Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Financial Statements and Independent Auditors' Reports

June 30, 2015

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Sanitary and Improvement District
No. 248 of Sarpy County, Nebraska:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sanitary and Improvement District No. 248 of Sarpy County, Nebraska (hereinafter the "District), as of and for the year ended June 30, 2015, including the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 financial position of the governmental activities and each major fund of the Sanitary and Improvement District No. 248 of Sarpy County, Nebraska, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplemental information included in the supplementary schedules on pages 14-16 is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information included in the supplementary schedules on pages 14-16 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information included in the supplementary schedules on pages 14-16 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Schedule 5 – Board of Trustees and Related Bonds on page 17 has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Accounting Standards* we have also issued our report dated December 15, 2015 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. 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.

Lengemann & Associates, P.C.

Lengemann & Associates, P.C.
Papillion, Nebraska
December 15, 2015

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Governmental Funds Balance Sheet and Statement of Financial Position

June 30, 2015

ASSETS	General Fund	Debt Service Fund	Total	Reconciling Items	Statement of Financial Position
Cash - County Treasurer	$ 7,045	$ 33,358	$ 40,403	$ -	$ 40,403
Investments	-	319,939	319,939	-	319,939
Taxes receivable	11,210	27,655	38,865	-	38,865
Investment interest receivable	-	53	53	-	53
Capital assets, net of accum. depr.	-	-	-	534,835	534,835
TOTAL ASSETS	$ 18,255	$ 381,005	$ 399,260	$ 534,835	$ 934,095
LIABILITIES					
Accounts payable	$ 8,572	$ -	$ 8,572	$ -	$ 8,572
Accrued interest	-	-	-	5,165	5,165
Warrants outstanding					
Due after one year	-	-	-	7,993	7,993
Bonds outstanding					
Due within one year	-	-	-	30,000	30,000
Due after one year	-	-	-	805,000	805,000
TOTAL LIABILITIES	8,572	-	8,572	848,158	856,730
FUND BALANCES/NET POSITION					
Fund Balances-					
Restricted	-	381,005	381,005	(381,005)	-
Unassigned	9,683	-	9,683	(9,683)	-
Total Fund Balances	9,683	381,005	390,688	(390,688)	-
TOTAL LIAB. AND FUND BALANCE	$ 18,255	$ 381,005	$ 399,260		
Net investment in capital assets				(300,165)	(300,165)
Restricted for debt service				375,840	375,840
Unrestricted				1,690	1,690
Total Net Position				77,365	77,365
TOTAL LIABILITIES AND NET POSITION				$ 534,835	$ 934,095

See accompanying notes to financial statements

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

Year Ended June 30, 2015

	General Fund	Debt Service Fund	Total	Reconciling Items	Statement of Activities
REVENUES:					
Property taxes	$ 23,988	$ 58,638	$ 82,626	$ -	$ 82,626
Interest on taxes	-	1	1	-	1
Interest on investments	-	126	126	-	126
State motor vehicle tax allocation	50	130	180	-	180
Homestead	310	799	1,109	-	1,109
Total revenues	24,348	59,694	84,042	-	84,042
EXPENDITURES/EXPENSES:					
Current:					
Collection fee - County Treasurer	300	870	1,170	-	1,170
Electricity	4,256	-	4,256	-	4,256
Engineering	2,888	-	2,888	-	2,888
Insurance	1,490	-	1,490	-	1,490
Legal and accounting fees	15,682	-	15,682	-	15,682
Paying agent fees	200	-	200	-	200
Repairs and maintenance	1,626	-	1,626	-	1,626
Capital outlay:					
Improvements	7,678	-	7,678	(7,678)	-
Depreciation	-	-	-	33,809	33,809
Debt service:					
Principal	-	25,000	25,000	(25,000)	-
Interest	-	24,900	24,900	(68)	24,832
Total expenditures/expenses	34,120	50,770	84,890	1,063	85,953
Excess (deficiency) of revenues over expenditures/expenses	(9,772)	8,924	(848)	(1,063)	(1,911)
OTHER FINANCING SOURCES (USES):					
Issuance of warrants	34,479	700	35,179	(35,179)	-
Warrants retired	(26,486)	(700)	(27,186)	27,186	-
Total other financing sources (uses)	7,993	-	7,993	(7,993)	-
Excess (deficiency) of revenues over expenditures and other financing sources	(1,779)	8,924	7,145	(7,145)	-
Change in net position	-	-	-	(1,911)	(1,911)
Fund balances/net position:					
Beginning of the year	11,462	372,081	383,543	-	79,276
End of the year	$ 9,683	$ 381,005	$ 390,688	$ -	$ 77,365

See accompanying notes to financial statements

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2015

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$	7,145
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, but they are shown as increases in capital assets in the government-wide financial statements		7,678
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position		(33,809)
Current year long-term debt principal payments are reported as expenditures in the governmental funds, but shown as a reduction in long-term debt in the statement of net position		25,000
Net warrants issued/redeemed are reported as other financing sources/uses in the governmental funds, but as increases/decreases in long-term debt in the government-wide financial statements		(7,993)
In the statement of activities, interest expense is accrued on long-term debt, whereas in governmental funds, interest is reported when due		68
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(1,911)

See accompanying notes to financial statements

1. Summary of Significant Accounting Policies

A. Reporting Entity

The District is a governmental subdivision created June 19, 2003 with the filing of the Petition and Articles of Association with the Secretary of State, State of Nebraska. The District was formed for the purpose of infrastructure construction and to arrange for basic utility services.

The Board of Trustees, consisting of 5 members, has governance responsibilities over all activities related to streets, utility systems, and other public improvements within the jurisdiction of the District. The accompanying financial statements present the District's entire reporting entity - there are no component units, in accordance with generally accepted accounting principles.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements include the Statement of Financial Position and the Statement of Activities, which report financial information for all activities of the District. Individual funds are not displayed and internal activity between funds is eliminated. Governmental activities include programs supported primarily by taxes and other intergovernmental revenue. The District has no business type activities that rely, to a significant extent, on fees and charges for support.

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

The District presents combined government-wide and fund financial statements. Major individual governmental funds are reported as separate columns. The following is a description of the District's two major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

1. Summary of Significant Accounting Policies - Continued

C. *Measurement Focus and Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when they occur and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District issues warrants to pay liabilities of the District instead of cash on hand, thus the District considers revenues to be available if they are collected within one year of the end of the current fiscal period because warrants are generally paid within a year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. *Budgets and Budgetary Accounting*

The District is required to adopt an annual operating budget for all the funds which the District controls. These budgeted appropriations lapse at fiscal year end June 30, 2015.

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

(1) In August of each year, the District submits a proposed operating budget for all funds to the real estate owners of the District.

(2) Notice of place and time of public hearings must be published prior to the public hearings.

(3) Public hearings are conducted to obtain taxpayer comment.

(4) After publication and hearing, the budget is legally adopted by majority vote of the Board. The District is required to file a copy of the adopted budget with the County Clerk and the Nebraska Auditor of Public Accounts on or before September 20.

(5) The budget is adopted on a per-fund basis and budgetary control is exercised at the fund level.

(6) The Board of Trustees may authorize supplemental appropriations during the year. There were no supplemental appropriations during fiscal year ended June 30, 2015.

The budget is adopted using a cash basis of accounting, which differs significantly from generally accepted accounting principles. Under the cash basis of accounting, revenues and expenditures are recorded when cash is received or paid, respectively. Payment is deemed to have been made when warrants are issued.

1. Summary of Significant Accounting Policies - Continued

A reconciliation of the differences between the basis of accounting for 2015, is presented below:

	General Fund	Debt Service Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses of financial resources-budgetary non-GAAP basis	$ (4,921)	$ 8,944
Adjustments:		
Receivables	2,480	(720)
Payables	662	700
Excess (deficiency) of revenues and other sources over expenditures and other uses of financial resources-GAAP basis	$ (1,779)	$ 8,924

E. Restricted Assets

All assets in a debt service (bond or construction) fund are restricted and may be used only for the purpose of the fund, which is to pay off the debt of the District. Typical assets include cash, investments, and taxes receivable.

F. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State Statutes 15-846 and 15-847 R.R.S., 1943 require banks either to give bond or to pledge government securities (types of which are specifically identified in the statutes) to the District Treasurer in the amount of the District's deposits. The statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

At June 30, 2015, the District's cash deposits, in excess of the $250,000 FDIC limits, are covered by collateral held by an agent for the District and thus no custodial credit risk exists.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment securities that are in the possession of an outside party. None of the underlying securities for the District's investments at June 30, 2015 are subject to custodial credit risk, as they are held in an account by an agent who is not the counterparty to the security transactions. All investment maturities are less than one year.

1. Summary of Significant Accounting Policies - Continued

F. Deposits and Investments (Continued)

At June 30, 2015 Sanitary and Improvement District No. 248 had the following investments, maturities and credit ratings:

Type	Carrying Value	Par Value	Credit Rating Moody / S&P
Debt Service Fund:			
US Treasury Bills	$ 319,992	$ 320,000	N/A

Summary of Deposit and Investment Balances

Following is a reconciliation of the District's deposits and investment balances as of June 30, 2015:

	Totals
Deposits	$ 40,403
Investments and interest receivable	319,992
Total	$ 360,395

	Government-wide Statement of Net Assets
Cash	$ 7,045
Restricted Assets:	
Cash	33,358
Investments and interest receivable	319,992
Total	$ 360,395

G. Capital Assets

Capital assets, which consist primarily of infrastructure, are reported in the government-wide statement of financial position but are not reported in the fund financial statements. All capital assets are capitalized at historical cost (or estimated historical cost) and updated for additions and retirements during the year. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. The estimated useful lives for significant capital assets are as follows:

Water & Gas Distr. System	50	years
Sanitary Sewer	25	years
Electrical System	30	years

A summary of capital assets is as follows:

1. Summary of Significant Accounting Policies - Continued

	6/30/2014	Additions	6/30/2015
Water & Gas Distr. System	$ 130,268	$ -	$ 130,268
Sanitary Sewer	732,739	7,678	740,417
Electrical System	49,923	-	49,923
	912,930	7,678	920,608
Accumulated Depreciation	(351,964)	(33,809)	(385,773)
Net Capital Assets	$ 560,966	$ (26,131)	$ 534,835

H. Credit Risk

The District's credit risk relates to receivables for property taxes, sewer connection fees and special assessments which are due from property owners within the boundaries of the District and cash on deposit with the Sarpy County Treasurer.

I. Property Taxes

Property taxes, which constitute the District's principal source of tax revenue, are levied in September based on the assessed value of property and attach as an enforceable lien on the property as of December 31. Assessed values are an approximation of market value. Property taxes are delinquent on April 1 (first half) and August 1 (second half). The Sarpy County Treasurer bills and collects all property taxes for the District.

The District has levied taxes for 2014-2015 at a rate of $.7750 per $100 of actual value of taxable property. The 2014-2015 taxes based on this levy are as follows:

	General Fund	Debt Service Fund
Valuation of taxable property	$ 10,661,447	$ 10,661,447
Tax levy	0.2250	0.5500
2014-2015 taxes assessed	$ 23,988	$ 58,638

There were no delinquent taxes, therefore no allowance for uncollectible taxes is provided.

J. Use of Restricted/Unrestricted Net Position and Fund Balances

The District's policy is to first apply unrestricted resources when a cost is incurred for purposes for which both restricted and unrestricted resources are available.

K. Income Taxes

As a government subdivision, the District is not subject to federal or state income taxes.

1. Summary of Significant Accounting Policies - Continued

L. Net Position

Net position presents the difference between assets and liabilities and deferred inflows of resources in the statement of financial position. Net investment in capital assets is reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District's constitutional provisions or external restrictions by creditors, grantors, laws, or regulations of other governments. All other resources that do not meet the previous definition is "unrestricted" net position.

2. Liabilities

Liabilities include registered warrants and general obligation bonds. Warrant activity for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Issued	Retired	Balance June 30, 2015
General Fund Warrants:				
7.0%	$ -	$ 34,479	$ 26,486	$ 7,993
Debt Service Fund Warrants:				
7.0%	-	700	700	-
Total Warrants Payable	$ -	$ 35,179	$ 27,186	$ 7,993

Registered warrants outstanding bear interest at 7% per annum. Interest is accrued on warrants from the date of registration with the Sarpy County Treasurer. General Fund warrants mature three years from the date of issuance and Debt Service Fund warrants mature five years from the date of issuance. Warrants will be redeemed with proceeds from tax revenues, special assessments and bond proceeds. The District is not currently registering its warrants, but is paying its warrants on a current basis as presented.

	General Fund	Debt Service Fund	Total
June 30, 2017	$ 7,993	$ -	$ 7,993
Total	$ 7,993	$ -	$ 7,993

Bond activity for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Issued (Retired)	Balance June 30, 2015
General Obligation Bonds:			
1.20-3.65%: 2012	$ 860,000	$ (25,000)	$ 835,000
Total Bonds Payable	$ 860,000	$ (25,000)	$ 835,000

2. Liabilities - Continued

General Obligation 2012 Series Bonds payable bear interest at 1.20% to 3.65%. Interest is payable semi-annually on April 15 and October 15. Aggregate maturities are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 30,000	$ 24,520	$ 54,520
2017	40,000	23,963	63,963
2018	45,000	23,195	68,195
2019	50,000	22,230	72,230
2020	55,000	21,032	76,032
2021-2025	330,000	78,974	408,974
2026-2028	285,000	16,567	301,567
Total	$ 835,000	$ 210,481	$ 1,045,481

3. Risk Management

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund

Supplemental Information

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - Debt Service Fund

Bonds Payable

Information Required by Section 31-740, Nebraska Revised Statutes

Other Information

Board of Trustees and Related Bonds

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budgetary Basis) - General Fund

Year Ended June 30, 2015

Schedule 1

	Budgeted Amounts		Actual on Budgetary Basis	Variance-Favorable (Unfavorable)
	Original	Final		
REVENUES RECEIVED				
Property taxes	$ 23,988	$ 23,988	$ 21,507	$ (2,481)
Interest on taxes	1	1	-	(1)
State motor vehicle tax allocation	35	35	50	15
Homestead	220	220	310	90
Total revenues received	24,244	24,244	21,867	(2,377)
EXPENDITURES PAID				
Current:				
Collection fee - County Treasurer	470	470	302	168
Electricity	4,500	4,500	5,427	(927)
Engineering	3,500	3,500	3,240	260
Insurance	900	900	1,490	(590)
Legal and accounting fees	15,000	15,000	14,547	453
Paying agent fees	-	-	200	(200)
Repairs and maintenance	5,000	5,000	1,897	3,103
Capital outlay:				
Improvements	-	-	7,678	(7,678)
Total expenditures paid	29,370	29,370	34,781	(5,411)
Excess (deficiency) of revenues received over expenditures paid	(5,126)	(5,126)	(12,914)	(7,788)
OTHER FINANCING SOURCES (USES)				
Warrants issued	-	-	34,479	34,479
Warrants redeemed	-	-	(26,486)	(26,486)
Net other financing sources (uses)	-	-	7,993	7,993
Excess (deficiency) of revenues received and other financing sources over expenditures paid and other financing uses	(5,126)	(5,126)	(4,921)	$ 205
Fund balances - beginning of year	11,966	11,966	11,966	
Fund balances - end of year	$ 6,840	$ 6,840	$ 7,045	

See Independent Auditors' Report.

Sanitary and Improvement Disctrict No. 248 of Sarpy County, Nebraska

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budgetary Basis) - Debt Service Fund

Year Ended June 30, 2015

Schedule 2

	Budgeted Amounts		Actual on Budgetary Basis	Variance-Favorable (Unfavorable)
	Original	Final		
REVENUES RECEIVED				
Property taxes	$ 58,638	$ 58,638	$ 59,353	$ 715
Interest on investments	90	90	133	43
State motor vehicle tax allocation	115	115	130	15
Homestead	550	550	799	249
Total revenues received	59,393	59,393	60,415	1,022
EXPENDITURES PAID				
Current:				
Collection fee - County Treasurer	1,150	1,150	871	279
Paying agent fees	1,000	1,000	700	300
Debt service:				
Principal	340,000	340,000	25,000	315,000
Interest	24,900	24,900	24,900	-
Total expenditures paid	367,050	367,050	51,471	315,579
Excess (deficiency) of revenues received over expenditures paid	(307,657)	(307,657)	8,944	316,601
OTHER FINANCING SOURCES (USES)				
Issuance of warrants	-	-	700	700
Warrants redeemed	-	-	(700)	(700)
Net other financing sources	-	-	-	-
Excess (deficiency) of revenues received and other financing sources over expenditures paid and other financing uses	(307,657)	(307,657)	8,944	$ 316,601
Fund balances - beginning of year	344,355	344,355	344,355	
Fund balances - end of year	$ 36,698	$ 36,698	$ 353,299	

See Independent Auditors' Report.

Sanitary and Improvement Disctrict No. 248 of Sarpy County, Nebraska

Bonds Payable

June 30, 2015

Schedule 3

2012 Series

Issue Date: October 15, 2012
Option Call Date: October 15, 2017

Maturity Dates	Interest Rate	Amount
October 15, 2015	1.45%	$ 30,000
October 15, 2016	1.70%	40,000
October 15, 2017	1.90%	45,000
October 15, 2018	2.15%	50,000
October 15, 2019	2.40%	55,000
October 15, 2020	2.65%	60,000
October 15, 2021	2.90%	60,000
October 15, 2022	3.05%	65,000
October 15, 2023	3.25%	70,000
October 15, 2024	3.40%	75,000
October 15, 2025	3.50%	80,000
October 15, 2026	3.60%	95,000
October 15, 2027	3.65%	110,000
TOTAL 2012 Series		$ 835,000

See Independent Auditors' Report.

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Information Required by Section 31-740
Nebraska Revised Statutes

June 30, 2015

Schedule 4

Gross income from all sources	$	84,042
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:		
a. Maintenance and repair	$	1,626
b. New equipment		NONE
c. New construction	$	7,678
d. Property purchased		NONE
Number of employees (Clerk)		NONE
Salaries and fees paid employees		NONE
Total amount of taxes levied upon the property within the District	$	82,626

See Independent Auditors' Report.

Sanitary and Improvement District No. 248 of Sarpy County, Nebraska

Board of Trustees and Related Bonds

June 30, 2015

Schedule 5

Name	Office
Ronald Mumm - See Note	Chairman
Mike Litjen - See Note	Clerk
Kraig Kingston	Trustee
Tim Barrett	Trustee
Larry Vacek	Trustee

Note - Surety bond for the District clerk was on file with the Sarpy County Clerk as of June 30, 2015 in accordance with the Revised Statutes of Nebraska.

LENGEMANN & ASSOCIATES, P.C.

Certified Public Accountants
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Phone: (402) 592-1236
Fax: (402) 592-1424
Email: thefirm@lengemanncpa.com

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

Board of Trustees
Sanitary and Improvement District
No. 248 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 the Sanitary and Improvement District No. 248 of Sarpy County, Nebraska (hereinafter the "District"), as of and for the year ended June 30, 2015, including the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2015.

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 entity'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 audits we did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses (see summary of findings).

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 an instance of noncompliance required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2015-01.

District's Response to Findings

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 entity'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 entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Lengemann & Associates, P.C.

Lengemann & Associates, P.C.
Papillion, Nebraska
December 15, 2015

Schedule of Findings and Responses

Instance of Noncompliance and Material Weakness
2015 – 01

Criteria (Compliance & Material Weakness)

Internal Controls should be in place to monitor the District's activities for consistency with budgeted amounts to ensure that budget expenditures will not be exceeded and compliance with the Nebraska Budget Act.

Condition (Compliance & Material Weakness)

The District exceeded the budgeted expenditures/expenses by $ 5,411.

Cause (Compliance & Material Weakness)

There were unforeseen street repairs that were needed during the fiscal year and due to the relative immateriality the Board elected to not amend the budget.

Effect ((Compliance & Material Weakness)

There are $ 5,411 of unbudgeted expenditures.

Recommendation

We recommend the Board of Trustees monitor the District's activities and amend the budget for appropriately approved expenditures in excess of the originally budgeted amount if such expenditures are needed in the future.

Response from the Board of Directors

The Board of Trustees agrees to monitor expenditures with budgeted amounts more closely and if the need arises, they will amend the budget.