FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

SANITARY AND IMPROVEMENT DISTRICT NO. 250
SARPY COUNTY, NEBRASKA

YEAR ENDED JUNE 30, 2010

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	2
STATEMENT OF ACTIVITIES	3
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET	4
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	5
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	7
NOTES TO FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL	17
SUPPLEMENTARY INFORMATION	
INFORMATION REQUIRED BY SECTION 31-715 AND 31-740, REISSUE REVISED STATUTES OF NEBRASKA, 1993	18
TRUSTEES AND RELATED BONDS	19
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*	20

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

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

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

ALDEN B. AWERKAMP

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

J. DOUGLAS GOODNIGHT
(1936 - 2006)

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, and each major fund of Sanitary and Improvement District No. 250, Sarpy County, Nebraska (a political subdivision) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and remaining fund information of the District as of June 30, 2010, and the respective changes in financial position of those activities and funds and the budgetary comparison for the general fund as of and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund balance - Budget to Actual, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The supplementary information described in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Omaha, Nebraska
December 6, 2010

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

GOVERNMENT-WIDE STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government Governmental Activities
ASSETS:	
Cash on deposit - County Treasurer	$ 28,967
Taxes receivable (notes B and I)	91,361
Investments (note C)	414,775
Accrued interest on investments	181
Bond issue costs, net of amortization	211,352
Capital assets (note E):	
Improvements	3,879,219
Less accumulated depreciation	(559,904)
Total assets	4,065,951
LIABILITIES:	
Accounts payable	25,778
Accrued interest on warrants	19,037
Accrued interest on bonds	28,989
Payable to other sanitary & improvement districts	3,360
Noncurrent liabilities (notes F and G):	
Due within more than one year	80,000
Due in more than one year	3,391,338
Total liabilities	3,548,502
COMMITMENTS AND CONTINGENCIES (notes H and J)	-
NET ASSETS:	
Invested in capital assets, net of related debt	189,917
Restricted for debt service	449,070
Unrestricted	(121,538)
Total net assets	$ 517,449

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

Program Activities	Expenses	Program Revenues	Net (Expenses) Revenue and Changes In Net Assets Governmental Activities
Governmental activities			
General	$ 84,176	$ -	$ (84,176)
Debt service	23,465	-	(23,465)
Depreciation	115,283	-	(115,283)
Interest on long-term debt	201,325	-	(201,325)
Total government	$424,249	$ -	(424,249)

General revenues:	
Property taxes	211,594
Interest on taxes	203
Interest on investments	1,483
State motor vehicle tax allocation	650
Sewer connection fees	7,840
Interest on special assessments	249
Total general revenues	222,019
Change in net assets	(202,230)
Net assets at beginning of year	719,679
Net assets at end of year	$ 517,449

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

ASSETS

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS:			
Cash on deposit - County Treasurer	$ 3,979	$ 24,988	$ 28,967
Taxes receivable (notes B and I)	38,468	52,893	91,361
Investments (note C)	-	414,775	414,775
Accrued interest on investments	-	181	181
Total assets	$ 42,447	$492,837	$ 535,284

LIABILITIES AND FUND BALANCES

LIABILITIES:			
Accounts payable	$ 25,778	$ -	$ 25,778
Warrants payable (note F)	130,588	-	130,588
Accrued interest on registered warrants	7,619	11,418	19,037
Due to another Sanitary & Improvement Districts	-	3,360	3,360
Total liabilities	163,985	14,778	178,763
COMMITMENTS AND CONTINGENCIES (notes H and J)	-	-	-
Fund balance (deficit):			
Reserved for debt service	-	478,059	478,059
Unreserved	(121,538)	-	(121,538)
Total fund balance (deficit)	(121,538)	478,059	356,521
Total liabilities and fund balance	$ 42,447	$492,837	$ 535,284

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

June 30, 2010

Total fund balance - total governmental funds		$ 356,521
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
- Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		3,319,315
- Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(28,989)
- Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Due within one year	$ (80,000)	
Due in more than one year	(3,260,750)	(3,340,750)
- Bond issue costs are not current financial resources and therefore are not reported in the governmental funds balance sheet.		211,352
Net Assets of Governmental Activities		$ 517,449

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

Year Ended June 30, 2010

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES:			
Taxes assessed (note B)	$ 88,819	$ 122,775	$ 211,594
Interest on taxes	166	37	203
State motor vehicle tax allocation	407	243	650
Interest on investments	-	1,483	1,483
Sewer connection fee	-	7,840	7,840
Special assessments and interest	-	52,780	52,780
Total revenues	89,392	185,158	274,550
EXPENDITURES:			
Legal and accounting	14,394	-	14,394
Trustee fees	700	-	700
Collection fees - County Treasurer	2,342	2,389	4,731
Electric service	10,007	-	10,007
Engineering fees	16,624	-	16,624
Interest on registered warrants	10,783	60,130	70,913
Maintenance and repairs	35,024	-	35,024
Registered agent fees	3,066	9,643	12,709
Trustee bond and insurance	1,935	-	1,935
Payroll taxes	84	-	84
Debt service:			
Interest charges	-	117,688	117,688
Total expenditures	94,959	189,850	284,809
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,567)	(4,692)	(10,259)
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt	-	1,250,750	1,250,750
Payment of long-term debt	-	(2,637,679)	(2,637,679)
Payment of bond issue costs	-	(73,320)	(73,320)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(5,567)	(1,464,941)	(1,470,508)
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	(115,971)	1,943,000	1,827,029
FUND BALANCE (DEFICIT), END OF YEAR	$(121,538)	$ 478,059	$ 356,521

The accompanying notes are an integral part of these statements.

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

Year Ended June 30, 2010

Net change in fund balance - total governmental funds	$(1,470,508)
Amounts reported for governmental activities in the statement of activities are different because:	
- Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(115,283)
- The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	1,460,249
- Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds.	(12,724)
- Amortization of bond issue costs is recorded in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, amortization of bond issue costs is not reported as an expenditure in governmental funds.	(11,434)
- Special assessments and related interest are recorded as modified accrual for governmental funds and full accrual for government-wide statements resulting in this difference.	(52,530)
Change in Net Assets of Governmental Activities	$ (202,230)

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sanitary and Improvement District No. 250 of Sarpy County, Nebraska is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the trustees of the District, who are responsible for their integrity and objectivity. These accounting policies conform in all material respects to generally accepted accounting principles, as promulgated by the American Institute of Certified Public Accountants' Industry Audit Guide, Audits of State and Local Government Units, and have been consistently applied in the preparation of the financial statements.

History and business activity

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

Estimates

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

Reporting entity

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

Basis of Presentation

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation - Continued

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

Fund Financial Statements

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

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

General Fund

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

Debt Service Fund

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus/Basis of Accounting

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

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

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

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

Investments

Investments are carried at cost, which approximates market, and any premium or discount on investments are amortized on the straight-line method from date of purchase to date of maturity. These deposits were covered with sufficient assets pledged to the Douglas County by the financial institutions at June 30, 2010.

Infrastructure

Infrastructure is carried at cost plus interest on warrants while construction is in progress. Depreciation is provided using the straight-line method over estimated lives ranging from 24 to 40 years.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Bond Issue Costs

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

Budget and Budgetary Accounting

The District is required to adopt an annual operating budget for all the funds over which the District controls. The budget is adopted using a cash basis of accounting which differs significantly from generally accepted accounting principles. Under the cash basis of accounting, revenues and expenditures are recorded when cash is received or paid. Payment is deemed to have been made when warrants are issued.

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

(a) In September of each year the District submits a proposed operating budget for all funds to the real estate owners of the District.
(b) Notice of place and time of public hearings must be published prior to the public hearings.
(c) Public hearings are conducted to obtain taxpayer comment.
(d) After publication and hearing, the budget is legally adopted by majority vote of the Board. The District is required to file a copy of the adopted budget with the County Clerk and the Nebraska Auditor of Public Accounts in accordance with the Nebraska Budget Act.
(e) The budget is adopted on a per-fund basis and budgetary control is exercised at the fund level.
(f) The Board of Trustees may authorize supplemental appropriations during the year. No such appropriations were made during the year ended June 30, 2010.
(g) The accompanying combined statements of revenues, expenditures, and changes in fund balances - Budget and Actual - General and Debt Service Fund presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 2010 is presented as follows:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budget and Budgetary Accounting - Continued

	General Fund	Debt Service Fund
Deficiency of revenues and other sources of of financial resources over expenditures and other uses of financial resources (budgetary basis)	$ (5,698)	$(1,654,673)
Adjustments:		
To adjust revenues for receivables	(30,778)	50,994
To adjust expenditures for payables and accruals	(13,691)	138,738
To adjust for variance in recognition of items for other financing sources (uses)	44,600	-
Deficiency of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	$ (5,567)	$(1,464,941)

Net Assets

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

NOTE B - PROPERTY TAXES

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

Property tax revenues are recognized when they become available, which includes those property tax receivables expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

NOTE B - PROPERTY TAXES - CONTINUED

The District levied taxes for 2008-2010 at the rate of $0.90000 per $100 on property valuation of $17,452,711.

NOTE C - INVESTMENTS

Custodial Credit Risk

The District is allowed to invest funds as permitted by Nebraska Statute 77-2341, R.R.S., 1990, and generally include U.S. government obligations, certificates of deposit and time deposits. During the year ended June 30, 2010, the District invested in U.S. treasury bills.

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

Interest Rate Risk

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

At June 30, 2010, the par value, cost, and market value of the District's investments were $415,000, $414,775 and $414,974, respectively.

NOTE D - SPECIAL ASSESSMENTS

On October 20, 2006, special assessments in the amount of $2,011,314 were levied against certain properties within the District in connection with the construction of improvements. Special assessments are due in ten annual installments and bear interest at 7% per annum until delinquent and 9% per annum thereafter until paid. All special assessments were collected in 2010.

NOTE E - CAPITAL ASSETS

At June 30, 2010, capital assets consist of the following:

	Balance July 1, 2009	Additions (Deletions)	Balance June 30, 2010
Concrete paving storm and sanitary sewer	$2,512,518	$ -	$2,512,518
Exterior street improvement	139,338	-	139,338
Capital facilities charge	119,519	-	119,519
Water	452,102	-	452,102
Electrical distribution	187,416	-	187,416
Park contribution	100,018	-	100,018
Sewer connection fee	368,308	-	368,308
	3,879,219	-	3,879,219
Accumulated depreciation	(444,621)	(115,283)	(559,904)
	$3,434,598	$(115,283)	$3,319,315

Depreciation for the year ended June 30, 2010 was $115,283.

NOTE F - REGISTERED WARRANTS

At June 30, 2010, the District has registered warrants outstanding for operating expenses and construction costs. The warrants bear interest at 7.0%. General fund warrants are due three years from date of issuance. Debt service fund warrants are due five years from date of issuance. No interest was capitalized during the current year.

Aggregate maturities of registered warrants are as follows:

	General Fund	Long-Term Debt	Total
2011	$ -	$ -	$ -
2012	61,372	-	61,372
2013	69,216	-	69,216
2014	-	-	-
2015	-	200,750	200,750
	$130,588	$200,750	$331,338

NOTE G - GENERAL OBLIGATION BONDS PAYABLE

On May 1, 2007, the District issued $2,250,000 of general obligation bonds with interest rates ranging from 4.15% to 4.90% to redeem construction warrants and interest of $2,116,941. Bonds maturing on or after May 1, 2013, are subject to redemption in whole or part at any time on or after May 1, 2012, at par plus and accrued interest, to the date set for redemption, with no redemption premium.

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

A summary of changes in bonds payable is as follows:

Balance July 1, 2009	$2,145,000
Bonds issued	1,050,000
Bonds paid	(55,000)
Bonds June 30, 2010	$3,140,000

Aggregates maturities of bond principal and interest as follows:

	Principal	Interest	Total
2011	$ 80,000	$ 139,756	$ 219,756
2012	80,000	136,846	216,846
2013	85,000	133,891	218,891
2014	85,000	130,646	215,646
2015	90,000	127,011	217,011
2016-2020	1,340,000	559,251	1,899,251
2021-2025	485,000	281,458	766,458
2026-2030	610,000	158,105	768,105
2031-2032	285,000	21,070	306,070
	$3,140,000	$1,688,034	$4,828,034

NOTE H - COMMITMENTS

The District has entered into an agreement with Omaha Public Power District (OPPD) under which OPPD is to furnish street lighting to the District. The cost to the District for this service for fiscal 2011 is estimated to be approximately $25,000.

NOTE I - CREDIT RISK

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

NOTE J - RISK MANAGEMENT

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

NOTE K - SUBSEQUENT EVENTS

Management evaluated transactions and events occurring subsequent to June 30, 2010 and through the date of the report (the date the financial statements were available to be issued) to determine whether any events should be recognized or disclosed in these statements. There were no material transactions or events in the subsequent period requiring disclosure or recognition in the statements.

SUPPLEMENTARY INFORMATION

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

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

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

For the year ended June 30, 2010

	GENERAL FUND (NON GAAP)		
	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes collected	$ 85,118	$ 119,597	$ 34,479
Interest on taxes	100	166	66
State motor vehicle tax allocation	300	407	107
Interest on investments	-	-	-
Sewer connection fee	-	-	-
Special assessments and interest	-	-	-
Total revenues	85,518	120,170	34,652
EXPENDITURES:			
Accounting and auditing	7,500	7,135	365
Trustee fees	1,200	731	469
Collection fees - County Treasurer	1,669	2,342	(673)
Electric service	25,000	11,247	13,753
Engineering fees	15,000	13,908	1,092
Interest on registered warrants	10,000	9,709	291
Legal fees	10,000	7,079	2,921
Maintenance and repairs	50,000	23,832	26,168
Registered agent fees	7,500	3,296	4,204
Trustee bonds and insurance	3,000	1,935	1,065
Payroll taxes	110	54	56
Bond interest	-	-	-
Total expenditures	130,979	81,268	49,711
Excess (deficiency) of revenues over expenditures	(45,461)	38,902	84,363
OTHER FINANCING SOURCES (USES):			
Proceeds from warrants issued	119,310	69,216	(50,094)
Payment of registered warrants	(50,000)	(113,816)	(63,816)
Payment of long term debt	-	-	-
Proceeds from long-term debt	-	-	-
Payment of bond issue costs	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	$ 23,849	(5,698)	$(29,547)
FUND BALANCE, BEGINNING OF YEAR		9,677	
FUND BALANCE, END OF YEAR		$ 3,979	

DEBT SERVICE FUND
(NON GAAP)

Original And Final Budget	Actual	Variance Favorable (Unfavorable)
$ 117,038	$ 69,882	$ (47,156)
-	37	37
-	243	243
10,000	2,957	(7,043)
-	7,840	7,840
50,000	53,205	3,205
177,038	134,164	(42,874)
-	-	-
-	-	-
4,295	2,390	1,905
-	-	-
-	-	-
200,000	198,867	1,133
-	-	-
-	-	-
7,000	9,643	(2,643)
-	-	-
-	-	-
98,095	117,688	(19,593)
309,390	328,588	(19,198)
(132,352)	(194,424)	(62,072)
43,000	200,750	157,750
(2,600,000)	(2,582,679)	17,321
(55,000)	(55,000)	-
987,000	987,000	-
(57,000)	(10,320)	46,680
$(1,814,352)	(1,654,673)	$ 159,679
	2,094,436	
	$ 439,763	

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

INFORMATION REQUIRED BY SECTION 31-715 AND 31-740,
REISSUE REVISED STATUTES OF NEBRASKA, 1993

For the year ended June 30, 2010

Gross revenues from all sources	$274,550
Gross revenues from all sources from previous year	$769,943
Amount spent for sewage disposal	$ -
Amount expended on water mains	$ -
Gross amount of sewage processed	$ -
Cost per thousand gallons of processing sewage	$ -
Amount expended for:	
Maintenance and repairs	$ 35,024
New equipment	$ -
New construction work (incl. water mains)	$ -
Property purchased	$ -
Number of employees	One
Salaries and fees paid employees	$ 700
Total amount of taxes levied upon the property within the District	$212,065

Sanitary and Improvement District No. 250
Sarpy County, Nebraska

TRUSTEE AND RELATED BONDS

June 30, 2010

Trustees		Bonds	
Name	Office	Insurer	Amount
Gale Larsen	Chairman	Universal Surety Company	$ 5,000
Jim Emmons	Clerk	Universal Surety Company	$20,000
Loren Johnson	Trustee		
Jose Sanros	Trustee		

Awerkamp, Goodnight, Schwaller & Nelson, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
17007 Marcy Street - Suite One
Omaha, Nebraska 68118-3122

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

ALDEN B. AWERKAMP

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

J. DOUGLAS GOODNIGHT
(1936 – 2006)

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

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

We have audited the financial statements of Sanitary and Improvement District No. 250 of Douglas County, Nebraska as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sanitary and Improvement District No. 250's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sanitary and Improvement District No. 250's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sanitary and Improvement District No. 250's internal control over financial reporting.

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sanitary and Improvement District No. 250's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sanitary and Improvement District No. 250's financial statements that is more than consequential will not be prevented or detected by the Sanitary and Improvement District No. 250's internal control. We consider the deficiencies described above to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sanitary and Improvement District No. 250's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanitary and Improvement District No. 250's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that are required to be reported under *Government Auditing Standards.*

Finding #1

- The District exceeded budgeted debt service fund expenditures by $19,198, without amending the budget.

Response

- The District paid interest expense on new bond issue in 2010, which was not budgeted for the project.

Finding #2

- The District redeemed $63,816 of general fund warrants, without amending the budget.

Response

- The District collected more property taxes than were budgeted and used the funds to repay warrants and related interest in order to reduce interest cost.

Sanitary and Improvement District No. 250's responses to the findings identified in our audit are described above. We did not audit Sanitary and Improvement District No. 250's responses and accordingly, we express no opinion on them.

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

Omaha, Nebraska
December 6, 2010