

REFUNDING—BOOK ENTRY ONLY

NOT RATED; BANK QUALIFIED

In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants, interest on the Bonds is not includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended, and is exempt from Nebraska state income taxes. No opinion is expressed with respect to the additional corporate minimum tax on adjusted current earnings or any other tax. See "LEGAL MATTERS—Tax Exemption" herein. Sanitary and Improvement District No. 250 of Sarpy County, Nebraska (the "District") has designated the Bonds as "Qualified Tax-Exempt Obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

\$950,000*

**SANITARY AND IMPROVEMENT DISTRICT NO. 250
OF SARPY COUNTY, NEBRASKA
(WILLOW PARK II)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2014**

Dated: October 15, 2014

Due: October 15, as shown below

Sanitary and Improvement District No. 250 of Sarpy County, Nebraska (Willow Park II), a body corporate and politic and a political subdivision of the State of Nebraska (the "District"), is issuing the above-captioned bonds (the "Bonds") pursuant to its authority under Sections 10-615 and 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended, and a resolution of the District's Board of Trustees (the "Resolution").

The District is issuing the Bonds in fully registered form which, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will serve as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the security depository with respect to the Bonds. See "THE BONDS—Book-Entry Only System" herein.

Interest is payable on October 15 and April 15 of each year, commencing April 15, 2015. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal or redemption price of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC. Bankers Trust Company, Des Moines, Iowa will serve as paying agent and registrar (the "Paying Agent") for the Bonds. For terms relating to payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see "THE BONDS—Book-Entry-Only System" herein.

The Bonds maturing on or after October 15, 2020 are subject to optional redemption prior to maturity at the option of the District, in whole or in part, at any time on or after October 15, 2019 at the principal amount thereof plus interest to the redemption date all as described in this Official Statement.

The Bonds and the interest thereon constitute general obligations of the District, payable from ad valorem taxes, without limitation as to rate or amount, which, together with any collections of special assessments or any other funds legally available for the purpose, will be sufficient to meet the punctual payment of principal of and interest on the Bonds as such principal and interest become due.

MATURITY SCHEDULE*

Maturity Date (October 15)	Principal Amount	Interest Rate	Price	Maturity Date (October 15)	Principal Amount	Interest Rate	Price
2015	\$20,000		100%	2025	\$30,000		100%
2016	25,000		100	2026	30,000		100
2017	25,000		100	2027	35,000		100
2018	25,000		100	2028	30,000		100
2019	25,000		100	2029	35,000		100
2020	20,000		100	2030	30,000		100
2021	25,000		100	2031	35,000		100
2022	25,000		100	2032	40,000		100
2023	25,000		100	2033	220,000		100
2024	25,000		100	2034	225,000		100

(plus accrued interest from October 15, 2014)

SEE "BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED (IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN) IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval of legality of the Bonds by Baird Holm LLP, Bond Counsel, and to certain other conditions. Kuehl Capital Corporation has provided municipal advisor services to the District in connection with the offering of the Bonds. Certain legal matters will be passed upon for the District by its disclosure counsel, Kutak Rock LLP. It is expected that the Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about October 15, 2014.

AMERITAS INVESTMENT CORP.

Dated: September 8, 2014

* Preliminary; subject to change.

4838-4506-9597.1

**SANITARY AND IMPROVEMENT DISTRICT
NO. 250
OF SARPY COUNTY, NEBRASKA**

BOARD OF TRUSTEES

Jose Santos Chairman
Vance Branton..... Clerk
Tera Petragash..... Trustee

BOND COUNSEL

Baird Holm LLP

ATTORNEY FOR DISTRICT

Fullenkamp Doyle & Jobeun

PAYING AGENT AND REGISTRAR

Bankers Trust Company

MUNICIPAL ADVISOR

Kuehl Capital Corporation

ACCOUNTANT

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

UNDERWRITER

Ameritas Investment Corp.

DISCLOSURE COUNSEL

Kutak Rock LLP

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations in connection with the Bonds or the matters described herein, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion contained herein are subject to change, without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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THE UNDERWRITER INTENDS TO OFFER THE BONDS INITIALLY AT THE OFFERING PRICES SET FORTH ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, WHICH MAY SUBSEQUENTLY CHANGE WITHOUT ANY REQUIREMENT OF PRIOR NOTICE. IN CONNECTION WITH ITS REOFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. THESE FORWARD-LOOKING STATEMENTS INCLUDE, AMONG OTHERS, STATEMENTS CONCERNING EXPECTATIONS, BELIEFS, OPINIONS, FUTURE PLANS AND STRATEGIES, ANTICIPATED EVENTS OR TRENDS AND SIMILAR EXPRESSIONS CONCERNING MATTERS THAT ARE NOT HISTORICAL FACTS. THE FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN OR IMPLIED BY SUCH STATEMENTS. THE DISTRICT HAS NO DUTY OR OBLIGATION TO UPDATE ANY OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.

OFFICIAL STATEMENT

\$950,000*

**SANITARY AND IMPROVEMENT DISTRICT NO. 250
OF SARPY COUNTY, NEBRASKA
(WILLOW PARK II)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2014**

INTRODUCTION

This Official Statement has been prepared in connection with the offer for sale of \$950,000* in aggregate principal amount of General Obligation Refunding Bonds, Series 2014 (the “Bonds”) issued by Sanitary and Improvement District No. 250 of Sarpy County, Nebraska (Willow Park II), a body corporate and politic and a political subdivision of the State of Nebraska (the “District”).

Pursuant to Sections 10-615 and 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (the “Act”), a sanitary and improvement district may be established for the purpose, among other things, of financing or refinancing the capital costs of public improvements within the boundaries of such district. Once duly established, a sanitary and improvement district possesses certain powers, including, but not limited to, the authority to issue warrants and bonds for its authorized purposes, to assess special assessments and to levy ad valorem taxes to repay its indebtedness.

Brief descriptions of the Bonds, the security therefor and the District are included in this Official Statement together with summaries of certain provisions of the Bonds and the District’s Resolution (as hereinafter defined) authorizing the issuance of the Bonds. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Resolution are qualified in their entirety by reference to the complete documents, copies of which are available for inspection at the office of Kuehl Capital Corporation, acting as municipal advisor for the District, at Suite 1, 14747 California Street, Omaha, Nebraska 68154, during normal business hours.

Prospective investors are advised to read carefully “BONDHOLDERS’ RISKS” herein for a description of certain risk factors that should be considered (in addition to other matters set forth herein) in evaluating the investment quality of the Bonds.

THE BONDS

General Description

The Bonds are dated October 15, 2014, and bear interest from that date, payable April 15, 2015 and semiannually thereafter on October 15 and April 15 of each year (each an “Interest Payment Date”). The Bonds will mature on October 15 in the years and in the principal amounts and bear interest at the rates referred to on the cover page of this Official Statement.

Pursuant to the Resolution, the Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity. Interest on the Bonds will be calculated based on a 30-day month and a 360-day year.

* Preliminary; subject to change.

Authority for Issuance and Use of Proceeds*

The District is issuing the Bonds pursuant to and by authority of the Act and a Bond Resolution (the "Resolution") adopted by the District's Board of Trustees on September 8, 2014, authorizing the issuance and sale of the Bonds. The District previously issued its General Obligation Bonds, Series 2009 in the original aggregate principal amount of \$1,050,000 (the "Prior Bonds"). The District used the proceeds of the Prior Bonds to redeem construction fund warrants issued by the District to pay for the installation of public improvements in the District. The District will use the proceeds of the Bonds, together with funds on deposit in the District's bond fund, to refund on a current refunding basis on October 15, 2014 (the "Redemption Date") \$950,000 outstanding aggregate principal amount of the Prior Bonds (the "Refunded Bonds"). The principal and interest on the September 15, 2014 maturity of the Prior Bonds will be paid as it comes due directly out of bond fund cash of the District. The District's General Obligation Refunding Bonds, Series 2012 (the "Parity Bonds"), which are secured on parity with the Bonds, are outstanding in the aggregate principal amount of \$2,335,000.

Registration, Transfer and Payment

The principal of the Bonds is payable upon presentation and surrender thereof at the principal corporate trust office of Bankers Trust Company, Des Moines, Iowa, as Paying Agent and Registrar (the "Paying Agent"). The interest on the Bonds will be payable by check or draft mailed to registered owners appearing on the books of the Paying Agent at the close of business on the first day of the month in which an Interest Payment Date occurs (the "Record Date").

The District and the Paying Agent may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payment thereof and for all other purposes and neither the District nor the Paying Agent shall be bound by any notice or knowledge to the contrary, whether such Bonds shall be overdue or not. All payments of or on account of interest to any registered owner of any Bond and all payments of or on account of principal to the registered owner of any Bond shall be valid and effectual and shall be a discharge of the District and the Paying Agent, in respect of the liability upon the Bond or claim for interest, as the case may be, to the extent of the sum or sums paid.

The District will cause books for the registration and transfer of the Bonds to be kept at the principal office of the Paying Agent at all times while any of such Bonds shall be outstanding. Any Bond may be transferred pursuant to its provisions at the principal office of the Paying Agent by surrender of such Bond for cancellation, accompanied by a written instrument of transfer in a form satisfactory to such Paying Agent, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Paying Agent will authenticate and deliver at the office of the Paying Agent (or send by registered mail to the owner thereof at such owner's expense), in the name of the transferee or transferees, a new Bond of the same series, interest rate, principal amount and maturity, dated so there shall result no gain or loss of interest as a result of such transfer. To the extent of denominations authorized for Bonds by the Resolution, one Bond may be transferred for several other Bonds of the same series, interest rate and maturity, and for a like aggregate principal amount and several such Bonds may be transferred for one or several such Bonds, respectively, of the same series, interest rate and maturity and for a like aggregate principal amount. As a condition of any registration or transfer, the Paying Agent may at its option require the payment of a sum sufficient to reimburse it or the District for any tax or other governmental charge that may be imposed thereon. The Paying Agent may charge reasonable fees for a transfer provided, however, the District shall not pay any such fees.

* Preliminary; subject to change.

The Paying Agent shall not be required (a) to issue, transfer or exchange Bonds from the Record Date to the next Interest Payment Date; (b) to issue, register or transfer any Bonds for a period of 15 days immediately preceding any selection of Bonds for redemption or for a period of 15 days thereafter; or (c) to register, transfer or exchange any Bonds which have been designated for redemption within a period of 30 days immediately preceding the date fixed for redemption.

Book-Entry Only System

The Bonds initially are being issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company (“DTC”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners (as hereinafter defined) will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution. The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. Neither the District nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the

Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District, as issuer of the Bonds, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered to DTC. The District may decide to discontinue use of the system of book-entry only transfers through

DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

NEITHER THE DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE PAYING AGENT AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments. Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

THE DISTRICT AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS, (ii) BONDS REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

Optional Redemption

The Bonds maturing on or after October 15, 2020 are subject to redemption, in whole or in part, prior to maturity at the option of the District at any time on, or after October 15, 2019, at the principal amount thereof plus interest accrued thereon to the date fixed for redemption, with no redemption premium. The District may select the maturity of the Bonds so to be redeemed in its sole discretion.

Notice of Redemption

Notice of redemption of any Bond or any portion thereof shall be given by first-class mail to the

registered owner of such Bond, addressed to his or her registered address and placed in the mail not less than 30 nor more than 60 days prior to the date fixed for redemption. Such notice shall specify the numbers of the Bonds called for redemption, the redemption date and the place where the redemption amount will be payable, and in the case of Bonds to be redeemed in part only, such notice shall specify the respective portion of the principal amount thereof to be redeemed. If the Paying Agent shall hold funds sufficient for such redemption on the date fixed for redemption and such notice shall have been given, the Bonds or the portion thereof thus called for redemption shall not bear interest after the date fixed for redemption. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent shall determine, in its sole discretion, in any manner deemed by it to be fair and equitable, the particular Bonds or portions of Bonds of such maturity so to be redeemed. Any Bond shall be subject to redemption in part in a principal amount equal to \$5,000 or any integral multiple thereof.

Security for Bonds

Pursuant to the Resolution, the full faith, credit and resources and the taxing power of the District have been irrevocably pledged for the prompt payment of the principal of and the interest on the Bonds as the same become due. The District has agreed that it will cause to be levied annually upon all the taxable property in the District an ad valorem tax which, together with collections of any special assessments or any other funds legally available for the purpose, will be sufficient to meet the payment of principal of and interest on the Bonds, the Parity Bonds and any other bonds now or hereafter issued by the District, as such principal and interest become due. The Resolution does not limit such ad valorem tax as to rate or amount and it does not limit the ability or authority of the District to issue additional bonds in the future. See “APPENDIX A—Budget and Levy Limitations” thereunder for a discussion of challenges to Nebraska’s property tax system. See also “BONDHOLDERS’ RISKS—Parity Bonds.”

Sources and Uses of Funds*

The proceeds from the sale of the Bonds (net of Underwriter’s discount and other costs of issuance) shall be paid to the County Treasurer of Sarpy County, Nebraska, acting as the District’s ex-officio treasurer, for deposit into the District’s bond fund. Such net proceeds together with certain other moneys on deposit in the bond fund and available for such purpose shall be used to redeem the Refunded Bonds.

Sources:

Bond Proceeds	\$950,000.00
Bond Fund Cash	<u>51,264.38</u>
Total	<u>\$1,001,264.38</u>

Uses:

Principal Redemption of Refunded Bonds	\$950,000.00
Interest on Refunded Bonds to October 15, 2014	3,514.38
Underwriter’s Discount (2.00%)	19,000.00
Cost of Issuance.....	<u>28,750.00</u>
Total	<u>\$1,001,264.38</u>

* Preliminary; subject to change.

BONDHOLDERS' RISKS

Adverse Property Sale Conditions

The District is fully developed. See “APPENDIX A—District Development” herein. Accordingly, the risks described under this paragraph are not expected to materially affect the District. The development and sale of sanitary and improvement district properties are contingent upon numerous factors. Changes in general economic conditions, including fluctuations in the local real estate market, interest rates on construction loans, the availability of mortgage money, and other similar factors, may adversely affect the development of a district. Other factors influencing decisions to buy property in a district would include the overall tax levels, the proximity and reputation of schools, the convenience to local shopping and employment, accessibility to major highways and interstates, and the availability and cost of utility services. Land development is subject to comprehensive federal, state and local regulations. There can be no assurance that future government policies will not adversely affect land development operations within a district. The ultimate consequence of such adverse conditions may be an inability by a district to pay its debts, including its bonds.

Challenges to Property Tax System

The levy and collection of ad valorem taxes by taxing jurisdictions in the State of Nebraska have been the object of legislative, judicial and elector action. Ad valorem tax revenues are the primary source of payment of the Bonds; any diminution in the legal authority to levy and collect such taxes could adversely affect the timely payment of the Bonds. See “APPENDIX A—Budget and Levy Limitations.”

Delinquent Special Assessments

The District has no outstanding special assessments to collect, and does not anticipate levying new special assessments. Accordingly, the District does not expect to be subject to the risk of delinquent special assessment collections. See “APPENDIX A—Special Assessments” and “APPENDIX A—Remedies for Delinquencies” herein for general information about delinquent special assessments.

Parity Bonds

Other than the herein defined Parity Bonds, the District presently has no other bonds outstanding that are payable from or secured by the pledge of ad valorem taxes as permitted under the Act. However, neither the Act nor the Resolution limits the ability or the authority of the District to issue additional bonds secured by a pledge of the revenues derived from such tax. While the District does not currently anticipate issuing additional bonds payable from such tax levy, no assurance can be given that the District will not elect to do so prior to the final maturity of the Bonds.

Bankruptcy of District

Significant delays in the development of a sanitary and improvement district after the incurrence of indebtedness for public improvements while interest on such indebtedness continues to compound can result in a debt burden and a significant tax levy that discourage sale of property and impedes the ability of the district to provide services to current residents. This risk is small in the case of the District because development in the District is complete. For such reasons, among others, several Nebraska sanitary and improvement districts over the years have filed bankruptcy petitions under Chapter 9 of the United States Bankruptcy Code. Such a filing by the District would result in an automatic stay of certain

District payments, including its debt service payments, and enforcement actions against the District or its property. The consequences for the District's bondholders of a Chapter 9 bankruptcy filing could include material modification of the terms of the Bonds and related documents and significant delays in the payment, or loss of all or a portion, of the principal of and interest on the Bonds. The District, however, does not have significant exposure to the risks of a compounding debt burden because it does not have any construction fund warrants outstanding. The Nebraska Supreme Court has held that the payment of a district's bonds would have priority over the payment of such district's warrants.

Bankruptcy of Property Owners

The payment of property owners' taxes and the ability of the District or Sarpy County to foreclose the lien of a delinquent unpaid tax, as discussed under "Remedies for Delinquencies" in Appendix A, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of Nebraska relating to judicial foreclosure or tax certificate sales. Bond Counsel's approving legal opinion will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although personal bankruptcy proceedings would not extinguish the outstanding ad valorem taxes, the bankruptcy of a property owner could result in a delay in prosecuting foreclosure proceedings. A delay in prosecuting foreclosure proceedings would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent installments of taxes not being paid in full. . The dispersal of ownership of the property within the District to hundreds of property owners mitigates the potential risk of delay in the payment of the principal of and interest on the Bonds due to a single District property owner filing for bankruptcy. See "APPENDIX A—District Development" and "APPENDIX B—Major Taxpayers".

No Investment Rating

None of the Bonds, Parity Bonds or any other debt obligations of the District is rated by a securities rating agency. The District has not applied, and does not intend to apply, for any such rating. The absence of an investment rating may adversely affect the marketability of the Bonds.

No Secondary Market Maker

The Underwriter has not agreed to maintain a secondary market for the District's bonds, including the Bonds, and the District does not anticipate that such a market will exist. Prospective purchasers of the Bonds should be prepared, therefore, to hold their Bonds until retired by the District.

ONGOING DISCLOSURE

The offering of the Bonds is not subject to the continuing disclosure requirements of Securities and Exchange Commission Rule 15c(2)-12 by virtue of paragraph (a) of such Rule.

MUNICIPAL ADVISOR

The District has retained the firm of Kuehl Capital Corporation, Omaha, Nebraska, to provide municipal advisor services in connection with the offering of the Bonds.

LEGAL MATTERS

Legal Opinion

The legal opinion of Baird Holm LLP, Omaha, Nebraska (“Bond Counsel”), approving the validity of the Bonds, will be provided to purchasers at the time of original delivery of the Bonds. Bond Counsel examined a transcript of the District’s proceedings and relied thereon without undertaking to verify the same by independent investigation. Bond Counsel has not reviewed, and undertakes no responsibility for, this Official Statement or any of the information contained herein, other than as it relates to its opinion. Certain legal matters will be passed upon for the District by its disclosure counsel, Kutak Rock LLP.

Tax Exemption

In the opinion of Bond Counsel, under existing laws and assuming compliance by the District with certain covenants:

- (a) The interest on the Bonds is not includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the “Code”); and
- (b) The Bonds are not “private activity bonds” as defined in the Code.

Bond Counsel also is of the opinion that the Bonds are not “arbitrage bonds” under Sections 103(b)(2) and 148 of the Code and regulations applicable thereto. Such opinion, however, is subject to qualification that certain intentional actions on the part of the District under the terms of the Code could result in the classification of the Bonds as arbitrage bonds.

No opinion is expressed by Bond Counsel with respect to the treatment of interest on the Bonds under the additional corporate minimum tax on “adjusted current earnings” as provided for in Sections 56(c) and (g) of the Code or with respect to any other tax based thereon or with respect to any other consequences affecting the federal income tax liability of a recipient of interest on the Bonds.

Under existing laws with respect to Nebraska state income taxes, such state income taxes are based upon the federal income taxes and federal taxable income and interest on the Bonds in the hands of the holders thereof will be subject to Nebraska state income taxes only to the extent that it may be subject to federal income taxes.

The opinions set forth above are subject to continuing compliance by the District with its covenants regarding federal tax laws in the Resolution. Failure to comply with such covenants could cause interest on the Bonds to be included in gross income retroactive to the date of issue of the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of certain recipients such as banks, thrift institutions, property and casualty insurance companies, corporations (including S corporations and foreign corporations operating branches in the United States), Social Security or Railroad Retirement benefit recipients, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, among others. The extent of these other tax consequences will depend upon the recipients’ particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences and investors should consult their own tax advisors regarding the tax consequences of purchasing or holding the Bonds.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

The District has designated the Bonds as its “qualified tax exempt obligations” under Section 265(b)(3)(B)(i)(III) of the Code and has covenanted and warranted that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$10,000,000 during the current calendar year. Financial institutions considering investing in the Bonds should consult with their tax advisors regarding the tax consequences of investing in the Bonds.

The rights of the holders of the Bonds and the priorities and enforceability thereof may be subject to valid bankruptcy, insolvency, reorganization, moratorium, extension, compromise and other similar laws for the relief of debtors.

NO LITIGATION

No litigation is pending or, to the knowledge of the District, threatened in any court to restrain or enjoin the issuance or delivery of any of the Bonds or in any way contesting or affecting the validity or tax-exempt status of the Bonds or the Resolution approving the Bonds or contesting the powers or authority of the District to issue the Bonds or to adopt such Resolution.

UNDERWRITING

Ameritas Investment Corp. is purchasing the Bonds from the District for resale at a purchase price of \$931,000 (principal amount of the Bonds, less an underwriting discount of \$19,000), plus accrued interest, if any. Ameritas Investment Corp. shall make a public offering of the Bonds at not in excess of the public offering prices set forth on the cover page of this Official Statement. The Bonds may be offered and sold to certain dealers at prices lower than such public offering prices and the Underwriter may change such public offering prices from time to time.

FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2013 are included in this Official Statement as Part Two of Appendix B and should be read in their entirety. Audited financial statements for the District for fiscal years ending prior to June 30, 2013 are available for inspection at the offices of the attorney for the District in Omaha, Nebraska and at the offices of the State Auditor of Public Accounts in Lincoln, Nebraska. Awerkamp, Goodnight, Schwaller & Nelson, P.C., as independent auditors, audited the financial statements of the District as of June 30, 2013 included in Appendix B of this Official Statement, as stated in their report appearing therein.

MISCELLANEOUS

The Chairman of the Board of Trustees, on behalf of the District, executed and delivered this Official Statement. At the date of this Official Statement and at the date of delivery of the Bonds, (i) the information and statements, including financial statements, of or pertaining to the District, contained in this Official Statement were and are correct in all material respects; and (ii) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District further confirms that insofar as the descriptions and statements, including financial data, contained in this Official Statement of or pertaining to nongovernmental bodies or governmental bodies other than the District are concerned, such descriptions, statements and data have been obtained from sources believed by the District to be reliable, and that the District has no reason to believe that they are untrue or incomplete in any material respect.

The information contained in this Official Statement has been obtained from the District and other sources believed to be reliable, but said information is not warranted or guaranteed, either expressly or impliedly, as to accuracy or completeness by the Underwriter.

Any statement in this Official Statement involving matter of opinion, whether or not expressly so stated, is intended as such and not as representations of fact. The appendices attached hereto are an integral part of this Official Statement, and should be read in conjunction with the foregoing material.

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AUTHORIZATION OF OFFICIAL STATEMENT

The District has duly authorized the delivery of this Official Statement.

SANITARY AND IMPROVEMENT DISTRICT
NO. 250 OF SARPY COUNTY, NEBRASKA

By /s/
Chairman

APPENDIX A
SANITARY AND IMPROVEMENT DISTRICT NO. 250
OF SARPY COUNTY, NEBRASKA
(WILLOW PARK II)

GENERAL INFORMATION

The District

Celebrity Homes, Inc. (the “Developer”) established Sanitary and Improvement District No. 250 of Sarpy County, Nebraska, (the “District”), commonly known as Willow Park II, in April of 2004 in accordance with Section 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (the “Act”). The District, Sarpy County and the Developer entered into a Subdivision Agreement pursuant to which Sarpy County approved the zoning and platting of the District, and the District agreed to levy special assessments with respect to the District’s public improvements and to levy ad valorem taxes.

Installation of the public infrastructure in the District is complete. The District receives water and gas services from the Metropolitan Utilities District. Omaha Public Power District and the City of Omaha provide electrical service and sanitary sewer services, respectively, to the District and its residents.

District Development

The District lies south of Meadow Drive and US Highway #6 in the southwest-Omaha metro area. The Gretna city limits abut the District at US Highway #6. The District consists of 134 single-family lots, 45 townhome lots and two commercial lots. Development in the District is complete. Homes and townhomes occupy all of the residential lots in the District and a Farmers & Merchants National Bank and a 10,400 square foot strip occupy the two commercial lots in the District.

Board of Trustees

A three member Board of Trustees (with two vacancies) governs the District. The current members are as follows:

Name	Position
Jose Santos	Chairman
Vance Branton	Clerk
Tera Petragash	Trustee

All members of the Board of Trustees are resident property owners within the District and as such the current resident property owners now control the letting of construction contracts and the issuance of bonds and warrants. Under the Act, elections for members of the Board of Trustees occur every two years. The next Board of Trustees election is in September 2015.

Financial Information*

As of October 15, 2014, the District will have outstanding general obligation bonds in the principal amount of \$3,285,000 and no outstanding construction fund warrants. The District’s 2013/2014 bond fund tax levy is set at \$0.60 and the general fund tax levy is set at \$0.35 per \$100 of taxable valuation. The 2014 taxable valuation of all real property in the District is \$29,891,550. Based upon the 2014 taxable valuation, the bond fund levy necessary to pay the annual principal and interest

* Preliminary; subject to change.

requirements on the Bonds and the Parity Bonds through maturity will not exceed \$0.74 per \$100 of taxable valuation. The structure of the Prior Bonds included a balloon in the final maturity which likely required a refunding in advance of the final maturity of the Prior Bonds. The Bonds provide the proceeds for such refunding and levels out the debt service payments for the District. Thus, the District does not expect a levy reduction in connection with the issuance of the Bonds as refunding bonds. The actual bond fund levy will depend upon the actual annual taxable valuation at the time the levy is set.

Description of Budget Process

As described below, budgets of sanitary and improvement districts in existence more than five years are subject to statutory budget limitations and the property tax levies of such districts are subject to tax levy limitations.

A sanitary and improvement district is required by state law to file its budget with the county clerk and state auditor on or before September 20 of each year. The District's accountant prepares a budget draft in July of each year based on actual expenses and revenues for the three preceding fiscal years and proposed expenses and revenues for the coming fiscal year. District budgets as proposed and adopted can frequently differ substantially from actual figures reviewed after the fact, especially in those years with major changes in tax rates or valuation. Such differences are principally due to the fact that while the fiscal year for a district begins on July 1, tax dollars generated by the budget are not received by the district until the following calendar year. The first half of such tax receipts is received during the spring of the following calendar year. The second half tax receipts are not received until the late summer of the following calendar year, several weeks into the ensuing fiscal year.

The proposed budget contains line items detailing, among other things, revenues and expenses in both the general fund and the bond fund. Revenues in the general fund cover noncapital, i.e., operating expenses including insurance, streetlights, legal and accounting fees and maintenance expenses. Revenues in the bond fund principally cover construction expenses (including associated professional fees), interest on registered construction fund warrants and payments of principal and interest under outstanding bond issues. Revenues in the general fund are generated primarily by ad valorem taxes, with a small amount coming from various state and local sources. Bond fund revenues are generated in the same way, plus special assessments and interest thereon. The proposed budget compares total anticipated expenses with total anticipated revenues, other than those to be collected from property taxes, to arrive at a net amount that must be generated from ad valorem taxes.

The proposed budget is reviewed by the board of trustees of the district, in consultation with the district's attorney, accountant and fiscal agent. Prior to its adoption, a budget summary is published in a local legal newspaper one time at least five days prior to the budget meeting, with a copy of the meeting notice being given at least one week prior to the meeting. At the meeting, the budget is discussed in open and public session, after which it can be adopted as proposed or as modified at the meeting. If modified, a summary of the modifications must be published one time in a legal newspaper within 20 days of adoption of the budget.

While district budgets must "balance," that balance is often accomplished through the registration of warrants. Under the warrant registration process, a warrant drawn on the district is not paid when presented to the county treasurer if adequate funds are not then on hand in that particular district fund to pay the warrant. It is then registered with the date of presentment for payment determining the date when interest begins to accrue and determining the priority of payment. Warrants are paid in the order of registration.

Ad Valorem Taxes

Property taxes received by sanitary and improvement districts are levied and collected in the same manner as property taxes for other political subdivisions. Once all taxing authorities have submitted their budgets to the county in which they are located after any final adjustments have been made in the valuation of property within a district, the dollar requirements of each taxing authority are converted to a tax rate (based on cents per \$100 of actual valuation) and total tax bills for the ensuing calendar year (not fiscal year) are compiled showing the breakdown of taxes attributable to each taxing authority and the total tax bill related to each parcel of property.

During December of each year, the Sarpy County Treasurer sends a tax statement to each owner of property within the county, which states that the property taxes for such year are due on December 31. Half of such tax amount becomes delinquent April 1 of the subsequent year and the other half delinquent August 1. Taxes not paid before the date of delinquency draw interest at the rate of 14%.

If taxes are not paid within three years of the due date, the parcel of property to which the taxes appertain is subject to foreclosure by Sarpy County, Nebraska. Prior to entry of a decree of foreclosure and sale for delinquent taxes, the county treasurer may conduct a tax certificate sale with respect to such parcel. See “Remedies for Delinquencies” below.

When the Sarpy County Treasurer receives tax payments, they allocate the payments among the various taxing authorities levying taxes. The Sarpy County Treasurer is the ex-officio treasurer for all sanitary and improvement districts within Sarpy County, Nebraska, including the District. Those funds collected pursuant to a district’s tax levy are then deposited into such district’s general fund and bond fund, as applicable. A district’s claim for its share of general ad valorem taxes is of equal priority with the tax claims of other taxing authorities, and such taxes constitute a first lien against the property, superior to purchase money mortgages, special assessments and all other liens.

Bondholders are paid the principal of and the interest on bonds issued by sanitary and improvements districts generally from ad valorem taxes and special assessments. Individual bondholders do not enjoy a lien on the real property within a district. The remedies of a tax certificate sale and foreclosure available to the county and a district, as applicable, may accrue to the benefit of the bondholders, but are not directly available to bondholders. If the payment of bond principal has been in default for over 90 days, a majority of the bondholders may petition for the appointment of an administrator in lieu of the district board of trustees. The board of trustees or the new administrator, if any, may negotiate agreements to compromise the indebtedness, including the issuance of new bonds in conjunction with a workout. This effort can include a voluntary Chapter 9 bankruptcy filing by the district. See “BONDHOLDERS’ RISKS—Bankruptcy of District.”

Budget and Levy Limitations

The Nebraska Legislature has imposed budget limitations and property tax restrictions on Nebraska political subdivisions, including sanitary and improvement districts, intended to reduce the level of property taxation and expenditures in the State of Nebraska (the “State”). State law prohibits governmental units, including sanitary and improvement districts in existence for more than five years, from adopting budgets in excess of 102.5% of the prior fiscal year’s budget plus allowable growth (which includes increases in taxable valuation for such things as new construction and annexations). However, such budgetary limitations do not apply, among other things, to revenues pledged to retire bonded indebtedness, such as the Bonds, or budgeted for capital improvements. Provision also is made for a governmental unit to exceed the budget limit for a given fiscal year by up to an additional 1% upon the affirmative vote of at least 75% of the governing body or in such amount as is approved by a majority

vote of the electorate. State law also limits the maximum rates that may be levied by each type of governmental unit. The general fund levy of a sanitary and improvement district in existence for more than five years is limited to a maximum of 40¢ per \$100 of taxable valuation (districts in existence less than five years are not subject to any maximum general fund levy until they reach their fifth anniversary). The levy limit does not apply to tax levies for bonded indebtedness, such as the Bonds, approved according to law and secured by a levy on property. Taxable value of motor vehicles no longer constitutes a portion of the ad valorem tax base of sanitary and improvement districts and districts do not receive motor vehicle taxes. Special assessments are not property taxes subject to the levy limitation. State law permits a political subdivision to exceed its levy limitation for a period of up to five years by majority vote of the electorate.

There can be no assurance that Nebraska's system of assessing and taxing real property will remain substantially unchanged. Such changes could materially and adversely affect the amount of property tax revenues the District could collect in future years. The District does not believe that the Nebraska Legislature, subject to constitutional restrictions, if any, would leave the District without adequate taxing resources to pay for its programs and meet its financial obligations, including the repayment of its warrants, bonds and other obligations.

Special Assessments

The District has no special assessments outstanding and has no present plans to levy additional special assessments. The following discussion, accordingly, is not applicable to the District's current circumstances and is provided for information only. Under the Act, a portion of the costs of the work for which the District issues construction fund warrants is assessed against the benefited properties. After the Board of Trustees of the District levies such assessments, the Sarpy County Treasurer collects them on behalf of the District. Special assessments relating to the District's improvements constitute a lien in favor of the District on the assessed property, but do not constitute a personal or corporate indebtedness of the owners of property within the District. Special assessments, as levied by the District, are payable at the time of sale of the benefitted property or in annual installments during a period of not more than 10 years. The lien of the District is inferior only to the general taxes levied by the State and its political subdivisions, including the District. If an annual installment of assessments is not paid by the property owner when due, the installment becomes delinquent. Interest accrues on nondelinquent installments at the interest rate per annum of the greater of (a) the rate of interest accruing on the construction fund warrants registered against the District 60 days prior to the actual levy of the special assessments or (b) the average rate of interest accruing on the District's construction fund warrants issued to pay for the improvements for which the special assessments are to be levied adjusted to the next greater ½%. Delinquent installments bear interest at the rate of 2% per annum above the rate set by the District on such installments before delinquency, subject to a 14% per annum ceiling (subject to adjustment from time to time by the Legislature). If three or more installments become delinquent, the Board of Trustees of the District may declare all remaining installments due and payable and increase to 14% per annum (subject to adjustment from time to time by the Legislature) the interest rate on all installments.

Remedies for Delinquencies

Tax Certificate Sale and Tax Deed. Nebraska law provides two statutory schemes for clearing the tax liens of delinquent special assessment installments and ad valorem taxes. Both processes require several years to reach conclusion. The first method is the sale of tax certificates by the county in which the property in question is located. County treasurers are empowered to sell tax certificates for real estate on which taxes or assessments have not been paid as provided by law for an amount equal to all of the taxes and, if so requested by the levying district, special assessments. The county treasurer conducts tax certificate sales in March following three weekly notice publications in general circulation

newspapers in the county. For the tax certificate sale to occur, the county treasurer must receive a sale price at least equal to the sum of the delinquent assessments, delinquent ad valorem taxes, if any, and certain statutory expenses. If a tax certificate is sold, the liens of the special assessments and any other taxes are transferred to the purchaser, and the county treasurer will distribute to the district that portion of sale price attributable to the delinquent special assessment installments and the district's share of unpaid ad valorem taxes. Subject to the priority of outstanding bonds, the district then may retire warrants in full in the order registered to the extent of the amount of the proceeds of the tax certificate sale. The owner of the property will have three years from the tax certificate sale date to redeem the tax certificates, after which time the purchaser of the tax certificates, if not so redeemed, may obtain a tax deed pursuant to Section 77-1837, Reissue Revised Statutes of Nebraska, as amended, or foreclose on the tax lien via a sheriff's sale as discussed below. If the purchaser exercises its right to acquire a tax deed, the district's lien for special assessments, if not so included in the tax certificate sale, will be extinguished. In order to obtain a tax deed or a sheriff's deed, the tax certificate holder must act under either method within nine months of the end of the three-year redemption period. If a tax certificate is not sold, the owner retains the property, but interest still will accrue as aforesaid. The county treasurer conducts the tax certificate sale and maintains the records.

Foreclosure Proceedings and Sheriff's Deed. The second statutory method for clearing liens of taxes or assessments is foreclosure against the property in question. Either the sanitary and improvement district or the county may exercise the right to foreclose; however, a district may only foreclose its tax lien in the case of delinquent special assessments.

Additionally, as mentioned above, the purchaser of a tax certificate may also obtain a sheriff's deed via the foreclosure proceedings. Upon exercising the remedy of foreclosure pursuant to its tax certificate lien, the county court may immediately confirm the sale and issue a sheriff's deed to the tax certificate purchaser.

The district's board of trustees may initiate foreclosure proceedings once special assessment installments are delinquent for three years running and may bid its tax lien in the amount of delinquent special assessments at the sheriff sale. The district will take the property if there are no other adequate bids and may resell the property, in which event the proceeds of the resale must be divided among the affected taxing jurisdictions, including the district, in proportion to their respective liens. However, the district is not entitled to any surplus unless the county treasurer has first offered the special assessments for sale via the tax certificate sale process describe above.

Alternatively, the county may foreclose the lien of delinquent taxes or special assessments against property within a district. If taxes or assessments are delinquent for three years or more, the county must foreclose in order to recapture anticipated proceeds from property taxes and special assessments. If the special assessments are not requested by a district to be included in the tax foreclosure proceeding and the county treasurer has not previously offered the delinquent special assessments for sale, then the district's special assessment lien will survive the foreclosure sale.

Confirmation of the sale of foreclosed property pursuant to a sheriff's sale is not available until the passage of a two-year redemption period (during which time the delinquent property owner may satisfy the delinquency and remove the outstanding lien of taxes or special assessments), running from the sale date. Thus, the winning bidder must wait two years before receiving clear title. However, the purchaser of a tax certificate may foreclose its lien at the conclusion of the three year redemption period specifically associated with the tax certificate sale and will not be subject to an additional two year redemption period. Under the foreclosure proceedings, there is no requirement that the auction price equal or exceed the special assessments and ad valorem taxes then owing; the recovery, if any, can be insufficient to make bondholders whole.

DEBT SERVICE REQUIREMENTS

The annual debt service requirements on the Bonds and the Parity Bonds are shown below.

For Year Ending December 31	Debt Service on Parity Bonds	Principal	October 15 Interest	April 15 Interest	Total
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
TOTAL					

SELECTED FINANCIAL INFORMATION

CALLED BONDS AS OF 10/15/2014

SERIES 2009 TO BE REFUNDED	950,000.00	
INTEREST TO CALL DATE (10/15/2014)	3,514.38	

TOTAL REFUNDING PROCEEDS REQUIRED

953,514.38

BOND ISSUE SERIES 2014

REFUNDED BOND PRINCIPAL & INTEREST TO CALL DATE	953,514.38	
PLUS: UNDERWRITER'S DISCOUNT (2%)	19,000.00	
PLUS: COST OF ISSUANCE	28,750.00	
LESS: CASH FROM THE BOND FUND	51,264.38	

SERIES 2014 BOND ISSUE

950,000.00

BOND FUND AS OF 7/31/2014

CASH	381,407.45	
INVESTMENTS	0.00	

TOTAL CASH & INVESTMENTS

381,407.45

USE OF BOND FUND CASH

LESS: CASH FROM THE BOND FUND ON 10/15/2014	51,264.38	
PRIOR BONDS P & I PAYMENT ON 9/15/2014	41,386.25	
BOND FUND CASH USED FOR PROFESSIONAL FEES ON 10/15/2015	9,175.00	

BOND FUND BALANCE UPON ISSUANCE OF 2014 BONDS

279,581.82

PROFESSIONAL FEES (ESTIMATE): PAID WITH BOND FUND CASH

BOND COUNSEL	3,800.00	
DISCLOSURE FEE	3,000.00	
SID ATTORNEY	2,375.00	

TOTAL PROFESSIONAL FEES

9,175.00

UNCOLLECTED SPECIAL ASSESSMENTS as of 6/30/2014

0.00

REMAINING DEBT (estimated as of 10/15/2014)

WARRANT BALANCE	0.00	
BOND BALANCE	3,285,000.00	

TOTAL DEBT

3,285,000.00

APPENDIX B

**SANITARY AND IMPROVEMENT DISTRICT NO. 250
OF SARPY COUNTY, NEBRASKA—OPERATING DATA & ANNUAL AUDIT**

Part One

Selected District Financial Information

STATEMENT OF DEBT AND DEBT RATIOS

Direct Debt

Construction Fund Warrants	\$ -
General Obligation Refunding Bonds Series 2012	\$ 2,335,000
General Obligation Refunding Bonds Series 2014	\$ 950,000
Total Direct Debt	\$ 3,285,000

District Assets

Bond Fund Cash (Upon the Issuance of the Bonds)	\$ 279,582
Uncollected Special Assessments	\$ -
Net District Assets	\$ 279,582

Net Direct Debt (Direct Debt, less Bond Fund Cash and Uncollected Special Assessments): \$ 3,005,418

Overlapping General Obligation Debt

Gretna Public School District	\$ 1,448,936
Sarpy County	\$ 32,911
Gretna Rural Fire	\$ 63,657
Total Overlapping General Obligation Debt	\$ 1,545,504

Total Direct & Overlapping General Obligation Debt \$ 4,830,504

Total Net Direct & Overlapping General Obligation Debt \$ 4,550,922

Ratios of Debt to Taxable Valuations

2013 Taxable Valuation	\$ 29,186,636
2014 Taxable Valuation	\$ 29,891,550

Ratio of Direct Debt to 2013 Taxable Valuation 11.26%

Ratio of Direct Debt to 2014 Taxable Valuation 10.99%

Ratio of Direct Debt and Overlapping Debt to 2013 Taxable Valuation 16.55%

Ratio of Direct Debt and Overlapping Debt to 2014 Taxable Valuation 16.16%

Ratio of Net Direct Debt to 2013 Taxable Valuation 10.30%

Ratio of Net Direct Debt to 2014 Taxable Valuation 10.05%

Ratio of Net Direct Debt & Overlapping Debt to 2013 Valuation 15.59%

Ratio of Net Direct Debt & Overlapping Debt to 2014 Valuation 15.22%

Source: Sarpy County Treasurer; Sarpy County Assessor & Nebraska State Auditor Website

OVERLAPPING DEBT

	2013 Taxable Valuation	Outstanding Bonds as of 12/31/13	Outstanding Bonds Applicable to SID No. 250
Gretna Public School District	\$1,461,108,209	\$72,535,000	\$1,448,936
Sarpy County	\$11,599,879,360	\$13,080,000	32,911
Gretna Rural Fire	\$1,315,887,610	\$2,870,000	63,657
Total			\$1,545,504

Source: Sarpy County Assessor & Nebraska State Auditor Website

TOTAL PROPERTY TAX LEVIES
Sanitary and Improvement District No. 250
Of Sarpy County, Nebraska
(Levy rates are dollars per \$100 of actual valuation)

	<u>2013/2014</u>	<u>2012/2013</u>	<u>2011/2012</u>
SID No. 250 Tax Levy			
Bond Fund	0.60000	0.60000	0.60000
General Fund	0.35000	0.35000	0.35000
Total	0.95000	0.95000	0.95000
Other Taxing Entities			
Sarpy County	0.29990	0.29990	0.29990
Ag. Society	0.00210	0.00136	0.00134
Metro Community College	0.09500	0.08500	0.08500
Papio/Missouri NRD	0.03275	0.03275	0.03275
City / County Building	0.00000	0.00000	0.00000
ESU No. 3	0.01500	0.01606	0.01609
Learning Community	0.96000	0.96000	0.96000
Gretna Rural Fire	0.04279	0.04308	0.04448
Gretna School District	0.41485	0.44014	0.38816
Total Levy SID No. 250	2.81240	2.82829	2.77772

Source: Sarpy County Clerk

PROPERTY TAX COLLECTIONS
Sanitary and Improvement District No. 250
of Sarpy County, Nebraska
(as of June 30, 2014)

<u>Year</u>	<u>Due *</u>	<u>Levied</u>	<u>Collected</u>	<u>Percent Collected</u>
2013/2014	12/31/2013	\$277,273	\$146,009	52.66%
2012/2013	12/31/2012	\$268,830	\$266,964	99.31%
2011/2012	12/31/2011	\$267,340	\$267,340	100.00%

* Taxes are due on December 31 of the year levied, but may be paid in two equal installments due April 1 and August 1 of the following year. The taxes for the 2013/2014 year, accordingly, were due on December 31, 2013, but the first installment of such taxes did not become delinquent until April 1, 2014 and the second installment did not become delinquent until August 1, 2014.

Source: Sarpy County Treasurer

MAJOR TAXPAYERS

No property owner in the District owns more than 4% of the District's 2014 Taxable Valuation of \$29,891,550.

Source: Sarpy County Assessor

Part Two

Independent Auditor's Report and Combined Financial Statements

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

SANITARY AND IMPROVEMENT DISTRICT NO. 250
SARPY COUNTY, NEBRASKA

YEAR ENDED JUNE 30, 2013

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

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ALDEN B. AWERKAMP

J. DOUGLAS GOODNIGHT
(1936 - 2006)

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Sanitary and Improvement District No. 250
Sarpy County, Nebraska

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Sanitary and Improvement District No. 250 of Sarpy County, Nebraska (a political subdivision) as of and for the year ended June 30, 2013, 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.

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. 250 of Sarpy County, Nebraska as of June 30, 2013, 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 18 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sanitary and Improvement District No. 250 of Sarpy County, Nebraska's basic financial statements. The other supplementary information on page 19 and 20 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 November 18, 2013, on our consideration of the Sanitary and Improvement District No. 250 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. 250 of Sarpy County, Nebraska's internal control over financial reporting and compliance.

Auerkamp, Goodnight, Schwaller & Nelson, P.C.

Omaha, Nebraska
November 18, 2013

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2013

	<u>Primary Government</u> <u>Governmental Activities</u>
ASSETS:	
Cash on deposit - County Treasurer	\$ 309,611
Taxes receivable (notes B and H)	108,554
Bond issue costs, net of amortization	172,496
Capital assets (note D):	
Infrastructure	3,879,219
Less accumulated depreciation	<u>(905,752)</u>
Total assets	<u>3,564,128</u>
LIABILITIES:	
Accounts payable	11,292
Accrued interest on warrants	610
Accrued interest on bonds	22,922
Payable to other SID	3,360
Noncurrent liabilities (notes E and F):	
Due within more than one year	20,000
Due in more than one year	<u>3,334,702</u>
Total liabilities	<u>3,392,886</u>
COMMITMENTS AND CONTINGENCIES (notes G and I)	-
NET POSITION:	
Invested in capital assets, net of related debt	(179,037)
Restricted for debt service	339,300
Unrestricted	<u>10,979</u>
Total net position	<u>\$ 171,242</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Changes In Net Position Governmental Activities</u>
Governmental activities			
General	\$ 42,085	\$ -	\$ (42,085)
Debt service	20,953	-	(20,953)
Depreciation	115,283	-	(115,283)
Interest on long-term debt	<u>129,296</u>	<u>-</u>	<u>(129,296)</u>
Total government	<u>\$307,617</u>	<u>\$ -</u>	<u>(307,617)</u>

General revenues:	
Property taxes	266,474
Interest on taxes	43
State motor vehicle tax allocation	496
Homestead exemption	1,814
Interest on investments	<u>130</u>
Total general revenues	<u>268,957</u>
Change in net position	(38,660)
Net position at beginning of year	<u>209,902</u>
Net position at end of year	<u>\$ 171,242</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2013

ASSETS

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS:			
Cash on deposit - County Treasurer	\$ 9,340	\$300,271	\$309,611
Taxes receivable (notes B and H)	<u>39,993</u>	<u>68,561</u>	<u>108,554</u>
Total assets	<u>\$49,333</u>	<u>\$368,832</u>	<u>\$418,165</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:			
Accounts payable	\$ 8,042	\$ 3,250	\$ 11,292
Warrants payable (note E)	29,702	-	29,702
Accrued interest on registered warrants	610	-	610
Due to another Sanitary & Improvement Districts	<u>-</u>	<u>3,360</u>	<u>3,360</u>
Total liabilities	<u>38,354</u>	<u>6,610</u>	<u>44,964</u>
COMMITMENTS AND CONTINGENCIES (notes G and I)	-	-	-
Fund balance :			
Restricted for debt service	-	362,222	362,222
Unassigned	<u>10,979</u>	<u>-</u>	<u>10,979</u>
Total fund balance	<u>10,979</u>	<u>362,222</u>	<u>373,201</u>
Total liabilities and fund balance	<u>\$49,333</u>	<u>\$368,832</u>	<u>\$418,165</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

June 30, 2013

Total fund balance - total governmental funds \$ 373,201

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 therefore are not reported in the governmental funds balance sheet. 2,973,467
- 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. (22,922)
- Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. Includes Internal Service Fund's non-current liabilities:
 - Due within one year \$ (20,000)
 - Due in more than one year (3,305,000) (3,325,000)
- Bond issue costs are not current financial resources and therefore are not reported in the governmental funds balance sheet. 172,496

Net Position of Governmental Activities \$ 171,242

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

Year Ended June 30, 2013

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES:			
Taxes assessed (note B)	\$ 98,172	\$168,302	\$266,474
Interest on taxes	16	27	43
State motor vehicle tax allocation	183	313	496
Homestead Exemption	668	1,146	1,814
Interest on investments	<u>-</u>	<u>130</u>	<u>130</u>
Total revenues	<u>99,039</u>	<u>169,918</u>	<u>268,957</u>
EXPENDITURES:			
Legal and accounting	13,512	-	13,512
Collection fees - County Treasurer	1,965	3,368	5,333
Electric service	16,917	-	16,917
Engineering fees	1,674	-	1,674
Interest on registered warrants	3,630	-	3,630
Maintenance and repairs	2,638	-	2,638
Registered agent fees	2,027	1,750	3,777
Financial Advisor fees	-	1,500	1,500
Trustee bond and insurance	3,352	-	3,352
Debt service:			
Interest charges	<u>-</u>	<u>125,873</u>	<u>125,873</u>
Total expenditures	<u>45,715</u>	<u>132,491</u>	<u>178,206</u>
EXCESS OF REVENUES OVER EXPENDITURES	53,324	37,427	90,751
OTHER FINANCING SOURCES (USES):			
Payment of long-term debt	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	53,324	17,427	70,751
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>(42,345)</u>	<u>344,795</u>	<u>302,450</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,979</u>	<u>\$362,222</u>	<u>\$373,201</u>

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
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, 2013

Net change in fund balance - total governmental funds \$ 70,751

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 governmental funds. (115,283)
- 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. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 20,000
- Accrued interest expense on long-term debt 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, accrued interest expense is not reported as an expenditure in governmental funds. 207
- Amortization of bond issue costs is recorded in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, amortization of bond issue costs is not reported as an expenditure in governmental funds. (14,335)

Change in Net Position of Governmental Activities \$ (38,660)

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sanitary and Improvement District No. 250 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, as promulgated by the American Institute of Certified Public Accountants' Industry Audit Guide, Audits of State and Local Government Units, and have been consistently applied in the preparation of the financial statements.

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 generally accepted accounting principles 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. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation

For the fiscal year ended June 30, 2013, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources and Net Position. GASB Statement No. 63 establishes accounting and financial reporting standards for deferred outflows of resources or deferred inflows of resources and net position together with related disclosures. At June 30, 2013, the District did not have any deferred outflows of resources or deferred inflows of resources, as defined by GASB Statement No. 63. However, see Note K for a description of the District's net position, as required by GASB Statement No. 63.

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:

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements - Continued

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. The fund balance of the General Fund is unassigned and is expended first for all expenditures except for debt service payments and capital expenditures from the Debt Service Fund.

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 assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus/Basis of Accounting - Continued

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 period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end. A one-year availability period 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.

Investments

Investments are carried at cost, which approximates market, and any premium or discount on investments are amortized on the straight-line method from date of purchase to date of maturity. These deposits were covered with sufficient assets pledged to the Douglas County by the financial institutions at June 30, 2013.

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 24 to 40 years.

Bond Issue Costs

Bond issue costs are being amortized on the straight-line method over the life of the bond issue.

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:

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budget and Budgetary Accounting - Continued

- (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, 2013.
- (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, 2013 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)	\$ 4,610	\$ 662
Adjustments:		
To adjust revenues for receivables	(2,508)	(4,302)
To adjust expenditures for payables and accruals	5,257	(2,250)
To adjust for variance in recognition of items for other financing sources (uses)	<u>45,965</u>	<u>23,317</u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$53,324</u>	<u>\$17,427</u>

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Position

Net position represents the difference between assets and liabilities. 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 are 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.

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.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE B - PROPERTY TAXES

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.

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. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

The District levied taxes for 2012-2013 at the rate of \$0.95000 per \$100 on property valuation of \$28,297,069.

NOTE C - INVESTMENTS

Custodial Credit Risk

The District is allowed to invest funds as permitted by Nebraska Statute 77-2341, R.R.S., 1990, and generally include U.S. government obligations, certificates of deposit and time deposits. During the year ended June 30, 2013, the District invested in U.S. treasury bills.

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

Interest Rate Risk

The District invests in U.S. Treasury bills with maturity of less than one year to limit its exposure to fair-value losses arising from rising interest rates. These securities are classified as Level 1 value of hierarchy as indicated in ASC 820-10.

The District had no investments at June 30, 2013.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE D - CAPITAL ASSETS

At June 30, 2013, capital assets consist of the following:

	Balance <u>July 1, 2012</u>	Additions (Deletions)	Balance <u>June 30, 2013</u>
Concrete paving storm and sanitary sewer	\$2,512,518	\$ -	\$2,512,518
Exterior street improvement	139,338	-	139,338
Capital facilities charge	119,519	-	119,519
Water	452,102	-	452,102
Electrical distribution	187,416	-	187,416
Park contribution	100,018	-	100,018
Sewer connection fee	<u>368,308</u>	<u>-</u>	<u>368,308</u>
	3,879,219	-	3,879,219
Accumulated depreciation	<u>(790,469)</u>	<u>(115,283)</u>	<u>(905,752)</u>
	<u>\$3,088,750</u>	<u>\$ (115,283)</u>	<u>\$2,973,467</u>

Depreciation for the year ended June 30, 2013 was \$115,283.

NOTE E - REGISTERED WARRANTS

At June 30, 2013, the District has registered warrants outstanding for operating expenses. The warrants bear interest at 7.0%. General fund warrants are due three years from date of issuance.

Aggregate maturities of registered warrants are as follows:

	<u>General Fund</u>
2014	\$ -
2015	-
2016	<u>29,702</u>
	<u>\$29,702</u>

NOTE F - GENERAL OBLIGATION BONDS PAYABLE

On October 7, 2009, the District issued \$1,050,000 in general obligation bonds with interest rates ranging from 2.00% to 4.50% to redeem construction warrants. Bonds maturing on or after September 15, 2015, are subject to redemption in whole or in part at any time on or after September 15, 2014, at par and accrued interest, to the date set for redemption, with no redemption premium.

On May 15, 2012, the District issued \$2,335,000 in general obligation refunding bonds with interest rates from 1.65% to 4.35% to refund the 2007 bond issue. The bonds mature serially through 2032. Bonds maturing on or after May 15, 2018 are subject to redemption in whole or in part, any time after May 15, 2017 at par and accrue interest to the date set for redemption, with no redemption premium.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE F - GENERAL OBLIGATION BONDS PAYABLE - CONTINUED

A summary of changes in bonds payable is as follows:

Balance July 1, 2012	\$3,345,000
Bonds paid	<u>(20,000)</u>
Balance June 30, 2013	<u>\$3,325,000</u>

Aggregates maturities of bond principal and interest as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 20,000	\$ 125,358	\$ 145,358
2015	120,000	124,453	244,453
2016	120,000	122,838	242,838
2017	120,000	119,848	239,848
2018	130,000	116,828	246,828
2019-2023	1,465,000	395,701	1,860,701
2024-2028	685,000	227,330	912,330
2029-2031	<u>665,000</u>	<u>72,913</u>	<u>737,913</u>
	<u>\$3,325,000</u>	<u>\$1,305,269</u>	<u>\$4,630,269</u>

NOTE G - COMMITMENTS

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 2014 is estimated to be approximately \$25,000.

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. 250
Sarpy County, Nebraska

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE J - SUBSEQUENT EVENTS

Management evaluated transactions and events occurring subsequent to June 30, 2013 and through November 18, 2013 (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.

NOTE K - PENDING GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT

GASB Statement No 65, Items Previously Reported as Assets and Liabilities, was issued in April 2012 and will be effective for the financial statements of the District for the year ending June 30, 2014. This statement provides further guidance on the accounting and reporting of deferred outflows of resources, deferred inflows of resources and certain items previously reported as assets and liabilities. More specifically, the adoption of this statement by the District in fiscal 2014 will result in (1) the write off of bond issue costs of \$172,496 at June 30, 2013 on the government-wide statement of net position with a corresponding decrease in net position.

SUPPLEMENTARY INFORMATION

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

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

For the year ended June 30, 2013

	GENERAL FUND (NON GAAP)		
	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes collected	\$ 94,412	\$100,680	\$ 6,268
Interest on taxes	-	16	16
State motor vehicle tax allocation	200	183	(17)
Homestead exemption	-	668	668
Interest on investments	-	-	-
Total revenues	<u>94,612</u>	<u>101,547</u>	<u>6,935</u>
EXPENDITURES:			
Accounting and auditing	7,000	7,012	(12)
Collection fees - County Treasurer	1,851	1,965	(114)
Electric service	18,000	16,917	1,083
Engineering fees	15,000	2,367	12,633
Interest on registered warrants	5,000	7,204	(2,204)
Legal fees	7,500	6,500	1,000
Maintenance and repairs	20,000	3,008	16,992
Registered agent fees	2,500	2,527	(27)
Trustee bonds and insurance	3,500	3,472	28
Bond interest	-	-	-
Total expenditures	<u>80,351</u>	<u>50,972</u>	<u>29,379</u>
Excess (deficiency) of revenues over expenditures	14,261	50,575	36,314
OTHER FINANCING SOURCES (USES):			
Proceeds from warrants issued	73,500	41,803	(31,697)
Payment of registered warrants	(90,000)	(87,768)	2,232
Payment of long term debt	-	-	-
Payment of bond issue costs	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>\$ (2,239)</u>	4,610	<u>\$ 6,849</u>
FUND BALANCE, BEGINNING OF YEAR		<u>4,730</u>	
FUND BALANCE, END OF YEAR		<u>\$ 9,340</u>	

DEBT SERVICE FUND
(NON GAAP)

Original And Final Budget	Actual	Variance Favorable (Unfavorable)
\$161,856	\$172,604	\$ 10,748
100	27	(73)
400	313	(87)
-	1,146	1,146
-	130	130
<u>162,356</u>	<u>174,220</u>	<u>11,864</u>
-	-	-
4,174	3,368	806
-	-	-
-	-	-
-	-	-
-	-	-
3,000	1,000	2,000
-	-	-
<u>125,873</u>	<u>125,873</u>	<u>-</u>
<u>133,047</u>	<u>130,241</u>	<u>2,806</u>
29,309	43,979	14,670
25,000	-	(25,000)
(25,000)	-	25,000
(20,000)	(20,000)	-
<u>(22,000)</u>	<u>(23,317)</u>	<u>(1,317)</u>
<u>\$(12,691)</u>	662	<u>\$ 13,353</u>
	<u>299,609</u>	
	<u>\$300,271</u>	

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

INFORMATION REQUIRED BY SECTION 31-740,
REISSUED REVISED STATUTE OF NEBRASKA, 2008

For the year ended June 30, 2013

Gross revenues from all sources	<u>\$268,957</u>
Gross revenues from all sources from previous year	<u>\$268,786</u>
Amount spent for sewage disposal	<u>\$ -</u>
Amount expended on water mains	<u>\$ -</u>
Gross amount of sewage processed	<u>\$ -</u>
Cost per thousand gallons of processing sewage	<u>\$ -</u>
Amount expended for:	
Maintenance and repairs	<u>\$ 2,638</u>
New equipment	<u>\$ -</u>
New construction work (incl. water mains)	<u>\$ -</u>
Property purchased	<u>\$ -</u>
Number of employees	<u>-</u>
Salaries and fees paid employees	<u>\$ -</u>
Total amount of taxes levied upon the property within the District	<u>\$268,830</u>

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

TRUSTEE AND RELATED BONDS

June 30, 2013

Trustees		Bonds	
<u>Name</u>	<u>Office</u>	<u>Insurer</u>	<u>Amount</u>
Jose Santoz	Chairman	Universal Surety Company	\$ 5,000
Vance Brantow	Clerk	Universal Surety Company	\$20,000
Tera Petrigash	Trustee		

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

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ALDEN B. AWERKAMP

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 Directors
Sanitary and Improvement District No. 250
of Douglas County, Nebraska

We have audited the financial statements of Sanitary and Improvement District No. 250 of Douglas County, Nebraska as of and for the year ended June 30, 2013, and have issued our report thereon dated November 18, 2013. 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. 250'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. 250's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sanitary and Improvement District No. 250'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. 250'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. 250's financial statements that is more than consequential will not be prevented or detected by the Sanitary and Improvement District No. 250'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. 250'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 none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanitary and Improvement District No. 250'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 instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Finding #1

- The District has three members on the board of trustees, instead of the required five.

Response

- The District is attempting to find residents that are willing to serve.

Sanitary and Improvement District No. 250's response to the finding identified in our audit is described above. We did not audit Sanitary and Improvement District No. 250'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 and the Nebraska Auditor of Public Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

Auerkamp, Goodnight, Schwaller & Nelson, P.C.

Omaha, Nebraska
November 18, 2013

APPENDIX C

SARPY COUNTY, NEBRASKA INFORMATION

The following information about Sarpy County, Nebraska is included because the District is located within the County. *The Bonds are not a debt of, nor are they payable by, Sarpy County.*

GENERAL DESCRIPTION OF THE COUNTY

The County encompasses approximately 249 square miles, or 159,360 acres in area, and is located on the eastern border of Nebraska. Sarpy County is surrounded by Douglas County on the north, Saunders County on the west, Cass County on the south, and borders with the State of Iowa on the east. The Missouri River separates Iowa and Nebraska on Sarpy County's eastern edge. Papillion, the county seat of Sarpy County, is located ten miles from Omaha, Nebraska, and 45 miles from Lincoln, Nebraska. The current population of the County is estimated at 165,853.

Sarpy County, unlike most of Nebraska, does not have an agriculturally oriented economy. Offutt Air Force Base is located in the County, making the U.S. military the County's largest employer. Offutt is the headquarters for the Strategic Command ("STRATCOM").

The major highways serving Sarpy County include Interstate I-80 running from the north-center County line to the southwest corner of the County and connecting Omaha with Lincoln. U.S. Routes 73/75, and 6, and the Kennedy Freeway run north-south along with Nebraska Routes 50 and 85. The major east-west thoroughfare is Nebraska Route 370.

Rail facilities serving the County include the Union Pacific Railroad and the Burlington Northern Santa Fe Railroad. Residents of the County use Omaha's Eppley Field for air transportation.

Source: 2010 US Census

THE ECONOMY

The economy of Sarpy County can be described as follows:

Labor Force. According to the Nebraska Department of Labor, the average monthly civilian labor force in Sarpy County in 2012 was 83,941. According to Offutt Air Force Base, there are 9,980 military and civilian personnel employed on the base in Bellevue.

Source: State of Nebraska, (for civilian labor); Offutt Impact Analysis for 9/30/12 (for military assigned)

Per Capita Personal Income. In 2012, the per capita personal income of Sarpy County residents was \$44,323 which was 98.6% of the Nebraska average per capita income of \$45,012. Sarpy County's 28.2% population under age 18 explains the lower per capita income.

Source: US Census (for population under 17); US Department of Commerce Bureau of Economic Analysis (for per capita personal income by County)

Median Household Income. In 2011 the median income of households in Sarpy County was \$69,018.

Source: US Census

Sales. Net taxable sales (excluding motor vehicles) within the County increased from \$1,118,043,437 in 2011 to \$1,316,902,634 in 2012, representing a 17.79% increase over the prior year.

Source: Nebraska Department of Revenue Research Department

INDEBTEDNESS

The County by law may assess taxes in an amount not to exceed \$0.50 per \$100 of actual valuation without an approving vote of the citizens of the County. The County's total tax levy for fiscal year 2012-2013 is 29.990 cents per \$100 of actual valuation.

LIMITED TAX BUILDING BONDS, SERIES 2007 (Courthouse Addition)

The County issued \$7,000,000 Limited Tax Building Bonds dated February 6, 2007 to finance the construction of a Courthouse Administrative Addition. Refunding bonds were issued on August 18, 2011 in the amount of \$4,165,000, of which \$2,375,000 remain outstanding.

LIMITED TAX BUILDING BONDS, SERIES 2008 (Courthouse Remodel)

The County issued \$5,700,000 Limited Tax Building Bonds dated June 5, 2008 to finance the remodel of the existing Courthouse. Refunding bonds were issued on October 22, 2013 in the amount of \$2,900,000, of which \$2,900,000 remain outstanding.

HIGHWAY ALLOCATION BONDS, SERIES 2009 (96th Street)

The County issued \$6,075,000 in Highway Allocation Bonds dated February 18, 2009 to finance the repayment of the 96th Street Project. This bond issue was paid in full during the 2013FY.

LIMITED TAX BUILDING BONDS, SERIES 2009 (Law Enforcement Center)

The County issued \$7,790,000 Limited Tax Building Bonds dated December 8, 2009 to finance the construction of a Law Enforcement Center, of which \$4,875,000 remain outstanding.

SARPY COUNTY LEASING CORPORATION LEASE RENTAL REVENUE BONDS (OMAHA ROYALS STADIUM PROJECT) (DEBT ISSUED BY SARPY COUNTY LEASING CORPORATION)

The Sarpy County Leasing Corporation issued bonds dated October 15, 2009 in the aggregate principal amount of \$18,985,000 to pay the costs of acquiring, constructing, equipping and furnishing a baseball stadium owned by Sarpy County and leased to Omaha Royals Limited Partnership for use by the Omaha Storm Chasers Baseball Team. The aggregate principal amount consists of the following:

- **Series 2009A** Bonds \$4,195,000 of which \$3,520,000 remain outstanding.
- **Taxable Series 2009B** (Build America Bonds) \$9,290,000 of which \$9,290,000 remain outstanding.
- **Taxable Series 2009C** \$5,500,000 of which \$4,500,000 remain outstanding.

The Sarpy County Leasing Corporation issued bonds dated November 23, 2010 to pay the costs of acquiring, constructing, equipping and furnishing a baseball stadium owned by Sarpy County and leased to Omaha Royals Limited Partnership for use by the Omaha Storm Chasers Baseball Team. The aggregate principal amount consists of the following:

- **Series 2010** (Recovery Zone Facility Bonds) \$8,070,000 of which \$8,070,000 remains outstanding.

Source: Bond Debt Service Schedules

EMPLOYERS

The twenty largest employers located in the County and the nature of their business is as follows:

COMPANY	ADDRESS	PHONE	INDUSTRY
Offutt Air Force Base	205 Looking Glass Ave. #121	402-294-5533	Government
PayPal, Inc.	12312 Port Grace Blvd. LaVista, NE 68128	402-935-2000	Service
Bellevue Public Schools	1600 Hwy 370 Bellevue, NE 68005	402-293-4000	Education
Werner Enterprises	14507 Frontier Road Omaha, NE 68145	402-895-6640	Trucking
Papillion-LaVista Schools	420 South Washington St. Papillion, NE 68046	402-537-6200	Education
Wal-Mart Super Center (Bellevue, Gretna & Papillion)	10504 S. 15 Street Bellevue, NE 68005	402-292-0156	Retail
InfoGroup Compilation Center	1020 East First Street Papillion, NE 68046	402-593-4500	Service
Sarpy County Government	1210 Golden Gate Dr. Papillion, NE 68046	402-593-2346	Gov't
Ehrling Bergquist Clinic	2501 Capehart Road Offutt AFB, NE 68113	402-294-5533	Military Healthcare
Bellevue University	1000 Galvin Road S. Bellevue, NE 68005	402-293-3800	Education
Hillcrest Health Systems	1702 Hillcrest Drive Bellevue, NE 68005	402-682-4800	Healthcare
Northrup Grumman	3200 Sampson Way Bellevue, NE 68005	402-291-8300	Service
Oriental Trading Company	4206 South 108 Street Omaha, NE 68137	402-331-5511	Warehouse/ Distribution
Alegent Health Midlands Hospital	1111 South 84 Street Papillion, NE 68046	402-593-3000	Healthcare
Gretna Public Schools	11717 S. 216 Street Gretna, NE 68028	402-332-3265	Education
Securities America, Inc.	12325 Port Grace Blvd. LaVista, NE 68128	402-339-9111	Financial
Bellevue Medical Center	2500 Bellevue Med Ctr Dr. Bellevue, NE 68123	402-763-3000	Healthcare
TSL Cos.	9902 S. 148 Street Omaha, NE 68138	402-895-6692	Trucking
Super Target Stores (Bellevue & Papillion)	716 N. Washington Street Papillion, NE 68046	402-597-9990	Retail
Streck, Inc.	7002 South 109 Street LaVista, NE 68128	402-333-1982	Manufacturing

Source: Sarpy County Department of Labor Planning & Development, Toby Churchill

20 LARGEST TAXPAYERS

The largest taxpayers located in the County, the actual taxes of their property and the type of their business include the following:

BUSINESS NAME	2012 Taxes*	NATURE OF BUSINESS
Shadow Lake Towne Center LLC	\$2,060,185.00	Retail Business
Clarkson Regional	\$1,604,211.00	Healthcare
JQH LaVista Conference/CY Dev/III Dev	\$1,335,027.00	Conference Center & Hotel
Offutt AFB America	\$1,033,227.00	Base Housing
Walmart Real Estate/Stores	\$945,046.00	Retail Business
Werner Leasing, Inc./Werner Enterprises	\$787,854.00	Lease/Trucking Company
PayPal	\$728,500.00	Commercial Business
Wells Exchange–Maas Rd/Samson Way	\$706,117.00	Foreign LLC
Harrison Hills Apartments	\$696,536.00	Apartments
Edward Rose Development	\$576,995.00	Apartments
Green Pointe LLC	\$540,281.00	Apartments
Cole Mt. Papillion NE LLC	\$525,899.00	Retail Business
Toys NE QRD 15–74 Inc.	\$510,543.00	Distribution
Shopko Properties/Real Estate	\$463,443.00	Distribution
Rock Creek Apartments	\$438,842.00	Apartments
Hillcrest Development	\$430,034.00	Healthcare & Apartments
NS OVLK LLC	\$429,819.00	Apartments
Twin Creek Apartments, LLC	\$422,712.00	Apartments
Nebraska Machinery	\$383,831.00	Retail Business
Bellevue Medical Center	\$344,904.00	Healthcare

*Totals based on names on file.

Source: Sarpy County Treasurer's Office.

SARPY COUNTY BUILDING PERMITS*

<u>Year</u>	<u>Single Family</u>		<u>Multi Family</u>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
2000	258	\$26,190,175	10	\$14,040,000
2001	281	\$28,562,177	0	\$ -
2002	340	\$35,253,309	0	\$ -
2003	467	\$49,115,417	2	\$ 460,880
2004	696	\$71,447,719	0	\$ -
2005	685	\$72,518,595	0	\$ -
2006	689	\$75,054,119	1	\$ 1,080,000
2007	400	\$48,871,958	1	\$ 1,000,000
2008	359	\$58,579,543	1	\$ 1,080,000
2009	216	\$43,714,130	1	\$ 1,617,941
2010	78	\$34,085,230	1	\$ 1,238,465
2011	169	\$36,527,462	0	\$ -
2012	195	\$38,787,474	0	\$ -
2013	318	\$63,519,462	4	\$8,232,185

* Includes only areas outside city zoning jurisdictions.

Commercial/Industrial Permits

<u>Year</u>	<u>Permits</u>	<u>Value</u>
2000	12	\$18,421,674
2001	20	\$15,780,009
2002	18	\$10,553,549
2003	16	\$ 8,074,954
2004	10	\$ 6,265,000
2005	29	\$20,637,828
2006	25	\$15,496,200
2007	20	\$18,089,880
2008	12	\$13,027,139
2009	7	\$ 3,061,475
2010	4	\$ 2,742,806
2011	12	\$ 1,727,142
2012	17	\$ 6,540,526
2013	33	\$3,354,267

Source: Sarpy County Building and Planning Department

LEVIES, COLLECTION AND VALUATIONS

	2010	2011	2012
TAX CERTIFIED BY THE ASSESSOR-			
Including Interest and Publication Fees:			
Real Estate	\$223,669,089	\$228,991,725	\$234,965,835
Personal	6,415,192	5,752,590	6,135,521
Centrally Assessed	<u>1,210,009</u>	<u>1,088,752</u>	<u>1,291,352</u>
	\$231,294,290	\$235,833,067	\$242,392,708
NET TAX COLLECTED BY THE COUNTY TREASURER-			
AS OF JUNE 30, 2013			
Including Interest and Publication Fees:			
Real Estate	\$223,571,720	\$228,867,146	\$130,423,402
Personal	6,360,572	5,721,235	3,985,614
Centrally Assessed	<u>1,207,451</u>	<u>1,088,752</u>	<u>750,017</u>
	\$231,139,743	\$235,677,133	\$135,159,033
TOTAL UNCOLLECTED TAX			
AS OF JUNE 30, 2013:			
Real Estate	\$ 97,369.00	\$124,579.00	\$104,542,433.00
Personal	54,620.00	31,355.00	2,149,907.00
Centrally Assessed	<u>2,558.00</u>	<u>-</u>	<u>541,335.00</u>
	\$154,547.00	\$155,934.00	\$107,233,675.00
PERCENTAGE	<u>0.07%</u>	<u>0.07%</u>	<u>44.24%</u>

Source: Sarpy County Unaudited Financial Statements

Actual Value of Taxable Property

Tax Year	Actual Valuation	Percentage of Increase
2000	\$5,073,481,790.00	--
2001	\$5,693,368,879.00	12.22%
2002	\$6,211,567,033.00	9.10%
2003	\$6,693,775,606.00	7.76%
2004	\$7,262,349,503.00	8.49%
2005	\$8,105,260,699.00	11.61%
2006	\$9,053,018,756.00	11.69%
2007	\$9,969,144,239.00	10.12%
2008	\$10,716,813,121.00	7.50%
2009	\$10,977,324,419.00	2.43%
2010	\$11,076,469,531.00	0.90%
2011	\$11,197,886,358.00	1.10%
2012	\$11,451,696,861.00	2.30%
2013	\$11,599,879,360.00	1.30%

Source: Sarpy County Assessor

History of County Tax Levies (Cents per \$100 of Assessed Valuation)

Year	Amount
2000	29.008
2001	29.008
2002	29.990
2003	29.990
2004	29.990
2005	29.990
2006	29.990
2007	29.990
2008	29.990
2009	29.990
2010	29.990
2011	29.990
2012	29.990
2013	29.990

Source: Sarpy County

POPULATION

Sarpy County Population (2000-2012)

Year	Population
July 1, 2000 (Census)	122,595
October 24, 2002 (estimate)	125,836
July 2003 (estimate)	132,476
July 2004 (estimate)	135,973
July 2005 (estimate)	139,371
July 2006 (estimate)	142,637
July 2007 (estimate)	146,756
July 2008 (estimate)	150,467
July 2009 (estimate)	153,504
July 2010 (Census)	158,840
July 2011 (estimate)	162,561
July 2012 (estimate)	165,853

Source: U.S. Census