



**SANITARY AND IMPROVEMENT
DISTRICT NO. 276 OF SARPY
COUNTY, NEBRASKA**

**BASIC FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' AUDIT REPORT**

JUNE 30, 2010

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Board of Trustees
Sanitary and Improvement District No. 276
of Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 276 of Sarpy County, Nebraska, for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the index. These financial statements are the responsibility of the District's Trustees. Our responsibility is to express opinions on these basic 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 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 respective financial position of the governmental activities and each major fund of Sanitary and Improvement District No. 276 of Sarpy County, Nebraska, as of June 30, 2010, and the results of its operations for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

The District's management has elected to omit management's discussion and analysis from the basic financial statements. The management's discussion and analysis information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2010, on our consideration of Sanitary and Improvement District No. 276 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 considered in assessing the results of our audit.

Sanitary and Improvement District No. 276
of Sarpy County, Nebraska
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Information Required by Section 31-740, Reissue Revised Statute of Nebraska, 1998 and District Trustees and Related Bonds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, taken as a whole.

Luty & Company, P.C.

December 1, 2010

**SANITARY AND IMPROVEMENT DISTRICT NO. 276
OF SARPY COUNTY, NEBRASKA**

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS

JUNE 30, 2010

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Reconciliation (Note 7)</u>	<u>Statement of Net Assets</u>
ASSETS					
Cash on Deposits-County Treasurer	\$ 23,181	\$ 33,945	\$ 57,126	\$	\$ 57,126
Investments	59,985	1,259,135	1,319,120		1,319,120
Receivables					
Property Taxes (Note 2)	73,809		73,809		73,809
Special Assessments (Note 3)		2,070,069	2,070,069		2,070,069
Accrued Interest Receivable					
Investments	11	354	365		365
Special Assessments (Note 3)		351,813	351,813		351,813
Bond Issue Costs, Net of Accumulated Amortization of \$15,362				156,116	156,116
Capital Assets, Net of Accumulated Depreciation (Note 4)				4,346,336	4,346,336
TOTAL ASSETS	\$156,986	\$3,715,316	\$3,872,302	\$4,502,452	\$8,374,754
LIABILITIES					
Accounts Payable	\$ 45,695	\$ 10,252	\$ 55,947	\$	\$ 55,947
Registered Warrants Payable (Note 5)				3,886,017	3,886,017
Payable to SID 266		165,373	165,373		165,373
Accrued Interest Payable on Warrants (Note 5)		105,035	105,035		105,035
Bonds (Note 6)		20,831	20,831		20,831
Bonds Payable					
Due Within One Year				30,000	30,000
Due After One Year (Note 6)				1,470,000	1,470,000
Deferred Revenue				73,809	73,809
Total Liabilities	45,695	301,491	347,186	5,459,826	5,807,012
COMMITMENTS AND CONTINGENCIES (Note 8)					
FUND BALANCE/NET ASSETS					
Unreserved, Reported in					
General Fund	111,291		111,291	(111,291)	
Restricted, Debt Service Fund		3,413,825	3,413,825	(3,413,825)	
Total Fund Balance (Deficit)	111,291	3,413,825	3,525,116	(3,525,116)	
TOTAL LIABILITIES AND FUND BALANCE	\$156,986	\$3,715,316	\$3,872,302		
NET ASSETS (DEFICIT)					
Invested in Capital Assets, Net of Related Debt				(957,374)	(957,374)
Unrestricted				111,291	111,291
Restricted for Debt Service				3,413,825	3,413,825
TOTAL NET ASSETS				\$2,567,742	\$2,567,742

See Notes to Basic Financial Statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Reconciliation (Note 7)</u>	<u>Statement of Activities</u>
REVENUES					
Property Taxes (Note 2)	\$156,728	\$	\$ 156,728	\$ (7,671)	\$ 149,057
Interest on					
Property Taxes (Note 2)	440		440		440
Investments	12	1,619	1,631		1,631
Special Assessments (Note 3)		172,438	172,438		172,438
State Motor Vehicle Taxes Allocation	500		500		500
Total Revenues	157,680	174,057	331,737	(7,671)	324,066
EXPENDITURES/EXPENSES					
Current:					
Collection Fees-County Treasurer	2,896	7,337	10,233		10,233
Amortization of Bond Issue Costs				8,574	8,574
Bond Maintenance Costs		750	750		750
Clerk Fees	1,279		1,279		1,279
Depreciation (Note 4)				135,853	135,853
Engineering	9,564	1,357	10,921		10,921
Fiscal Agent Fees		6,269	6,269		6,269
Insurance	160		160		160
Interest on Registered Warrants (Note 5)	419	254,786	255,205		255,205
Interest on Bonds (Note 6)		71,643	71,643		71,643
Maintenance	28,038		28,038		28,038
Professional Fees	16,212		16,212		16,212
Utilities	19,359		19,359		19,359
Net Capital Outlay		173,768	173,768	(173,768)	
Total Expenditures/Expenses	77,927	515,910	593,837	(29,341)	564,496
Excess (Deficiency) of Revenues Over Expenditures/Expenses	79,753	(341,853)	(262,100)	21,670	(240,430)
OTHER FINANCING SOURCES (USES)					
Issuance of Warrants (Note 5)		414,676	414,676	(414,676)	
Total Other Financing Sources (Uses)		414,676	414,676	(414,676)	
Excess (Deficiency) of Revenues and Transfers in Over (Under) Expenditures and Transfers Out	79,753	72,823	152,576	(152,576)	
Change in Net Assets				(240,430)	(240,430)
Fund Net Assets, Beginning of Year	31,538	3,341,002	3,372,540		2,808,172
Fund Balance Net Assets, End of Year	\$111,291	\$3,413,825	\$3,525,116		\$2,567,742

See Notes to Basic Financial Statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

1. Summary of Significant Accounting Policies

The accounting policies of Sanitary and Improvement District No. 276 of Sarpy County, Nebraska conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the District's significant policies.

Reporting Entity

Sanitary and Improvement District No. 276 of Sarpy County, Nebraska (the District), was formed on February 8, 2006, is a governmental subdivision authorized under the statutes of the State of Nebraska. The District operates under an elected Board of Trustees which governs all activities related to streets, utility systems, and other public improvements within the jurisdiction of the District. The accompanying basic financial statements present the District's primary government unit and no component units because the District does not have any component units.

The District has implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB Statement No. 34), GASB Statement 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement No. 38, *Certain Financial Statement Disclosures* which changes note disclosure requirements for governmental entities.

The GASB determined that fund reporting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB determined that fund financial statements are needed to allow users of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting as complimentary components of a single comprehensive financial reporting model.

Combined

Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Assets and the Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities are part of the combined financial statements. They report information on all of the District's activities with the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, special assessments and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

1. Summary of Significant Accounting Policies - Continued

**Combined
Financial Statements -
Continued**

The combined financial statements provide reports on the financial condition and results of operations for the District. The District reports the two major governmental funds' financial condition and results of operations in separate columns.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

The District used funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only used governmental funds. The following governmental funds are used by the District.

Governmental Funds. Governmental funds are those through which most general governmental functions of the District are financed. These funds are accounted for using the current financial resources measurement focus. Under this measurement focus, only current assets and liabilities are included on the balance sheets, and the operating statements present sources and uses of available financial resources during a given period. The following major governmental funds are used by the District:

- **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

- **Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs anticipated to be settled during the next fiscal year.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

1. Summary of Significant Accounting Policies - Continued

Basis of Accounting Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**Budgets and
Budgetary
Accounting**

The District is required to adopt an annual operating budget for all the funds over which the District controls. The budget is adopted using a 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, respectively. Payment is deemed to have been made when warrants are issued.

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

- (1) In September of each year, the District submits a proposed operating budget for all funds to the real estate owners of the District.
- (2) Notice of place and time of public hearings must be published prior to the public hearings.
- (3) Public hearings are conducted to obtain taxpayer comment.
- (4) After publication and hearing, the budget is legally adopted by majority vote of the Board. The District is required to file a copy of the adopted budget with the County Clerk and the Nebraska Auditor of Public Accounts in accordance with the Nebraska Budget Act.
- (5) The budget is adopted on a per-fund basis and budgetary control is exercised at the fund level.
- (6) The Board of Trustees may authorize supplemental appropriations during the year. (No such appropriations were made during the year ended June 30, 2010.)

Investments

The District is allowed to invest funds as permitted by Nebraska Statute 77-2341, R.R.S., 1990, and allowable investments generally include U.S. government obligations, certificates of deposit, and time deposits. The District's investments during the year ended June 30, 2010, consisted of U.S. Treasury bills.

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

Investments are stated at fair value.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

1. Summary of Significant Accounting Policies - Continued

Property Taxes Property tax revenues are recognized when a legal and enforceable claim is assessed against the property. Delinquent taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

Special Assessments Revenue on special assessments is recognized when the specials are assessed. Special assessments are considered fully collectible; therefore no allowance for uncollectible fees are provided.

Capital Assets Capital assets are stated at cost in accordance with construction contracts and other costs applicable thereto. Interest accrued on warrants issued for the construction of improvements is capitalized during the period of construction. Capital assets are classified as construction in progress until construction is complete or special assessments are levied. Depreciation expense began in 2008. No depreciation expense is reported for capital assets classified as construction in progress. The costs of improvements disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Storm and Sanitary Sewer Systems	50
Street Improvements	20
Park Improvements	15

Deferred Revenue The District reports unearned deferred revenue in the governmental fund balance sheet. Deferred and unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In general, monies received within thirty-one days after year-end are considered to have been for prior year service.

Costs of Utilities These costs include the cost of systems for which the District does not obtain title such as electrical systems (OPPD), water distribution systems (MUD) and/or gas distribution systems (MUD). These costs are expensed as incurred.

Credit Risk The District's credit risk relates to receivables for property taxes which are due from property owners within the boundaries of the District and cash on deposit with the Sarpy County Treasurer.

Bond Issue Costs Bond issue costs are amortized using the straight-line method, over the life of the bond issue.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

1. Summary of Significant Accounting Policies - Continued

Subsequent Events Subsequent events are events or transactions that occur after the Governmental Funds Balance Sheet/Statement of Net Assets date but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through December 1, 2010, noting no items requiring disclosure.

2. Property Taxes

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

For 2009-2010 the District levied taxes at \$0.90 per \$100 in the general fund based on a value of \$17,414,211.

3. Special Assessments Receivable

Special assessments in the amount of \$3,260,697 were levied against certain properties within the District in connection with the construction of improvements. The assessments are due in ten annual installments and bear interest at 7.50% per annum until delinquent and 9.50% per annum thereafter until paid.

4. Capital Assets

Capital assets at June 30, 2010, consists of the following:

	Costs at June 30, 2009	Additions	Deletions	Costs at June 30, 2010
Street Improvements	\$ 165,414	\$173,768	\$	\$ 339,182
Sanitary Sewer System	3,361,685			3,361,685
Storm Sewer	205,965			205,965
Park Improvements	713,119			713,119
	<u>\$4,446,183</u>	<u>\$173,768</u>	<u>\$</u>	<u>4,619,951</u>
Less Accumulated Depreciation				<u>273,615</u>
Capital Assets, Net of Accumulated Depreciation				<u>\$4,346,336</u>

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

5. Warrants Payable

Warrants registered with Sarpy County accrue interest from the date of registration to the date they are called for payment.

General fund warrants are due 3 years from the date of issuance. Debt service fund warrants are due 5 years from the date of issuance.

The following is a summary of warrant transactions during the year ended June 30, 2010:

	General Fund	Debt Service Fund
Balance, June 30, 2009	\$ 32,026	\$3,471,341
Warrants Issued	32,730	414,676
Warrants Retired	<u>(64,756)</u>	
Balance, June 30, 2010	<u>\$ _____</u>	<u>\$3,886,017</u>

Aggregate maturities of warrants outstanding during the next five years are as follows:

Year Ending <u>June 30,</u>	----General Fund----		--Debt Service Fund--	
	<u>Amount of Warrants</u>	<u>Interest Rate</u>	<u>Amount of Warrants</u>	<u>Interest Rate</u>
2011	\$		\$	
2012			2,068,199	7%
2013			960,933	7%
2014			442,209	7%
2015			<u>414,676</u>	7%
			<u>\$3,886,017</u>	7%

There were no unregistered warrants for the general fund or debt service fund at June 30, 2010.

6. Long-Term Debt

The Districts' long-term debt consists of general obligation bonds which are reflected in the debt service fund.

General obligation bonds totaling \$1,500,000 issued on September 15, 2008, with a balance of \$1,500,000 at June 30, 2010, are due serially beginning September 15, 2010 through September 15, 2028. Interest is payable semi-annually on this issue at 3.10% to 5.30% per annum.

There were no bonds payable transactions for the year ended June 30, 2010.

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

6. Long-Term Debt - Continued

Aggregate maturities of long-term debt and interest due on long-term debt, for the next five fiscal years and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 30,000	\$ 71,177	\$ 101,177
2012	35,000	70,135	105,135
2013	40,000	68,848	108,848
2014	45,000	67,272	112,272
2015	50,000	65,406	115,406
Thereafter	<u>1,300,000</u>	<u>542,921</u>	<u>1,842,921</u>
Total	<u>\$1,500,000</u>	<u>\$885,759</u>	<u>\$2,385,759</u>

7. Reconciliation of Net Assets and Changes in Net Assets

Net Assets

Total fund balance per balance sheet \$ 3,525,116

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

Capital assets and bonds issue costs used in governmental activities are not financial resources and therefore are not reported in the funds. 4,502,452

Liabilities, including warrants payable and bond payable, not due and payable in the current period and therefore are not reported in the funds. (5,386,017)

Property tax revenue not yet earned is shown as deferred revenue. (73,809)

Net assets of governmental activities \$ 2,567,742

Changes in Net Assets

Net change in fund balance \$ (262,100)

Current year property tax levy not yet earned at year end. (7,671)

Certain expenditures do not require the use of current financial resources and therefore are not reported as expenditures of governmental funds. (144,427)

Governmental funds report capital outlay as expenditures. However, the costs of these assets is allocated over their estimated useful lives. 173,768

Change in net assets of governmental activities \$ (240,430)

SANITARY AND IMPROVEMENT DISTRICT NO. 276 OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

8. Commitments and Contingencies

The District has entered into various contracts and agreements related to the construction of streets, utility systems and other public improvements as well as general maintenance and other operating expenses related to the District. These contracts and agreements will be completed in the future. All expenditures are initially funded by the issuance of warrants. Warrants mature as follows; General Fund warrants mature within 3 years of issuance and Debt Service Fund warrants mature in 5 years. Maturities of warrants payable are primarily funded by the issuance of bonds payable and cash flow generated from special assessments and annual property tax levies. Special assessments and sewer connection fees are levied on a per lot basis. The generation of property taxes is depended upon the growth of the valuation base as lots are developed. In addition, the District's ability to issue bonds is dependent upon an acceptable level of valuation of the District. The District's ability to fund its obligations in the future is contingent upon the success of future lot sales and the development within the District.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (BUDGETARY BASIS) – DEBT SERVICE FUND**

SUPPLEMENTAL INFORMATION

**INFORMATION REQUIRED BY SECTION 31-740
REISSUE REVISED STATUTE OF NEBRASKA, 1998**

DISTRICT TRUSTEES AND RELATED BONDS

**INDEPENDENT ACCOUNTANTS' 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**

**SANITARY AND IMPROVEMENT DISTRICT NO. 276
OF SARPY COUNTY, NEBRASKA**

SCHEDULE 1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Actual on GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES/RECEIPTS					
Property Taxes	\$156,728	\$ (7,671)	\$149,057	\$152,026	\$ (2,969)
Interest on Property Taxes	440		440	500	(60)
Interest on Investments	12	(11)	1		1
State Motor Vehicle Taxes Allocation	500		500		500
Total Revenues	157,680	(7,682)	149,998	152,526	(2,528)
EXPENDITURES/DISBURSEMENTS					
Collection Fees-County Treasurer	2,896		2,896		(2,896)
Bond Maintenance Costs		265	265		(265)
Clerk Fees	1,279	(848)	431	1,200	769
Engineering	9,564	(2,710)	6,854	10,000	3,146
Fiscal Agent Fees				3,875	3,875
Insurance	160		160	6,000	5,840
Interest on Registered Warrants	419	217	636	2,400	1,764
Maintenance	28,038	(20,328)	7,710	24,000	16,290
Professional Fees	16,212	(13,362)	2,850	16,000	13,150
Utilities	19,359	(4,899)	14,460	20,000	5,540
Total Expenditures/Disbursements	77,927	(41,665)	36,262	83,475	47,213
Excess (Deficiency) of Revenues/Receipts over Expenditures/Disbursements	79,753	33,983	113,736	69,051	44,685
OTHER FINANCING SOURCES (USES)					
Issuance of Warrants		32,730	32,730	81,075	(48,345)
Warrants Retired		(64,756)	(64,756)	(80,000)	15,244
Total Other Financing Sources (Uses)		(32,026)	(32,026)	1,075	(33,101)
EXCESS (DEFICIENCY) OF REVENUES/ RECEIPTS AND OTHER SOURCES OVER EXPENDITURES/ DISBURSEMENTS AND OTHER USES					
	79,753	1,957	81,710	<u>\$ 70,126</u>	<u>\$ 11,584</u>
Fund Balance (Deficit), Beginning of Year	31,538	(30,082)	1,456		
Fund Balance (Deficit), End of Year	\$111,291	\$(28,125)	\$ 83,166		

See Independent Accountant's Audit Report.

**SANITARY AND IMPROVEMENT DISTRICT NO. 276
OF SARPY COUNTY, NEBRASKA**

SCHEDULE 2

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - DEBT SERVICE FUND**

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Actual on GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES/RECEIPTS					
Interest on Investments	\$ 1,619	\$ (24)	\$ 1,595	\$ 8,000	\$ (6,405)
Interest on Special Assessments	172,438	(130,283)	42,155	15,000	27,155
Special Assessments		324,717	324,717	350,000	(25,283)
Collection in District		165,373	165,373		165,373
Total Revenues/Receipts	174,057	359,783	533,840	373,000	160,840
EXPENDITURES/DISBURSEMENTS					
Collection Fees-County Treasurer	7,337		7,337	7,300	(37)
Bond Maintenance Costs	750	(500)	250		(250)
Engineering	1,357	(1,357)		20,000	20,000
Fiscal Agent Fees	6,269		6,269	34,250	27,981
Interest on Registered Warrants	254,786	(12,002)	242,784	245,000	2,216
Interest on Bonds Payable	71,643		71,643	71,642	(1)
Professional Fees				20,000	20,000
Net Capital Outlay	173,768	(8,395)	165,373	400,000	234,627
Total Expenditures/Disbursements	515,910	(22,254)	493,656	798,192	304,536
Excess (Deficiency) of Revenues/ Receipts over Expenditures/ Disbursements	(341,853)	382,037	40,184	(425,192)	465,376
OTHER FINANCING SOURCES (USES)					
Issuance of Warrants	414,676		414,676	719,250	(304,574)
Total Other Financing Sources (Uses)	414,676		414,676	719,250	(304,574)
EXCESS (DEFICIENCY) OF REVENUES/ RECEIPTS AND OTHER SOURCES OVER EXPENDITURES/ DISBURSEMENTS AND OTHER USES					
	72,823	382,037	454,860	<u>\$ 294,058</u>	<u>\$ 160,802</u>
Fund Balance (Deficit), Beginning of Year	3,341,002	(2,502,782)	838,220		
Fund Balance (Deficit), End of Year	\$3,413,825	\$(2,120,745)	\$1,293,080		

See Independent Accountant's Audit Report.

**SANITARY AND IMPROVEMENT DISTRICT NO. 276
OF SARPY COUNTY, NEBRASKA**

SCHEDULE 3

**INFORMATION REQUIRED BY SECTION 31-740
REISSUE REVISED STATUTE OF NEBRASKA, 1998**

JUNE 30, 2010

Total Receipts From All Sources	\$683,838
Amount Spent For Sewage Disposal	None
Amount Expended on Water System	None
Gross Amount of Sewage Processed	None
Cost Per Thousand Gallons of Processing Sewage	None
Amount Expended For	
A. Maintenance and Repair	\$28,038
B. New Equipment	None
C. New Construction Work	\$173,768
D. Property Purchased	None
Number of Employees	None
Total Amount of Taxes Levied Upon the Property Within the District	\$156,728

See Independent Accountants' Audit Report.

**SANITARY AND IMPROVEMENT DISTRICT NO. 276
OF SARPY COUNTY, NEBRASKA**

SCHEDULE 4

DISTRICT TRUSTEES AND RELATED BONDS

JUNE 30, 2010

<u>-----Trustees-----</u>		<u>-----Bonds-----</u>	
<u>Name</u>	<u>Office</u>	<u>Insurer</u>	<u>Amount</u>
Timothy Young	Chairman	Western Surety Company	\$5,000
Mark Boyer	Clerk	Western Surety Company	\$20,000
Linda Ruma	Trustee		
Charlie Clatterbuck	Trustee		
Kristina Philbin	Trustee		

See Independent Accountants' Audit Report.

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SHAREHOLDERS

James D. Honz
Gary K. Witt
Ronald J. Nebbia
Mark F. Duren

W. Reed Samson
Jeffrey L. Snyder
Patrick C. Knowles
Sandra A. Lane

Shawn A. Wederquist
Steven P. Kenney
William W. Kenedy
Susan S. Krause

Michael B. Mowat
Thomas J. Helligso
David F. Horner
Kelly J. Martinson

Peter A. Froelicher
James J. Tichora
Stacy L. Watson
Scott A. Carrico

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

Board of Trustees
Sanitary and Improvement District No. 276
of Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 276 of Sarpy County, Nebraska, as of and for the year ended June 30, 2010, which collectively comprise Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's basic financial statements, and have issued our report thereon dated December 1, 2010. 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 Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's financial statements that is more than inconsequential will not be prevented or detected by the Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanitary and Improvement District No. 276 of Sarpy County, Nebraska's, basic 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. Other than noted below, the results of our tests disclosed no other instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain instances of noncompliance that are summarized below:

The District had a shortfall in budgeted general fund revenues/receipts by approximately \$2,500 without amending the budget.

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

Lutz & Company, P.C.

December 1, 2010

