

MINUTES OF MEETING OF BOARD OF TRUSTEES OF
SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA



The meeting of the Board of Trustees of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska was convened in public and open session at 4:00 p.m. on 24th day of February, 2011 at 11605 Arbor Street, Suite 104, Omaha, Nebraska. Present were the following Trustees: Richard L. Hansen; Nancy Wackerhagen, Wes Lyons, and Jim Nichols. Absent was the following Trustee: Jay Graham. Present by invitation were Ronald W. Hunter, attorney for the District; Kristi Weispfenning, his assistant; and Dave Harnisch and Bill Glissman, both of HGM Associates, Inc. Notice was given in advance thereof by publication in the Papillion Times on February 16, 2011, the Proof of Publication being attached to these Minutes. Notice of the meeting was given to all of the Trustees, a copy of their Acknowledgment of Receipt of Notice being attached to these Minutes. Availability of the Agenda was communicated in the published Notice and in the Notice to the Trustees of the meeting. All proceedings of the Board were taken while the convened meeting was held open to the attendance of the public.

The Attorney for the District certifies that these Minutes were written and available for public inspection within ten (10) working days and prior to the next convened meeting of the Board of Trustees.

The Chairman called the meeting to order and called the roll.

The Chairman publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

The Chairman stated the first order of business was a discussion regarding property owner questions or concerns. There were none to come before the meeting.

The Chairman stated the next order of business was an update from the engineers. Mr. Glissman presented various drawings of Mission Creek which showed the areas which need repaired in order of priority. After a full and complete discussion, the following Resolution was proposed by Trustee Wackerhagen and seconded by Trustee Nichols, to-wit:

RESOLVED, that HGM Associates, Inc. shall prepare the necessary documents for repairs to area C to present to Papio NRD in an attempt to obtain approval for cost sharing regarding this matter.

On the foregoing Resolution, the following Trustees voted "aye": Trustees Wackerhagen, Hansen, Lyons, and Nichols; voting "nay" thereon were the following: none. The Chairman then declared said Resolution was duly carried and adopted.

The Chairman stated the next order of business was an update regarding Mission Creek Sanitary Sewer Stabilization. Ms. Weispenning stated letters were sent to various residents living near the access area which will be used by the City of Omaha to make the necessary repairs.

The Chairman stated the next order of business was for the Chairman to sign Form 1096 to be filed with the IRS. This was accomplished.

The Chairman stated the next order of business was a proposal, dated February 15, 2011, from Clean Sweep Commercial, Inc. for street sweeping in the amount of \$1,080.00. After a full and complete discussion, the following Resolution was proposed by Trustee Nichols and seconded by Trustee Wackerhagen, to-wit.

RESOLVED, the proposal, dated February 15, 2011, from Clean Sweep Commercial, Inc. for street sweeping in the amount of \$1,080.00 to be completed as soon after April 1 as possible and the Chairman is hereby authorized and directed to execute said proposal.

On the foregoing Resolution, the following Trustees voted "aye": Trustees Wackerhagen, Hansen, Lyons, and Nichols; voting "nay" thereon were the following: none. The Chairman then declared said Resolution was duly carried and adopted.

The Chairman stated the next order of business was to ratify the Chairman's signature on a Representation Letter with the accountants. After a full and complete discussion, the following Resolution was proposed by Trustee Nichols and seconded by Trustee Lyons, to-wit:

RESOLVED, that the Chairman's signature on the Representation Letter to the accountants with respect to the audit of the SID's financial statements for fiscal year ending June 30, 2010 is hereby ratified and confirmed.

On the foregoing Resolution, the following Trustees voted "aye": Trustees Wackerhagen, Hansen, Lyons, and Nichols; voting "nay" thereon were the following: none. The Chairman then declared said Resolution was duly carried and adopted.

The following are reporting items for the Trustees' information and required no action: financial statements for the District as of June 30, 2010.

The Trustees agreed that the next Board of Trustees meeting shall be held at 4:00 p.m. on March 31, 2011 at 4:00 p.m. at 11605 Arbor Street, Suite 104, Omaha, Nebraska.

The Chairman stated the last item on the Agenda was to pay the following bills, statements and/or invoices attached. Upon motion made by Trustee Lyons and seconded

by Trustee Wackerhagen, the following Resolutions were proposed, to-wit:

BE IT RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska, that the Chairman and Clerk be and they are hereby directed and authorized to execute and deliver General Fund Warrant Nos. 5499 through General Fund Warrant No. 5504 of the District, dated the day of this meeting, to the following payees and in the following amounts, said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of seven percent (7%) per annum, to be redeemed no later than February 24, 2014, subject to extension of said maturity date by order of the District Court of Sarpy County, Nebraska, after notice is given as required by law, to wit:

WARRANT NO. 5499 in the amount of \$10.73 made payable to WORLD HERALD MEDIA GROUP, per Customer No. 154004, Order No. 0001342332-01, attached.

WARRANT NO. 5500 in the amount of \$3,937.79 made payable to O.P.P.D., per Account No. 4393100041, dated 01/27/11, attached.

WARRANT NO. 5501 in the amount of \$2,428.00 made payable to ROYAL LAWNS, INC., per Invoice No. 627, attached.

WARRANT NO. 5502 in the amount of \$663.65 made payable to HGM ASSOCIATES, INC., per Client No. 7241, Invoice No. 70497-8, attached.

WARRANT NO. 5503 in the amount of \$1,243.00 made payable to N.P. DODGE INSURANCE AGENCY, INC., per Invoice No. 27111, attached.

WARRANT NO. 5504 in the amount of \$2,810.00 made payable to RONALD W. HUNTER, per Statement dated 02/23/11, attached.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 162 of Sarpy County,

Nebraska, that both they and the district hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all said improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision, to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by a developer during the initial period of development of said improvements, there have been, are and will be no persons with rights to use such improvements other than as members of the general public; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above Warrants; and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska, that the District hereby covenants, warrants and agrees as follows: (a) to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above Warrants; and (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Internal Revenue Code of 1986 as amended and covenants and warrants that the District does not reasonably expect to issue Warrants or Bonds or other obligations aggregating in the principal amount of more than \$5,000,000.00 during the

calendar year in which the above Warrants are to be issued.

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska that this and the preceding Resolutions are hereby adopted as the Certificate with Respect to Arbitrage of the District hereby further certify, as of the date of the registration of the above Warrants with the County Treasurer of Sarpy County, Nebraska, as follows:

1. No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The District reasonably anticipates that monies in its Bond Fund reasonably attributable to the above Warrants in excess of the lesser of: (a) 10% of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) 125% of average annual debt service due on the above Warrants will be expended for payment of principal of and interest on the above Warrants within 13 months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within 13 months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield of the above Warrants.
2. To the best of their knowledge, information and belief, the above expectations are reasonable.
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its Bonds.
4. This Certificate is being passed, executed and delivered pursuant to Sections 1.148-2 (b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended

On the foregoing Resolutions, the following Trustees voted "aye": Trustees Wackerhagen, Hansen, Lyons, and Nichols; voting "nay" thereon were the following: none. The Chairman then declared said Resolutions were duly carried and adopted.

There being no further business to come before the meeting, the same was thereupon adjourned.

Richard F. Hansen
RICHARD HANSEN, Chairman

Nancy Wackerhagen
NANCY WACKERHAGEN, Clerk

Wes Lyons
WES LYONS, Trustee

Jim Nichols
JIM NICHOLS, Trustee

ABSENT
JAY GRAHAM, Trustee

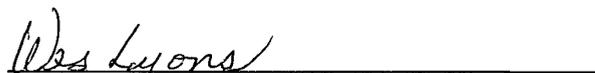
ACKNOWLEDGMENT OF RECEIPT
OF
NOTICE OF MEETING

THE UNDERSIGNED Trustees of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska, hereby acknowledge receipt of advance notice of a meeting of the Board of Trustees of said District, and the Agenda for such meeting held at 4:00 p.m. on February 24, 2011 at 11605 Arbor Street, Suite 104, Omaha, Nebraska.

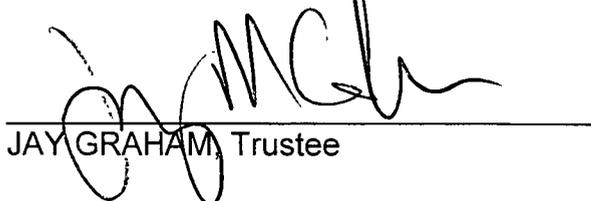
DATED this 24th day of February, 2011.


RICHARD L. HANSEN, Chairman


NANCY WACKERHAGEN, Clerk


WES LYONS, Trustee


JIM NICHOLS, Trustee


JAY GRAHAM, Trustee

CERTIFICATE

The undersigned hereby certify that they are the Chairman and Clerk of Sanitary and Improvement District Number 162 of Sarpy County, Nebraska, (the "District") and hereby further certify as follows:

1. Annexed to this certificate is a true and correct transcript of the proceedings of the Board of Trustees of the District relating to a meeting of said District held on the date and at the time reflected in the meeting minutes contained in said foregoing transcript (the "Meeting"). All of the proceedings of the District and of the Board of Trustees thereof which are set out in the annexed and foregoing transcript have been fully recorded in the journal of proceedings of the District and the undersigned District Clerk has carefully compared the annexed and foregoing transcript with said journal and with the records and files of the District which are in such Clerk's official custody and said transcript is a full, true and complete copy of said journal, records and files which are set out therein.

2. Advance notice for the Meeting was given by publication as set forth in the affidavit of publication contained in the foregoing transcript and was given to the Clerk of the municipality or county within whose zoning jurisdiction the District is located at least seven days prior to the date of the Meeting. Advance notice for the Meeting, including notice of agenda subjects, was given to all members of the Board of Trustees. All news media requesting notification of meetings of said body were provided with advance notice of the times and places of such meetings and the subjects to be discussed.

3. All of the subjects addressed at the Meeting were contained in the agenda for the Meeting, which agenda was kept continually current and readily available for public inspection at the address listed in the meeting notice for the Meeting and a copy of which is attached to this Certificate; such subjects were contained in said agenda for at least 24 hours prior to the Meeting and each agenda item was sufficiently descriptive to give the public reasonable notice of the matters to be considered at the Meeting.

4. A current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during the Meeting in the room in which such Meeting was held and all in attendance at the Meeting were informed that such copy of the Nebraska Open Meetings Act was available for review and were informed of the location of such copy in the room in which such Meeting was being held. At least one copy of all resolutions and other reproducible written materials, for which actions are shown in said proceedings, was made available for examination and copying by members of the public at the Meeting.

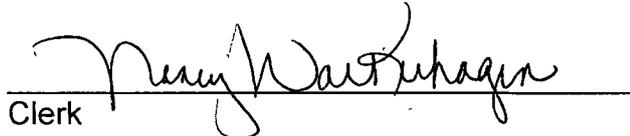
5. The minutes of the Meeting were in written form and available for public inspection within ten (10) working days after the Meeting or prior to the next convened meeting, whichever occurred earlier, at the office of the District; within thirty (30) days after the date of the Meeting, a copy of the minutes of the Meeting was sent to the Clerk of the municipality or county within whose zoning jurisdiction the District is located.

6. No litigation is now pending or threatened to restrain or enjoin the District from

the issuance and delivery of any warrants or other obligations issued by the District or the levy and collection of tax or other revenues or relating to any of the improvements for which any such warrants or other obligations were or are issued nor in any manner questioning the proceedings and authority under which any such warrants or other obligations were or are issued or affecting the validity thereof; neither the corporate existence or boundaries of the District nor the title of its present officers to their respective offices is being contested; no authority or proceedings for the issuance of any warrants or other obligations by the District have been repealed, revoked or rescinded as of the date hereof. All actions taken by the Board of Trustees referred to in said transcript were taken at a public meeting while open to the attendance of the public.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures this 24th day of February, 2011.


Chairman


Clerk

AGENDA

Meeting of the Board of Trustees of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska:

Richard L. Hansen, Chairman
Nancy Wackerhagen, Clerk
Jay Graham, Trustee
Wes Lyons, Trustee
Jim Nichols, Trustee

Meeting held at 4:00 p.m. on February 24, 2011 at 11605 Arbor Street, Suite 104, Omaha, Nebraska.

-
1. Call meeting to order and roll call.
 2. The Chairman to state to all in attendance that a current copy of the Nebraska Open Meetings Act is available for review and indicate the location of such copy in the room where the meeting is being held.
 3. Property owner questions or concerns.
 4. Update from engineers.
 5. Update regarding Mission Creek Sanitary Sewer Stabilization.
 6. Chairman to sign Form 1096 to be filed with IRS.
 7. A proposal, dated February 15, 2011, from Clean Sweep Commercial, Inc. for street sweeping in the amount of \$1,080.00.
 8. Ratify Chairman's signature on Representation Letter with accountants.
 9. The following is a reporting item for the Trustees' information and requires no action: Financial Statements for the District as of June 30, 2010.
 10. Set the next meeting date.
 11. Pay the following bills (statements and/or invoices attached):
 - A. World Herald Media Group
Customer No. 154004
Order No. 0001342332-01 10.73

| | | |
|----|--|----------|
| B. | O.P.P.D. Account No. 4393100041 Dated 01/27/11 | 3,937.79 |
| C. | Royal Lawns, Inc. Invoice No. 627 | 2,428.00 |
| D. | HGM Associates, Inc. Client No. 7241, Invoice No. 70497-8 | 663.65 |
| E. | N.P. Dodge Insurance Agency, Inc. Invoice No. 27111 | 1,243.00 |
| F. | Ronald W. Hunter Statement dated 02 /23 /11 | 2,810.00 |

* There are funds available so there is no 5% fee paid to Ameritas Investment Corp.

12. Adjourned.

THE UNDERSIGNED, hereby certifies that the foregoing Agenda was prepared and available for public inspection at the address shown on the published notice of meeting at least 24 hours prior to the commencement of said meeting, and that no items were added to the Agenda after the commencement of the meeting.


Clerk



City of Omaha
Jim Suttle, Mayor

Public Works Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 601
Omaha, Nebraska 68183-0601
(402) 444-5220
Fax (402) 444-5248

Robert G. Stubbe, P.E.
Public Works Director

February 2011

Dear Tenants and Residents:

In December 2010, the City of Omaha awarded project **OPW-51891, Mission Creek Sanitary Sewer Stabilization** to Midwest Excavating Services.

The Construction to be undertaken by this project involves channel stabilization for an existing sanitary sewer line.

This project will include the construction of additional gabion baskets and riprap to stabilize the sanitary sewer line as well as haul in embankment and grade to match the existing channel.

The project is scheduled to start March 2011 and be completed by June 2011, weather permitting. We are sorry for any inconvenience this work may cause. The Public Works Department and the contractor want to cooperate completely with those effected to ensure a rapid completion of the project, fully realizing that the best plans may be altered at times to attain the ultimate goal.

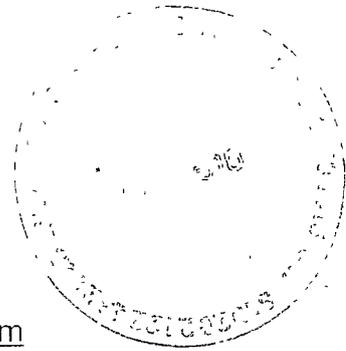
The following personnel are to provide you with assistance during the construction:

| | | |
|-------------|----------------------------------|----------|
| Matt Grosse | City of Omaha, Project Manager | 444-5282 |
| J.R. Clark | City of Omaha, Inspector on Site | 630-9007 |
| Tom Trombly | Contractor's Representative | 677-3366 |

Sincerely,

Matt Grosse
Engineer Aide III
Construction Division

Ronald W. Hunter
Attorney at Law
11605 Arbor St., Suite 104
Omaha, NE 68144
e-mail rwhre@hunterlaw.omhcoxmail.com



Phone (402) 397-6965

Fax (402) 397-0607

July 29, 2010

Kirk Pfeffer
Design Engineer
City of Omaha
1819 Farnam Street, Suite 600
Omaha, NE 68183

Timothy Papstein
City of Omaha
VIA e-mail: tim.papstein@ci.omaha.ne.us

Dear Mr. Pfeffer and Mr. Papstein:

I represent Sanitary and Improvement District No. 162 of Sarpy County, Nebraska ("SID 162"). These letter is written regarding the sanitary sewer line which is owned by the City of Omaha which is located within the boundaries of SID 162.

SID 162 owns property over which the City needs access to repair its sanitary sewer line. SID No 162 hereby grants the City said access. Attached is a site access and staging plan map which was prepared by HGM Associates, Inc, engineers for SID 162. This map shows the access route which will be used by the contractor, which is represented by the dotted line. If any of the property owned by SID 162 is damaged during the repairs of this sewer line, SID 162 will seek reimbursement from the City of Omaha.

If you should have any questions, please contact me.

Sincerely Yours,

A handwritten signature in black ink that reads "Ronald W. Hunter".

Ronald W. Hunter

RWH:kaw
enclosures
cc Board of Trustees of SID 162
Dennis Wilson, HGM Associates, Inc.
Dave Harnisch, HGM Associates, Inc

9595

VOID CORRECTED

| | | | | |
|--|-------------------------------|---|--|---|
| PAYER'S name, street address, city, state, ZIP code, and telephone no. Sanitary & Improvement Dist 162 11605 Arbor St. #104 Omaha, NE 68144 Ronald Hunter 4023976965 | | 1 Rents \$ | OMB No 1545-0115 2010 Form 1099-MISC | Miscellaneous Income |
| PAYER'S federal identification number 47-0778723 | | 2 Royalties \$ | 3 Other income \$ | Copy A For Internal Revenue Service Center File with Form 1099. |
| RECIPIENT'S identification number 26-3335839 | | 4 Fishing boat proceeds \$ | 5 Federal income tax withheld \$ | |
| RECIPIENT'S name Infinity CPA Group, LLC | | 6 Medical and health care payments \$ | 7 Nonemployee compensation \$ 4900.00 | For Privacy Act and Paperwork Reduction Act Notice, see the 2010 General Instructions for Certain Returns. |
| Street address (including apt. no.) 14747 California St. #4 | | 8 Substitute payments in lieu of dividends or interest \$ | 9 Payer made direct sales of \$5 000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> \$ | |
| City, state, and ZIP code Omaha, NE 68154 | | 10 Crop insurance proceeds \$ | 11 Excess golden parachute payments \$ | |
| Account number (see instructions) | | 12 | 13 Excess golden parachute payments \$ | 14 Gross proceeds paid to an attorney \$ |
| 15a Section 409A deferrals \$ | 15b Section 409A income \$ | 16 State tax withheld \$ | 17 State/Payer's state no NE | 18 State income \$ |

Form 1099-MISC

41-0852411

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page

Do Not Cut or Separate Forms on This Page

9595

VOID CORRECTED

| | | | | |
|--|-------------------------------|---|--|---|
| PAYER'S name, street address, city, state, ZIP code, and telephone no. Sanitary & Improvement Dist 162 11605 Arbor St. #104 Omaha, NE 68144 Ronald Hunter 4023976965 | | 1 Rents \$ | OMB No 1545-0115 2010 Form 1099-MISC | Miscellaneous Income |
| PAYER'S federal identification number 47-0778723 | | 2 Royalties \$ | 3 Other income \$ | Copy A For Internal Revenue Service Center File with Form 1099. |
| RECIPIENT'S identification number 47-0804607 | | 4 Fishing boat proceeds \$ | 5 Federal income tax withheld \$ | |
| RECIPIENT'S name McC, LLC | | 6 Medical and health care payments \$ | 7 Nonemployee compensation \$ 12248.69 | For Privacy Act and Paperwork Reduction Act Notice, see the 2010 General Instructions for Certain Returns. |
| Street address (including apt. no.) 6615 S. 156th St. | | 8 Substitute payments in lieu of dividends or interest \$ | 9 Payer made direct sales of \$5 000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> \$ | |
| City, state, and ZIP code Omaha, NE 68135 | | 10 Crop insurance proceeds \$ | 11 Excess golden parachute payments \$ | |
| Account number (see instructions) | | 12 | 13 Excess golden parachute payments \$ | 14 Gross proceeds paid to an attorney \$ |
| 15a Section 409A deferrals \$ | 15b Section 409A income \$ | 16 State tax withheld \$ | 17 State/Payer's state no NE | 18 State income \$ |

Form 1099-MISC

MA

41-0832411

5 10

Department of the Treasury - Internal Revenue Service

DETACH BEFORE MAILING
MANUFACTURED IN U.S.A. ON OCR LASER BOND PAPER USING HEAT RESISTANT INKS

9595

VOID CORRECTED

| | | | | | | |
|--|---|--|--|---|--|---|
| PAYER'S name street address, city, state, ZIP code, and telephone no Sanitary & Improvement Dist 162 11605 Arbor St. #104 Omaha, NE 68144 Ronald Hunter 4023976965 | | 1 Rents \$ | 2 Royalties \$ | 3 Other income \$ | OMB No 1545-0115 2010 Form 1099-MISC | Miscellaneous Income |
| PAYER'S federal identification number 47-0778723 | RECIPIENT'S identification number 47-0550273 | 5 Fishing boat proceeds \$ | 6 Medical and health care payments \$ | 7 Nonemployee compensation \$ 15630.52 | 8 Substitute payments in lieu of dividends or interest \$ | Copy A For Internal Revenue Service Center File with Form 1096. |
| RECIPIENT'S name Ronald W. Hunter | | 9 Payer made direct sales of \$5 000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | 10 Crop insurance proceeds \$ | 11 | 12 | For Privacy Act and Paperwork Reduction Act Notice see the 2010 General Instructions for Certain Information Returns. |
| Street address (including apt. no.) 11605 Arbor St., #104 | | 13 | 14 | 15a Section 409A deferrals \$ | 15b Section 409A income \$ | |
| City, state, and ZIP code Omaha, NE 68144 | | 16 Excess golden parachute payments \$ | 17 State tax withheld \$ | 18 State income \$ | 19 State/Payer's state no NE | |
| Account number (see instructions) | | 20 TIN no. <input type="checkbox"/> | 21 | 22 | 23 | |

Form 1099-MISC

41-0852411

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page

Do Not Cut or Separate Forms on This Page

9595

VOID CORRECTED

| | | | | | | |
|--|-----------------------------------|--|--|----------------------------------|--|--|
| PAYER'S name street address, city, state, ZIP code, and telephone no | | 1 Rents \$ | 2 Royalties \$ | 3 Other income \$ | OMB No 1545-0115 2010 Form 1099-MISC | Miscellaneous Income |
| PAYER'S federal identification number | RECIPIENT'S identification number | 5 Fishing boat proceeds \$ | 6 Medical and health care payments \$ | 7 Nonemployee compensation \$ | 8 Substitute payments in lieu of dividends or interest \$ | Copy A For Internal Revenue Service Center File with Form 1096. |
| RECIPIENT'S name | | 9 Payer made direct sales of \$5 000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | 10 Crop insurance proceeds \$ | 11 | 12 | For Privacy Act and Paperwork Reduction Act Notice, see the 2010 General Instructions for Certain Information Returns. |
| Street address (including apt. no.) | | 13 | 14 | 15a Section 409A deferrals \$ | 15b Section 409A income \$ | |
| City, state, and ZIP code | | 16 Excess golden parachute payments \$ | 17 State tax withheld \$ | 18 State income \$ | 19 State/Payer's state no | |
| Account number (see instructions) | | 20 TIN no. <input type="checkbox"/> | 21 | 22 | 23 | |

Form 1099-MISC

LMA

41-0852411

0110

Department of the Treasury - Internal Revenue Service

DETACH BEFORE MAILING
MANUFACTURED IN U.S.A. OIL INK ON CRASER BOND PAPER HEAT RESISTANT INKS

Clean Sweep Commercial Inc. / K.C. Sweeping

Proposal

Mr Ronald Hunter
11605 Arbor Street #104
Omaha, NE 68144

Date
2/15/2011

Proposal #
589

Job Name #162 Millard Park, I, II, III, IV, V, VI

We are pleased to submit this proposal for sweeping all street, curb lines and intersections within your Sanitary and Improvement District

Legal Off-Site disposal of all swept material shall be the responsibility of Clean Sweep Commercial

Sweeping will be performed at your convenience and will be scheduled after Clean Sweep Commercial receives a signed copy of this proposal

The Price will be\$1080 00

This proposal will only include sand clean-up and will not include heavy mud build-up or any areas that include tractor use

A Certificate of Insurance will be issued by Clean Sweep Commercial prior to sweeping (upon request)

Sincerely,

Clean Sweep Commercial / K. C. Sweeping

Please return a signed copy of this proposal by Fax or Mail

Date: _____ *Signature:* _____

January 31, 2011

Infinity CPA Group, LLC
14747 California Street #4
Omaha, NE 68154

To Whom It May Concern

We are providing this letter in connection with your audits of the financial statements of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska as of June 30, 2010 and for the year then ended for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the District and the respective changes in financial position and cash flows, where applicable, in conformity with U.S generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of January 31, 2011, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with U S generally accepted accounting principles and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all—
 - a. Financial records and related data.
 - b. Minutes of the meetings of the District's Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving
 - a. Management,
 - b. Board of Trustees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

- 7 We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from trustees, analysts, regulators, or others.
8. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
9. The following, if any, have been properly recorded or disclosed in the financial statements
 - a Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the District is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
10. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
11. There are no—
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and, must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No 5, *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
12. As part of your audit, you prepared the draft financial statements and related notes. We have designated a competent individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes
13. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral

14. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
15. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if applicable.
16. The financial statements properly classify all funds and activities.
17. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users
18. Net asset components (invested in capital assets, net of related debt; restricted, and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved
19. Provisions for uncollectible receivables have been properly identified and recorded.
20. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis
21. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
22. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported
23. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
24. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
25. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
26. We understand that as part of your audit, you prepared the adjusting journal entries necessary to convert our cash basis records to the accrual basis of accounting and acknowledge that we have reviewed and approved those entries.
27. In regards to the Budget Compilation performed by you, we have:
 - a) Made all management decisions and performed all management functions.
 - b) Designated an individual with suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services
 - e) Established and maintained internal controls, including monitoring ongoing activities.

No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements, unless already disclosed.

We authorize you, for the convenience, to forward copies of the audit report to the State Auditor's office and to the Sarpy County Clerk, as required by law. We also authorize you to send copies to our legal counsel, Ronald W. Hunter, as he has requested, and to the District's underwriters, Ameritas

SANITARY AND IMPROVEMENT DISTRICT NO. 162

Richard Hansen, Chairman



14747 CALIFORNIA ST. #4
OMAHA, NE 68154-1986

PHONE: 402.933.5230

FAX: 402.933.6783

January 31, 2011

Board of Trustees
Sanitary and Improvement District No. 162
15831 Josephine Street
Omaha, NE 68136

Attention: Mr. Richard Hansen, Chairman:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska for the year ended June 30, 2010. 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 January 31, 2011. 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. 162 of Sarpy County, Nebraska are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2010. 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 estimate affecting the basic financial statements was:

Management's estimate of the useful lives and depreciation methods are based on industry standards for governmental entities. We evaluated the key factors and assumptions used to develop the useful lives and depreciation methods in determining that it 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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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 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.

The District lacks a trustee or management with the qualifications and training to prepare financial statements in accordance with accounting principles generally accepted in the United States of America.

Management has the ability to override internal controls due to a lack of segregation of duties within the district.

This information is intended solely for the use of the Board of Trustees and management of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

INFINITY CPA GROUP, LLC

Leo J Panzer, CPA

SID 162
SUMMARY OF AUDIT DIFFERENCES
Bond Fund
Year Ended 6/30/10

Current Year Over (Under)
Revenues and
Expenditures/Expenses
and Changes in
Fund Balance/Equity
\$ (5,164)

Unadjusted audit differences:

Accrued interest on special assessment receivables

Cumulative effect (before effect of prior year differences)
Effect of unadjusted audit differences—prior year:

Cumulative effect (after effect of prior year differences)

\$ (5,164)
Below materiality

Reclassification adjustments:

None

Balance Sheet
\$

Statement(s) of
Revenues and
Expenditures/Expenses
and Changes in
Fund Balance/Equity
\$

Financial Statements

SANITARY AND IMPROVEMENT
DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA

JUNE 30, 2010

CONTENTS

| | Page |
|---|------|
| INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS | |
| BASIC FINANCIAL STATEMENTS | |
| Governmental Funds Balance Sheet/Statement of Net Assets | 1 |
| Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities | 2 |
| Budgetary Comparison Schedule for the General Fund | 3 |
| Budgetary Comparison Schedule for the Debt Service Fund | 4 |
| Notes to basic financial statements | 5-14 |
| SUPPLEMENTARY INFORMATION | |
| Balance sheet information: | |
| Taxes receivable | 15 |
| Investments | 16 |
| Special assessments receivable | 17 |
| Bonds payable | 18 |
| Information required by Section 31-715 and 31-740, Revised Statutes of Nebraska | 19 |
| District officials and related bonds | 20 |
| 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 | |

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sanitary and Improvement District No. 162
Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska (the District), as of and for the year ended June 30, 2010, 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 the Board of Trustees, 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 financial position of the governmental activities and each major fund of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the General and Debt Service Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2011 on our consideration of Sanitary and Improvement District No. 162 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information on pages 15 through 20 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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 taken as a whole.

Infinity CPA Group, LLC

Omaha, Nebraska
January 31, 2011

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
June 30, 2010

| ASSETS | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> |
|---|-------------------------|------------------------------|---------------------|
| Cash on deposit, County Treasurer | \$ 184,609 | \$ 204,537 | \$ 389,146 |
| Investments | - | 429,710 | 429,710 |
| Taxes receivable | 142,749 | 375,792 | 518,541 |
| Special assessments receivable | - | 8,463 | 8,463 |
| Interest receivable on investments | - | 155 | 155 |
| Bond issue costs, net of accumulated amortization \$136,946 | - | - | - |
| Capital assets: | | | |
| Depreciable infrastructure, net | - | - | - |
| Total assets | <u>\$ 327,358</u> | <u>\$ 1,018,657</u> | <u>\$ 1,346,015</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 40,930 | \$ - | \$ 40,930 |
| Warrants payable: | | | |
| Due after one year | 50,699 | - | 50,699 |
| Interest payable, bonds | - | - | - |
| Bonds payable: | | | |
| Due within one year | - | - | - |
| Due after one year | - | - | - |
| Deferred revenue | <u>14,019</u> | <u>44,875</u> | <u>58,894</u> |
| Total liabilities | <u>105,648</u> | <u>44,875</u> | <u>150,523</u> |
| FUND BALANCES/NET ASSETS | | | |
| Fund balances: | | | |
| Reserved for debt service | - | 973,782 | 973,782 |
| Unreserved, reported in: | | | |
| General fund | <u>221,710</u> | <u>-</u> | <u>221,710</u> |
| Total fund balances | <u>221,710</u> | <u>973,782</u> | <u>1,195,492</u> |
| Total liabilities and fund balances | <u>\$ 327,358</u> | <u>\$ 1,018,657</u> | <u>\$ 1,346,015</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | | | |
| Restricted for debt service | | | |
| Unrestricted | | | |

See Notes to Basic Financial Statements

| <u>Adjustments</u> | <u>Statement of Net Assets</u> |
|---------------------|------------------------------------|
| \$ - | \$ 389,146 |
| - | 429,710 |
| - | 518,541 |
| - | 8,463 |
| - | 155 |
| 277,710 | 277,710 |
| <u>8,542,084</u> | <u>8,542,084</u> |
| <u>8,819,794</u> | <u>10,165,809</u> |
| - | 40,930 |
| - | 50,699 |
| 31,884 | 31,884 |
| 470,000 | 470,000 |
| 7,370,000 | 7,370,000 |
| - | 58,894 |
| <u>7,871,884</u> | <u>8,022,407</u> |
| (973,782) | - |
| <u>(221,710)</u> | <u>-</u> |
| <u>(1,195,492)</u> | <u>-</u> |
| 947,910 | 947,910 |
| 973,782 | 973,782 |
| 221,710 | 221,710 |
| <u>\$ 2,143,402</u> | <u>\$ 2,143,402</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

| | General | Debt Service | Totals |
|---|------------|-----------------|--------------|
| REVENUES | | | |
| Personal and real property taxes | \$ 298,036 | \$ 784,930 | \$ 1,082,966 |
| Interest on taxes | 496 | 1,215 | 1,711 |
| Interest on investments | - | 1,020 | 1,020 |
| Refund from Papio NRD for Mission Creek Project | 154,874 | - | 154,874 |
| Miscellaneous | 5,250 | 16,423 | 21,673 |
| State motor vehicle tax allocation | 1,014 | 2,618 | 3,632 |
| Total revenues | 459,670 | 806,206 | 1,265,876 |
| EXPENDITURES/EXPENSES | | | |
| Current: | | | |
| Accounting fees | 625 | - | 625 |
| Amortization of bond issue costs | - | - | - |
| Audit fees | 4,900 | - | 4,900 |
| Collection fees | 5,602 | 14,420 | 20,022 |
| Depreciation | - | - | - |
| Engineering fees | 134,164 | - | 134,164 |
| Fiscal agent fees | - | 1,000 | 1,000 |
| Insurance | 3,746 | - | 3,746 |
| Interest on registered warrants | 2,716 | - | 2,716 |
| Legal fees | 22,450 | - | 22,450 |
| Publishing expense | 945 | - | 945 |
| Repairs and maintenance | 350,643 | - | 350,643 |
| Utilities | 44,079 | - | 44,079 |
| Debt service: | | | |
| Bond principal | - | 445,000 | 445,000 |
| Bond interest | - | 349,465 | 349,465 |
| Total expenditures/expenses | 569,870 | 809,885 | 1,379,755 |
| Deficit of revenues over expenditures | (110,200) | (3,679) | (113,879) |
| OTHER FINANCING SOURCES (USES) | | | |
| Issuance of warrants | - | 1,000 | 1,000 |
| Retirement of warrants | - | (1,000) | (1,000) |
| | - | - | - |
| Deficit of revenues and other sources over expenditures and other uses | (110,200) | (3,679) | (113,879) |
| Change in net assets | - | - | - |
| Fund balances/net assets-beginning | 331,910 | 977,461 | 1,309,371 |
| Fund balances/net assets-ending | \$ 221,710 | \$ 973,782 | \$ 1,195,492 |

See Notes to Basic Financial Statements.

| <u>Adjustments</u> | <u>Statement of Activities</u> |
|---------------------|------------------------------------|
| \$ - | \$ 1,082,966 |
| - | 1,711 |
| - | 1,020 |
| - | 154,874 |
| - | 21,673 |
| - | 3,632 |
| - | 1,265,876 |
| - | 625 |
| 41,932 | 41,932 |
| - | 4,900 |
| - | 20,022 |
| 427,264 | 427,264 |
| - | 134,164 |
| - | 1,000 |
| - | 3,746 |
| - | 2,716 |
| - | 22,450 |
| - | 945 |
| - | 350,643 |
| - | 44,079 |
| (445,000) | - |
| (1,167) | 348,298 |
| 23,029 | 1,402,784 |
| 113,879 | - |
| (1,000) | - |
| 1,000 | - |
| - | - |
| 113,879 | - |
| \$ <u>(136,908)</u> | (136,908) |
| | 2,280,310 |
| | \$ <u>2,143,402</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
For the Year Ended June 30, 2010**

| | <u>Budgeted Amounts</u> | | Variance with Final Budget |
|--|---------------------------|---|------------------------------------|
| | <u>Original and Final</u> | <u>Actual amounts (Budgetary Basis)</u> | <u>Favorable (Unfavorable)</u> |
| REVENUES | | | |
| Personal and real property taxes | \$ 296,254 | \$ 289,002 | \$ (7,252) |
| Interest on taxes | - | 496 | 496 |
| Refund from Papio NRD-Mission Creek Project | - | 154,874 | 154,874 |
| Miscellaneous | - | 5,250 | 5,250 |
| State motor vehicle tax allocation | - | 1,014 | 1,014 |
| Total revenues | 296,254 | 450,636 | 154,382 |
| EXPENDITURES | | | |
| Current | | | |
| Accounting fees | 3,000 | 625 | 2,375 |
| Audit fees | 4,900 | 4,900 | - |
| Collection fees | - | 5,602 | (5,602) |
| Engineering fees | 25,000 | 120,008 | (95,008) |
| Insurance and trustee bonds | 4,000 | 3,746 | 254 |
| Interest on registered warrants | - | 2,716 | (2,716) |
| Legal fees | 25,000 | 22,285 | 2,715 |
| Publishing | 500 | 945 | (445) |
| Miscellaneous | 1,000 | - | 1,000 |
| Repairs and maintenance | 411,500 | 352,110 | 59,390 |
| Utilities | 46,000 | 45,982 | 18 |
| Total expenditures | 520,900 | 558,919 | (38,019) |
| Excess (deficit) of revenues over expenditures | (224,646) | (108,283) | 116,363 |
| OTHER FINANCING SOURCES (USES) | | | |
| Issuance of warrants | - | 177,972 | 177,972 |
| Retirement of warrants | (15,000) | (140,424) | (125,424) |
| | (15,000) | 37,548 | 52,548 |
| Excess (deficit) of revenues and other sources over expenditures and other uses | (239,646) | (70,735) | 168,911 |
| Fund balance, beginning | 255,344 | 255,344 | - |
| Fund balance, ending | \$ 15,698 | \$ 184,609 | \$ 168,911 |

See Notes to Basic Financial Statements.

| <u>Budget to GAAP Reconciliation</u> | <u>Actual amounts (GAAP Basis)</u> |
|--|--|
| \$ 9,034 | \$ 298,036 |
| - | 496 |
| - | 154,874 |
| - | 5,250 |
| - | 1,014 |
| <u>9,034</u> | <u>459,670</u> |
| - | 625 |
| - | 4,900 |
| - | 5,602 |
| 14,156 | 134,164 |
| - | 3,746 |
| - | 2,716 |
| 165 | 22,450 |
| - | 945 |
| - | - |
| (1,467) | 350,643 |
| (1,903) | 44,079 |
| <u>10,951</u> | <u>569,870</u> |
| <u>(1,917)</u> | <u>(110,200)</u> |
| (177,972) | - |
| 140,424 | - |
| <u>(37,548)</u> | <u>-</u> |
| <u>\$ (39,465)</u> | (110,200) |
| | 331,910 |
| | <u>\$ 221,710</u> |

| <u>Budget to GAAP Reconciliation</u> | <u>Actual amounts (GAAP Basis)</u> |
|--|--|
| \$ 40,336 | \$ 784,930 |
| - | 1,215 |
| (247) | 1,020 |
| - | 16,423 |
| - | 2,618 |
| <u>40,089</u> | <u>806,206</u> |
| - | 14,420 |
| - | 1,000 |
| - | 445,000 |
| - | <u>349,465</u> |
| - | <u>809,885</u> |
| <u>40,089</u> | <u>(3,679)</u> |
| 1,000 | 1,000 |
| <u>(1,000)</u> | <u>(1,000)</u> |
| <u>-</u> | <u>-</u> |
| \$ <u>40,089</u> | (3,679) |
| | <u>977,461</u> |
| | \$ <u>973,782</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 1. Nature of Activity and Significant Accounting Policies

Nature of activity.

The District is organized as a political subdivision and governed under the laws of the State of Nebraska. The District has a tax base made up of 590 residential lots and is located in Sarpy County, Nebraska

Significant accounting policies are as follows:

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. 162. The Board of Trustees is elected every other year by the property owners of the District. The Board of Trustees appoints the Chairperson of the Board from existing Board members. The Chair responsibilities are to preside at all meetings of the Board; be the Chief Officer of the District; and exercise supervision over the District.

The Board has decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters of the District. The District 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.

Government-wide and fund financial statements:

Government-wide financial statements:

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information on all of the non-fiduciary activities of the District.

The 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 unrestricted net assets. Net assets are restricted when constraints are placed on them and are either externally imposed or are imposed by law through constitutional provisions or enabling legislature. Internally imposed designations of resources are not presented as restricted net assets. 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.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 1. Significant Accounting Policies (continued)

Government-wide financial statements (continued):

The statement of activities reports the expenses of a given function offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements:

The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental* – are presented. The emphasis of fund financial statements is on the determination of financial position and changes in financial position.

The District reports on the following major 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. The primary revenue sources are personal property and real estate taxes. The primary expenditures are for street repairs and maintenance, professional fees, and utilities.

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:

In the government-wide financial statements, the activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recognized in the period the liability is incurred, except for interest that is not matured on general long-term debt, which is recognized when due.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 1. Significant Accounting Policies (continued)

Measurement focus and basis of accounting (continued):

Property tax revenues are recognized when susceptible to accrual. Revenues on special assessments and miscellaneous revenues are recognized as the amounts are collected. Uncollected special assessments and taxes are recorded as a receivable and deferred revenue on the balance sheets. Investment earnings are recorded as earned since they are measurable and available.

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 generally accepted accounting principles. Under the cash basis of accounting, revenues and expenditures are recorded when cash is received or paid. Payment is deemed 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.

1. 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.
2. Prior to September 20, the Board of Trustees formally approves the budget document following a public hearing, with notice given five days in advance.
3. As of September 20, the budget document must be on file with the County Board and the Auditor of Public Accounts.
4. Appropriations for the General Fund and the Debt Service Fund lapse at the end of the fiscal year.
5. 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, 2010.
6. A majority vote by the Board of Trustees may authorize transfer of budgeted amounts from the General Fund to the Debt Service Fund.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 1. Significant Accounting Policies (continued)

Use of estimates.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. The commitments are not treated as expenditures until a liability for payment is incurred. Encumbrance accounting is not employed by the District, rather the expenditure will be budgeted for in the period which the contract will be performed.

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 modified half-year depreciation method (straight-line depreciation with a half-year taken the first and last year) for financial statement purposes. The estimated useful lives for significant capital assets are as follows:

| | |
|-------------------------------------|----------|
| Paving and sewer systems | 30 years |
| Underground power and water systems | 30 years |
| Park and land improvements | 30 years |

Amortization:

Bond issue costs are amortized over the terms of the bonds, using the interest method of amortization. Amortization remaining on a retired bond is amortized in the year retired. Amortization expense for the year ended June 30, 2010 was \$41,932.

Note 2. Concentration of Credit Risk

At June 30, 2010, the balance in cash of \$389,146 is equal to the carrying amount of the District's deposits. The deposits of the District are classified as Category 3, deposits that are uncollateralized or uninsured. This includes any deposit balance that is collateralized with securities held by the County but not in the district's name.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 2. Concentration of Credit Risk (continued)

State Statute authorizes the District to invest in obligations of the U S Treasury. All investments for the District at June 30, 2010, amounting to \$429,710 are invested in obligations of the U.S. Treasury and are carried at amortized cost, which approximates fair value. These investments are classified as Category 3 investments, uninsured and unregistered securities of the District which are held by the County in the name of the District.

Note 3. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment consists of several elements as follows:

| | | |
|--|---------------|--------------|
| Total fund balance – governmental funds | | \$ 1,195,492 |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund financial statements | \$ 13,512,017 | |
| Less accumulated depreciation | (4,969,933) | 8,542,084 |
| Other long-term assets are not current financial resources and therefore not reported in the fund financial statements: | | |
| Bond issue costs | 456,588 | |
| Accumulated amortization | (178,878) | 277,710 |
| Liabilities are not due and payable in the current period and therefore not reported in governmental funds statements: | | |
| Bond payable | | (7,840,000) |
| Interest payable – bonds | | (31,884) |
| Net assets of governmental activities | | \$ 2,143,402 |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 3. Reconciliation of Government-Wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment as follows:

| | | |
|---|----|-----------|
| Net change in fund balances – governmental funds | \$ | (113,879) |
| Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements | | (427,264) |
| Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements | | 445,000 |
| Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements: | | |
| Amortization on bond issue costs | | (41,932) |
| Decrease in interest payable - bonds | | 1,167 |
| | | (136,908) |
| Change in net assets of governmental activities | \$ | (136,908) |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 4. Special Assessments Receivable

The Board of Trustees has levied special assessments on the lots in the District. The assessments are summarized as follows:

| | | | | |
|-------------------------|------------------|------------------|--------------------|--------------------|
| Levy Date: | 11/4/98 | 10/28/99 | 7/26/00 | 12/12/02 |
| Amount Assessed: | \$921,748 | \$552,863 | \$1,443,001 | \$1,130,476 |
| Due Date: | 12/24/98 | 12/18/99 | 09/13/00 | 01/31/03 |
| Delinquent Date: | 11/04/99 | 10/28/00 | 07/26/01 | 12/12/03 |
| Regular Rate: | 10% | 7% | 8% | 8% |
| Delinquent Rate: | 12% | 9% | 10% | 10% |

These assessments were due in ten equal annual installments, plus interest. There was \$8,463 of delinquent special assessments from the 1998 and 1999 levy dates at June 30, 2010.

Note 5. Personal and Real Property Taxes

Property taxes are levied in September and attach as an enforceable lien on the assessed property as of December 31. Nebraska State law allows taxpayers the opportunity to pay real estate taxes in two equal installments after December 31. Installment one is due March 31 and delinquent April 1. Installment two is due July 31 and delinquent August 1. If after February of the following year the taxes remain delinquent, the County places the property up for tax sale. Tax collections are remitted to the District from the County on a regular basis.

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

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 5. Personal and Real Property Taxes (continued)

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

| Fiscal Year | District Valuation of Property | District Tax Levy Per \$100 Valuation | | |
|----------------|--------------------------------------|---------------------------------------|--------------|---------|
| | | General | Debt Service | Total |
| 2009-2010 | \$137,353,889 | .220000 | .580000 | .800000 |

Note 6. Capital Assets

A summary of capital assets for the year ended June 30, 2010 is as follows:

| | <u>Balance at 6/30/09</u> | <u>Additions</u> | <u>Balance at 6/30/10</u> |
|---|-------------------------------|---------------------|-------------------------------|
| Governmental activities | | | |
| Infrastructure: | | | |
| Paving and sewers | \$ 9,949,684 | \$ - | \$ 9,949,684 |
| Gas, electric and water distribution system | 2,742,700 | - | 2,742,700 |
| Park improvements | 125,553 | - | 125,553 |
| Land | <u>694,080</u> | - | <u>694,080</u> |
| Totals at historical cost | 13,512,017 | - | 13,512,017 |
| Less accumulated depreciation for infrastructure | <u>(4,542,669)</u> | <u>(427,264)</u> | <u>(4,969,933)</u> |
| Capital assets, net | <u>\$ 8,969,348</u> | <u>\$ (427,264)</u> | <u>\$ 8,542,084</u> |

The district recorded depreciation expense of \$427,264 for the year ended June 30, 2010.

Note 7. Warrants Payable

General Fund warrants are due and payable not later than three years from date of issuance.

Aggregate maturities during the next three years are as follows:

| <u>Year Ending June 30</u> | <u>General Fund</u> |
|--------------------------------|-------------------------|
| 2011 | \$ - |
| 2012 | - |
| 2013 | <u>50,699</u> |
| Totals | <u>\$ 50,699</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 8. General Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2010 is as follows:

| <u>Debt Service fund</u> | <u>Balance 6/30/09</u> | <u>(Retired)</u> | <u>Balance 6/30/10</u> | <u>Due within one year</u> |
|--------------------------|----------------------------|---------------------|----------------------------|--------------------------------|
| 2004 Bond Issue | \$ 5,635,000 | \$ (265,000) | \$ 5,370,000 | \$ 280,000 |
| 2009 Bond Issue | <u>2,650,000</u> | <u>(180,000)</u> | <u>2,470,000</u> | <u>190,000</u> |
| | <u>\$ 8,285,000</u> | <u>\$ (445,000)</u> | <u>\$ 7,840,000</u> | <u>\$ 470,000</u> |

The District issued general obligation bonds totaling \$6,850,000 on April 1, 2004, with a balance of \$5,370,000 at June 30, 2010. The remaining bonds are due serially beginning June 1, 2011 through June 1, 2024. The remaining annual maturities range from \$280,000 in 2011 to \$525,000 in 2024. Interest is payable semi-annually on this issue at 3.50% to 5.05% per annum.

The District issued general obligation bonds totaling \$2,650,000 on July 1, 2001, with a balance of \$2,470,000 at June 30, 2010. The remaining bonds are due serially beginning May 15, 2011 through May 15, 2021. The remaining annual maturities range from \$190,000 in 2011 to \$270,000 in 2021. Interest is payable semi-annually on this issue at 2.20% to 4.80% per annum.

The following is a summary of the District's future annual debt service requirements:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|----------------------|
| 2011 | \$ 470,000 | \$ 337,253 | \$ 807,253 |
| 2012 | 485,000 | 323,272 | 808,272 |
| 2013 | 505,000 | 307,620 | 812,620 |
| 2014 | 520,000 | 289,973 | 809,973 |
| 2015 | 545,000 | 270,497 | 815,497 |
| 2016-2020 | 3,110,000 | 992,920 | 4,102,920 |
| 2021-2024 | <u>2,205,000</u> | <u>263,945</u> | <u>2,468,945</u> |
| Totals | <u>\$ 7,840,000</u> | <u>\$ 2,785,480</u> | <u>\$ 10,625,480</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 9. Financial Statement Presentation – Budget Basis

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

| | General | Debt Service |
|--|------------|-----------------|
| Fund balance, ending (budget basis) | \$ 184,609 | \$ 634,247 |
| <u>Adjustments to generally accepted accounting principles</u> | | |
| Revenue accruals | 142,749 | 339,535 |
| Expenditure accruals | (105,648) | - |
| Fund balance, ending (GAAP basis) | \$ 221,710 | \$ 973,782 |

Note 10. Unfavorable Budget Differences

The Debt Service Fund had excess of expenditures over appropriations for the year ended June 30, 2010.

Note 11. 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 prior three years.

Note 12. Subsequent Events

The District has evaluated all subsequent events through January 31, 2011, the date the financial statements were available to be issued.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**TAXES RECEIVABLE
June 30, 2010**

| | <u>Fiscal Year</u> | <u>Receivable at June 30 2009</u> | <u>Taxes Assessed</u> | <u>Taxes Adjusted*</u> | <u>Taxes Collected</u> | <u>Receivable at June 30 2010</u> |
|-------------------------------------|------------------------|---|---------------------------|----------------------------|----------------------------|---|
| General Fund: | | | | | | |
| Personal and real property taxes | | | | | | |
| 2007-2008 | \$ | 5,596 | \$ - | \$ (5,314) | \$ 282 | \$ - |
| 2008-2009 | | 129,290 | - | - | 125,289 | 4,001 |
| 2009-2010 | | - | 302,179 | - | 163,431 | 138,748 |
| | | <u>\$ 134,886</u> | <u>\$ 302,179</u> | <u>\$ (5,314)</u> | <u>\$ 289,002</u> | <u>\$ 142,749</u> |
| Debt Service Fund: | | | | | | |
| Personal and real property taxes | | | | | | |
| 2007-2008 | \$ | 10,074 | \$ - | \$ (9,566) | \$ 508 | \$ - |
| 2008-2009 | | 323,225 | - | - | 313,221 | 10,004 |
| 2009-2010 | | - | 796,653 | - | 430,865 | 365,788 |
| | | <u>\$ 333,299</u> | <u>\$ 796,653</u> | <u>\$ (9,566)</u> | <u>\$ 744,594</u> | <u>\$ 375,792</u> |

*Taxes adjusted consist of subsequent adjustments in taxes assessed because of changes in certified valuations of personal and real property.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**INVESTMENTS
June 30, 2010**

| Description: Held to Maturity | <u>Maturity Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Market Value</u> | <u>Accrued Interest</u> |
|----------------------------------|----------------------|----------------------|-------------------|-------------------------|-----------------------------|
| Debt Service Fund: | | | | | |
| U.S. Treasury Bill | July 15, 2010 | \$ 200,000 | \$ 199,910 | \$ 199,991 | \$ 81 |
| U.S. Treasury Bill | October 14, 2010 | 185,000 | 184,836 | 184,902 | 66 |
| U.S. Treasury Bill | November 12, 2010 | 45,000 | 44,964 | 44,972 | 8 |
| | | <u>\$ 430,000</u> | <u>\$ 429,710</u> | <u>\$ 429,865</u> | <u>\$ 155</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**SPECIAL ASSESSMENTS RECEIVABLE
June 30, 2010**

| <u>Assessment Date</u> | <u>Total Assessment</u> | <u>Receivable at June 30, 2009</u> | <u>Assessments Collected</u> | <u>Receivable at June 30, 2010</u> | <u>Delinquent Balance June 30, 2010</u> |
|------------------------|-----------------------------|--|----------------------------------|--|---|
| October 28, 1999 | \$ 552,863 | \$ 4,532 | \$ - | \$ 4,532 | \$ 4,532 |
| July 26, 2000 | \$ 1,443,001 | 3,931 | - | 3,931 | 3,931 |
| | | <u>\$ 8,463</u> | <u>\$ -</u> | <u>\$ 8,463</u> | <u>\$ 8,463</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**BONDS PAYABLE
June 30, 2010**

| <u>Bond Numbers</u> | <u>Interest Rates</u> | <u>Maturity Dates</u> | <u>Amount</u> |
|--|-----------------------|-----------------------|---------------------|
| Issue date: April 1, 2004 | | | |
| Option call date: Bond numbers 297-1370 on or after June 1, 2009 | | | |
| 297-352 | 3.50% | June 1, 2011 | \$ 280,000 |
| 353-410 | 3.75% | June 1, 2012 | 290,000 |
| 411-471 | 3.95% | June 1, 2013 | 305,000 |
| 472-534 | 4.10% | June 1, 2014 | 315,000 |
| 535-600 | 4.25% | June 1, 2015 | 330,000 |
| 601-669 | 4.35% | June 1, 2016 | 345,000 |
| 670-742 | 4.50% | June 1, 2017 | 365,000 |
| 743-819 | 4.60% | June 1, 2018 | 385,000 |
| 820-899 | 4.70% | June 1, 2019 | 400,000 |
| 900-983 | 5.05% | June 1, 2020 | 420,000 |
| 984-1072 | 5.05% | June 1, 2021 | 445,000 |
| 1073-1166 | 5.05% | June 1, 2022 | 470,000 |
| 1167-1265 | 5.05% | June 1, 2023 | 495,000 |
| 1266-1370 | 5.05% | June 1, 2024 | 525,000 |
| | | | <u>5,370,000</u> |
| Issue date: May 15, 2009 | | | |
| Option call date: Bond numbers 195-237 on or after May 15, 2014. | | | |
| 37-74 | 2.20% | May 15, 2011 | 190,000 |
| 75-113 | 2.45% | May 15, 2012 | 195,000 |
| 114-153 | 2.80% | May 15, 2013 | 200,000 |
| 154-194 | 3.20% | May 15, 2014 | 205,000 |
| 195-237 | 3.45% | May 15, 2015 | 215,000 |
| 238-281 | 3.65% | May 15, 2016 | 220,000 |
| 282-327 | 3.85% | May 15, 2017 | 230,000 |
| 328-374 | 4.10% | May 15, 2018 | 235,000 |
| 375-424 | 4.35% | May 15, 2019 | 250,000 |
| 425-476 | 4.55% | May 15, 2020 | 260,000 |
| 477-530 | 4.80% | May 15, 2021 | 270,000 |
| | | | <u>2,470,000</u> |
| | | | <u>\$ 7,840,000</u> |

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**
INFORMATION REQUIRED BY SECTION 31-715 AND 31-740
REVISED STATUTES OF NEBRASKA
For the Year Ended June 30, 2010

| | |
|---|----------------|
| Gross income from all sources | \$ 1,265,876 |
| Amount spent for sewage disposal | Not Applicable |
| Amount expended on water mains | - |
| Gross amount of sewage processed | - |
| Cost per thousand gallons of processing sewage | - |
| Amount expended for: | |
| Repairs and maintenance | \$ 350,643 |
| New equipment | - |
| New construction work | - |
| Real estate purchased | - |
| Number of employees | Not Applicable |
| Salaries and fees paid employees | - |
| Total amount of property taxes levied | \$ 1,098,832 |
| Total amount of special assessment taxes levied | - |

Note: Sewage disposal services are furnished by the City of Omaha, Nebraska.

**SANITARY AND IMPROVEMENT DISTRICT NO. 162
OF SARPY COUNTY, NEBRASKA**

**DISTRICT OFFICIALS AND RELATED BONDS
For the Year Ended June 30, 2010**

Trustees

| <u>Name</u> | <u>Office</u> | | <u>Bond Amount</u> |
|-------------------|---------------|-----------------------------|------------------------|
| Richard L. Hansen | Chairman | Old Republic Surety Company | \$ 5,000 |
| Nancy Wackerhagen | Clerk | Old Republic Surety Company | \$ 20,000 |
| James Nichols | Trustee | | |
| Wesley Lyons | Trustee | | |
| Jay Graham | Trustee | | |



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

To the Board of Trustees
Sanitary and Improvement District No. 162
of Sarpy County, Nebraska

We have audited the financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 162 of Sarpy County, Nebraska, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 31, 2011. 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

In planning and performing our audit, we considered the District'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 the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management, in the normal course of performing their assigned functions, to prevent, or detect and correct such 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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

The District lacks a trustee or management with the qualifications and training to prepare financial statements in accordance with accounting principles generally accepted in the United States of America.

Management response: We have an extremely small board and limited resources for the District. Our audited financial statements and footnotes are outsourced to our auditors because of the cost/benefit standpoint and our auditors have direct knowledge that aids in preparing the financial statements. Our trial balance, prepared by an outside bookkeeper, is used for basis in the preparation of the audited financial statements.

Management has the ability to override internal controls due to a lack of segregation of duties within the district.

Management response: We approve all warrants issued and the fiscal agent reviews the expenses and receipts periodically. Our attorney is present at all the District's meetings and oversees expenditures.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described above.

We noted certain matters that we reported to management of the District in a separate letter dated January 31, 2011.

The District's response to the findings identified in our audit is described above. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, the State of Nebraska Auditor of Public Accounts, the County Clerk, and the property owners of the District, and is not intended to be and should not be used by anyone other than these specified parties

Infinity CA Group, LLC

Omaha, Nebraska
January 31, 2011

The Omaha World-Herald Ad Order Confirmation

Ad Content

RONALD W. HUNTER
 Attorney at Law
 11605 Arbor Street, Suite 104
 Omaha, NE 68144

NOTICE OF MEETING
 Sanitary and Improvement District
 No 162 of Sarpy County, Nebraska

NOTICE IS HEREBY GIVEN that a meeting of the Board of Trustees of Sanitary and Improvement District No 162 of Sarpy County, Nebraska, will be held at 4.00 p.m on Thursday, February 24, 2011, at 11605 Arbor Street, Suite 104, Omaha, Nebraska, which meeting will be open to the public. An Agenda for such meeting, kept continuously current, is available for public inspection at the office of the Chairman of the Board of the District at 11605 Arbor St., Suite 104, Omaha, Nebraska, and includes payment of bills of the District.
 NANCY WACKERHAGEN,
 Clerk of the District
 1342332, 2/17

Ad Number 0001342332-01

Sales Rep. jerwin

Order Taker jerwin

Ad Type SNI Legals

Ad Size
 : 1.0 X 26 L1

PO Number SID 162

Color B&W

Promo Type

Customer
 RONALD HUNTER LAW OFFIC

Customer Account
 154004

Customer Address
 11605 ARBOR ST, #104
 OMAHA NE 68144 USA

Customer Phone
 (402)397-6965

Ordered By

Special Pricing

None

Invoice Text

SID 162

Materials

Ad Order Notes

| <u>Tear Sheets</u> | <u>Proofs</u> | <u>Blind Box</u> |
|--------------------|---------------|------------------|
| 0 | 0 | |

| <u>Net Amount</u> | <u>Total Amount</u> |
|-------------------|---------------------|
| \$10.73 | \$10.73 |

Payment Method

| <u>Payment Amount</u> | <u>Amount Due</u> |
|-----------------------|-------------------|
| \$0.00 | \$10.73 |

| <u>Product Information</u> | <u>Placement/Classification</u> | <u>Run Dates</u> | <u># Inserts</u> | <u>Cost</u> |
|----------------------------|---------------------------------|------------------|------------------|-------------|
| SNI Classified | Papillion Legals | 2/16/2011 | 1 | \$10.73 |
| | SNI Legal Papillion-Appears | | | |



| Account Number | Due Date | Total Amount Due |
|----------------|--------------|------------------|
| 4393100041 | Feb 16, 2011 | \$9,928.37 |

For bill inquiries call the Omaha Office
(402) 536-4131 See back for toll-free number

Customer Name SID 162 SARPY
Statement Date January 27 2011

Billing Information for service address: 15600 HARRISON ST, STL2, OMAHA NE

Billing Period From 12-29-2010 To 1-27-2011 @ 29 Days

| Rate | Summary Usage | | |
|------|----------------|-------------------------------------|--------------------------|
| | Current Amount | Fuel and Purchased Power Adjustment | Subtotal Amount per Rate |
| SL61 | \$3,712.54 | 19.96 | 3,937.79 |

| Rate | Summary Usage | | |
|------|----------------|-------------------------------------|--------------------------|
| | Current Amount | Fuel and Purchased Power Adjustment | Subtotal Amount per Rate |
| | | | |

| | |
|----------------------------|-------------------|
| Sales Tax | 205.29 |
| Total Charges | \$3,937.79 |
| Previous Balance | 9,907.31 |
| Payments Received 01/14/11 | 3,916.73CR |
| Total Amount Due | \$9,928.37 |

Please return this portion with payment

An OPPD team is looking ahead to the day when more electric vehicles are on the road.
To learn more about what the utility is doing, visit oppd.com.

Statement Date January 27, 2011

| Account Number | Due Date | Total Amount Due |
|----------------|--------------|------------------|
| 4393100041 | Feb 16, 2011 | \$9,928.37 |

Amount Paid

Energy Assistance Fund \$1 \$2 \$5 Other \$ _____

A current phone number on our record simplifies outage reporting Your service address is identified by the phone number (402) 397-6965

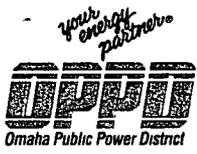
Check Here to indicate name, address or phone changes on back of this statement



SID 162 SARPY
SMITH BARNEY INC.
% RON W HUNTER
11605 ARBOR ST STE 104
OMAHA NE 68144-2982

PO BOX 3995
OMAHA NE 68103-0995





| Account Number | Due Date | Total Amount Due |
|----------------|--------------|------------------|
| 4393100041 | Feb 16, 2011 | \$9,928.37 |

Customer Name SID 162 SARPY
Statement Date January 27, 2011

Billing Information for service address: 15600 HARRISON ST, STL2, OMAHA NE

Billing Period From 12-29-2010 To 1-27-2011 @ 29 Days

| Rate | Method No. | Number of Lamps | Price per Lamp | Usage | | | |
|------|------------|-----------------|----------------|----------------|-------------------------------------|--------------------|---------------------------|
| | | | | Current Amount | Fuel and Purchased Power Adjustment | Total Usage Amount | Sub-Total Amount per Rate |
| SL61 | 61211 | 218 | \$17.03 | 3,712.54 | | | |
| SL61 | | | | | 19.96 | 3,712.54 | \$3,937.79 |



Royal Lawns Inc.
 20920 Corral Rd.
 Elkhorn, NE 68022

Invoice

| Date | Invoice # |
|----------|-----------|
| 2/8/2011 | 627 |

Bill To

Rick Hansen
 (S.I.D. Chairman)
 15831 Josephine St.
 Omaha Ne. 68136

| P.O. No. | Terms | Due Date | Account # | Project |
|--------------------------------|----------------|-----------|-------------------|---------|
| Millard Park | Due on receipt | 2/8/2011 | sid162 | |
| Description | Rate | Serviced | Amount | |
| Snow Removal 1 to 12" | 500.00 | 1/10/2011 | 500.00 | |
| Labor 3hr For plow overs | 150.00 | 1/14/2011 | 150.00 | |
| pick up trash | 46.00 | 1/19/2011 | 46.00 | |
| Snow Removal 1 to 12" | 500.00 | 1/20/2011 | 500.00 | |
| Snow Removal 1 to 12" | 500.00 | 1/23/2011 | 500.00 | |
| Labor apply 3 bags of Ice melt | 106.00 | 1/28/2011 | 106.00 | |
| Snow Removal 1 to 12" | 500.00 | 2/2/2011 | 500.00 | |
| Labor apply 4 bags of ice melt | 126.00 | 2/4/2011 | 126.00 | |
| Total | | | \$2,428.00 | |



*** INVOICE ***

SID No. 162
Millard Park Subdivision
c/o Kristi Weispfenning
11605 Arbor St. Suite 104
Omaha, NE 68144

DATE : 1/25/2011
CLIENT NO. : 7241
INVOICE NO. : 70497-8
SID No. 162

Progress billing for engineering services for the Millard Park Subdivision including Board Meetings & North Channel Repairs as per agreement; from 10/16/10 through 12/31/10.

| | HOURS | RATE | EXTENSION |
|--|-------|---------------------------|------------------|
| 001: Board Meetings | | | |
| Senior Project Engineer - W. Glismann | 2.00 | 135.72 | \$ 271.44 |
| Design Engineer - D. Harnisch | 1.50 | 71.31 | 106.97 |
| | | | \$ 378.41 |
| 002: Misc | | | |
| Design Engineer - D. Harnisch | 4.00 | 71.31 | \$ 285.24 |
| (Erosion Control Blanket repair by Linhardt) | | | \$ 285.24 |
| | | | \$ 663.65 |
| | | Current Amount Due | \$ 663.65 |

NP Dodge Insurance Agency, Inc
12002 Pacific St.
Omaha, NE 68154-3507
Phone : 402-938-5008 Fax : 402-938-5090

| | | |
|------------------------|----|----------|
| INVOICE # 27111 | | Page 1 |
| ACCOUNT NO. | OP | DATE |
| SI162-1 | PV | 02/04/11 |

SID #162

c/o R. W. Hunter, Sr.
11605 Arbor St. #104
Omaha, NE 68144

| itm # | Eff Date | Trn | Type | Policy # | Description | Amount |
|--------|----------|-----|------|------------|---|-------------|
| 386912 | 02/10/11 | REN | GLIA | CGSNEG0185 | Liability renewal Columbia Insurance Group | \$ 1,243 00 |
| | | | | | Invoice Balance | \$ 1,243 00 |

RONALD W. HUNTER
Attorney at Law
11605 Arbor Street, Suite 104
Omaha, NE 68144
e-mail: rwhe@hunterlaw.omhcoxmail.com

Telephone: (402) 397-6965

Fax: (402) 397-0607

February 23, 2011

Sanitary and Improvement District No. 162
c/o 11605 Arbor Street, Suite 104
Omaha, NE 68144

Re: Sanitary and Improvement District No. 162

=====

For legal services performed re: general services from 12-14-10
through 02-23-11.

(See Attached Schedule of Services)

| | |
|--|-------------------|
| 18.70 hours x \$150.00 per hour = | \$2,805.00 |
| Reimbursement for End of Year Statement= | <u>5.00</u> |
| TOTAL AMOUNT DUE= | <u>\$2,810.00</u> |

SCHEDULE OF SERVICES FOR SID 162

| | | |
|----------|--|---------------------|
| 12/14/10 | Prepared for and attended Board of Trustees meeting. | 0.70 |
| 12/15/10 | Mailed executed minutes to Ameritas and Sarpy County. Mailed executed warrants to payees. | 1.40 |
| 12/15/10 | Prepared minutes, supporting documents and warrants of last meeting. Spread warrants. | 1.80 |
| 12/21/10 | Final review of minutes, supporting documents and warrants of last meeting. Mailed minutes to accountants. | 0.80 |
| 12/23/10 | Reviewed minutes from January, 2010 through December, 2010 for warrant payee information to prepare 1099 forms. | 3.60 |
| 12/30/10 | Filed End of Year Statement with Sarpy County Register of Deeds Office. | 0.60 |
| 01/03/11 | Set up next meeting of the Board of Trustees. | 0.90 |
| 01/19/11 | Prepared for and attended Board of Trustees meeting. | 1.10 |
| 01/23/11 | Prepared minutes, supporting documents and warrants of last meeting. Spread warrants. | 1.40 |
| 01/24/11 | Final review of minutes, supporting documents and warrants of last meeting. Mailed minutes to accountants. | 0.60 |
| 01/25/11 | Study of letter from Infinity CPA Group, LLC. Preparation of legal opinion letter in response to the letter. | 1.10 |
| 02/02/11 | Reviewed financial drafts as of June 30, 2010. | 1.30 |
| 02/14/11 | Set up next meeting of the Board of Trustees. | 0.90 |
| 02/16/11 | Checked ad in the Papillion Times for the next meeting. | 0.20 |
| 02/23/11 | Wrote letter to two property owners regarding items in the common area. Prepared Agenda for next meeting of the Board of Trustees. | <u>2.30</u> |
| | Total | <u>18.70</u> |