

BASIC FINANCIAL STATEMENTS  
& SUPPLEMENTARY INFORMATION  
WITH  
INDEPENDENT AUDITORS' REPORT

SANITARY AND IMPROVEMENT DISTRICT NO. 282  
SARPY COUNTY, NEBRASKA

YEAR ENDED JUNE 30, 2015

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	2
STATEMENT OF ACTIVITIES	3
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET	4
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	7
NOTES TO BASIC FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL	17
SUPPLEMENTARY INFORMATION	
INFORMATION REQUIRED BY SECTION 31-740, REVISED STATUTE OF NEBRASKA, 2008	18
SUMMARY OF TAXES RECEIVABLE	18
TRUSTEES AND RELATED BONDS	18
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	19

# Awerkamp, Goodnight, Schwaller & Nelson, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
17007 Marcy Street - Suite One  
Omaha, Nebraska 68118-3122

THOMAS J. SCHWALLER, CPA  
CONRAD NELSON, CPA  
JOHN R. PRIBRAMSKY, CPA  
DANIEL R. GILG, CPA, CFP®

Telephone: (402) 334-9011  
(402) 334-9111  
FAX: (402) 334-9112

---

J. DOUGLAS GOODNIGHT  
(1936 - 2006)

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Sanitary and Improvement District No. 282  
of Sarpy County, Nebraska

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Sanitary and Improvement District No. 282 of Sarpy County, Nebraska (a political subdivision) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## INDEPENDENT AUDITORS' REPORT - Continued

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Sanitary and Improvement District No. 282 of Sarpy County, Nebraska as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require budgetary comparison on page 17 to be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sanitary and Improvement District No. 282 of Sarpy County, Nebraska's basic financial statements. The supplementary information on page 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

## INDEPENDENT AUDITORS' REPORT - Continued

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of the Sanitary and Improvement District No. 282 of Sarpy County, Nebraska internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sanitary and Improvement District No. 282 of Sarpy County, Nebraska's internal control over financial reporting and compliance.

*Awerkamp, Goodnight, Schwaller & Nelson, P.C.*

Omaha, Nebraska  
December 10, 2015

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2015

ASSETS:	
Cash on deposit - County Treasurer	\$ 345,758
Taxes receivable (notes F and H)	77,229
Special assessments receivable (notes B and H)	39,922
Accrued interest on special assessments	207
Capital assets (note C):	
Infrastructure	2,555,345
Accumulated depreciation	<u>(562,389)</u>
Total assets	<u>2,456,072</u>
LIABILITIES:	
Accounts payable	3,482
Accrued interest	13,577
Noncurrent liabilities (notes D and E):	
Due within one year	40,000
Due in more than one year	<u>1,840,652</u>
Total liabilities	<u>1,897,711</u>
COMMITMENTS AND CONTINGENCIES (notes G and I)	-
NET POSITION:	
Net investment in capital assets	112,304
Restricted for debt service	124,570
Unrestricted	<u>321,487</u>
Total net position	<u>\$ 558,361</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year ended June 30, 2015

Governmental activities	
Expenses - general government:	
General	\$ 32,932
Debt service	2,545
Depreciation	79,224
Interest on long-term debt	<u>96,032</u>
Total expenses	<u>210,733</u>
General revenues:	
Property taxes	185,181
State motor vehicle tax allocation	412
Property tax credit allocation	4,505
Interest on special assessments	3,183
Interest on taxes	<u>279</u>
Total general revenues	<u>193,560</u>
Change in net position	(17,173)
Net position at beginning of year	<u>575,534</u>
Net position at end of year	<u>\$558,361</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2015

ASSETS

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS:			
Cash on deposit - County Treasurer	\$222,712	\$123,046	\$345,758
Taxes receivable (notes F and H)	27,257	49,972	77,229
Special assessments receivable (notes B and H)	-	39,922	39,922
Accrued interest on special assessments	-	207	207
Due from other fund	75,000	-	75,000
Total assets	<u>\$324,969</u>	<u>\$213,147</u>	<u>\$538,116</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:			
Accounts payable	\$ 3,482	\$ -	\$ 3,482
Accrued interest on registered warrants	-	3,066	3,066
Due to other fund	-	75,000	75,000
Total liabilities	3,482	78,066	81,548
COMMITMENTS AND CONTINGENCIES (note G and I)	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments and interest receivable thereon	-	40,129	40,129
FUND BALANCE:			
Restricted for debt service	-	94,952	94,952
Unassigned	321,487	-	321,487
Total fund balance	321,487	94,952	416,439
Total liabilities and fund balance	<u>\$324,969</u>	<u>\$213,147</u>	<u>\$538,116</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2015

Total fund balance - total governmental funds		\$	416,439
Amounts reported for governmental activities in the Statement of Net Position are different because:			
- Capital assets used in governmental activities are not current financial resources and there- fore are not reported in the governmental funds balance sheet.			1,992,956
- Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.			(10,511)
- Long term liabilities are not due and payable in the current year and, therefore, they are not reported in the governmental funds balance sheet.			
	Due within one year	\$	(40,000)
	Due in more than one year	<u>(1,840,652)</u>	(1,880,652)
- Deferred inflows related to special assessments is required under modified accrual in the governmental funds balance sheet but not under full accrual accounting in the government-wide statement of net position.			<u>40,129</u>
Net Position of Governmental Activities		\$	<u>558,361</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

Year ended June 30, 2015

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes assessed (note F)	\$ 65,353	\$119,828	\$185,181
State motor vehicle tax allocation	161	251	412
Property tax credit allocation	1,590	2,915	4,505
Interest on taxes	98	181	279
Special assessments	-	7,984	7,984
Interest on special assessments	-	3,464	3,464
	<u>67,202</u>	<u>134,623</u>	<u>201,825</u>
EXPENDITURES:			
Audit and legal fees	15,865	-	15,865
Collection fees - County Treasurer	1,322	1,972	3,294
Electricity	7,991	-	7,991
Maintenance and engineering	5,973	-	5,973
Trustee bonds and insurance	734	-	734
Fiscal agent fees	1,000	573	1,573
Publication	47	-	47
Debt service:			
Interest charges	-	96,130	96,130
Payment of long-term debt	-	35,000	35,000
	<u>32,932</u>	<u>133,675</u>	<u>166,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	34,270	948	35,218
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt	-	12,027	12,027
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	34,270	12,975	47,245
FUND BALANCE, BEGINNING OF YEAR	<u>287,217</u>	<u>81,977</u>	<u>369,194</u>
FUND BALANCE, END OF YEAR	<u>\$321,487</u>	<u>\$ 94,952</u>	<u>\$416,439</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2015

Net change in fund balance - total governmental funds	\$ 47,245
Amounts reported for governmental activities in the statement of activities are different because:	
- Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(79,224)
- The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.	22,975
- Accrued interest expense on long-term debt is reported in the governmental-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in the governmental funds.	96
- Special assessments and related interest are recorded as modified accrual for governmental funds and full accrual for government-wide statements resulting in this difference.	<u>(8,265)</u>
Change in Net Position of Governmental Activities	<u>\$ (17,173)</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sanitary and Improvement District No. 282 of Sarpy County, Nebraska is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the trustees of the District, who are responsible for their integrity and objectivity. These accounting policies conform in all material respects to generally accepted accounting principles in the United States of America as applicable to Governmental entities.

History and Business Activity

The District is a governmental subdivision, created pursuant to Nebraska law, to act as a vehicle for the construction of roads, utilities and similar improvements. The Board of Trustees, consisting of five members, has the power to provide financing for such improvements and has authority to: issue warrants for construction work and services, contract with financial institutions for conversion of warrants to cash, and to levy both special assessments and general taxes against property in the District to pay off warrants and bonds issued by the District.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Reporting Entity

The accompanying financial statements present the District's primary governmental unit and do not include any component units because the District does not exercise financial accountability over any separate units. Financial accountability is based primarily on operational or financial relationships with the District.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

General Fund

General Fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

For the classification of fund balance, the District considers unassigned amounts to have been spent when an expenditure is incurred for purposes for which unrestricted fund balance could be used.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements - Continued

Debt Service Fund

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the District. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Measurement Focus/Basis of Accounting

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

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The District considers property taxes as available if they are collected within 60 days after year end. A one-year availability year is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes and interest income. All other governmental fund revenues are recognized when received.

Deferred Outflows and Inflows of Resources

In addition to assets, the financial statements may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The District did not have any deferred outflows of resources at June 30, 2015.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows and Inflows of Resources - Continued

In addition to liabilities, the financial statements may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The District's receivables for special assessments and interest receivable thereon are measurable, but are not available to finance current period operations and, therefore, are reported as deferred inflows of resources in the governmental fund statements and will be recognized as an inflow of resources (revenue) when they become available.

Infrastructure

Infrastructure is carried at cost plus interest on warrants while construction is in progress. Depreciation is provided using the straight-line method over estimated lives ranging from 25 to 40 years.

Budget 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. 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:

- (a) In September of each year the District submits a proposed operating budget for all funds to the real estate owners of the District.
- (b) Notice of place and time of public hearings must be published prior to the public hearings.
- (c) Public hearings are conducted to obtain taxpayer comment.
- (d) 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.
- (e) The budget is adopted on a per-fund basis and budgetary control is exercised at the fund level.
- (f) The Board of Trustees may authorize supplemental appropriations during the year. No such appropriations were made during the year ended June 30, 2015.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budget and Budgetary Accounting - Continued

(g) The accompanying combined statements of revenues, expenditures, and changes in fund balances - Budget and Actual - General and Debt Service Fund presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 2015 is presented as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	\$ 49,891	\$ 12,747
Adjustments:		
To adjust revenues for receivables	(16,773)	438
To adjust expenditures for payables and accruals	1,152	(35,210)
To adjust for variance in recognition of items for other sources (uses)	<u>          -</u>	<u>      35,000</u>
Excess revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 34,270</u>	<u>\$ 12,975</u>

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees. The Board of Trustees is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board of Trustees may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

NOTE B - SPECIAL ASSESSMENTS RECEIVABLE

Special assessments were levied in the amount of \$1,481,636 on May 20, 2010 against certain properties within the District in connection with the construction of improvements. Special assessments are due in ten annual installments and bear interest at 7.5% per annum until delinquent and 9.5% per annum thereafter until paid.

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE C - CAPITAL ASSETS

At June 30, 2015, capital assets consist of the following:

	July 1, 2014	Additions	June 30, 2015
Infrastructure:			
Sanitary sewer	\$ 618,775	\$ -	\$ 618,775
Paving and storm sewer	943,144	-	943,144
Water system	601,855	-	601,855
Power system	170,509	-	170,509
Construction in progress	221,062	-	221,062
	2,555,345	-	2,555,345
Accumulated depreciation	(483,165)	(79,224)	(562,389)
	<u>\$2,072,180</u>	<u>\$(79,224)</u>	<u>\$1,992,956</u>

Depreciation expense totaled \$79,224 for the year ended June 30, 2015.

NOTE D - REGISTERED WARRANTS

At June 30, 2015, the District has registered warrants outstanding for construction costs. The warrants bear interest at 7%. No interest on warrants for construction costs has been capitalized for the year ended June 30, 2015.

Aggregate maturities of registered warrants are as follows:

	General Fund	Long-Term Debt	Total
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	146,062	146,062
2019	-	17,563	17,563
2020	-	12,027	12,027
	<u>\$ -</u>	<u>\$175,652</u>	<u>\$175,652</u>

NOTE E - GENERAL OBLIGATION BONDS PAYABLE

Bonds totaling \$1,800,000 were issued May 15, 2011 and are due serially beginning November 15, 2011. Interest is payable semi-annually on November 15, and May 15 at rates ranging from .85% to 5.60%.

A summary of changes in bonds payable is as follows:

Balance July 1, 2014	\$1,740,000
Bond issue	-
Bond payments	(35,000)
Balance, June 30, 2015	<u>\$1,705,000</u>

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE E - GENERAL OBLIGATION BONDS PAYABLE - CONTINUED

Aggregate maturities of bonds payable and interest is as follows for the years ending June 30:

<u>May 15, 2011 Issue</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 40,000	\$ 83,560	\$ 123,560
2017	45,000	82,365	127,365
2018	55,000	80,755	135,755
2019	65,000	78,601	143,601
2020	70,000	75,965	145,965
2021 - 2025	445,000	326,074	771,074
2026 - 2030	660,000	187,000	847,000
2031 - 2032	325,000	18,620	343,620
	<u>\$1,705,000</u>	<u>\$932,940</u>	<u>\$2,637,940</u>

All bond issues include a provision which allows the bonds to be called at par value prior to maturity. The bonds may be called subsequent to May 15, 2016.

NOTE F - TAX LEVY

The District levied taxes for 2014-2015 at the rate of \$.85 per \$100 on an estimated 100% property valuation of \$22,353,775.

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

NOTE G - COMMITMENTS AND CONTINGENCIES

The District has entered into an agreement with Omaha Public Power District (OPPD) under which OPPD is to furnish street lighting to the District. The cost to the District for this service for fiscal 2016 is estimated to be approximately \$10,000.

NOTE H - CREDIT RISK

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

NOTE I - RISK MANAGEMENT

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

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2015

NOTE J - SUBSEQUENT EVENTS

Management evaluate transactions and events occurring subsequent to June 30, 2015 and through December 10, 2015 (the date the financial statements were available to be issued) to determine whether any events should be recognized or disclosed in these statements. There were no material transactions or events in the subsequent period requiring disclosure or recognition in the statements.

REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD & A)

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL AND DEBT SERVICE FUND

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL AND DEBT SERVICE FUND

Year ended June 30, 2015

	GENERAL FUND (NON GAAP)		
	Original And Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Taxes collected	\$ 67,062	\$ 82,126	\$ 15,064
State motor vehicle tax allocation	250	161	(89)
Property tax credit allocation	-	1,590	1,590
Interest on taxes	-	98	98
Special assessments and interest	-	-	-
Total revenues	<u>67,312</u>	<u>83,975</u>	<u>16,663</u>
<b>EXPENDITURES:</b>			
Interest on bonds	-	-	-
Interest on registered warrants	-	-	-
Legal and accounting fees	14,000	15,865	(1,865)
Electricity	8,000	7,932	68
Maintenance and engineering	15,000	7,658	7,342
Publication	100	47	53
Fiscal agent fees	500	500	-
Trustee bonds and insurance	1,000	760	240
Collection fees - County Treasurer	1,315	1,322	(7)
Total expenditures	<u>39,915</u>	<u>34,084</u>	<u>5,831</u>
Excess (deficiency) of revenues over expenditures	27,397	49,891	22,494
<b>OTHER FINANCING SOURCES (USES):</b>			
Payment of bond principal	-	-	-
Issuance of registered warrants	-	-	-
Transfer in	-	-	-
Transfer out	<u>(185,000)</u>	<u>-</u>	<u>185,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	<u>\$ (157,603)</u>	49,891	<u>\$207,494</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>172,821</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$222,712</u>	

DEBT SERVICE FUND  
(NON GAAP)

Original And Final Budget	Actual	Variance Positive (Negative)
\$122,946	\$119,390	\$ (3,556)
350	251	(99)
-	2,915	2,915
-	181	181
<u>10,000</u>	<u>11,448</u>	<u>1,448</u>
<u>133,296</u>	<u>134,185</u>	<u>889</u>
84,465	84,465	-
-	11,455	(11,455)
-	-	-
-	-	-
-	-	-
-	-	-
500	573	(73)
-	-	-
<u>2,611</u>	<u>1,972</u>	<u>639</u>
<u>87,576</u>	<u>98,465</u>	<u>(10,889)</u>
45,720	35,720	(10,000)
(35,000)	(35,000)	-
-	12,027	12,027
185,000	-	(185,000)
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$195,720</u>	12,747	<u>\$ (182,973)</u>
	<u>110,299</u>	
	<u>\$123,046</u>	

SUPPLEMENTARY INFORMATION

Sanitary and Improvement District No. 282  
Sarpy County, Nebraska

INFORMATION REQUIRED BY SECTION 31-715,  
REVISED STATUTE OF NEBRASKA, 2008

Year ended June 30, 2015

Gross revenues from all sources	<u>\$201,825</u>
Gross revenues from all sources from previous year	<u>\$204,792</u>
Amount spent for sewage disposal	<u>None</u>
Amount expended on water mains	<u>None</u>
Gross amount of sewage processed	<u>None</u>
Cost per thousand gallons of processing sewage	<u>None</u>
Amount expended for:	
Maintenance and repairs	<u>\$ 2,322</u>
New equipment	<u>None</u>
New construction work (incl. water mains)	<u>None</u>
Property purchased	<u>None</u>
Number of employees	<u>None</u>
Salaries and fees paid employees	<u>None</u>
Total amount of taxes levied upon the property within the District	<u>\$185,181</u>

SUMMARY OF TAXES RECEIVABLE

Receivable at July 1, 2014	Tax Levied	Collected	Receivable at June 30, 2015
<u>\$93,564</u>	<u>\$185,181</u>	<u>\$201,516</u>	<u>\$77,229</u>

TRUSTEE AND RELATED BONDS

Trustees		Bonds	
Name	Office	Insurer	Amount
Steve Wickersham	Chairman	Western Surety Co.	\$5,000
Dawn Buck	Clerk	Western Surety Co.	\$20,000
Corey Buck	Trustee	-	None
Jamie Thompson	Trustee	-	None

# Awerkamp, Goodnight, Schwaller & Nelson, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
17007 Marcy Street - Suite One  
Omaha, Nebraska 68118-3122

THOMAS J. SCHWALLER, CPA  
CONRAD NELSON, CPA  
JOHN R. PRIBRAMSKY, CPA  
DANIEL R. GILG, CPA, CFP®

Telephone: (402) 334-9011  
(402) 334-9111  
FAX: (402) 334-9112

---

J. DOUGLAS GOODNIGHT  
(1936 - 2006)

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

To the Board of Trustees  
Sanitary and Improvement District No. 282  
of Sarpy County, Nebraska

We have audited the financial statements of Sanitary and Improvement District No. 282 of Sarpy County, Nebraska as of June 30, 2015 and for the year ended June 30, 2015, and have issued our report thereon dated December 10, 2015. 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. 282's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sanitary and Improvement District No. 282's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sanitary and Improvement District No. 282's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified the following deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

The district does not have the ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. Management is aware of this significant deficiency and believes it is economically not feasible to obtain the ability to prepare financial statements.

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. 282's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sanitary and Improvement District No. 282's financial statements that is more than consequential will not be prevented or detected by the Sanitary and Improvement District No. 282's internal control. We consider the deficiencies described above to be significant deficiencies in internal control over financial reporting.

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. 282's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanitary and Improvement District No. 282's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported under *Government Auditing Standards*.

#### Finding #1

- Debt service fund expenditures exceeded budget by \$10,889, without amending the budget.

#### Response

- The budget did not include interest on the registered warrants.

#### Finding #2

- The District has four trustees rather than the five trustees required by law.

#### Response

- The District is attempting to recruit an additional trustee.

Sanitary and Improvement District No. 282's responses to the findings identified in our audit are described above. We did not audit Sanitary and Improvement District No. 282's responses and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an intergral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Awerkamp, Goodnight, Schwaller & Nelson, P.C.*

Omaha, Nebraska  
December 10, 2015