)	$ -	$ 662,788

The District recorded depreciation expense of $45,166 for the year ended June 30, 2015.

Note 4 – Warrants Outstanding

General fund warrants are due and payable no later than three years from the date of issuance. Debt service fund warrants are due and payable no later than five years from the date of issuance. The outstanding general and debt service fund warrants mature during the next five years as follows:

Year Ending June 30,	General Fund	Debt Service Fund	Total
2016	$ 55,482	$ 81	$ 55,563
2017	75,642	-	75,642
2018	65,973	-	65,973
2019	-	-	-
2020	-	-	-
	$ 197,097	$ 81	$ 197,178

Note 4 – Warrants Outstanding (Continued)

Registered warrants bear interest at the rate of 7% per annum. Interest accrues on warrants from the date of registration until the date they are called for payment. A total of $195,674 of the general fund warrants issued and outstanding and $0 of the debt service fund warrants issued and outstanding have been registered as of June 30, 2015.

Note 5 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds Payable

On December 1, 2014, the District issued $925,000 in general obligation bonds. The bonds are callable on August 15, 2019, and at any time thereafter. The bonds mature according to the following schedule and bear interest, which is payable semi-annually at the rates indicated:

Maturity Date	Interest Rate	Amount Payable
August 15, 2015	1.10%	$ 45,000
August 15, 2016	1.30%	45,000
August 15, 2017	1.45%	50,000
August 15, 2018	1.70%	50,000
August 15, 2019	1.95%	55,000
August 15, 2020-2024	2.15%-2.85%	300,000
August 15, 2025-2029	3.00%-3.45%	380,000
		$ 925,000

On July 15, 2009, the District issued $1,050,000 in general obligation bonds. The bonds were callable on February 15, 2014, and at any time thereafter. The bonds were retired on December 1, 2014 when the district issued $925,000 in general obligation bonds.

Transactions for long-term debt for the year ended June 30, 2015 are summarized as follows:

Type of Debt	Balance June 30, 2014	Issuance	Payments	Balance June 30, 2015
Bond Issue, 2010	$ 925,000	$ -	$ 925,000	$ -
Bond Issue, 2014	-	925,000	-	925,000
	$ 925,000	$ 925,000	$ 925,000	$ 925,000

Note 5 – Long-Term Debt (Continued)

Aggregate maturities during the next five years, and thereafter, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 45,000	$ 23,417	$ 68,417
2017	45,000	22,878	67,878
2018	50,000	22,222	72,222
2019	50,000	21,435	71,435
2020	55,000	20,474	75,474
2021-2025	300,000	82,070	382,070
2026-2030	380,000	32,881	412,881
	$ 925,000	$ 225,377	$ 1,150,377

Note 6 – Tax Levy

Property taxes are levied in August and become due December 31. The first half payment is due March 31 and becomes delinquent April 1 of the following year and the second half payment is due July 31 and becomes delinquent August 1 of the following year. The County Treasurer bills and collects all property taxes for the District. If the taxes remain delinquent after February of the following year, the County places a lien on the property.

Property tax revenues are recognized when they are assessed. Delinquent taxes are considered fully collectable and, therefore, no allowance for uncollectible taxes is provided.

The District has levied real and personal property taxes as follows:

	District	District Tax Levy per $100		
Fiscal Year	Valuation of Property	General	Debt Service	Total
2014-2015	$19,254,538	0.399999	0.440000	0.839999

Note 7 – Risk Management

The District is exposed to various risks of loss, including those related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 8 – Excess of Expenditures over Appropriations

For the year ended June 30, 2015, expenditures exceeded appropriations in the debt service fund by $875,131. These overexpenditures were due to the retirement of old bonds, and were funded by the issuance of new bonds.

Note 9 – Deficit Net Position

The total governmental activities have a deficit net position of ($259,561) at June 30, 2015. This deficit will be financed through future revenues of the general and debt service funds.

REQUIRED SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General and Debt Service Funds
For the year ended June 30, 2015

	General Fund Budgetary Basis (Non GAAP)			Debt Service Fund Budgetary Basis (Non GAAP)		
Revenues	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Property Taxes Collected	$ 75,537	$ 76,391	$ 854	$ 83,091	$ 82,302	$ (789)
State Motor Vehicle Tax Allocation	300	166	(134)	300	180	(120)
Water Service Fees	24,000	19,337	(4,663)	-	-	-
Interest on Taxes	200	117	(83)	200	125	(75)
Total Revenues	100,037	96,011	(4,026)	83,591	82,607	(984)
Expenditures						
Operating Expenses:						
Accounting Service	3,000	1,628	1,372	-	-	-
Audit Fee	4,000	4,336	(336)	-	-	-
Bond Issue Costs	-	-	-	-	35,150	(35,150)
Broker Fees	500	3,141	(2,641)	500	500	-
Clerk Fees	200	-	200	-	-	-
Collection Fee, County Treasurer	1,481	1,102	379	1,629	1,178	451
Engineering	3,000	2,279	721	-	-	-
Insurance and Trustee Bonding	2,000	2,044	(44)	-	-	-
Interest on Warrants	15,000	6,239	8,761	20,000	-	20,000
Legal Fees	20,000	13,425	6,575	-	-	-
Publication	200	-	200	200	-	200
Repairs and Maintenance	31,000	27,462	3,538	-	-	-
Utilities	10,000	10,100	(100)	-	-	-
Total Operating Expenses	90,381	71,756	18,625	22,329	36,828	(14,499)
Capital Outlay	-	-	-	25,000	-	25,000
Debt Service:						
Retirement of Bond Principal	-	-	-	35,000	925,000	(890,000)
Interest on Bonds	-	-	-	45,536	41,168	4,368
Total Expenditures	90,381	71,756	18,625	127,865	1,002,996	(875,131)
Excess/(Deficiency) of Revenues Over Expenditures	9,656	24,255	14,599	(44,274)	(920,389)	(876,115)
Other Financing Sources (Uses)						
Issuance of Warrants	88,900	65,973	(22,927)	20,700	8,295	(12,405)
Issuance of Bonds	-	-	-	-	925,000	925,000
Retirement of Warrants	(93,900)	(38,865)	55,035	(20,700)	(8,295)	12,405
Excess (Deficiency) of Revenues and Expenditures and Other Uses	$ 4,656	51,363	$ 46,707	$ (44,274)	4,611	$ 48,885
Fund Balance, Beginning of Year		15,677			102,239	
Fund Balance, End of Year		$ 67,040			$ 106,850	

The accompanying notes are an integral part of these financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget to GAAP Reconciliation
For the year ended June 30, 2015

	General Fund	Debt Service Fund	Total
Sources/Inflows of Resources			
Actual Amounts (Budgetary Basis) "Total Revenues" Available for Appropriation from the Budgetary Comparison Schedule	$ 96,011	$ 82,607	$ 178,618
Differences - Budget to GAAP:			
Real estate and property tax revenue is recognized when assessed, or when excess collections are recorded, rather than when collected	402	2,418	2,820
Total Revenues as Reported on the Government-wide Statement of Activities (GAAP)	$ 96,413	$ 85,025	$ 181,438
Uses/Outflows of Resources			
Actual Amounts (Budgetary Basis) of Total Expenditures from the Budgetary Comparison Schedule	$ 71,756	$ 1,002,996	$ 1,074,752
Differences - Budget to GAAP:			
Depreciation on capital assets is recorded using estimated lives.	-	45,166	45,166
Retirement of bond principal reduces long-term debt and is not considered an expenditure	-	(925,000)	(925,000)
Interest on warrants is accrued rather than expensed when paid.	5,525	-	5,525
Interest on bonds is accrued rather than expensed when paid.	-	(8,434)	(8,434)
Writeoff of uncollectible taxes is an accrual adjustment that is not considered an expenditure for budget purposes.	198	428	626
Prepaid expenses adjustment is accrued rather than expensed when paid.	1,504	-	-
Expenditures are accrued during the year through accounts payable rather than expensed when paid.	13,783	250	14,033
Total Expenses as Reported on the Government-wide Statement of Activities (GAAP)	$ 92,766	$ 115,406	$ 208,172
Other Financing Sources/Uses			
Issuance of Warrants (Budgetary Basis)	$ 65,973	$ 8,295	$ 74,268
Retirement of Warrants (Budgetary Basis)	(38,865)	(8,295)	(47,160)
Issuance of Bonds (Budgetary Basis)	-	925,000	925,000
Differences - Budget to GAAP:			
Warrants and bonds issued and not yet retired are recorded as payables rather than recognized as an other financing source	(27,108)	(925,000)	(952,108)
Total Other Financing Sources/Uses (GAAP)	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Schedule of Taxes Receivable
June 30, 2015

Tax Levy

During 2014, the District's Board of Trustees approved a tax levy of 0.839999 per $100 of actual value of taxable property. The June 30, 2015 taxes receivable based on this levy and the delinquent taxes receivable are as follows:

	General Fund	Debt Service Fund
Valuation of Taxable Property	$ 19,254,538	$ 19,254,538
Tax Levy	0.399999	0.440000
Taxes Receivable – 2014-2015	77,018	84,720
Less: 2014-2015 Taxes Collected	41,795	45,974
Balance Taxes Receivable 2014-2015	35,223	38,746
Add: Delinquent Taxes	116	113
Total Taxes Receivable	$ 35,339	$ 38,859

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Information Required by Section 31-740
Revised Statutes of Nebraska, 1998
For the year ended June 30, 2015

Gross Revenue from all Sources	$ 181,438
Gross Revenue from all Sources in Previous Year	$ 190,858
Amount Spent for Access to the Facilities and Use of the Services Of the Library System	None
Amount Spent for Sewage Disposal	None
Amount Expended on Water Mains	None
Gross Amount of Sewage Processed	Not Applicable
Cost per Thousand Gallons of Processing Sewage	Not Applicable
Amount Expended for Repairs and Maintenance	$ 29,611
Amount Expended for New Equipment	None
Amount Expended for New Construction Work	None
Amount Expended for Real Estate Acquisitions	None
Number of Employees at June 30, 2015	None
Salaries and Fees Paid Employees	None
Total Amount of Taxes Levied Upon the Property Within the District	$ 161,738

SANITARY AND IMPROVEMENT DISTRICT NO. 81 OF SARPY COUNTY, NEBRASKA
Board of Trustees and Related Bonds
June 30, 2015

Trustees		Bonds	
Name	Office	Insurer	Amount
Kenneth Rudie	Chairperson	Universal Surety Co.	$ 5,000
Kelly Rudie	Clerk	Universal Surety Co.	$ 20,000
Renae Kelly	Trustee		
David Kelly	Trustee		
Lee Menges	Trustee		

R&P

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Certified Public Accountants

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Omaha, Nebraska 68154-2652
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Fax 402-896-1726

INDEPENDENT AUDITORS' 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 Trustees
Sanitary and Improvement District No. 81
of Sarpy County, 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, each major fund, and the aggregate remaining fund information of Sanitary and Improvement District No. 81 of Sarpy County, Nebraska, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sanitary and Improvement District No. 81 of Sarpy County, Nebraska's internal control over financial reporting (internal control) to determine the 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 Sanitary and Improvement District No. 81 of Sarpy County, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Sanitary and Improvement District No. 81 of Sarpy County, Nebraska'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanitary and Improvement District No. 81 of Sarpy County, Nebraska'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results 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.

Ritterbush & Piotrowski, LLP

Ritterbush & Piotrowski, LLP
Omaha, Nebraska
December 11, 2015