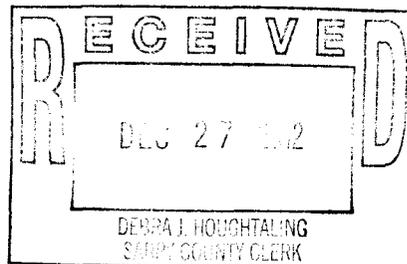
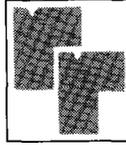


**SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
WITH INDEPENDENT AUDITOR'S REPORT THEREON
FOR THE YEAR ENDED JUNE 30, 2012**



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Royal & Associates, PC

12335 GOLD STREET
OMAHA, NEBRASKA 68144-2760
(402) 333-0393
FAX (402) 333-0394

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Sanitary and Improvement District No. 151
Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 151 of Sarpy County, Nebraska (the District), as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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. 151 of Sarpy County, Nebraska, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Sanitary and Improvement District No. 151 of Sarpy County, Nebraska has not presented Management's Discussion and Analysis which the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not

to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and notes on pages 17 and 18 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 the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information which consisted of inquiries of management about the methods of measurement and presentation of the required supplementary information and we do not express an opinion or provide any assurance on the 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 additional supplementary information included in schedules on pages 20 and 21, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This 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 in our opinion is fairly stated in all material respects in relation to the basic financial statements.


Royal and Associates, PC
Omaha, NE

November 1, 2012

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY NEBRASKA
 STATEMENT OF NET ASSETS
 JUNE 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash on deposit	\$ 30,436
Taxes receivable	18,174
Investments	59,977
Accrued interest on investments	10
Bond issue costs, net of accumulated amortization	10,855
Land	25,000
Other capital assets, net of accumulated depreciation	<u>173,344</u>
 TOTAL ASSETS	 <u>\$ 317,796</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 6,105
Warrants payable	5,030
Payroll taxes payable	160
Accrued interest payable	1,597
Bonds payable	<u>315,000</u>
TOTAL LIABILITIES	<u>\$ 327,892</u>
<u>NET DEFICIT</u>	
Deficit of related debt over capital assets	\$ (107,398)
Restricted for debt service	76,744
Unassigned	<u>20,558</u>
 TOTAL DEFICIT IN NET ASSETS	 <u>\$ (10,096)</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF
 THESE FINANCIAL STATEMENTS.

**FUNCTIONS/
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General gov**

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SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2012

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash on deposit, County Treasurer	\$ 26,342	\$ 4,094	\$ 30,436
Taxes receivable	4,811	13,363	18,174
Investments	-	59,977	59,977
Accrued interest on investments	-	10	10
TOTAL ASSETS	<u>\$ 31,153</u>	<u>\$ 77,444</u>	<u>\$ 108,597</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable	\$ 5,405	\$ 700	\$ 6,105
Warrants payable	5,030	-	5,030
Payroll taxes payable	160	-	160
TOTAL LIABILITIES	<u>\$ 10,595</u>	<u>\$ 700</u>	<u>\$ 11,295</u>
Fund Balances			
Restricted for debt service	\$ -	\$ 76,744	\$ 76,744
Unassigned	20,558	-	20,558
TOTAL FUND BALANCES	<u>20,558</u>	<u>76,744</u>	<u>97,302</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31,153</u>	<u>\$ 77,444</u>	<u>\$ 108,597</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF
 THESE FINANCIAL STATEMENTS

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2012

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 97,302
<p>Amounts reported for governmental activities in the statements of net assets are different because:</p>		
<p>Capital Assets used in governmental activities are not financial resources and are therefore not reported in the governmental fund financial statements:</p>	\$ 395,770	
Less accumulated depreciation	<u>(197,426)</u>	198,344
<p>Bond issue costs are not financial resources and are therefore not reported in the governmental fund financial statements</p>		
Less accumulated amortization	<u>16,610</u> <u>(5,755)</u>	10,855
<p>Bonds payable are not due and payable in the current period and therefore are not reported in governmental fund financial statements:</p>		
		(315,000)
<p>Accrued interest on bonds is not due and payable in the current period and therefore is not reported in the governmental fund financial statements</p>		
		<u>(1,597)</u>
Net Asset (Deficit) of Governmental Activities		<u><u>\$ (10,096)</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF
 THESE FINANCIAL STATEMENTS.

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	GENERAL FUND	DEBT SERVICE FUND	TOTAL
Revenues:			
Real estate taxes	\$ 10,108	\$ 28,048	\$ 38,156
Other taxes	27	82	109
Interest on taxes	72	248	320
Interest on investments	1	22	23
Total revenues	\$ 10,208	\$ 28,400	\$ 38,608
Expenditures:			
Accounting and audit fees	\$ 4,000	\$ -	\$ 4,000
Legal fees	5,573	-	5,573
Collection fee-county treasurer	171	537	708
Insurance	615	-	615
Clerk fees	1,200	-	1,200
Payroll taxes	92	-	92
Paying agent fees	-	700	700
Repairs and maintenance	-	-	-
Debt Service:			
Interest on bonds	-	9,784	9,784
Principal payments	-	25,000	25,000
Total expenditures	\$ 11,651	\$ 36,021	\$ 47,672
Excess (deficiency) of revenues over expenditures	(1,443)	(7,621)	(9,064)
Fund Balance-Beginning	22,001	84,365	106,366
Fund Balance-Ending	<u>\$ 20,558</u>	<u>\$ 76,744</u>	<u>\$ 97,302</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF
 THESE FINANCIAL STATEMENTS

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds	\$ (9,064)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures in the period incurred. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. Depreciation expense for the current year totaled	(10,968)
Government funds report bond issuance costs as expenditures in the period incurred. However in the statement of activities the costs are amortized over their estimated usefulness. Amortization expense	(3,141)
Government funds report bond interest expense as expenditures in the period incurred. However in the statement of activities the expense is reported when incurred. Decrease in accrual for the current year totaled	48
The proceeds of general obligation bonds provide financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net assets. Repayment of bond principal is reported as an expenditure in the period incurred in the government funds. In the statements of net assets the repayment reduces liabilities. Repayments	<u>25,000</u>
Change in net assets of Governmental Activities	<u>\$ 1,875</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF
 THESE FINANCIAL STATEMENTS

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of Sanitary and Improvement District No. 151 of Sarpy County, Nebraska have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of significant accounting policies follows:

A. THE REPORTING ENTITY:

Sanitary and Improvement District No. 151 of Sarpy County, Nebraska is organized as a governmental subdivision authorized under the statutes of the State of Nebraska. The board of Trustees, consisting of up to five members, is elected by the property owners of the District. They have governance responsibilities over all activities related to streets, storm sewers, street lighting and other public improvements within the District. The District is engaged in a single governmental program and has no component units as defined by Governmental Accounting Standards Board Statement 14.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:

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

In the government-wide financial statements, activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. On the accrual basis, revenues are recognized when earned and expenses are recognized when the liability is incurred. The government-wide Statement of Net Assets recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unassigned net assets. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. The government-wide Statement of Activities reflects the expenses of the District's governmental activities, reduced by general revenues to determine the change in net assets for the year.

Fund financial statements of the District are organized into funds each of which is considered to be a separate reporting entity. In the fund financial statements, activities 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

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District uses a 60-day availability test for all revenues. Expenditures are recognized in the period in which the liability is incurred, except for accrued interest on bonds, which is recognized when due. Property taxes and interest income are recognized when susceptible to accrual. Revenues from miscellaneous sources are recognized when received. The District reports the following major funds:

General Fund

The general fund is the main operating fund of the District. It accounts for all activities of the District except those required to be accounted for in another fund.

Debt Service Fund

This fund is used to accumulate money to be used for the payment of bonds, interest and related costs.

C. CAPITAL ASSETS:

Land has been recorded at estimated fair value at the date it was received by donation. Other capital assets of the District are recorded at cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. The estimated useful lives of the capital assets are as follows:

Paving and Sewers	35 years
Underground Power and Water Systems	30 years

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 require the District to depreciate infrastructure assets.

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

D. BOND ISSUE COSTS:

In November, 2010, the District refinanced its general obligation bonds. Bond issue costs are being amortized on the interest method over the life of the outstanding bond issue. Amortization expense for the year ended June 30, 2012 was \$3,141.

E. USE OF ESTIMATES:

The preparation of the basic financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

2. BUDGET PROCESS AND BUDGETARY REPORTING:

The District is required to adopt an annual operating budget for all the funds over which the District exercises control. The budget is adopted using the cash basis of accounting which differs significantly from generally accepted accounting principles. Under the cash basis of accounting, revenue is recorded when received and expenditures are recorded when paid. Payment is deemed to have been made when warrants are issued.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before September 15 of each year, the District publishes a proposed operating budget for all funds for the next fiscal year ending June 30.

Public hearings are conducted to obtain taxpayer comment.

After publication and hearing, the budget is legally adopted by majority vote of the Board. The District is required to file a copy of the adopted budget with the County Clerk and the Nebraska Auditor of Public Accounts in accordance with the Nebraska Budget Act no later than September 20.

The budget is adopted on a per-fund basis and budgetary control is exercised at the fund level.

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

2. BUDGET PROCESS AND BUDGETARY REPORTING (continued):

The Board of Trustees may authorize supplemental appropriations during the year. No additional appropriations were made during the fiscal year ended June 30, 2012.

3. DEPOSITS AND INVESTMENTS:

Custodial credit risk is the risk that in event of a bank failure, a governments' deposits may not be returned to it. Cash in the individual funds of the district were held by the Sarpy County Treasurer in a pooled fund. These deposits are insured or covered with assets pledged to Sarpy County by financial institutions at June 30, 2012 and thus no custodial risk exists. Amounts of collateral are not readily available.

Investments are recorded at cost, which approximates fair value, and any premium or discount on investments is amortized on the straight-line method from date of purchase to date of maturity.

The District is allowed to invest funds as permitted by Nebraska Statute 77-2341, R.R.S., 1990, and allowable investments generally include U.S. Government obligations, certificates of deposit, and time deposits. During the year ended June 30, 2012, the District invested exclusively in U.S. Treasury Bills.

All investment activities are conducted through the District's fiscal agent and the County Treasurer. U.S. Treasury bills are bought and held in safekeeping by the County Treasurer in the District's name.

At June 30, 2012, the original purchase cost and amortized cost of the District's investments were \$59,977 and \$59,986, respectively.

Investment risks to which the District may be subject are:

Interest Rate Risk – Since the District's investments are short-term, the risk is minimal at June 30, 2012.

4. TAXES RECEIVABLE:

All receivables of the District are due from property owners within the boundaries of the District which is located in Sarpy County, Nebraska. These receivables are an enforceable lien upon the property.

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

4. TAXES RECEIVABLE (continued):

Property taxes are levied in September and attach as an enforceable lien on the assessed property as of December 31. The first half payment becomes delinquent April 1 of the following year and the second half becomes delinquent August 1 of the following year. The Sarpy County Treasurer bills and collects all property taxes for the District.

Property tax revenues are recognized in governmental funds when they become available, which includes those property tax receivables expected to be collected within 60 days after year-end. The portion of the taxes not expected to be collected within 60 days after the year-end is recorded as deferred revenue, if material. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided. Interest on delinquent taxes is recorded when received.

The District's property tax levy is as follows:

<u>Fiscal year</u>	<u>Taxable Valuation</u>	<u>Levy per \$100 of Value</u>		<u>Total</u>
		<u>General</u>	<u>Debt Service</u>	
2011-12	\$5,419,342	.187200	.519989	.707189

5. CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2012 is as follows:

<u>Description</u>	<u>Balance</u>	<u>Addition</u>	<u>Retirement</u>	<u>Balance</u>
	<u>Balance</u>			<u>June 30, 2012</u>
	<u>June 30, 2011</u>			<u>June 30, 2012</u>
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Paving and sewers	281,292	-	-	281,292
Underground power and water systems	78,682	-	-	78,682
Legal & other non-allocable fees	10,796	-	-	10,796
	<u>395,770</u>	<u>-</u>	<u>-</u>	<u>395,770</u>
Less accumulated depreciation	(186,458)	(10,968)	-	(197,426)
	<u>\$ 209,312</u>	<u>\$ (10,968)</u>	<u>\$ -</u>	<u>\$ 198,344</u>

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

6. BONDS PAYABLE:

On November 1, 2010, the District issued \$340,000 of general obligation bonds and repaid the remaining balance of its 2004 bond issue. The 2010 bonds bear interest at 1.15% to 4.20% and mature serially through November 1, 2023. Interest is payable semiannually on May 1 and November 1 of each year.

Debt service requirements are as follows:

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2013	\$ 25,000	\$ 9,478	\$ 34,478
2014	25,000	9,102	34,102
2015	25,000	8,640	33,640
2016	25,000	8,096	33,096
2017	25,000	7,459	32,459
2018-2022	130,000	24,987	154,987
2023	60,000	2,505	62,505
	<u>\$ 315,000</u>	<u>\$ 70,267</u>	<u>\$ 385,267</u>

7. RECONCILIATION OF FUND BALANCES TO BUDGETARY BASIS PRESENTATION:

The budget of the District is prepared on the cash basis. Necessary adjustments to reconcile from budgetary basis to GAAP basis are as follows:

	General Fund	Debt Service Fund
Fund balance, ending (budget basis)	\$ 26,342	\$ 64,071
Adjustments to generally accepted accounting principles:		
Revenue and accruals	4,811	13,373
Expenditures and accruals	<u>(10,595)</u>	<u>(700)</u>
Fund balance, ending (GAAP basis)	<u>\$ 20,558</u>	<u>\$ 76,744</u>

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

8. 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; 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.

REQUIRED SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
 BUDGET AND ACTUAL COMPARISON-(NON-GAAP)
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE (UNFAVORABLE)
RECEIPTS:			
Taxes	\$ 10,145	\$ 8,780	\$ 1,365
Motor vehicle tax and homestead exemption	20	27	(7)
Interest on taxes	50	72	(22)
Interest on investments	25	1	24
TOTAL RECEIPTS	\$ 10,240	\$ 8,880	\$ 1,360
DISBURSEMENTS:			
Audit fees	\$ 4,100	\$ 4,000	\$ (100)
Legal fees	6,000	2,160	(3,840)
Collection fee-County Treasurer	300	171	(129)
Insurance & trustee bonds	500	615	115
Clerk fees	1,200	1,200	-
Payroll taxes	92	92	-
Repairs and maintenance	11,000	-	(11,000)
TOTAL DISBURSEMENTS	\$ 23,192	\$ 8,238	\$ (14,954)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (12,952)	\$ 642	\$ (13,594)
OTHER CASH SOURCES (USES):			
Warrants issued	\$ -	\$ 5,030	\$ 5,030
Total other sources (uses):	\$ -	\$ 5,030	\$ 5,030
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER USES	\$ (12,952)	\$ 5,672	\$ (18,624)
CASH AND INVESTMENTS - beginning of year		20,670	
CASH AND INVESTMENTS - end of year		\$ 26,342	

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
 BUDGETARY COMPARISON - (NON GAAP)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE (UNFAVORABLE)
RECEIPTS:			
Taxes	\$ 28,180	\$ 27,373	\$ 807
Motor vehicle tax and homestead exemption	75	82	(7)
Interest on taxes	200	248	(48)
Interest on investments	50	25	25
TOTAL RECEIPTS	<u>\$ 28,505</u>	<u>\$ 27,728</u>	<u>\$ 777</u>
DISBURSEMENTS:			
Collection fee-County Treasurer	\$ 600	\$ 537	\$ (63)
Paying agent fees	700	467	(233)
Interest on bonds	9,784	9,784	-
TOTAL DISBURSEMENTS	<u>\$ 11,084</u>	<u>\$ 10,788</u>	<u>\$ (296)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 17,421	\$ 16,940	\$ 481
OTHER CASH SOURCES (USES):			
Bond principal payment	\$ (25,000)	\$ (25,000)	\$ -
TOTAL OTHER SOURCES (USES)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER SOURCES OVER DISBURSEMENTS AND OTHER USES	<u>\$ (7,579)</u>	<u>\$ (8,060)</u>	<u>\$ 481</u>
CASH AND INVESTMENTS - beginning of year		<u>72,131</u>	
CASH AND INVESTMENTS - end of year	<u>\$ -</u>	<u>\$ 64,071</u>	

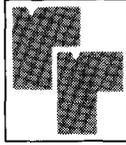
OTHER SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 INFORMATION REQUIRED BY SECTION 31-740
 REVISED STATUTES OF NEBRASKA, 1943, REISSUED 2008
 JUNE 30, 2012

Gross income from all sources	\$38,608
Gross income from all sources from previous year	\$37,623
Amount spent for capital improvements for sewage disposal	None
Amount expended for capital improvements for water mains	None
Gross amount of sewage processed	None
Cost per thousand gallons of processing sewage	None
Amount expended for:	
a. Maintenance and repairs	None
b. New equipment	None
c. New construction work	None
d. Property purchased	None
Number of employees	1
Salaries and fees paid employees	\$ 1,200
Total amount of taxes levied upon the property within the District	\$38,325
Total amount of special assessments levied upon the property within the District	None

SANITARY AND IMPROVEMENT DISTRICT NO. 151
OF SARPY COUNTY, NEBRASKA
TRUSTEES AND RELATED BONDS
JUNE 30, 2012

<u>TRUSTEES</u>		
<u>NAME</u>	<u>OFFICE</u>	<u>BOND AMOUNT</u>
Mark Shrader	Chairman	\$ 5,000
Michael Shrader	Clerk	\$ 20,000
Daniel Shrader	Trustee	-



Royal & Associates, PC

12335 GOLD STREET
OMAHA, NEBRASKA 68144-2760
(402) 333-0393
FAX (402) 333-0394

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. 151
Sarpy County, Nebraska.

We have audited the financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 151 Sarpy County, Nebraska, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 1, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting:

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Sanitary and Improvement District No. 151 of Sarpy County, Nebraska's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 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 control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

Financial Statement Preparation

Comment: The Auditing Standards Board 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 on Auditing Standards No. 112 emphasizes that the auditor can't be part of your system of internal control over financial reporting. In our judgment, the District's accounting personnel and those charged with governance, in the course of their assigned duties, lack the capable skills to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles and to detect and correct material misstatements, if present. As auditors, we were requested to draft the financial statements, accompanying notes and supplementary schedules.

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

Management Response: Management response to this finding is that the aforementioned circumstance is not unusual in a small governmental entity and that the costs of correcting this deficiency would exceed the benefit to be derived there from.

Audit Adjustments

Comment: In conjunction with the audit of the financial statements, we had to propose material adjustments for the financial statements to be in conformity with accounting principles generally accepted in the United States of America.

Recommendation: We recommend that procedures be established to ensure that the financial statements are in conformity with accounting principles generally accepted in the United States of America.

Management Response: Management has reviewed the entries and approved them.

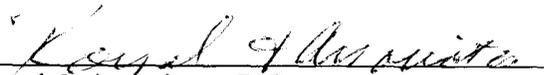
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether Sanitary and Improvement District No. 151 of Sarpy County, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

This report is intended solely for the information and use of the Board of Trustees and the Nebraska Auditor of Public Accounts and is not intended to be and should not be used by anyone other than these specified parties.


Royal & Associates, P.C.

Omaha, Nebraska
November 1, 2012

SANITARY AND IMPROVEMENT DISTRICT NO. 151
 OF SARPY COUNTY, NEBRASKA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2012

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ 36,733	\$ -	\$ -	\$ -	\$ 36,733	\$ -	\$ 36,733
TOTAL GOVERNMENT ACTIVITIES	<u>\$ 36,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,733</u>	<u>\$ -</u>	<u>\$ 36,733</u>
General revenue:							
Taxes							
Interest					\$ 38,265		\$ 38,265
Total General Revenue					<u>343</u>		<u>343</u>
Change in Net Assets (decrease)					38,608		38,608
Net Assets Deficit- beginning					1,875		1,875
Net Assets Deficit- ending					<u>(11,971)</u>		<u>(11,971)</u>
					<u>\$ (10,096)</u>		<u>\$ (10,096)</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.