

SANITARY AND IMPROVEMENT DISTRICT
NO. 147
OF SARPY COUNTY, NEBRASKA

FINANCIAL STATEMENTS

JUNE 30, 2014

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
JUNE 30, 2014

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MASSMAN NELSON REINIG PC

Certified Public Accountants

13310 I Street | Omaha, Nebraska 68137

402 330 7099 Fax 402 330 0809

Michael L Massman CPA
George E Nelson CPA

James A Reinig CPA
Keli D Palfini CPA

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Sanitary and Improvement District No. 147
of Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 147 of Sarpy County, Nebraska (the District) as of and for the year ended June 30, 2014 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 misstatements, 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 of 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Sanitary and Improvement District No. 147 of Sarpy County, Nebraska as of June 30, 2014, and the respective changes in financial position 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 on pages 18 through 20 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 require 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 appropriated operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

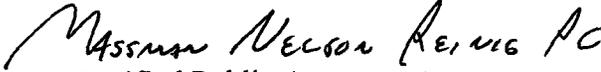
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 a report dated September 17, 2014 on our consideration of the Sanitary and Improvement District No. 147 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sanitary and Improvement District No. 147 of Sarpy County, Nebraska's internal control over financial reporting and compliance.


Certified Public Accountants

Omaha, Nebraska
September 17, 2014

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS

Cash on deposit, County Treasurer	\$ 103,302
Taxes receivable	89,160
Due from Bond Fund	22,943
Capital assets, net of accumulated depreciation	<u>757,772</u>
Total assets	<u>973,177</u>

LIABILITIES

Accounts payable	41,968
Warrants outstanding	147,666
Due to General Fund	22,943
Accrued interest payable – bond	19,524
Accrued interest payable – warrants	9,082
Bonds payable:	
Due within one year	35,000
Due in more than one year	<u>1,060,000</u>
Total liabilities	<u>1,336,183</u>

NET POSITION

Invested in capital assets, net of related debt	(356,752)
Restricted for debt service	103,954
Unrestricted	<u>(110,208)</u>
Total net position	<u>\$ (363,006)</u>

See the accompanying notes to the financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Expenditures:

Audit and budget	\$ 3,400
Legal fees	9,647
Publication costs	122
Engineering	13,251
Trash collection	22,408
Insurance	50
Repairs and maintenance	29,501
Interest on warrants	10,585
Interest on bonds	47,882
Street lighting	20,332
Bond agent fees	750
Depreciation	<u>62,747</u>
	<u>220,675</u>

Revenues:

Real property taxes assessed	193,745
Collection fee – County Treasurer	(3,707)
Other taxes	2,092
Interest income on taxes	103
Over accrual – tax revenue	<u>(3,367)</u>
	<u>188,866</u>

Change in net position (31,809)

Net position, beginning of year – as restated (331,197)

Net position, end of year \$ (363,006)

See the accompanying notes to the financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
COMBINED BALANCE SHEET – MODIFIED ACCRUAL BASIS – GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS

	Governmental Funds		
	General Fund	Debt Service Fund	Total
Assets:			
Cash on deposit, County Treasurer	\$ 11,819	\$ 91,483	\$ 103,302
Taxes receivable	53,496	35,664	89,160
Due from Bond Fund	22,943	-	22,943
Total assets	\$ 88,258	\$ 127,147	\$ 215,405

LIABILITIES AND FUND EQUITY

Liabilities:			
Accounts payable	\$ 41,968	\$ -	\$ 41,968
Warrants outstanding	147,416	250	147,666
Accrued interest payable – warrants	9,082	-	9,082
Due to General Fund	-	22,943	22,943
Total liabilities	198,466	23,193	221,659
Fund equity:			
Fund balances:			
Restricted for debt services	-	103,954	103,954
Unassigned	(110,208)	-	(110,208)
Total fund equity	(110,208)	103,954	(6,254)
Total liabilities and fund equity	\$ 88,258	\$ 127,147	\$ 215,405

See the accompanying notes to the financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET – MODIFIED ACCRUAL BASIS –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Total fund balances – governmental funds \$ (6,254)

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements:

Capital assets	\$ 1,907,350	
Accumulated depreciation	<u>(1,149,578)</u>	757,772

Other liabilities are not due and payable in the current period and, therefore, not reported in governmental funds:

Accrued interest payable – bonds	(19,524)	
Bonds payable	<u>(1,095,000)</u>	<u>(1,114,524)</u>

Net position of governmental activities \$ (363,006)

See the accompanying notes to the financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Funds		
	General	Debt Service	Total
Revenues:			
Real property taxes	\$ 116,247	\$ 77,498	\$ 193,745
Collection fee – County Treasurer	(2,141)	(1,566)	(3,707)
Other taxes	1,222	870	2,092
Interest income on taxes	58	45	103
Over accrual – tax revenue	(1,859)	(1,508)	(3,367)
	113,527	75,339	188,866
Expenditures:			
Audit and budget	3,400	-	3,400
Legal fees	9,647	-	9,647
Publication costs	122	-	122
Trash collection	22,408	-	22,408
Insurance	50	-	50
Repairs and maintenance	29,501	-	29,501
Engineering	13,251	-	13,251
Interest on warrants	10,585	-	10,585
Interest on bonds	-	48,127	48,127
Street lighting	20,332	-	20,332
Bond agent fees	-	750	750
	109,296	48,877	158,173
Excess of revenue over expenditures	4,231	26,462	30,693
Other financing sources (uses):			
Retirement of bond principal	-	(30,000)	(30,000)
	-	(30,000)	(30,000)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	4,231	(3,538)	693
Fund balance, beginning of year	(114,439)	107,492	(6,947)
Fund balance, end of year	\$ (110,208)	\$ 103,954	\$ (6,254)

See the accompanying notes to the financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Net changes in fund balances – Total governmental funds		\$ 693
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p>		
Depreciation expense		(62,747)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.</p>		
Retirement of bond principal	30,000	
Decrease in interest payable	245	30,245
Change in net position of governmental activities		\$ (31,809)

See the accompanying notes to the financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Sanitary and Improvement District No. 147 of Sarpy County, Nebraska (the District) is presented to assist in understanding the District's basic financial statements. The 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 financial statements.

District Activities

The District is organized as a political subdivision and governed under the State of Nebraska. The District has a tax base made up of a commercial development, conducting its activity in Sarpy County, Nebraska.

The Financial Reporting Entity

The Board of Trustees of the District has financial accountability and control over all the activities related to Sanitary and Improvement District No. 147. The Board of Trustees is elected by the property owners of the District and has decision-making authority, the authority to levy taxes, the power to designate management, and the ability to significantly influence operations. The Board also has primary financial accountability for fiscal matters of the District. The District is engaged in a single governmental program and is not included in any other governmental "reporting entity" as defined by the GASB pronouncements. In addition, there are no component units as defined by the Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

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 nonfiduciary 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 – invested in capital assets, net of related debt; restricted and unrestricted. Net position is restricted when constraints placed on resources are either externally imposed or are imposed by law through constitutional provisions or enabling legislature. Internally imposed resource designations 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.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

1. Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

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 required to be 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 the 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 unmatured interest on general long-term debt, which is recognized when due.

Property tax revenues are recognized when susceptible to accrual. Revenues on special assessments and miscellaneous revenues are recognized as the amounts are collected. Investment earnings are recorded as earned since they are measurable and available.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

1. Summary of Significant Accounting Policies - Continued

Budgets 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, which differs significantly from accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues and expenditures are recorded when cash is received or paid. Payment is deemed to have been made when warrants are issued. Budgetary comparisons presented for both the General Fund and Debt Service Fund in this report are on non-GAAP budgetary basis.

The District adheres to the following procedures in preparing and adopting the budget:

- a. On or before early September, the Board of Trustees proposes an operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to September 20, the Board of Trustees formally approves the budget document following a public hearing, with notice given five days in advance.
- c. As of September 20, the budget document must be on file with the County Board and the Auditor of Public Accounts.
- d. Appropriations for the General Fund and the Debt Service Fund lapse at the end of the fiscal year.
- e. 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, 2014.
- f. A majority vote by the Board of Trustees may authorize transfer of budgeted amounts from the General Fund to the Debt Service Fund.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

1. Summary of Significant Accounting Policies - Continued

Taxes Receivable

Receivables for property taxes are due from property owners within the boundaries of the District located in Sarpy County, Nebraska.

Capital Assets and Depreciation

Capital assets of the District, which primarily include infrastructure assets, are recorded at historical cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for significant capital assets are as follows:

Paving and sewer systems	25 – 40 years
Underground power and water systems	25 – 30 years
Improvements	25 – 30 years

Net Position/Fund Equity

The government-wide fund financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in capital assets, net of related debt – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – This category represents net position of the District not restricted for any project or other purpose.

Fund equity – In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantor or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

1. Summary of Significant Accounting Policies - Continued

Net Position/Fund Equity - Continued

- Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the District through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same action it employed to commit those amounts.
- Assigned – Amounts the District intends to use for specific purposes.
- Unassigned – All amounts not included in other classifications.

2. Budgetary Basis of Accounting

Nebraska budgetary procedures require the preparation of budgets on a cash basis, rather than on the modified accrual basis of accounting used in the preparation of the accompanying financial statements. Accordingly, required budget comparisons for both the General Fund and the Debt Service Fund are presented on a non-GAAP budgetary basis in the accompanying financial statements of the District. The adjustments necessary to reconcile the differences between the two methods of accounting are summarized as follows:

	General	Fund Debt Service	Total
Excess of receipts over disbursements on a budgetary basis	\$ 11,401	\$ 31,145	\$ 42,546
Change in property tax revenue from recognition on a cash basis	4,090	(4,434)	(344)
Change in accounts payable from recognition on a cash basis	(11,260)	(249)	(11,509)
Excess of revenues over expenditures on a modified accrual (GAAP) basis	\$ 4,231	\$ 26,462	\$ 30,693

3. Deposits and Investments

Deposits

The District's deposits are insured or collateralized with securities held by an agent of the District in the District's name. All deposits are maintained by the Sarpy County Treasurer and are considered to be held by the District. As of June 30, 2014, The District's total deposits were \$103,302.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

3. Deposits and Investments - Continued

Investments

The District is allowed to invest funds as permitted by Nebraska Statute 77-2341 and generally include U.S. government obligations, certificates of deposit, and time deposits. During the year ended June 30, 2014, the District held no investments.

Deposit risks include:

- Custodial Credit Risk – for deposits, custodial credit risk is the risk that in the event of the failure of a bank or other counterparty, the District will not be able to recover the value of its deposits or collateral securities in the possession of a third party.
- Credit Risk – for deposits, credit risk is the risk that a bank or other counterparty defaults on its own principal and/or interest payments owed to the District.
- Interest Rate Risk – for deposits, interest rate risk is the risk that the value of deposits will decrease as a result of a rise in interest rates.

4. Registered Warrants Payable

Warrants are issued for payment of liabilities. These warrants bear interest at the rate of 7% per annum from the date registered with the County Treasurer. 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.

A summary of changes in registered warrants outstanding is as follows:

	<u>June 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2014</u>
General Fund	\$ 157,506	\$ 85,730	\$ 95,820	\$ 147,416
Debt Service Fund	-	750	500	250
	<u>\$ 157,506</u>	<u>\$ 86,480</u>	<u>\$ 96,320</u>	<u>\$ 147,666</u>

Interest expense on registered warrants for the General fund and Bond fund amounted to \$10,585 and \$0 for the year ended June 30, 2014.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

5. Capital Assets

All capital assets are carried at their original cost. A summary is presented below:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Costs:</u>				
Paving and storm sewer	\$ 787,591	\$ -	\$ -	\$ 787,591
Sanitary sewer	230,419	-	-	230,419
Underground power system	69,131	-	-	69,131
Bike path	78,945	-	-	78,945
Water system	153,588	-	-	153,588
Park improvements	<u>587,676</u>	<u>-</u>	<u>-</u>	<u>587,676</u>
	<u>1,907,350</u>	<u>-</u>	<u>-</u>	<u>1,907,350</u>
	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Accumulated depreciation:</u>				
Paving and storm sewer	491,921	22,617	-	514,538
Sanitary sewer	200,465	9,217	-	209,682
Underground power system	50,119	2,304	-	52,423
Bike path	21,465	2,876	-	24,341
Water system	133,622	6,144	-	139,766
Park improvements	<u>189,239</u>	<u>19,589</u>	<u>-</u>	<u>208,828</u>
	<u>1,086,831</u>	<u>62,747</u>	<u>-</u>	<u>1,149,578</u>
 Capital assets, net of accumulated depreciation	 <u>\$ 820,519</u>	 <u>\$ 62,747</u>	 <u>\$ -</u>	 <u>\$ 757,772</u>

The District recorded depreciation expense of \$62,747 for the year ended June 30, 2014.

6. Bonds Payable

Bonds payable totaling \$1,150,000 issued August 1, 2010, with a balance of \$1,095,000 at June 30, 2014, is due serially beginning August 15, 2014 through August 15, 2030. The maturities range from \$35,000 in 2014 to \$100,000 in 2030. Interest is payable semi-annually on this issue at 2.40% to 5.00%.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

6. Bonds Payable - Continued

A summary of changes in outstanding bonds payable is as follows:

	Balance <u>June 30, 2013</u>	<u>New</u>	<u>Retirements</u>	Balance <u>June 30, 2014</u>
August 1, 2010 issue	\$ <u>1,125,000</u>	\$ <u>-</u>	\$ <u>30,000</u>	\$ <u>1,095,000</u>

Bond interest expense for the year ended June 30, 2014 was \$48,127.

The following is a disclosure of total debt service to maturity:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 35,000	\$ 47,407	\$ 82,407
2016	45,000	46,369	91,369
2017	45,000	45,041	90,041
2018	50,000	43,457	93,457
2019	50,000	41,645	91,645
2020-2024	295,000	173,913	468,913
2025-2029	385,000	96,824	481,824
2030-2031	190,000	9,750	199,750
	<u>\$ 1,095,000</u>	<u>\$ 504,406</u>	<u>\$ 1,599,406</u>

7. Bond Issue Costs

Costs incurred by the District relating to issuing or refunding bonds payable are expensed in the year of the bond issue.

8. Tax Levy

Property taxes are levied in August and become due on 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.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2014

8. Tax Levy - Continued

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

<u>Fiscal Year</u>	<u>District Valuation of Property</u>	<u>District Tax Levy per \$100</u>		
		<u>General</u>	<u>Debt Service</u>	<u>Total</u>
2013-2014	\$ 30,999,202	.003750	.002500	.006250

9. Insurance

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, and natural disasters. Significant losses are covered by commercial insurance. There have been no significant reductions in insurance coverage or settlement amounts exceeding insurance coverage for the current year or in the past three years.

10. Interfund Receivables and Payables

Interfund balances at June 30, 2014, consisted of the following individual fund receivables and payables:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General Fund	Debt Service Fund	\$ 22,943

11. Other

Management has evaluated subsequent events through September 17, 2014, the date the financial statements were available to be issued.

12. Prior Period Restatement

In accordance with GASB 65, *Items Previously Reported as Assets and Liabilities*, the Net Position in the Statement of Activities is being restated to record bond issue and reissue costs as outflows of resources when incurred.

Net position, June 30, 2013, beginning of year – as previously reported		\$	(264,901)
Adjustment for: Bond issue costs	\$		85,568
Less accumulated amortization			(19,272)
Net adjustment	\$		66,296
Net position, June 30, 2013, beginning of year – as restated		\$	(331,197)

REQUIRED SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
STATEMENT OF COMPARISON:
BUDGETED AND ACTUAL CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

GENERAL FUND

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance With Budget Favorable (Unfavorable)</u>
Receipts:			
Operating:			
Taxes collected	\$ 113,922	\$ 108,158	\$ (5,764)
Other taxes	200	445	245
Other:			
Miscellaneous	<u>1,100</u>	<u>834</u>	<u>(266)</u>
Total receipts	<u>115,222</u>	<u>109,437</u>	<u>(5,785)</u>
Disbursements:			
Operating:			
Audit and budget	3,400	3,400	-
Interest on warrants	12,500	12,306	194
Publishing costs	150	122	28
Trash collection	12,000	11,189	811
Maintenance and repairs	34,000	28,959	5,041
Street lighting	17,000	18,595	(1,595)
Legal fees	15,000	11,950	3,050
Insurance	70	50	20
Engineering fees	<u>4,000</u>	<u>11,465</u>	<u>(7,465)</u>
Total disbursements	<u>98,120</u>	<u>98,036</u>	<u>84</u>
Excess of receipts over disbursements from operations	17,102	11,401	(5,701)
Other sources (uses):			
Warrants issued	-	85,730	85,730
Warrants retired	<u>-</u>	<u>(95,820)</u>	<u>(95,820)</u>
Excess of receipts over disbursements	<u>\$ 17,102</u>	<u>\$ 1,311</u>	<u>\$ (15,791)</u>

See the accompanying note to the required supplementary information.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
STATEMENT OF COMPARISON:
BUDGETED AND ACTUAL CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

DEBT SERVICE FUND

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance With Budget Favorable (Unfavorable)</u>
Receipts:			
Operating:			
Taxes collected	\$ 75,948	\$ 78,857	\$ 2,909
Other taxes	200	328	128
Other:			
Miscellaneous	900	588	(312)
Total receipts	<u>77,048</u>	<u>79,773</u>	<u>2,725</u>
Disbursements:			
Operating:			
Bond agent fees	500	500	-
Interest on bonds	48,128	48,128	-
Total disbursements	<u>48,628</u>	<u>48,628</u>	<u>-</u>
Excess of receipts over disbursements from operations	28,420	31,145	2,725
Other sources (uses):			
Bonds retired	(30,000)	(30,000)	-
Warrants issued	-	750	750
Warrants retired	-	(500)	(500)
Excess (deficiency) of receipts over (under) disbursements	<u>\$ (1,580)</u>	<u>\$ 1,395</u>	<u>\$ 2,975</u>

See the accompanying note to the required supplementary information.

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2014

1. Budgetary Accounting

The District prepares its budget for the Governmental Funds on the cash basis of accounting. The basis is consistent with the basis of accounting used in presenting the basic financial statements. Under this method of accounting, all unexpended appropriations lapse at the end of the budget year.

The term "Budgetary Fund Balance" used in these supplementary schedules is synonymous with the terms "Fund Balance - Cash Basis" used in the basic financial statements.

OTHER SUPPLEMENTARY SCHEDULES

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
INFORMATION REQUIRED BY SECTION 31-740
REVISED STATUTES OF NEBRASKA
JUNE 30, 2014
SUPPLEMENTARY SCHEDULE

Gross income from all sources	\$	188,866
Amount spent for sewage disposal		NONE
Amount expended on water mains		NONE
Gross amount of sewage processed		NONE
Cost per thousand gallons of processing sewage		NONE
Amount expended for:		
Maintenance and repair	\$	29,501
New equipment		-
New construction work		-
Property purchased		-
Start-up costs		-
Number of employees		-
Salaries and fees paid employees		-
Total amount of taxes levied upon property within the district	\$	193,745

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
TRUSTEES AND RELATED BONDS
JUNE 30, 2014
SUPPLEMENTARY SCHEDULE

<u>Board of Trustees</u>			
<u>Name</u>	<u>Office</u>	<u>Insurer</u>	<u>Amount</u>
Allen Klostermeyer	Chairman	Universal Surety Co.	\$ 5,000
Richard Scofield	Clerk	Universal Surety Co.	20,000
Shelli Dart	Trustee		-
Stacen Gross	Trustee		-
Dennis Whitfield	Trustee		-

MASSMAN NELSON REINIG PC

Certified Public Accountants

13310 I Street | Omaha, Nebraska 68137

402 330 7099 Fax 402 330 0809

Michael L Massman CPA
George E Nelson CPA

James A Reinig CPA
Keli D Palfini CPA

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. 147
of Sarpy County, Nebraska

We have audited, 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, the financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 147 of Sarpy County, Nebraska (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 17, 2014.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be material weaknesses.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, we have identified certain deficiencies in internal control, as described below, that we consider to be material weaknesses.

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 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*.

During the year ended June 30, 2014, the actual expenditures in the general and bond funds did not exceed the amount budgeted.

Sanitary and Improvement District No. 147 of Sarpy County, Nebraska Response to Findings

Sanitary and Improvement District No. 147 of Sarpy County, Nebraska's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. Sanitary and Improvement District No. 147 of Sarpy County, Nebraska'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 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.


Certified Public Accountants

Omaha, Nebraska
September 17, 2014

SANITARY AND IMPROVEMENT DISTRICT NO. 147
OF SARPY COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

Finding 2014-1 Audit Adjustments

Comment: In conjunction with the audit of the financial statements, it was necessary to propose material adjustments for the financial statement to be in conformity with accounting principles generally accepted in the United States of America, specifically the conversion to the accrual method.

Recommendation: We recommend that the Board read, review, discuss and approve the auditing journal entries to make the accrual financial statements be in conformity with accounting principles generally accepted in the United States of America.

Board response: The Board will review the proposed adjustments at one of the Board meetings.

Finding 2014-2 Financial Statement Preparation

Comment: The Auditing Standards Board (ASB) recently issued guidance to auditors related to an entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Statement of Auditing Standard No. 115 emphasizes that the auditor cannot be part of the system of internal control over financial reporting. In our judgment, the Board's trustee charged with governance, in the course of his assigned duties, lacks the capable skills to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles (GAAP) and to correct any misstatements if present.

Recommendation: In our judgment, those charged with governance need to understand the importance of this communication. However, due to the lack of resources available to the Board to correct this material weakness in financial reporting, we recommend the Board mitigate this weakness by having a heightened awareness of all transactions being reported.

Board response: The Board of Trustees realizes the importance of the financial statements and heightened its awareness of all transactions being reported.

MASSMAN NELSON REINIG PC
Certified Public Accountants
13310 I Street Omaha, Nebraska 68137
402 330 7099 Fax 402 330 0809

Michael L Massman CPA
George E Nelson CPA

James A Reinig CPA
Keli D Palfini CPA

September 17, 2014

To the Board of Trustees
Sanitary and Improvement District No. 147
of Sarpy County

We have audited the financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 147 of Sarpy County for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 7, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sanitary and Improvement District No. 147 of Sarpy County are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB Statement) No. 65, *Items Previously Reported as Assets and Liabilities*. The accounting change required the June 30, 2013 balance of Net Position to be restated. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Sanitary and Improvement District No. 147's financial statements were:

Management's estimate of the taxes receivable and allowances is based on expected collections. We evaluated the key factors and assumptions used to develop the taxes receivable and allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of depreciable assets is based on management's knowledge of the assets. We evaluated the key factors and assumptions used to develop the useful lives of depreciable assets in determining that is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Adjustments greater than a \$3,200 and \$12,900 for the general and bond funds, respectively, were considered material adjustments. See the attached schedule of adjusting journal entries for the general fund and bond fund, respectively.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 17, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Trustees
Sanitary and Improvement District No. 147
of Sarpy County

Page 3

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of Sanitary and Improvement District No. 147 of Sarpy County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


Massman Nelson Reinig PC

JOURNAL ENTRIES for TX - INCOME TAXES

SANITARY AND IMPROVEMENT DISTRICT #147 - GF - Jun. 30, 2014

Book: TX - INCOME TAXES

Account Number Account Name Debit Amount Credit Amount P (-) & L (+) Effect

01 - JOURNAL ENTRIES

AJE001 - TO ACCOUNT FOR ACTIVITY THROUGH CASH - CO TREAS PER B-1

1001	CASH AT COUNTY TREA	1,310.58		
2005	WARRANTS OUTSTANDING	95,820.46		
3001	TAX REVENUE		107,013.13	-107,013.13
3004	REAL ESTATE TAX CREDIT		3,285.40	-3,285.40
3100	INTEREST INCOME - TAXES		58.17	-58.17
3350	HOMESTEAD		776.47	-776.47
3400	SMVA		445.38	-445.38
4001	INTEREST EXPENSE - WARR.	12,306.09		12,306.09
4150	COLLECTION FEES	2,141.42		2,141.42
Journal Entry Totals		111,578.55	111,578.55	-97,131.04

AJE002 - TO ACCOUNT FOR CURRENT YEAR WARRANTS ISSUED PER X-1

2005	WARRANTS OUTSTANDING		85,730.47	
4100	AUDIT FEES	3,400.00		3,400.00
4250	INSURANCE	50.00		50.00
4300	LEGAL FEES	11,950.59		11,950.59
4350	PUBLISHING FEES	121.79		121.79
4400	REPAIRS AND MAINTENANCE	28,958.83		28,958.83
4420	ENGINEERING	11,465.15		11,465.15
4500	STREET LIGHTING	18,595.31		18,595.31
4750	TRASH COLLECTION	11,188.80		11,188.80
Journal Entry Totals		85,730.47	85,730.47	85,730.47

AJE003 - TO ADJUST TAXES RECEIVABLE AND TAX REVENUE TO ACTUAL PER E-1

1200	TAXES RECEIVABLE	4,089.87		
3001	TAX REVENUE		9,233.87	-9,233.87
3004	REAL ESTATE TAX CREDIT	3,285.40		3,285.40
3005	OVER/UNDER ACCRUAL	1,858.60		1,858.60
Journal Entry Totals		9,233.87	9,233.87	-4,089.87

AJE004 - TO REVERSE 6/30/13 ACCOUNTS PAYABLE PER N-1

2001	ACCOUNTS PAYABLE	28,987.81		
4300	LEGAL FEES		2,303.38	-2,303.38
4400	REPAIRS AND MAINTENANCE		4,525.00	-4,525.00
4420	ENGINEERING		1,420.28	-1,420.28
4500	STREET LIGHTING		2,091.15	-2,091.15
4750	TRASH COLLECTION		18,648.00	-18,648.00
Journal Entry Totals		28,987.81	28,987.81	-28,987.81

AJE005 - TO ACCOUNT FOR 6/30/14 ACCOUNTS PAYABLE PER N-1

2001	ACCOUNTS PAYABLE		41,968.36	
4400	REPAIRS AND MAINTENANCE	5,067.18		5,067.18
4420	ENGINEERING	3,206.87		3,206.87
4500	STREET LIGHTING	3,827.71		3,827.71
4750	TRASH COLLECTION	29,866.80		29,866.80
Journal Entry Totals		41,968.36	41,968.36	41,968.36

AJE006 - TO ADJUST ACCRUED INT PAYABLE WARRANTS TO ACTUAL PER O-1

2010	ACCRUED INTEREST PAYABLE - WARRANTS	1,721.41		
4001	INTEREST EXPENSE - WARR.		1,721.41	-1,721.41
Journal Entry Totals		1,721.41	1,721.41	-1,721.41

JOURNAL ENTRIES for TX - INCOME TAXES

SANITARY AND IMPROVMENT DISTRICT #147 - BF - Jun. 30, 2014

Book: TX - INCOME TAXES

Account Number Account Name Debit Amount Credit Amount P (-) & L (+) Effect

01 - JOURNAL ENTRIES

AJE001 - TO ACCOUNT FOR ACTIVITY THROUGH CASH - BOND FUND PER B-2

1001	CASH AT COUNTY TREA	1,145.42		
2005	WARRANTS OUTSTANDING	500.00		
2500	BONDS PAYABLE-CURRENT	30,000.00		
3001	TAX REVENUE		78,233.05	-78,233.05
3004	REAL ESTATE TAX CREDIT		2,190.28	-2,190.28
3100	INTEREST INCOME - TAXES		44.79	-44.79
3350	HOMESTEAD		542.57	-542.57
3400	SMVA		327.80	-327.80
4025	INTEREST EXPENSE - BONDS	48,127.50		48,127.50
4150	COLLECTION FEES	1,565.55		1,565.55
Journal Entry Totals		81,338.47	81,338.47	-31,645.42

AJE002 - TO ACCOUNT FOR CURRENT YEAR WARRANTS ISSUED PER X-3

2005	WARRANTS OUTSTANDING		750.00	
4450	PAYING AGENT FEES	500.00		500.00
4650	BOND AGENT FEES	250.00		250.00
Journal Entry Totals		750.00	750.00	750.00

AJE003 - TO ADJUST TAXES RECEIVABLE TO ACTUAL PER E-1

1200	TAXES RECEIVABLE		4,433.49	
3001	TAX REVENUE	2,925.31		2,925.31
3005	OVER/UNDER ACCRUAL	1,508.18		1,508.18
Journal Entry Totals		4,433.49	4,433.49	4,433.49

AJE004 - TO RECLASSIFY REAL ESTATE TAX CREDIT TO TAX REVENUE

3001	TAX REVENUE		2,190.26	-2,190.26
3004	REAL ESTATE TAX CREDIT	2,190.26		2,190.26
Journal Entry Totals		2,190.26	2,190.26	0.00

AJE005 - TO ACCOUNT FOR CURRENT YEAR DEPRECIATION PER I-1

1601	ACCUMULATED DEPRECIATION		62,746.69	
4851	DEPRECIATION EXPENSE	62,746.69		62,746.69
Journal Entry Totals		62,746.69	62,746.69	62,746.69

AJE006 - TO ELIMINATE BEG BAL BD ISSUE COSTS & AMORT RE:GASB 65

1500	BOND ISSUE COSTS		85,567.90	
1550	A/A BOND ISSUE COSTS	19,272.04		
2800	BOND FUND EQUITY	66,295.86		
Journal Entry Totals		85,567.90	85,567.90	0.00

AJE007 - TO ADJUST BONDS PAYABLE CURRENT TO ACTUAL

2500	BONDS PAYABLE-CURRENT		35,000.00	
2510	BONDS PAYABLE-LONG-TERM	35,000.00		
Journal Entry Totals		35,000.00	35,000.00	0.00

AJE008 - TO ADJUST ACCRUED INT BONDS TO ACTUAL PER M-1

2550	ACCRUED INT PAY - BONDS	244.93		
4025	INTEREST EXPENSE - BONDS		244.93	-244.93
Journal Entry Totals		244.93	244.93	-244.93