PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 30, 2019

REFUNDING—BOOK ENTRY ONLY **NOT RATED; BANK QUALIFIED**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel also is of the opinion that, under existing laws of the State of Nebraska, interest on the Bonds is exempt from Nebraska state income taxation as long as it is exempt for purposes of the federal income tax. The District has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS" herein.

$4,170,000*
SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA
(Titan Springs)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2019

Dated: November 15, 2019 Due: November 15, as shown below

Sanitary and Improvement District No. 246 of Sarpy County, Nebraska (Titan Springs), 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 semiannually on November 15 and May 15 of each year, commencing May 15, 2020. 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. UMB Bank, NA, West 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 November 15, 2025 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 November 15, 2024 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*

Type	Maturity Date (November 15)	Principal Amount	Interest Rate	Price	Type	Maturity Date (November 15)	Principal Amount	Interest Rate	Price
Serial	2022	$195,000		100%	Serial	2031	$245,000		100%
Serial	2023	210,000		100	Serial	2032	255,000		100
Serial	2024	205,000		100	Serial	2033	265,000		100
Serial	2025	215,000		100	Serial	2034	270,000		100
Serial	2026	215,000		100	Serial	2035	275,000		100
Serial	2027	220,000		100	Serial	2037	100,000		100
Serial	2028	225,000		100	Serial	2038	110,000		100
Serial	2029	240,000		100	Serial	2039	335,000		100
Serial	2030	245,000		100	Serial	2040	345,000		100

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 Kutak Rock 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. Kutak Rock LLP, Disclosure Counsel, will provide certain legal advice to the District regarding this Official Statement. It is expected that the Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about November 15, 2019.

AMERITAS INVESTMENT CORP.

Dated: October 8, 2019

* Preliminary; subject to change.

SANITARY AND IMPROVEMENT DISTRICT
NO. 246
OF SARPY COUNTY, NEBRASKA

BOARD OF TRUSTEES

BOND COUNSEL

Kutak Rock LLP

ATTORNEY FOR DISTRICT

Fullenkamp Jobeun Johnson & Beller LLP

PAYING AGENT AND REGISTRAR

UMB Bank, NA

MUNICIPAL ADVISOR

Kuehl Capital Corporation

ACCOUNTANT

BerganKDV

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

$4,170,000∗
SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA
(TITAN SPRINGS)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2019

INTRODUCTION

This Official Statement has been prepared in connection with the offer for sale of $4,170,000* in aggregate principal amount of General Obligation Refunding Bonds, Series 2019 (the "Bonds") issued by Sanitary and Improvement District No. 246 of Sarpy County, Nebraska (Titan Springs), 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, finance or refinance the capital costs of public improvements and public infrastructure 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 will be dated November 15, 2019, and will bear interest from that date, payable May 15, 2020 and semiannually thereafter on November 15 and May 15 of each year (each an "Interest Payment Date"). The Bonds will mature on November 15 in the years and 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 twelve 30-day months and a 360-day year.

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* 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 October 8, 2019, which Resolution authorized the issuance and sale of the Bonds. The District previously issued its General Obligation and Refunding Bonds, Series 2015, dated January 15, 2015 in the original aggregate principal amount of $4,800,000 (the "2015 Bonds"). The District used the proceeds of the 2015 Bonds to (i) refund and redeem the District's General Obligation Bonds, Series 2009 (the "2009 Bonds"), the proceeds of which the District used to redeem construction fund warrants and (ii) redeem construction fund warrants issued by the District to pay the costs of installing the public improvements in the District.

The 2015 Bonds maturing on or after January 15, 2021 are subject to redemption, in whole or in part, prior to maturity at the option of the District at any time on or after January 15, 2020 at a price equal to the principal amount so called for redemption plus accrued interest to the date set for redemption, with no redemption premium.

The District will use the proceeds of the Bonds, together with funds on deposit in the District's Bond Fund, to fund an escrow to be held by UMB Bank, N.A., as Escrow Agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") by and between the District and the Escrow Agent. The Escrow Agent will apply the proceeds held under the Escrow Agreement to refund on a current refunding basis on January 15, 2020 (the "Redemption Date") $3,865,000 of the outstanding aggregate principal amount of the 2015 Bonds (the "Refunded Bonds"). The District will use Bond Fund cash to pay the principal and interest payment due on the 2020 maturity of the 2015 Bonds on January 15, 2020. This payment will be excluded from the Escrow Agreement. The District's (i) General Obligation Bonds, Series 2016, and (ii) General Obligation Bonds, Series 2018, (collectively, the "Parity Bonds"), which are secured on parity with the Bonds, are outstanding in the aggregate principal amounts of $570,000 and $435,000, respectively.

Registration, Transfer and Payment

The principal of the Bonds is payable upon presentation and surrender thereof at the principal corporate trust office of UMB Bank, NA, West 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 Bond 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

* Preliminary; subject to change.

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.

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.

Transfer of interests by Beneficial Owners, so long as there is a securities depository serving, will be governed by the procedures described under "THE BONDS — Book-Entry-Only System" herein.

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 November 15, 2025 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 November 15, 2024 at the principal amount thereof plus interest to the redemption date, 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. A notice of optional redemption shall describe whether and the conditions under which the call for redemption shall be revoked. 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 District irrevocably pledged its full faith, credit and resources and its taxing power for the prompt payment of the principal of and the interest on the Bonds as the same become due. The District agrees 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 District shall provide the proceeds from the sale of the Bonds (net of Underwriter's discount and other costs of issuance) to the County Treasurer of Sarpy County, Nebraska, acting as the District's ex-officio treasurer, for transfer to the Escrow Agreement to be held by the Escrow Agent. The District will use the net proceeds of the Bonds, together with certain other moneys on deposit in the Bond Fund and available for such purpose, to redeem the Refunded Bonds as set forth below:

Sources:

* Preliminary; subject to change.

Bond Proceeds (net of accrued interest, if any)	$4,170,000.00
Bond Fund Cash	1,341.25
Total	$4,171,341.25
Uses:	
Escrow Deposit to Refund Refunded Bonds	$3,935,436.25
Cost of Issuance (including underwriter's discount)	235,905.00
Total	$4,171,341.25

BONDHOLDERS' RISKS

Adverse Property Sale Conditions

The development and sale of 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 the District. Other factors influencing decisions to buy property in the District would include the overall tax levels, the convenience to local shopping and employment, accessibility to major highways and interstates, the proximity and reputation of schools 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 the District. The ultimate consequence of such adverse conditions may be an inability by the District to pay its debts, including the Bonds.

Challenges to Property Tax System

The levy and collection of ad valorem taxes by taxing jurisdictions in the State of Nebraska has been the object of legislative, judicial and electoral 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 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. No assurance can be given that the District will not elect to issue additional bonds payable from such tax levy 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 discourages sale of property and impedes the ability of the district to provide services to current residents. 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 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 construction fund 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. Such 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 partial or incomplete payments on delinquent installments of taxes. Hillcrest Development Company LLC ("Hillcrest") owns and operates a senior living community in the District. TS Apartments LLC ("TS Apartments") owns and operates a 132-unit apartment complex in the District. Hillcrest and TS Apartments each own a significant percent of the property in the District (38.59% and 14.38%, respectively, of the District's 2019 taxable valuation). This concentration of ownership in Hillcrest and TS Apartments heightens the bankruptcy risk usually associated with debt of sanitary and improvement districts. In addition, this concentration of ownership in both Hillcrest and TS Apartments will not dissipate as both Hillcrest and TS Apartments intend to own their respective properties through the life of the District. See "APPENDIX B — Major Taxpayers"

No Investment Rating

None of the Bonds, Parity Bonds, or any other debt obligation 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

Subject to the provisions of a Dissemination Agent Agreement, by and between the District and UMB Bank, NA, as dissemination agent, the District will provide a Continuing Disclosure Certificate (the "Undertaking") on behalf of the Bondholders and beneficial owners requiring the District to provide annually to the Municipal Securities Rulemaking Board ("MSRB"), in an electronic format accompanied by identifying information as prescribed by the MSRB, (a) financial information about the District which the District customarily prepares and makes publicly available and (b) notices of the listed events specified by the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). See "APPENDIX D—Form of Continuing Disclosure Undertaking."

A failure by the District to comply with the Undertaking will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in equity, including seeking specific performance by court order, to cause the District to comply with its obligations under the Undertaking. Pursuant to the Act, the District must annually file its independently audited financial statements with the Nebraska State Auditor of Public Accounts, where they are available as public records for inspection during normal business hours. See "FINANCIAL STATEMENTS."

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

Kutak Rock LLP, Omaha, Nebraska ("Bond Counsel") will deliver its legal opinion approving the validity of the Bonds to the Underwriter and the District 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. 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, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under the existing laws of the State of Nebraska, interest on the Bonds is exempt from Nebraska state income taxation so long as it is exempt for purposes of the federal income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Nebraska or any other state or jurisdiction.

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

The District has represented that it does not reasonably anticipate issuing greater than $10,000,000 of tax-exempt obligations in the current calendar year (excluding certain private activity and refunding bonds) and that it has designed the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, Bond Counsel is of the opinion that in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80 percent of that portion of such institutions' interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such 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 under this heading "LEGAL MATTERS" 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 on 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 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, including the District.

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 $4,086,600 (principal amount of the Bonds, less an underwriting discount of $83,400), 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 Underwriter is obligated to purchase all of the Bonds if any of such Bonds are purchased. 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, 2018 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, 2018 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. BerganKDV, as independent auditors, audited the financial statements of the District as of June 30, 2018 included in Appendix B of this Official Statement, as stated in their report appearing therein.

MISCELLANEOUS

The Chair 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 hereby duly authorizes the delivery of this Official Statement.

SANITARY AND IMPROVEMENT DISTRICT
NO. 246 OF SARPY COUNTY, NEBRASKA

By /s/____________________________
Chair

APPENDIX A — GENERAL INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

(Titan Springs)

The District

The original developer established Sanitary and Improvement District No. 246 of Sarpy County, Nebraska, (the "District"), commonly known as Titan Springs, on August 19, 2003 in accordance with Section 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (the "Act"). The District, the City of Papillion and the District's developer entered into a Subdivision Agreement pursuant to which the City of Papillion 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 with the exception of a sidewalk/trail within the District and a contribution to a traffic signal. The City of Papillion provides the District with water and sanitary sewer services. Omaha Public Power District and Black Hills Energy provide electric and gas utility services, respectively, to the District and its residents.

District Development

The District lies north of Highway 370, south of Cedardale Road, west of 60th Street and east of 66th Street. The District encompasses approximately 106 acres. Development in the District is progressing in phases. Phase I of the District consists of 62 acres, which includes 136 platted single-family lots, an apartment complex containing 132 units. Hillcrest Development Company LLC ("Hillcrest") owns the 44 acres that comprise Phase II of the District and has developed and constructed a variety of senior living community housing options, including 292 apartment units, 59 cottages/villas and a grand lodge clubhouse.

In Phase I of the District, the apartment complex is complete and built or under construction homes occupy 129 of the 136 platted single-family lots. In Phase II of the District, there are 43 completed cottages/villas, 292 completed apartment units and a completed 32,000-square foot grand lodge that contains offices, meeting spaces and dining areas.

Board of Trustees

A five-member Board of Trustees governs the District. The current members are as follows:

Name	Position
Jon Zellars	Chair
Todd Aerni	Clerk
Mark Roth	Trustee
Bruce Bode-Steinke	Trustee
Jolene Roberts	Trustee

Trustees Jolene Roberts and Todd Aerni are affiliated with Hillcrest. The remaining trustees are resident property owners within the District. Thus, the resident property owners effectively control the decisions relating to District matters, including 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 of 2019.

Financial Information

As of November 15, 2019, the District will have outstanding general obligation bonds in the principal amount of $5,175,000 and no outstanding construction fund warrants.

The District's 2018/2019 Bond Fund tax levy is set at $0.45 and the General Fund tax levy is set at $0.20per $100 of taxable valuation. By the issuance of the Bonds as provided herein, the District will restructure the amount of its annual principal and interest payments, lengthen the maturity schedule for its debt service payments, and take advantage of other economic benefits, including the anticipated reduction of its annual Bond Fund tax levy.

The 2019 taxable valuation of all real property in the District is $88,518,096. Based upon the 2019 taxable valuation, the District projects that the Bond Fund levy necessary to pay the annual principal and interest requirements on the Bonds and the Parity Bonds through maturity will not exceed $0.39 per $100 of taxable valuation. 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 (April 1). The second half tax receipts are not received until the late summer of the following calendar year (August 1), 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 items, 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, principal redemption of 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 municipal advisor, if applicable. 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 taxable 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 of that year. 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, the District assesses against specially benefitted property, a portion of the costs of the work for which the District issues construction fund warrants. 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. The lien of the District is inferior only to the general taxes levied by the State and its political subdivisions, including the District. Special assessments are due without interest 50 days after the date of levy, but if not so paid they shall bear interest thereafter on a per annum basis. Interest accrues on annual 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%. Such assessments shall become delinquent in equal annual installments over such periods of years (not exceeding 20 years and typically 10 years), as the Board of Trustees determines at the time of making the levy. 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 annual installments become delinquent, the Board of Trustees of the District may declare all remaining annual 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 remain and the tax deed will be subject to the lien of special assessments. 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.

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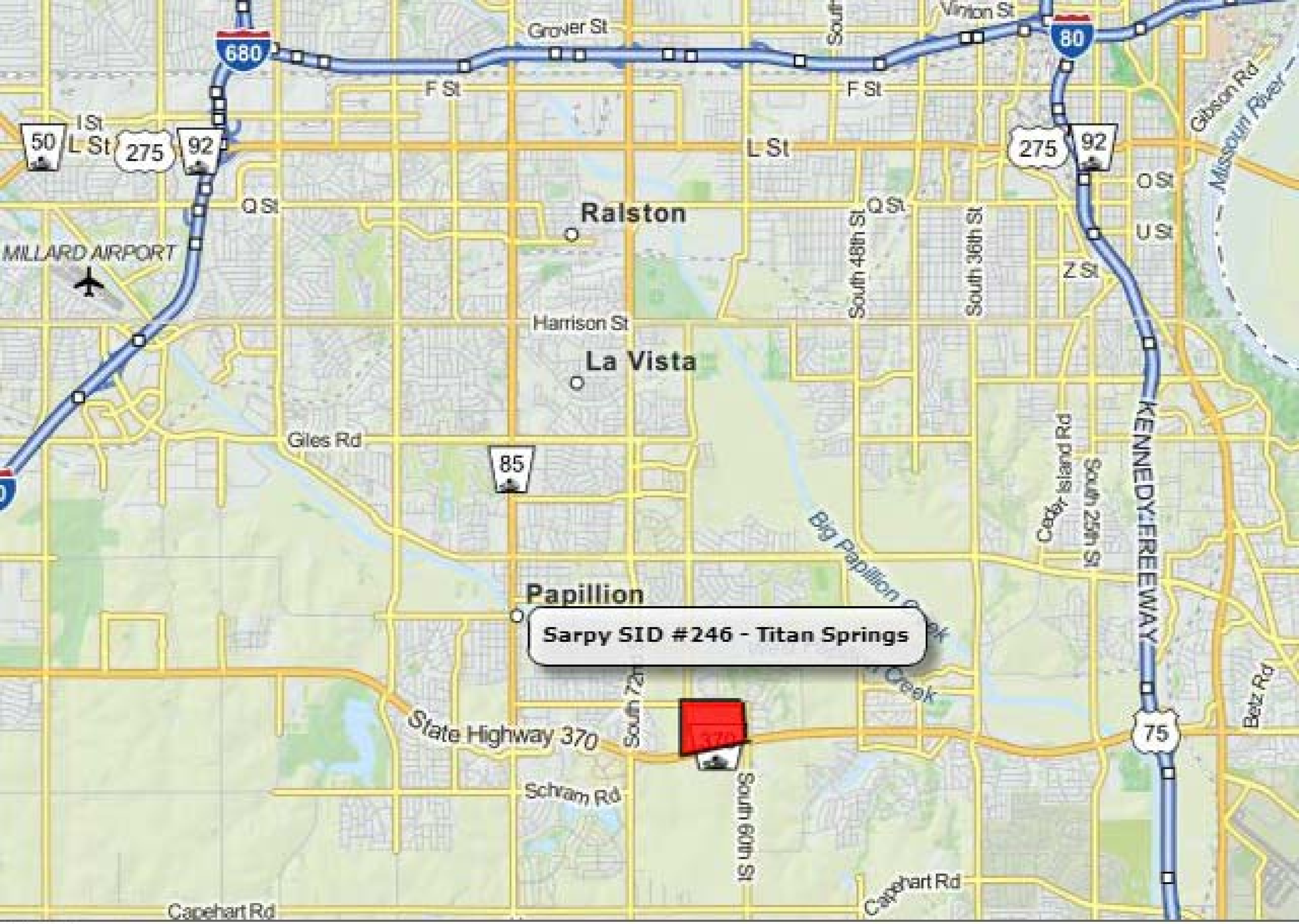
DEBT SERVICE REQUIREMENTS

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 (November 15)	May 15 Interest	November 15 Interest	Total
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
TOTAL					

LOCATION MAP



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SELECTED FINANCIAL INFORMATION

CALLED BONDS AS OF 1/15/2020		
SERIES 2015 BONDS TO BE REFUNDED	3,865,000.00	
INTEREST TO CALL DATE (1/15/2020)	70,436.25	
TOTAL REFUNDING PROCEEDS REQUIRED		3,935,436.25
BOND ISSUE SERIES 2019		
REFUNDED BOND PRINCIPAL & INTEREST TO CALL DATE	3,935,436.25	
PLUS: UNDERWRITER'S DISCOUNT (2.00%)	83,400.00	
PLUS: MUNICIPAL ADVISOR (3.00%)	125,100.00	
PLUS: COST OF ISSUANCE	27,405.00	
LESS: CASH FROM THE BOND FUND	1,341.25	
SERIES 2019 BOND ISSUE		4,170,000.00
BOND FUND AS OF 7/31/2019		
CASH	437,417.63	
INVESTMENTS	0.00	
TOTAL CASH & INVESTMENTS		437,417.63
USE OF BOND FUND CASH		
LESS: CASH FROM THE BOND FUND ON 11/15/2019	1,341.25	
SERIES 2018 BOND P & I PAYMENT ON 10/15/2019	8,726.25	
SERIES 2016 BOND INTEREST PAYMENT ON 11/15/2019	9,387.50	
SERIES 2015 BOND INTEREST PAYMENT ON 1/15/2020	197,388.75	
BOND FUND BALANCE UPON ISSUANCE OF 2019 BONDS		220,573.88
COST OF ISSUANCE PAID WITH BOND PROCEEDS		
BOND COUNSEL	16,680.00	
SID ATTORNEY	10,425.00	
REGISTRAR & PAYING AGENT	300.00	
TOTAL COST OF ISSUANCE		27,405.00
UNCOLLECTED SPECIAL ASSESSMENTS AS OF 6/30/2019		0.00
REMAINING DEBT (estimated as of 11/15/2019)		
WARRANT BALANCE	0.00	
BOND BALANCE	5,175,000.00	
TOTAL DEBT		5,175,000.00

APPENDIX B — FINANCIAL INFORMATION & ANNUAL AUDIT

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA—

Part One

Selected District Financial Information

STATEMENT OF DEBT AND DEBT RATIOS

Direct Debt		
Construction Fund Warrants	$	-
General Obligation Bonds Series 2016		570,000
General Obligation Bonds Series 2018		435,000
General Obligation Refunding Bonds Series 2019		4,170,000
Total Direct Debt	$	5,175,000
District Assets		
Bond Fund Cash (Upon the Issuance of the Bonds)	$	220,574
Uncollected Special Assessments		-
Net District Assets	$	220,574
Net Direct Debt (Direct Debt, less Bond Fund Cash and Uncollected Special Assessments):	$	4,954,426
Overlapping General Obligation Debt		
Papillion Public School District	$	1,521,642
Sarpy County		45,208
Papillion Fire District		-
Total Overlapping General Obligation Debt	$	1,566,850
Total Direct & Overlapping General Obligation Debt	$	6,741,850
Total Net Direct & Overlapping General Obligation Debt	$	6,521,276
Ratios of Debt to Taxable Valuations		
2018 Taxable Valuation	$	81,351,622
2019 Taxable Valuation	$	88,518,096
Ratio of Direct Debt to 2018 Taxable Valuation		6.36%
Ratio of Direct Debt to 2019 Taxable Valuation		5.85%
Ratio of Direct Debt and Overlapping Debt to 2018 Taxable Valuation		8.29%
Ratio of Direct Debt and Overlapping Debt to 2019 Taxable Valuation		7.62%
Ratio of Net Direct Debt to 2018 Taxable Valuation		6.09%
Ratio of Net Direct Debt to 2019 Taxable Valuation		5.60%
Ratio of Net Direct Debt & Overlapping Debt to 2018 Taxable Valuation		8.02%
Ratio of Net Direct Debt & Overlapping Debt to 2019 Taxable Valuation		7.37%

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

OVERLAPPING DEBT

	2018 Taxable Valuation	Outstanding Bonds as of 12/31/18	Outstanding Bonds Applicable to SID No. 246
Papillion Public School District	5,755,297,786	107,650,000	$1,521,642
Sarpy County	15,511,549,423	8,620,000	45,208
Papillion Fire District	2,985,935,512	0	0
Total			**$1,566,850**

Source: Sarpy County Assessor & Nebraska State Auditor Website

TOTAL PROPERTY TAX LEVIES
Sanitary and Improvement District No. 246
Of Sarpy County, Nebraska
(Levy rates are dollars per $100 of actual valuation)

	2018/2019	2017/2018	2016/2017
SID No. 246 Tax Levy			
Bond Fund	0.45000	0.55000	0.60000
General Fund	0.20000	0.30000	0.30000
Total	0.65000	0.85000	0.90000
Other Taxing Entities			
Sarpy County	0.29690	0.29690	0.29690
Ag. Society	0.00274	0.00259	0.00257
Metro Community College	0.09500	0.09500	0.09500
Papio/Missouri NRD	0.03759	0.03780	0.03803
ESU No. 3	0.01500	0.01500	0.01500
Learning Community	0.01625	0.01625	0.96525
Papillion Fire District	0.13571	0.13503	0.14242
Papillion School District	1.30500	1.30581	0.35485
	1.90419	1.90437	1.91002
Total Levy SID No. 246	2.55419	2.75437	2.81002

Source: Sarpy County Clerk

PROPERTY TAX COLLECTIONS
Sanitary and Improvement District No. 246
of Sarpy County, Nebraska
(as of July 31, 2019)

Year	Due *	Levied	Collected	Percent Collected
2018/2019	12/31/2018	$520,486	$0	0.00%
2017/2018	12/31/2017	$518,210	$489,511	94.46%
2016/2017	12/31/2016	$613,549	$562,749	91.72%

* 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 2018/2019 year, accordingly, are due on December 31, 2018, but the first installment of such taxes did not become delinquent until April 1, 2019 and the second installment did not become delinquent until August 1, 2019.

Source: Sarpy County Treasurer

MAJOR TAXPAYERS

Largest District Property Taxpayer(s)	2019 Taxable Valuation	Percent of 2019 Taxable Valuation
Hillcrest Development Company LLC	$34,156,528	38.59%
TS Apartments LLC	$12,732,000	14.38%

Source: Sarpy County Assessor

DISTRICT DEVELOPMENT

District Build Out	Built or Under Construction Development	Platted Lots	Percent Complete
Single Family Lots	129	136	94.85%
Townhome Lots	43	59	72.88%
Multifamily Units	424	424	100.00%
Commercial Lots	2	2	100.00%

Source: Sarpy County Assessor

Part Two of Appendix B

Independent Auditor's Report and Combined Financial Statements fiscal year ending June 30, 2018

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

ANNUAL FINANCIAL STATEMENTS AND
ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2018

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

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December 21, 2018

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Sanitary and Improvement District No. 246
of Sarpy County, Nebraska

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 246 of Sarpy County, Nebraska (the "District"), as of and for the year ended June 30, 2018, 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's 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 from 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of the District, as of June 30, 2018, and the respective changes in cash basis financial position, for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Opinion and Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information included on pages 14 – 22, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information required by Nebraska revised statute 31-740, on page 17, 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 required by Nebraska revised statute 31-740 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budgetary comparison schedules, notes to supplementary information, board of trustees and related bonds, schedule of bonds outstanding, and schedule of capital assets, on pages 14 - 16 and 18 - 22, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the District's internal control over financial reporting and compliance.

Bergan KDV, LLC

BERGANKDV, LLC

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

STATEMENT OF NET POSITION - CASH BASIS

JUNE 30, 2018

ASSETS

	Governmental Activities
Cash with County Treasurer	$ 574,885
TOTAL ASSETS	$ 574,885

NET POSITION

	Governmental Activities
Restricted:	
Debt service	$ 400,165
Unrestricted	174,720
TOTAL NET POSITION	$ 574,885

See Notes to Financial Statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2018

	Net (Disbursements) Receipts and Changes in Net Position	Cash Disbursements
GOVERNMENTAL ACTIVITIES:		
General services	$ (123,343)	$ (123,343)
Principal and interest on indebtedness	(398,182)	(398,182)
Net program (disbursements) receipts	(521,525)	$ (521,525)
GENERAL RECEIPTS:		
Property taxes	567,306	
Intergovernmental	27,293	
Issuance of debt, net	27,174	
Total general receipts	621,773	
Decrease in net position	100,248	
Net position - beginning of year	474,637	
Net position - end of year	$ 574,885	

See Notes to Financial Statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

STATEMENT OF FUND BALANCES AND CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Construction and Debt Service Fund	Total Government Funds
RECEIPTS:			
Property taxes	$ 195,768	$ 371,538	$ 567,306
State motor vehicle tax allocation	510	961	1,471
Personal property tax credit	79	152	231
Intergovernmental	9,014	16,577	25,591
Total receipts	205,371	389,228	594,599
DISBURSEMENTS:			
Audit and budget fees	9,250		9,250
Bond issue cost		22,875	22,875
Collection fees - County Treasurer	3,915	7,431	11,346
Electricity	8,166		8,166
Engineering fees	13,231		13,231
Fiscal fees	9,000		9,000
Insurance and bonds	3,284		3,284
Legal fees	11,460		11,460
Repairs and maintenance - streets	16,537		16,537
Repairs and maintenance - grounds	1,000		1,000
Repairs and maintenance - sewer	450		450
Snow removal and mowing	16,744		16,744
Bond principal		200,000	200,000
Interest expense - bonds		172,550	172,550
Interest expense - warrants		25,632	25,632
Total disbursements	93,037	428,488	521,525
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	112,334	(39,260)	73,074
OTHER FINANCING SOURCES AND USES:			
Proceeds from sale of bonds		435,000	435,000
Discount on sale of bonds		(8,555)	(8,555)
Warrants issued prior years paid	(19,386)	(379,885)	(399,271)
Total other financing sources and uses	(19,386)	46,560	27,174
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	92,948	7,300	100,248
FUND BALANCE - beginning of year	81,772	392,865	474,637
FUND BALANCE - end of year	$ 174,720	$ 400,165	$ 574,885

See Notes to Basic Financial Statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

STATEMENT OF FUND BALANCES AND CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS - CONTINUED

AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Construction and Debt Service Fund	Total Government Funds
FUND BALANCE - CASH BASIS:			
Cash with County Treasurer	$ 174,720	$ 400,165	$ 574,885
TOTAL FUND BALANCE - CASH BASIS - JUNE 30, 2018	$ 174,720	$ 400,165	$ 574,885
FUND BALANCE - CASH BASIS:			
Restricted for:			
Debt service		$ 400,165	$ 400,165
Unassigned	$ 174,720		174,720
TOTAL FUND BALANCE - CASH BASIS - JUNE 30, 2018	$ 174,720	$ 400,165	$ 574,885

See Notes to Basic Financial Statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sanitary and Improvement District No. 246 of Sarpy County, Nebraska (the “District”) is a governmental subdivision authorized in 2003 under the statutes of the State of Nebraska. It was formed for the purposes of installation and maintenance of street and utility systems and contracting for lighting for public roads.

Reporting Entity

The District’s financial statements are presented as the primary government and include all departments and activities for which the District is financially accountable. The District has determined that there are no potential component units that meet the criteria for inclusion in the financial statements.

Basis of Presentation

Government-wide Financial Statements: Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity. The statements present the District’s financial statements as governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. The types of transaction reported as program revenue are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, receipts and disbursements. The District only has governmental funds. The District currently has no fiduciary or proprietary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District, meets specific mathematical criteria set forth by GASB or is identified as a major fund by the District’s management. All of the District’s funds meet the criteria of a major fund.

The governmental funds of the reporting entity are described below:

General Fund – This fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financing resources except those required to be accounted for in other funds.

Construction and Debt Service Fund – This fund is used to account for infrastructure related capital asset acquisition and development and the accumulation of resources for the payment of general long-term obligations, interest and related costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

In both the government-wide financial statements and the fund financial statements, the governmental activities are presented using a cash basis measurement focus. Their reported net position/fund balance is considered a measure of “available cash and investments.” The operating statements focus on cash received and cash disbursed.

Basis of Accounting

In the government-wide and the fund financial statements, the District prepares its financial statements using the cash basis of accounting. Accordingly, revenues are recognized when cash is received by the District and expenditures are recognized when cash is disbursed. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

This basis of accounting is applied to all transactions, including the disbursements for capital assets, receipt of proceeds from issuance of debt and the retirement of debt.

Long-term Debt

Long-term debt arising from cash transactions for governmental funds is not reported as a liability in the government-wide or fund financial statements. The debt proceeds are, instead, reported as other financing receipts and payment of principal and interest reported as cash disbursements.

Equity Classification

Government-wide Financial Statements

Equity is classified as net position and displayed in two components:

a. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

b. Unrestricted net position – All other net position that do not meet the definition of “restricted.”

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equity Classification, continued

Government-wide Financial Statements, continued

It is the District's policy to use restricted net position, first, prior to the use of unrestricted net position, when a disbursement is made for purposes in which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is reported as fund balance within each respective fund. For governmental funds, the fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

a. Non-spendable – This fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. At June 30, 2018, the District had no non-spendable fund balance.

b. Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Board of Trustees to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

c. Committed – This fund balance classification includes amounts that can only be used for the specific purposes imposed by formal action (resolution) of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. At June 30, 2018, the District had no committed fund balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equity Classification, Continued

Fund Financial Statements, Continued

d. Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Board of Trustees. At June 30, 2018, the District had no assigned fund balance.

e. Unassigned – This fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund transfers, the flow of assets from one fund to another where repayment is not expected are reported as cash receipts and disbursements.

2. BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt an annual operating budget. The Board has adopted separate budgets for the General Fund and Debt Service Fund. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditures and/or tax levy limitations.

2. BUDGET PROCESS AND PROPERTY TAXES, CONTINUED

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

a. The Board of Trustees considers a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

b. Public hearings are conducted at a public meeting to obtain taxpayer comments.

c. Prior to September 20, the budget is legally enacted by a resolution of the Board of Trustees.

d. An encumbrance system is not used by the District and all appropriations lapse at the end of the fiscal year.

e. The budget is adopted on a per-fund basis and all adjustments or supplemental appropriations must be approved by the Board of Trustees. No such adjustments or supplemental appropriations were made to the 2017-2018 budget.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with State statutes, which tax levy attaches as an enforceable lien on property within the District as of December 31. Taxes are due as of that date. One-half of the real estate taxes become delinquent after the following April 1, with the second one-half becoming delinquent after August 1. The District levied taxes for 2017-2018 at the rate of $.850000 per $100 on an estimated property valuation of $73,655,303.

3. DEPOSITS AND INVESTMENTS

According to State statutes, Sanitary and Improvement Districts are required to maintain their cash with the County Treasurer. At June 30, 2018, the County Treasurer has represented to the District that the District's cash maintained by the County Treasurer is insured or collateralized in the County Treasurer's name.

The District may, by State statute, invest in U.S. Government obligations, certificates of deposit and other time deposits. As of June 30, 2018, the District did not have any investments.

Deposit risks include:

- Custodial Credit Risk – for deposits, custodial credit risk is the risk that in the event of the failure of a bank or other counterparty, the District will not be able to recover the value of its deposits or collateral securities in the possession of a third party.
- Credit Risk – for deposits, credit risk is the risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the District.
- Interest Rate Risk – for deposits, interest rate risk is the risk that the value of deposits will decrease as a result of a rise in interest rates.

The District has not adopted specific policies for the above risks, but certain risks are reduced through compliance with the provisions of state statutes.

4. LONG-TERM DEBT

The following general obligation bond issue is outstanding at June 30, 2018:

Issue Date	Interest Rate	Balance June 30, 2017	Issuance and (Payments)	Balance June 30, 2018
January 15, 2015	2.20% to 4.10%	$ 4,440,000	$ (190,000)	$ 4,250,000
May 15, 2016	1.75% to 3.55%	$ 590,000	$ (10,000)	$ 580,000
April 15, 2018	2.90% to 4.05%		$ 435,000	$ 435,000

Aggregate principal and interest payments applicable to the District's bond issue subsequent to June 30, 2018 are as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 200,000	$ 186,232	$ 386,232
2020	205,000	181,878	386,878
2021	210,000	176,910	386,910
2022	220,000	171,304	391,304
2023	230,000	164,958	394,958
2024-2028	1,235,000	711,294	1,946,294
2029-2033	1,485,000	469,002	1,954,002
2034-2038	1,265,000	163,100	1,428,100
2039	215,000	4,354	219,354
TOTAL	$ 5,265,000	$ 2,229,032	$ 7,494,032

5. OUTSTANDING WARRANTS

The District has issued warrants for payments of capital improvements at a rate of 7% and is due five years from the date of issuance. As of June 30, 2018, the debt service fund did not have any outstanding warrants.

The District has issued warrants for payment of general expenditures at a rate of 7%. As of June 30, 2018, the District had $870 of unpaid warrants in the general fund. General fund warrants are due three years from the date of issuance.

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

6. OUTSTANDING WARRANTS, CONTINUED

The summary of warrant activity is as follows:

	General Fund	Debt Service Fund	Total
Warrants outstanding, June 30, 2017	$ 20,256	$ 379,885	$ 400,141
Warrants issued	89,121		89,121
Warrants paid	(108,507)	(379,885)	(488,392)
Warrants outstanding, June 30, 2018	$ 870	$	$ 870

A schedule of maturity dates, principal and interest due on warrants is presented below:

Year Ending June 30,	Principal	Interest	Total
2019	$ 870	$ 156	$ 1,026
TOTAL	$ 870	$ 156	$ 1,026

7. COMMITMENTS AND CONCENTRATIONS

As of June 30, 2018, the District had one major taxpayer that owns approximately 46% of the District's taxable value.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors or omissions, injuries or natural disasters. These risks are transferred to independent issuance carriers and no self-insurance program is maintained by the District. District management believes adequate coverage exists for potential exposures as of June 30, 2018. There have been no claims that have exceeded this coverage for any of the past three years.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS:			
Property taxes	$ 220,966	$ 195,768	$ (25,198)
State motor vehicle tax allocation	450	510	60
Personal property tax credit		79	79
Intergovernmental		9,014	9,014
Total receipts	221,416	205,371	(16,045)
DISBURSEMENTS:			
Audit and budget fees	9,250	9,250	
Collection fees - County Treasurer	4,333	3,915	418
Electricity	19,000	8,166	10,834
Engineering fees	7,000	13,231	(6,231)
Fiscal fees	15,000	9,000	6,000
Insurance and bonds	3,300	3,284	16
Legal fees	12,000	11,460	540
Miscellaneous	51,297		51,297
Repairs and maintenance - grounds	2,500	1,000	1,500
Repairs and maintenance - streets	50,000	16,537	33,463
Repairs and maintenance - sewer	9,000	450	8,550
Signs (streets and entrances)	1,000		1,000
Snow removal and mowing	17,000	16,744	256
Warrant interest expense	1,350		1,350
Total disbursements	202,030	93,037	108,993
EXCESS OF RECEIPTS OVER DISBURSEMENTS	19,386	112,334	92,948
OTHER FINANCING SOURCES AND USES:			
Warrants issued prior years paid	(19,386)	(19,386)	
Total other financing sources and uses	(19,386)	(19,386)	
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	$	92,948	$ 92,948
FUND BALANCE - beginning of year		81,772	
FUND BALANCE - end of year		$ 174,720	

See Note to Supplementary Information.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

BUDGETARY COMPARISON SCHEDULE - CASH BASIS - CONSTRUCTION AND DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS:			
Property taxes	$ 405,104	$ 371,538	$ (33,566)
State motor vehicle tax allocation	850	961	111
Personal property tax credit		152	152
Intergovernmental		16,577	16,577
Total receipts	405,954	389,228	(16,726)
DISBURSEMENTS:			
Bond issue costs	51,000	22,875	28,125
Collection fees - County Treasurer	7,943	7,431	512
Fiscal fees	7,400		7,400
Repairs and maintenance	370,000		370,000
Bond principal	200,000	200,000	
Interest expense - bonds	172,550	172,550	
Interest expense - warrants	31,000	25,632	5,368
Total disbursements	839,893	428,488	411,405
EXCESS OF RECEIPTS OVER DISBURSEMENTS	(433,939)	(39,260)	394,679
OTHER FINANCING SOURCES AND USES:			
Proceeds from sale of bonds	850,000	435,000	(415,000)
Discount on sale of bonds		(8,555)	(8,555)
Warrants issued prior years paid	(429,000)	(379,885)	49,115
Total other financing sources and uses	421,000	46,560	(374,440)
DEFICIENCY OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	$ (12,939)	7,300	$ 20,239
FUND BALANCE - beginning of year		392,865	
FUND BALANCE - end of year		$ 400,165	

See Note to Supplementary Information.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

NOTE TO SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2018

1. BUDGETARY ACCOUNTING

The District prepares its budget for the Governmental Funds on the cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the basic financial statements. Under this method of accounting, all unexpended appropriations lapse at the end of the budget year.

The term "Budgetary Fund Balance" used in these supplementary schedules is synonymous with the terms "Fund Balance – Cash Basis" used in the basic financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

INFORMATION REQUIRED NEBRASKA REVISED
STATUTE 31-740

FOR THE YEAR ENDED JUNE 30, 2018

Gross revenue from all sources in previous year	$ 594,599
Amount spent for access to facilities and use of the services of the library system of one or more neighboring cities or villages	None
Amount spent for solid waste collection services	None
Amount spent for sewage disposal	None
Amount expended for water mains	None
Gross amount of sewage processed	None
Cost per thousand gallons of processing sewage	None
Amount expended for maintenance and repairs	$ 17,087
Amount expended for new equipment	None
Amount expended for new construction work	None
Amount expended for property	None
Number of employees	None
Salaries and fees paid employees	None
Total amount of taxes levied upon the property within the District	$ 626,070

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

BOARD OF TRUSTEES AND RELATED BONDS

JUNE 30, 2018

TRUSTEES	BONDS	
Jon Zellars, Chairman	Western Surety Co.	$ 5,000
Bruce Bode-Steinke, Clerk	Western Surety Co.	$ 20,000
Mark Roth, Trustee		
Jolene Roberts, Trustee		
Todd Aerni, Trustee		

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

SCHEDULE OF BONDS OUTSTANDING
2015 SERIES

JUNE 30, 2018

Fiscal Year Ending June 30,	Principal	Rate	Interest January 15	Interest July 15	Interest Total	Fiscal Total
2019	$ 190,000	2.20%	$ 74,915	$ 74,915	$ 149,830	$ 339,830
2020	195,000	2.45%	72,825	72,825	145,650	340,650
2021	200,000	2.70%	70,436	70,436	140,872	340,872
2022	205,000	2.90%	67,736	67,736	135,472	340,472
2023	215,000	3.05%	64,764	64,764	129,528	344,528
2024	215,000	3.25%	61,485	61,485	122,970	337,970
2025	225,000	3.35%	57,991	57,991	115,982	340,982
2026	235,000	3.50%	54,223	54,223	108,446	343,446
2027	240,000	3.60%	50,110	50,110	100,220	340,220
2028	250,000	3.70%	45,790	45,790	91,580	341,580
2029	260,000	3.80%	41,165	41,165	82,330	342,330
2030	275,000	3.85%	36,225	36,225	72,450	347,450
2031	285,000	3.90%	30,931	30,931	61,862	346,862
2032	295,000	3.95%	25,374	25,374	50,748	345,748
2033	310,000	4.00%	19,548	19,548	39,096	349,096
2034	320,000	4.05%	13,348	13,348	26,696	346,696
2035	335,000	4.10%	6,867	6,867	13,734	348,734
TOTAL	$ 4,250,000		$ 793,733	$ 793,733	$ 1,587,466	$ 5,837,466

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

SCHEDULE OF BONDS OUTSTANDING
2016 SERIES

JUNE 30, 2018

Fiscal Year Ending June 30,	Principal	Rate	Interest January 15	Interest July 15	Interest Total	Fiscal Total
2019	$ 10,000	1.75%	$ 9,475	$ 9,475	$ 18,950	$ 28,950
2020	10,000	1.90%	9,388	9,388	18,776	28,776
2021	10,000	2.05%	9,293	9,293	18,586	28,586
2022	15,000	2.20%	9,190	9,190	18,380	33,380
2023	10,000	2.35%	9,025	9,025	18,050	28,050
2024	15,000	2.50%	8,908	8,908	17,816	32,816
2025	10,000	2.60%	8,720	8,720	17,440	27,440
2026	15,000	2.70%	8,590	8,590	17,180	32,180
2027	15,000	2.85%	8,388	8,388	16,776	31,776
2028	15,000	2.90%	8,174	8,174	16,348	31,348
2029	10,000	3.00%	7,956	7,956	15,912	25,912
2030	10,000	3.10%	7,806	7,806	15,612	25,612
2031	15,000	3.20%	7,651	7,651	15,302	30,302
2032	15,000	3.30%	7,411	7,411	14,822	29,822
2033	10,000	3.35%	7,164	7,164	14,328	24,328
2034	15,000	3.40%	6,996	6,996	13,992	28,992
2035	15,000	3.50%	6,741	6,741	13,482	28,482
2036	365,000	3.55%	6,479	6,479	12,958	377,958
TOTAL	$ 580,000		$ 147,355	$ 147,355	$ 294,710	$ 874,710

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

SCHEDULE OF BONDS OUTSTANDING
2018 SERIES

JUNE 30, 2018

Fiscal Year Ending June 30,	Principal	Rate	Interest January 15	Interest July 15	Interest Total	Fiscal Total
2019			$ 8,726	$ 8,726	$ 17,452	$ 17,452
2020			8,726	8,726	17,452	17,452
2021			8,726	8,726	17,452	17,452
2022			8,726	8,726	17,452	17,452
2023	$ 5,000	2.90%	8,726	8,654	17,380	22,380
2024			8,653	8,653	17,306	17,306
2025			8,654	8,654	17,308	17,308
2026			8,654	8,654	17,308	17,308
2027			8,654	8,654	17,308	17,308
2028			8,654	8,654	17,308	17,308
2029			8,653	8,653	17,306	17,306
2030			8,654	8,654	17,308	17,308
2031			8,654	8,654	17,308	17,308
2032			8,654	8,654	17,308	17,308
2033			8,654	8,654	17,308	17,308
2034			8,654	8,654	17,308	17,308
2035			8,654	8,654	17,308	17,308
2036			8,654	8,654	17,308	17,308
2037			8,654	8,654	17,308	17,308
2038	215,000	4.00%	8,653	4,353	13,006	228,006
2039	215,000	4.05%	4,354		4,354	219,354
TOTAL	$ 435,000		$ 177,791	$ 169,065	$ 346,856	$ 781,856

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

SCHEDULE OF CAPITAL ASSETS

JUNE 30, 2018

	Balance June 30, 2017	Increase	Balance June 30, 2018
Improvements\infrastructure	$ 4,353,656	$	$ 4,353,656

December 21, 2018

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

Board of Trustees
Sanitary and Improvement District No. 246
of Sarpy County, Nebraska

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 246, Sarpy County, Nebraska, (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the district prepares its financial statements on the cash basis of accounting, which is a comprehensive bases of accounting other than generally accepted accounting principles in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2018-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Bergan KDV, LLC

BERGANKDV, LLC

SANITARY AND IMPROVEMENT DISTRICT NO. 246
OF SARPY COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENT FINDINGS

2018-001 SIGNIFICANT DEFICIENCY

Financial Statement Preparation

Criteria: Management is responsible for the preparation and fair presentation of the District's financial statements. Many small organizations rely on their auditor to prepare their annual financial statements and related notes. However, current auditing standards emphasize that the auditor cannot be part of an organization's system of internal control over financial reporting; the auditor should audit financial statements prepared by the District or its personnel.

Condition: The District does not have personnel available to prepare its own financial statements in accordance with the cash basis of accounting reporting model. Therefore, the District's management relies on its auditor to prepare the District's financial statements and notes to financial statements.

Effect: The condition could result in the District's financial statements being misstated and not detected within a timely period by the District's management.

Recommendation: We recommend that the District have a heightened awareness of all transactions being reported.

Response: The Board of Trustees understand that the condition stated above is one shared by most Sanitary and Improvement Districts with which its auditors are familiar. The Trustees have made all management decisions and have performed all management functions.

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, and 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 179,023.

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 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 Airfield for air transportation.

Source: US Census (www.quickfacts.census.gov)

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 October 2017 was 93,293. According to Offutt Air Force Base, as of September 30, 2016 there are 15,475 military and civilian personnel employed on the base in Bellevue.

Source: State of Nebraska, http://neworks.nebraska.gov (for civilian labor)
Offutt Impact Analysis for 9/30/16 (for military and civilian assigned).

Per Capita Personal Income. In 2016, the per capita personal income of Sarpy County residents was $45,934 which was 91.8% of the Nebraska average per capita income of $50,029. The lower per capita income is explained by Sarpy County's 27.8% population under age 18.

Source: http://quickfacts.census.gov (for population under 18)
http://bea.gov (for per capita personal income by County)

Median Household Income. In 2015 the median income of households in Sarpy County was $70,543.

Source: http://quickfacts.census.gov - most recent info available
http://bea.gov (for per capita personal income by County)

Sales

Net taxable sales (excluding motor vehicles) within the County increased from $1,691,615,901 in 2015 to $1,743,450,920 in 2016, representing a 3.6% increase over the prior year.

Source: Nebraska Department of Revenue Research Department

Employers

The twenty largest employers located in the County and the nature of their businesses are as follows:

Company	Industry
Offutt Air Force Base	Government
PayPal, Inc.	Service
InfoGroup Compilation Center	Service
Oriental Trading Company	Warehouse/ Distribution
Papillion-LaVista Schools	Education
Bellevue Public Schools	Education
Werner Enterprises	Trucking
Wal-Mart Stores & Sams Club (Bellevue, Gretna & Papillion)	Retail
Bellevue University	Education
Hillcrest Health Systems	Healthcare
Securities America, Inc.	Financial
Gretna Public Schools	Education
Sarpy County Government	Government
Rotella's Italian Bakery	Other Grocery & Related
Streck, Inc.	Manufacturing
Nebraska Medicine-Bellevue	Healthcare
Spectrum America Solutions (Shopko Distribution Center)	Distribution Center
Waldinger Corp.	Manufacturing
Northrup Grumman	Service
CHI Health Midlands Hospital	Healthcare

Source: Select Greater Omaha

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 2017-2018 is 29.690 cents per $100 of actual valuation.

Actual Value of Taxable Property

Tax Year	Actual Valuation	Percentage of Increase
2013	$11,599,879,360.00	-
2014	$11,995,964,919.00	3.40
2015	$12,785,158,397.00	6.58
2016	$13,565,438,185.00	6.10
2017	$14,493,101,695.00	6.84

Source: Sarpy County Assessor

20 Largest Taxpayers

The largest taxpayers located in the County, the actual taxes of their properties and the types of their businesses include the following:

Business Name	2017 Taxes	Nature of Business
Shadow Lake Towne Center LLC	$2,177,003	Retail Businesses
Omaha Outlets LLC	$1,510,522	Retail Business
JQH LaVista Conference/CY Dev/III Dev	$1,373,356	Conference Center & Hotel
Offutt AFB America	$1,201,115	Base Housing
Walmart Real Estate/Stores/Business Trust/Neighborhood Market	$1,155,555	Retail Business
MFR Partners IX/XVI LLC	$873,053	Apartments
Edward Rose Development	$864,841	Apartments
Harrison Hills Apartments	$773,856	Apartments
PayPal	$765,343	Commercial Business
Hillcrest Development	$726,665	Healthcare & Apartments
Werner Enterprises	$694,818	Trucking Company
Market Place Apartments LLC	$694,352	Apartments
Green Pointe LLC	$596,514	Apartments
Toys NE QRD 15-74 Inc.	$576,944	Distribution
Summit Apartments, LTD/South LLC/West LLC	$497,705	Foreign LLC
Rock Creek Apartments	$495,106	Apartments
Ireit Papillion	$489,816	Retail Businesses
NS OVLK LLC	$480,788	Apartments
Ryan Family Partnership LTD	$445,605	Commercial Development
NS Landings 2 LLC/NS LNDG LLC	$432,067	Apartments

*Totals based on names on file.

Source: Sarpy County Treasurer's Office.

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

Year	Amount
2013	29.990
2014	29.990
2015	29.690
2016	29.690
2017	29.690

Source: Sarpy County

Tax Levies and Collections

Tax Certified by the Assessor

	2014	2015	2016
Real Estate	$253,119,365	$267,877,010	$284,999,448
Personal	6,545,051	6,923,508	7,044,129
Centrally Assessed	1,349,312	1,515,907	1,640,579
	$261,013,728	$276,316,425	$293,684,156

Source: Sarpy County Unaudited Financial Statements

Sarpy County Population

July 2012 (estimate)	165,853
July 2013 (estimate)	169,331
July 2014 (estimate)	172,193
July 2015 (estimate)	175,692
July 2016 (estimate)	179,023

Source: U.S. Census

Sarpy County Building Permits*

	Single Family		Multi Family	
Year	**Permits**	**Value**	**Permits**	**Value**
2013	318	$ 63,519,462	4	$ 8,232,185
2014	320	$ 76,495,447	1	$ 4,535,687
2015	330	$ 79,457,683	1	$ 1,966,328
2016	276	$ 68,739,432	0	$ -
2017	342	$ 84,666,636	0	$ -

	Commercial/Industrial	
Year	**Permits**	**Value**
2013	33	$3,354,267
2014	9	$23,277,076
2015	28	$36,792,946
2016	52	$33,244,920
2017	57	$34,262,992

Source: Sarpy County Building and Planning Department

*Includes only areas outside city zoning jurisdictions.

APPENDIX D — FORM OF CONTINUING DISCLOSURE UNDERTAKING

Following is the form of Continuing Disclosure Certificate that will be entered into by the District pursuant to Securities and Exchange Commission Rule 15c2-12(d)(2).

This Continuing Disclosure Certificate, dated on or about November 15, 2019 is executed and delivered by Sanitary and Improvement District No. 246 of Sarpy County, Nebraska (the "District") in connection with the issuance by the District of $4,170,000 in aggregate principal amount of its General Obligation Refunding Bonds, Series 2019 (the "Bonds"). The Bonds are being issued pursuant to a resolution dated October 8, 2019 (the "Resolution") authorizing the issuance of the Bond and authorizing the District to enter into this Undertaking. In consideration of the purchase of such Bonds by the owners thereof, the District hereby covenants and agrees as follows:

(a) The District does hereby covenant and agree and enters into this written undertaking (the "Undertaking") for the benefit of the holders and beneficial owners of the Bonds required by Section (d)(2) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2-12) (the "Rule"). Capitalized terms used in this Undertaking and not otherwise defined in this Undertaking shall have the meanings assigned such terms in subsection (f) hereof. It being the intention of the District that there be full and complete compliance with the Rule, this Undertaking shall be construed in accordance with the written interpretative guidance and no-action letters published from time to time by the Securities and Exchange Commission and its staff with respect to the Rule.

(b) The District represents and warrants that the aggregate amount of its outstanding municipal securities, including the Bonds, does not exceed $10,000,000.

(c) The District undertakes to provide, on or before the Record Date, Financial Information about the District to the MSRB, via UMB Bank, NA, as Dissemination Agent pursuant to a Dissemination Agent Agreement between the District and UMB Bank, NA (the "Dissemination Agent"), in an electronic format accompanied by identifying information as prescribed by the MSRB, to the extent that the District customarily prepares such Financial Information and makes it publicly available. The District shall provide any information or notice required by this Undertaking to the Dissemination Agent. The Dissemination Agent will not be responsible for compiling any of the information required to be provided by this Undertaking.

(d) The District designates as the person from whom its Financial Information and Listed Event Notices can be obtained: Ms. Minda Barr, UMB Bank, NA, as Dissemination Agent, 7155 Lake Drive, West Des Moines, IA 50265.

(e) If a Listed Event occurs while any Bonds are outstanding, the District, through the Dissemination Agent, shall provide a Listed Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB. Each Listed Event Notice shall be so captioned and shall prominently state the date and title of the Bonds.

(f) The following are the definitions of the capitalized terms used in this Undertaking and not otherwise defined in this Undertaking:

(1) "*Financial Information*" means the financial information or operating data with respect to the District presented in the Official Statement related to the Bonds, which is customarily prepared by the District and is publicly available. The District

customarily prepares and makes publicly available its Audited Financial Statements. In connection with its issues of warrants and bonds, the District from time to time prepares and makes publicly available its offering documents containing, among other things, financial information and operating data about the District.

(2) "*Audited Financial Statements*" means the District's annual financial statements, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Government Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall then be required or permitted by the laws of the State of Nebraska.

(3) *"Listed Event"* means any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District;

(xiii) The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xv) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(4) "*Listed Event Notice*" means an electronic notice of a Listed Event.

(5) "*MSRB*" means the Municipal Securities Rulemaking Board. As of July 1, 2009, the MSRB is the sole repository to which the District must electronically submit Financial Information, Audited Financial Statements, if any, and Listed Event Notices pursuant to this Undertaking. Reference is made to Commission Release No. 34-59062, December 8, 2008 (the "Release") relating to the MSRB's Electronic Municipal Market Access ("EMMA") system for municipal securities disclosure that became effective on July 1, 2009. To the extent applicable to its Undertakings, the District shall comply with the Release and with EMMA.

(6) "*Record Date*" means March 31 of each year, or such later date as the information comprising the Financial Information is customarily prepared and made publicly available.

(g) The continuing obligation hereunder of the District to provide Financial Information, Audited Financial Statements, if any, and Listed Event Notices shall terminate immediately once the Bonds no longer are outstanding. This Undertaking, or any provision hereof, shall be null and void in the event that the District obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds, provided that the District shall have provided notice of such delivery and the cancellation of this Undertaking to the MSRB.

(h) This Undertaking may be amended, without the consent of the Bondholders, but only upon the District obtaining an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Undertaking with the Rule, provided that the District shall have provided notice of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:

(1) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the District or type of business conducted;

(2) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment either (i) is approved by the Bondholders in the same manner as provided in the Resolution for amendments thereto with the consent of Bondholders, or (ii) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Bondholders.

(i) The initial Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change, if any, in the type of financial information being provided.

(j) Any failure by the District to perform in accordance with this Undertaking shall not constitute an event of default with respect to the Bonds. If the District fails to comply herewith, any Bondholder or beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations hereunder.

[Signature Page to Follow]

THIS CERTIFICATE IS EXECUTED AND DATED November 15, 2019

SANITARY AND IMPROVEMENT DISTRICT NO. 246 OF SARPY COUNTY, NEBRASKA

By: ______________________________
Chair, Board of Trustees