

**MINUTES OF MEETING OF BOARD OF TRUSTEES OF
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA**

The meeting of the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska was convened in public and open session at 4:30 p.m. on 6th day of December, Omaha, Nebraska. Present were the following Trustees: Robert L. Storz, Daniel E. Norman, and Jon M. Wollenburg. Absent was the following Trustee: Jshon J. Breeling. Present by invitation were Ronald W. Hunter, attorney for the District; Kristi Weispfenning, his assistant; Rich Harman, of Ameritas Investment Corp; and Norris Franzen, Construction Consultant. Notice was given in advance by publication in the Papillion Times on December 5, 2012, as provided in the Proof of Publication attached to these Minutes. Notice of the meeting was also given to all of the Trustees, a copy of their Acknowledgment of Receipt of Notice being attached to these Minutes. Notice of the meeting was also given to the three individuals who each received one vote in the election but were not elected. Availability of the Agenda was communicated in the published Notice and in the Notice to the Trustees of the meeting. All proceedings of the Board were taken while the convened meeting was held open to the attendance of the public.

The Attorney for the District certifies that these Minutes were written and available for public inspection within ten (10) working days and prior to the next convened meeting of the Board of Trustees.

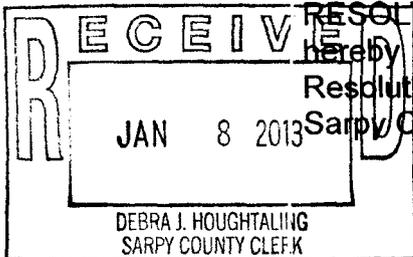
The Chairman, called the meeting to order and called the roll.

The Chairman publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

The Chairman stated the first order of business was to consider proposing a \$2,230,000 refunding bond issue. Mr. Harman handed a financial schedule to the Trustees and discussed it. The Chairman ordered that these schedules be attached to and become a part of the minutes. The following Resolutions were proposed by Trustee Norman and seconded by Trustee Wollenburg, to-wit:

BE IT RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, that the "Bond Resolution of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska," composed of seventeen pages, is hereby approved and adopted.

RESOLVED FURTHER, that the Chairman and the Clerk are hereby authorized and directed to execute said "Bond Resolution of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska", as of the date of this meeting.



BE IT RESOLVED That the Official Statement dated December 6, 2012 pertaining to the issuance and sale of the Bonds is hereby approved in substantially the form attached hereto, the Official Statement as of its date is hereby deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and the distribution of the Official Statement by Ameritas Investment Corp., as underwriter of the Bonds is hereby approved.”

“RESOLVED, that Bankers Trust Company, Des Moines, Iowa, has been appointed as Paying Agent for payment of principal and interest on bonds of this District issued January 15, 2013, which appointment is hereby confirmed and ratified, and the County Treasurer of Sarpy County, Nebraska, as ex officio treasurer of this District, is hereby authorized and directed to pay, from time to time, to said Paying Agent, from funds of the District, such amounts of money as such Paying Agent shall certify in writing to the County Treasurer as shall be needed for payment of principal or interest on bonds of the District, such certificate of the Paying Agent to show the amounts needed for payment of principal or interest, the date upon which such amount is due, and the date when such transfer shall be made to the Paying Agent by the County Treasurer for each transfer of funds requested by the Paying Agent.”

“BE IT FURTHER RESOLVED, that the Chairman and Clerk of this District shall certify this resolution to said County Treasurer who may deem this resolution to be a continuing resolution, and authorization to make transfers to such Paying Agent, until and unless the County Treasurer is notified of termination of such authority.”

BE IT RESOLVED by Sanitary and Improvement District No. 216 of Sarpy County, Nebraska:

Section 1. The following bonds, in accordance with their optional redemption provisions are hereby called for payment on January 15, 2013, at par plus accrued interest, after which date interest on the bonds will cease:

General Obligation Bonds, Series 2006, dated February 15, 2006, in the principal amount of Two Million Six Hundred Thousand Dollars (\$2,600,000) in \$5,000 denominations bearing basic interest as follows:

Basic Interest Rate Per Annum	Amount	Maturity Date
4.10%	\$135,000	02/15/13
4.20%	\$140,000	02/15/14
4.35%	\$145,000	02/15/15
4.40%	\$150,000	02/15/16
4.50%	\$160,000	02/15/17
4.55%	\$170,000	02/15/18
4.60%	\$175,000	02/15/19
4.65%	\$185,000	02/15/20
4.70%	\$195,000	02/15/21
\$1,145,000		
\$1,145,000		02/15/26

which are subject to redemption at any time on or after February 15, 2011 at par plus accrued interest, and said interest is payable semiannually, provided that such bonds shall not be called for payment, and this resolution shall be of no force and effect, if the District does not issue, sell and deliver its \$2,230,000 aggregate principal amount of General Obligation Refunding Bonds Series 2013 on or before January 15, 2013.

Section 2. Said bonds are to be paid at the office of Great Western Bank, Omaha, Nebraska.

Section 3. A true copy of this resolution shall also be filed immediately with Great Western Bank, and said Paying Agent and Registrar is hereby instructed to mail notice to each registered owner of said outstanding bonds not less than thirty days prior to the date fixed for redemption. A true copy of this resolution shall be filed with the County Treasurer of Sarpy County on or before the call date.

On the foregoing Resolution, the following Trustees voted "aye": Trustees Norman, Wollenburg, and Storz. Voting "nay" thereon were the following: None. It was then declared that said Resolution was duly carried and adopted.

The Chairman stated the next order of business was a discussion regarding property owner questions or concerns. The Chairman stated there was a spring toy in the park which has been broken but is now fixed.

The Trustees discussed issues with individuals taking pets to the park and are not cleaning up after the pets. It was agreed Ms. Weispfenning would contact Signature Signs and have signs posted in the park reminding to clean up after pets. The Trustees also instructed Ms. Weispfenning to have the Yield Sign located at Willow Street and 162nd Street placed back on the light pole.

The Chairman stated the next order of business was an update from Norris Franzen, Construction Consultant. Mr. Franzen reported after the payment of bills there will be \$19,249.01 left in the General Fund until the next tax collection and there will be \$94,732.86 remaining in the budget for the fiscal year.

The Chairman stated the next order of business was a review of draft financial reports. The Trustees reviewed these documents in detail.

The next order of business was for the Chairman to sign representation letter with the accountants regarding the annual audit. After a full and complete discussion, the following Resolution was proposed by Trustee Wollenburg and seconded by Trustee Norman, to-wit:

RESOLVED, that the Chairman and Mr. Franzen are hereby authorized and directed to execute said representation letter with the accountants regarding the annual audit for the District.

On the foregoing Resolution, the following Trustees voted "aye": Trustees Norman, Wollenburg, and Storz. Voting "nay" thereon were the following: None. It was then declared that said Resolution was duly carried and adopted.

The following are reporting items for the Trustees' information and required no action: General Ledger balances from the Sarpy County Treasurer for October, 2012.

The Trustees agreed the next meeting of the Board of Trustees would be held at 4:30 p.m. on February 14, 2013 at 11605 Arbor Street, Suite 104, Omaha, Nebraska.

The Chairman stated that the last item on the Agenda was the Board's consideration of the hereinafter described statements, bills and invoices. After a full and complete discussion, the following Resolutions were moved by Trustee Wollenburg and seconded by Trustee Norman to-wit:

BE IT RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, that the Chairman and Clerk be and they are hereby directed and authorized to execute and deliver General Fund Warrant No. 2688 through Warrant No. 2693 of the District, dated the day of this meeting, to the following payees in the following amounts, said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of seven percent (7%) per annum, to be redeemed no later than December 6, 2015, subject to extension of said maturity date by order of the District Court of Sarpy County, Nebraska, after notice is given as required by law, to wit:

WARRANT NO. 2688 in the amount of \$21.46 made payable to WORLD HERALD MEDIA GROUP, per Customer No. 154004, Order Nos. 0001572531-01 and 0001586979-01, attached.

WARRANT NO. 2689 in the amount of \$242.80 made payable to OMAHA WORLD HERALD, per Order No. 0001573921-01, attached.

WARRANT NO. 2690 in the amount of \$5,141.28 made payable to O.P.P.D., per Account No. 9254119457, attached.

WARRANT NO. 2691 in the amount of \$486.00 made payable to GREENLIFE GARDENS, per Invoice No. 27129, attached.

WARRANT NO. 2692 in the amount of \$553.88 made payable to N.P. DODGE INSURANCE AGENCY, INC., per Invoice No. 28769, attached.

WARRANT NO. 2693 in the amount of \$1,065.00 made payable to RONALD W. HUNTER, per Statement dated 12/05/12, attached.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, that both they and the district hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all said improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District

for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by a developer during the initial period of development of said improvements, there have been, are and will be no persons with rights to use such improvements other than as members of the general public; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above Warrants; and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, that the District hereby covenants, warrants and agrees as follows: (A) to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above Warrants; and (B) to the extent that it may lawfully do so, the District hereby designates the above Warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(I)(III) of the Internal Revenue Code of 1986 as amended and covenants and warrants that the District does not reasonably expect to issue Warrants or Bonds or other obligations aggregating in the principal amount of more than \$5,000,000.00 during the calendar year in which the above Warrants are to be issued.

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska that this and the preceding Resolutions are hereby adopted as the Certificate with Respect to Arbitrage of the District pertaining to the above Warrants and the District and the Chairman and Clerk of the District hereby further certify, as of the date of the registration of the above Warrants with the County Treasurer of Sarpy County, Nebraska, as follows:

1. No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The District reasonably anticipates that monies in its Bond Fund reasonably attributable to the above Warrants in excess of the lesser of: (A) 10% of the net principal proceeds of the above

Warrants, (B) the maximum annual debt service due on the above Warrants, or (C) 125% of average annual debt service due on the above Warrants will be expended for payment of principal of and interest on the above Warrants within 13 months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within 13 months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield on the above Warrants.

2. To the best of their knowledge, information and belief, the above expectations are reasonable.

3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its Bonds.

4. This Certificate is being passed, executed and delivered pursuant to Sections 1.148-2 (b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

On the foregoing Resolutions, the following Trustees voted "aye": Trustees Norman, Wollenburg, Storz and Breeling Voting "nay" thereon were the following: None. It was then declared that said Resolutions were duly carried and adopted.

There being no further business to come before the meeting, the same was thereupon adjourned.

ROBERT STORZ, Chairman

DANIEL E. NORMAN, Clerk

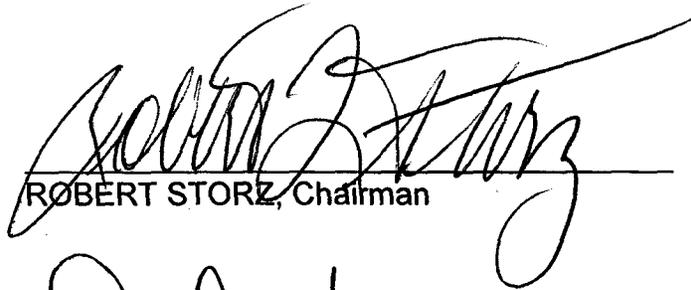
JON M. WOLLENBURG, Trustee

ABSENT
JSHON J. BREELING, Trustee

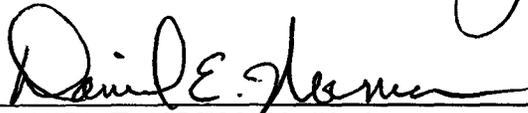
ACKNOWLEDGMENT OF RECEIPT
OF
NOTICE OF MEETING

THE UNDERSIGNED Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, hereby acknowledge receipt of advance notice of meeting of the Board of Trustees of said District, and the Agenda for such meeting held at 4:30 p.m. on the 6th day of December, 2012, at 11605 Arbor Street, Suite 104, Omaha, Nebraska.

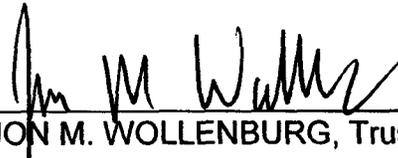
DATED this 6th day of December, 2012.



ROBERT STORZ, Chairman



DANIEL E. NORMAN, Clerk



JON M. WOLLENBURG, Trustee

JSHON J. BREELING, Trustee

CERTIFICATE

The undersigned hereby certify that they are the Chairman and Clerk of Sanitary and Improvement District Number 216 of Sarpy County, Nebraska, (the "District") and hereby further certify as follows:

1. Annexed to this certificate is a true and correct transcript of the proceedings of the Board of Trustees of the District relating to a meeting of said District held on the date and at the time reflected in the meeting minutes contained in said foregoing transcript (the "Meeting"). All of the proceedings of the District and of the Board of Trustees thereof which are set out in the annexed and foregoing transcript have been fully recorded in the journal of proceedings of the District and the undersigned District Clerk has carefully compared the annexed and foregoing transcript with said journal and with the records and files of the District which are in such Clerk's official custody and said transcript is a full, true and complete copy of said journal, records and files which are set out therein.

2. Advance notice for the Meeting was given by publication as set forth in the affidavit of publication contained in the foregoing transcript and was given to the Clerk of the municipality or county within whose zoning jurisdiction the District is located at least seven days prior to the date of the Meeting. Advance notice for the Meeting, including notice of agenda subjects, was given to all members of the Board of Trustees. All news media requesting notification of meetings of said body were provided with advance notice of the times and places of such meetings and the subjects to be discussed.

3. All of the subjects addressed at the Meeting were contained in the agenda for the Meeting, which agenda was kept continually current and readily available for public inspection at the address listed in the meeting notice for the Meeting and a copy of which is attached to this Certificate; such subjects were contained in said agenda for at least 24 hours prior to the Meeting and each agenda item was sufficiently descriptive to give the public reasonable notice of the matters to be considered at the Meeting.

4. A current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during the Meeting in the room in which such Meeting was held and all in attendance at the Meeting were informed that such copy of the Nebraska Open Meetings Act was available for review and were informed of the location of such copy in the room in which such Meeting was being held. At least one copy of all resolutions and other reproducible written materials, for which actions are shown in said proceedings, was made available for examination and copying by members of the public at the Meeting.

5. The minutes of the Meeting were in written form and available for public inspection within ten (10) working days after the Meeting or prior to the next convened meeting, whichever occurred earlier, at the office of the District; within thirty (30) days after the date of the Meeting, a copy of the minutes of the Meeting was sent to the Clerk of the municipality or county within whose zoning jurisdiction the District is located.

6. No litigation is now pending or threatened to restrain or enjoin the District from

the issuance and delivery of any warrants or other obligations issued by the District or the levy and collection of tax or other revenues or relating to any of the improvements for which any such warrants or other obligations were or are issued nor in any manner questioning the proceedings and authority under which any such warrants or other obligations were or are issued or affecting the validity thereof; neither the corporate existence or boundaries of the District nor the title of its present officers to their respective offices is being contested; no authority or proceedings for the issuance of any warrants or other obligations by the District have been repealed, revoked or rescinded as of the date hereof. All actions taken by the Board of Trustees referred to in said transcript were taken at a public meeting while open to the attendance of the public.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures this 6th day of December, 2012.

Chairman

Clerk

C.	O.P.P.D. Account No. 9254119457 dated 10/29/12	2,570.07	
	dated 11/29/12	<u>2,571.21</u>	5,141.28
B.	Greenlife Gardens Invoice No. 27129		486.00
C.	N.P. Dodge Insurance Agency, Inc. Invoice No. 28769		100.00
D.	Ronald W. Hunter Statement dated 12/05/12		1,065.00

*** There are funds available so there is no 5% fee paid to Ameritas Investment Corp.**

11. Adjourned.

THE UNDERSIGNED hereby certifies that the foregoing Agenda was prepared and available for public inspection at the address shown on the published notice of meeting prior to the commencement of said meeting, and that no items were added to the Agenda after the commencement of the meeting.

Clerk

Richard S. Harman
Vice President - Public Finance

440 Regency Parkway Dr., Suite 222 / Omaha, NE 68114
Bus: 402-384-8433 / Toll Free: 800-700-2362 / Fax: 402-384-8099

September 25, 2012

Mr. Ronald W. Hunter
Hunter Law Office, Suite 104
11605 Arbor Street
Omaha, Nebraska 68144

Re: SID # 216 Bond Refunding

Dear Ron:

Enclosed is information/schedules which I would request you forward to the Board of Trustees regarding refunding the District's outstanding 2006 bonds. First, several caveats: (1) the 2006 bonds are refundable but with a dating of December 1, 2012 on the refunding bonds there is the risk of an adverse interest rate move in the interim; (2) we have utilized a 45 cent levy in the Bond Fund for the 2012/13 fiscal year; (3) we have assumed no growth in valuation for the District beyond the 2012 valuation; and, (4) we have used some of the "excess" monies in the Bond Fund to downsize the refunding bonds. In addition to making sense economically because the District is getting no investment return on these funds, in order to meet regulations with regard to bond fund reserves a smaller bond issue was necessary. With these caveats, if interest rates hold at current levels, we believe it would be economically advantageous for the District to consider refunding the 2006 bonds.

My comments with respect to the attached schedules are as follows: Schedule 1 depicts the District as it currently sits. The Bond Fund balance at July 31, 2012 was \$993,065.43. After making the August 15th, October 15th and November 15th bond payments totaling \$186,431.25 the Bond Fund balance is projected to be \$349,292.82 at December 31, 2012. The District's remaining 2006 bond payments which would be subject to refunding total \$3,571,296.25 and would require a 55 cent levy through fiscal 2026/27 in order for the District to make it's bond payments. After all bond payments are made the District would have approximately \$12,656.45 in the Bond Fund.

Schedule 2 utilizes identical bond fund levies and shows that by refunding the 2006 bonds the District would have \$253,501.38 in the Bond Fund after all bond payments are made versus the \$12,656.45 without a refunding. Schedule 3 shows that by refunding the 2006 bonds the District

Mr. Ronald W. Hunter
Re: Sarpy County SID #216
September 25, 2012
Page two

would be able to lower its bond fund levy to 52 cents for the next 14-15 years. Schedule 4 depicts the refunded bond payments remaining on the 2006 bonds, the projected bond payments (ie. from Schedule 3) on the 2012 refunding bonds and the "cash contribution" the District would make. On a "net" basis the District would save \$236,691.82 based on these assumptions.

I thank you in advance for forwarding the enclosed information to the Board. Once you and they have had a chance to review the information, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Rich Harman", with a long horizontal flourish extending to the right.

Rich Harman

enc.

**BOND RESOLUTION
OF
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA**

BE IT RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska:

Section 1. The Board of Trustees finds and determines: that such District was duly organized under the provisions of Sections 31-727 to 31-770, R.R.S. Neb. 1943, as amended; that the Board of Trustees of the District has previously adopted resolutions of necessity for the installation of certain improvements; that all of such improvements have been installed and the work completed and previously has been or is hereby accepted by the Board of Trustees of the District, and special assessments have been levied as provided by law to pay the cost of such improvements; that the District has previously issued \$3,275,000 of its General Obligation Bonds dated February 15, 2006 (the "2006 Bonds") and that \$2,600,000 of the 2006 Bonds remain outstanding and unpaid; that since the 2006 Bonds (the "Outstanding Bonds") were issued, and considering the maturity schedule of the Outstanding Bonds that by taking up and paying off the aggregate principal amount of \$2,600,000 of the foregoing described Outstanding Bonds, maturing February 15, 2013 through February 15, 2026, a substantial savings in the amount of annual principal and interest payments will be made to the District; that to provide funds to redeem and refund all of the Outstanding Bonds of the District, which have been called for redemption on January 15, 2013; to pay certain costs of issuance of this bond issue; and considering the amount of funds now held by the District it is necessary and appropriate for the District to issue bonds in the principal amount \$2,230,000; that all conditions acts and things required by law to exist or to be done precedent to the issuance of General Obligation Refunding Bonds for the foregoing purposes do exist and have been done in due form and time as required by law, and in compliance with the provisions of Section 10-615 and Sections 31-727 to 31-785, inclusive, R. R. S. Neb. 1943, as amended; and that Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, is empowered to issue such bonds in the amount of \$2,230,000 for the purposes aforesaid.

Section 2. For the purposes set forth in Section 1 hereof, there are hereby ordered issued fully registered bonds of the District in the aggregate principal amount of \$2,230,000 (the "Series 2013 Bonds"). The Series 2013 Bonds shall be dated January 15, 2013, and shall bear interest at the rates per annum and mature on January 15 in each of the years and in the principal amounts as follows:

<u>Maturing on January 15</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2014	\$125,000	1.25%
2015	\$130,000	1.35%
2016	\$140,000	1.50%
2017	\$145,000	1.60%
2018	\$150,000	1.75%
2019	\$155,000	1.90%
2020	\$165,000	2.10%
2021	\$175,000	2.30%
2022	\$185,000	2.50%
2023	\$195,000	2.65%
2024	\$210,000	2.80%
2025	\$220,000	2.90%
2026	\$235,000	3.00%

Any of the Series 2013 Bonds maturing on January 15, 2019, to and including January 15, 2026, 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, 2018, at the principal amount thereof plus interest accrued thereon to the date fixed for redemption, with no redemption premium. The District may select the maturities of the Series 2013 Bonds so to be redeemed in its sole discretion. Such scheduled mandatory redemptions shall be at a price equal to 100% of the principal amount redeemed plus interest accrued on the principal amount being redeemed to the date fixed for redemption.

If less than all of the Series 2013 Bonds of any maturity are to be redeemed, the Paying Agent and Registrar 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 of the Series 2013 Bonds 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.

The Series 2013 Bonds shall be designated: Sanitary and Improvement District No. 216 of Sarpy County, Nebraska General Obligation Refunding Bonds Series 2013, and shall be issued in the form of fully registered bonds, in the denomination of \$5,000 or any integral multiple of \$5,000, and may contain such variations, omissions and insertions as are incidental to such differences of denomination in form. The Series 2013 Bonds issued upon exchanges and transfers of bonds shall be dated so that no gain or loss of interest shall result from such exchange or transfer. Each bond shall bear interest from the earlier of January 15, 2013 or the date of authentication thereof and bonds shall be numbered from 1 up, in order of their issuance.

Interest on the Series 2013 Bonds shall be payable semiannually on January 15 and July 15 of each year, commencing July 15, 2013. The principal of the Series 2013 Bonds is payable upon presentation and surrender thereof at the principal corporate trust office of Bankers Trust Company, Des Moines, Iowa, as Paying Agent and Registrar. Interest on the Series 2013 Bonds will be paid by check or draft mailed by the Paying Agent to the person in whose name the ownership of each Bond is registered on the books of the Paying Agent and Registrar at the close of business on the first day of each month in which occurs an interest payment date. The principal and interest on the Series 2013 Bonds are payable in lawful money of the United States of America.

Section 3. Each Bond shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth, duly executed by the Paying Agent and Registrar. No Series 2013 Bonds shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Paying Agent and Registrar and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered in accordance with this Bond Resolution.

Section 4. The District and the Paying Agent and Registrar 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 and Registrar 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 and Registrar, 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 Series 2013 Bonds to be kept at the principal office of the Paying Agent and Registrar at all times while any of such Series 2013 Bonds shall be outstanding. Any bond may be transferred pursuant to its provisions at the principal office of the Paying Agent and Registrar by surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to such Paying Agent and Registrar, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Paying Agent and Registrar will authenticate and deliver at the office of the Paying Agent and Registrar (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 Series 2013 Bonds by the terms of this Bond 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 of the same series may be transferred for one or several such bonds, respectively, 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 and Registrar 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, but no fee shall be charged for the registration of transfer or issuance.

The Paying Agent and Registrar shall not be required (a) to issue, transfer or exchange Series 2013 Bonds from the close of business on the first day of each month in which occurs an interest payment date until such interest payment date; (b) to issue, register or transfer any Series 2013 Bonds for a period of 15 days next preceding any selection of bonds for redemption or for a period of 15 days thereafter; or (c) to register, transfer or exchange any Series 2013 Bonds which have been designated for redemption within a period of 30 days next preceding the date fixed for redemption.

Section 5. Notice of redemption of any Series 2013 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 Series 2013 Bonds called for redemption, the redemption date and the place where the redemption amount will be payable, and in the case of

bonds to be redeemed in part only, such notice shall specify the respective portion of the principal amount thereof to be redeemed. If funds sufficient for such redemption shall be held by the Paying Agent and Registrar on the date fixed for redemption and such notice shall have been given, the Series 2013 Bonds or the portion thereof thus called for redemption shall not bear interest after the date fixed for redemption.

Section 6. 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 such sinking fund and any other funds available for the purpose, will be sufficient to meet the payment of interest on and principal of the Series 2013 Bonds and other bonds and construction warrants of the District now or hereafter issued, as such interest and principal become due.

Section 7. Bankers Trust Company, Des Moines, Iowa, is hereby appointed as Paying Agent and Registrar for the Series 2013 Bonds. The Chairman and Clerk of the District are hereby authorized to execute and deliver an agreement with said Paying Agent and Registrar, setting forth the respective duties of the parties, in such form as the Chairman and Clerk shall determine. The District agrees to pay the fees and expenses of said Paying Agent and Registrar. At least five (5) days before any interest or principal payment date or any date upon which the Series 2013 Bonds are to be redeemed, the District shall transfer to the Paying Agent and Registrar funds sufficient to pay the principal, and interest due on such payment or redemption date and the Chairman and Clerk then serving are hereby authorized and directed, without further authorization or direction, to make such transfers of funds and draw warrants upon the County Treasurer, as treasurer of the District, in such amounts and at such times as shall be necessary to provide to the Paying Agent and Registrar funds sufficient for such purpose.

Section 8. The Series 2013 Bonds shall be in substantially the following form, with such modifications as shall be necessary or advisable to comply with the terms of this Bond Resolution:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA**

**SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA**

GENERAL OBLIGATION REFUNDING BOND, SERIES 2013

NO.

\$

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP NO.
January 15, 2013

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS: that Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, being organized and existing under Chapter 31, Article 7, Reissue Revised Statutes of Nebraska, 1943, as amended, hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above or registered assigns, the principal sum specified above on the maturity date specified above (unless sooner redeemed) upon surrender of this bond, and to pay interest on said sum from the date of original issue shown above to maturity or earlier redemption at the rate per annum specified above, payable semiannually on the fifteenth day of January and July of each year commencing July 15, 2013. Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal on this bond is payable upon presentation and surrender hereof at the principal corporate trust office of Bankers Trust Company, Paying Agent and Registrar. Interest on this bond will be paid on each interest payment date by check or draft mailed to the person in whose name this bond is registered on the books of the Paying Agent and Registrar at the close of business on the first day of each month in which occurs an interest payment. Interest in default shall be paid to the registered owner hereof as of the special record date designated by the Paying Agent and Registrar. The principal and interest on this bond are payable in lawful money of the United States of America and for the prompt payment of such principal and interest as the same become due, the full faith, credit and resources of said District are hereby irrevocably pledged.

Bonds of this issue maturing on January 15, 2019, to and including January 15, 2026, 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, 2018, at the principal amount thereof plus interest accrued thereon to the date fixed for redemption, with no redemption premium.

If less than all of the bonds of any maturity of this issue are to be redeemed, the Paying Agent and Registrar 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 to be redeemed.

Notice of redemption of this bond or any portion hereof shall be given by first class mail to the registered owner addressed to his or her registered address and placed in the mail not less than 30 days nor more than 60 days prior to the date fixed for redemption. If funds sufficient for such redemption shall be held by the Paying Agent on the date fixed for redemption and such notice shall have been given, this bond or the portion thus called for redemption, shall not bear interest after the date fixed for redemption.

This bond is one of an issue of bonds, all originally dated January 15, 2013, and of like tenor herewith except as to amount, date of maturity and rate of interest, in the total principal amount of Two Million Two Hundred Thirty Thousand Dollars (\$2,230,000), issued by said District for the purpose of providing funds to currently redeem and refund \$2,600,000 of the Outstanding Bonds of the District dated February 15, 2006 and to pay a portion of certain costs of the issuance of the Series 2013 Bonds; in strict compliance with the provisions of Section 10-615 and Sections 31-727 to 31-785, inclusive, Reissue Revised Statutes of Nebraska, 1943, as amended, and the issuance of the Series 2013 Bonds of this issue has been duly authorized by proceedings duly had and a Bond Resolution duly passed and adopted by the Board of Trustees of said District.

The District will cause to be levied annually upon all taxable property in said District, a tax which together with such sinking fund and other funds available for the purpose, will be sufficient to meet the payment of interest on and principal of this bond and other bonds and construction warrants of the District now or hereafter issued, as such principal and interest become due.

This bond is transferable by the registered owner or his attorney duly authorized in writing at the principal office of the Paying Agent and Registrar, upon surrender and cancellation of this bond, and thereupon a new bond (or bonds) in the same principal amount (or in any multiple of \$5,000) and with the same interest rate and maturity will be issued to the transferee as provided in the Bond Resolution. The District and the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all other purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

This bond shall not be valid and binding on the District until authenticated by the Paying Agent and Registrar in the space hereinbelow indicated.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond, did exist, did happen and were done and performed in regular and due form and time as required by law, and that the indebtedness of the District, including this bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, has caused this bond to be executed in its behalf with the facsimile signatures of its Chairman and Clerk and a facsimile of its corporate seal to be affixed hereto, all as of the date of original issue shown above.

SANITARY AND IMPROVEMENT DISTRICT
NO. 216 OF SARPY COUNTY, NEBRASKA

(SEAL)

By: (facsimile signature)
Chairman

ATTEST:

(facsimile signature)
Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within-mentioned proceedings.

BANKERS TRUST COMPANY
PAYING AGENT AND REGISTRAR

By: _____
Authorized signature

Dated: _____

Form of Assignment

For value received _____
hereby sells, assigns and transfers unto _____
the within bond and hereby irrevocably constitutes and appoints _____
Attorney, to transfer the same on the books of registration in the office of the within mentioned
Paying Agent and Registrar with full power of substitution in the premises.

Dated: _____

Registered Owner(s):

Signature Guaranteed:

Authorized Signature

NOTICE: The signature of this assignment must correspond with the name(s) as written on the face of the within bond in every particular without alteration enlargement or any change whatsoever. Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signature Program ("MSP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

Section 9. In accordance with that certain bond purchase agreement between Sanitary and Improvement District No. 216 of Sarpy County, Nebraska and Ameritas Investment Corp. dated December 6, 2012, said Series 2013 Bonds shall be and are hereby sold to Ameritas Investment Corp., at a price equal to 95.00% of the principal amount thereof, plus accrued interest to date of delivery, which purchase price shall be paid to the County Treasurer of Sarpy County, Nebraska. Said purchase price shall be paid into the Bond Fund of the District and; without further authorization or direction \$2,650,461.46 shall be delivered to Great Western Bank, Omaha, Nebraska, the Paying Agent, for the Outstanding Bonds and used exclusively to redeem and pay the Outstanding Bonds on January 15, 2013; and applied to the payment of certain costs of issuance of this bond issue, as hereinbefore provided. The Chairman and the Clerk are hereby authorized and directed to execute and deliver the bond purchase agreement between the District and Ameritas Investment Corp. substantially in the form before this meeting.

Section 10. Upon receipt by the Paying Agent and Registrar of evidence satisfactory to it that the purchase price for the Series 2013 Bonds has been paid to the County Treasurer of Sarpy County, Nebraska, said Paying Agent and Registrar shall deliver the Series 2013 Bonds to the purchaser named in Section 9 herein.

Section 11. Each of the Series 2013 Bonds shall be executed on behalf of the District with the manual or facsimile signatures of the Chairman and the Clerk and shall have affixed or imprinted thereon the District's seal. In case any officer whose signature or facsimile thereof shall appear on any Series 2013 Bond shall cease to be such officer before the delivery of such bond (including such certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such bond. The Series 2013 Bonds shall be issued initially as "book-entry-only" bonds under the services of The Depository Trust Company (the "Depository"), with one typewritten bond per maturity being registered to and delivered to the Depository. In such connection said officers are authorized to execute and deliver a Letter of Representations (the "Letter of Representations") in the form required by the Depository, for and on behalf of the District, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Series 2013 Bonds. With respect to

the issuance of the Series 2013 Bonds as "book-entry-only" bonds, the following provisions shall apply:

(a) The District and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Series 2013 Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a Series 2013 Bond from a Bond Participant while the Series 2013 Bonds are in book-entry form (each, a "Beneficial Owner") with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Series 2013 Bonds,

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Series 2013 Bonds, including any notice of redemption, or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Series 2013 Bonds. The Paying Agent and Registrar shall make payments with respect to the Series 2013 Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Series 2013 Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Series 2013 Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the District, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Series 2013 Bonds or (ii) to make available Series 2013 Bonds registered in whatever name or names as the Beneficial Owners transferring or exchanging such Series 2013 Bonds shall designate.

(c) If the District determines that it is desirable that certificates representing the Series 2013 Bonds be delivered to the ultimate beneficial owners of the Series 2013 Bonds and so notifies the Paying Agent and Registrar in writing, the Paying

Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Series 2013 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Series 2013 Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Series 2013 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Series 2013 Bond and all notices with respect to such Series 2013 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Series 2013 Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Series 2013 Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee;

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

If for any reason the Depository resigns and is not replaced, the District shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement certificates upon transfer or partial redemption, the District agrees to order printed an additional supply of such certificates and to direct their execution by manual or facsimile signatures of its then duly qualified and acting Chairman and Clerk and by imprinting thereon or affixing thereto the District's seal.

Section 12. Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, hereby covenants to the purchasers and holders of the Series 2013 Bonds hereby authorized that it will make no use of the proceeds of Series 2013 Bonds which if such use had been reasonably expected on the date of issue of Series 2013 Bonds, would have caused Series 2013 Bonds to be arbitrage bonds within the meaning of Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and further covenants to comply with Sections 103 and 148 and all applicable regulations thereunder

throughout the term of Series 2013 Bond issue. The District hereby covenants and agrees to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above Bonds; and (b) to the extent that it may lawfully do so, the District hereby designates the above Bonds as its "qualified tax-exempt obligations" under Section 265(b) (3) (B) (i) (III) of the Internal Revenue Code of 1986 as amended, (the "Code") and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$10,000,000 during the calendar year in which the above Bonds are to be issued.

Section 13. Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, hereby covenants and agrees as follows: that the facilities for which the above Series 2013 Bonds are issued are for essential governmental functions and are designed to serve members of the general public on an equal basis; that there are no persons with rights to use said facilities other than as members of the general public; that ownership and operation of said facilities is with the District or another political subdivision; that none of the proceeds of the above Series 2013 Bonds will be loaned to any person and to the extent that special assessments have been or are to be levied for any of said facilities, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by such facilities in the District; that the development of the land in the District for sale and occupation by the general public is proceeding with reasonable speed; and the District hereby authorizes and directs the Chairman or Clerk to file, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986 pertaining to the above Series 2013 Bonds.

Section 14. (a) That the District does hereby covenant and agree and enters into the written undertaking set forth in this Section 14 (the "Undertaking") for the benefit of the holders and beneficial owners of the Bonds in accordance with Section (b)(5)(i) 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 (d) 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 undertakes to provide the following information as provided in this Undertaking:

- (i) Annual Financial Information;
- (ii) Audited Financial Statements, if any; and
- (iii) Material Event Notices.

(c) The District shall while any Bonds are outstanding provide:

(i) the Annual Financial Information on or before the date which is 270 days after the end of each fiscal year of the District (the "Report Date") to the MSRB in an electronic format accompanied by identifying information as prescribed by the MSRB. The District shall include with each submission of Annual Financial Information a written representation to the effect that the Annual Financial Information is the Annual Financial Information required by this Undertaking and that it complies with the applicable requirements of this Undertaking and that it has been provided to the MSRB. If the District changes its fiscal year, it shall provide written notice of the change of fiscal year to the MSRB. It shall be sufficient if the District provides to the MSRB any or all of the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(ii) If not provided as part of the Annual Financial Information, the District shall provide the Audited Financial Statements when and if available while any Bonds are outstanding to the MSRB.

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

(iv) The District shall provide in a timely manner to the MSRB notice of any failure by the District while any Bonds are outstanding to provide to the MSRB Annual Financial Information on or before the Report Date.

(v) Any filing or report under this Undertaking may be made solely by transmitting such filing or report to the MSRB in an electronic format accompanied by identifying information as prescribed by the MSRB.

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

(i) "*Annual Financial Information*" means the financial information or operating data with respect to the District, provided at least annually, of the type included in Appendix B of the Official Statement. The financial statements included in the Annual Financial Information shall be prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Government Accounting Standards Board ("GASB"). Such financial statements may, but are not required to be, Audited Financial Statements.

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

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

(A) Principal and interest payment delinquencies;

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

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

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

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

(F) 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 security, or other material events affecting the tax status of the Bonds;

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

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

(I) Defeasances;

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

(K) Rating changes;

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

(M) 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; and

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

(iv) "*Material Event Notice*" means electronic notice of a Material Event.

(v) "*MSRB*" means the Municipal Securities Rulemaking Board. On July 1, 2009 the MSRB became the sole repository to which the District must electronically submit Annual Financial Information, Audited Financial Statements, if any, and Material 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 which became effective on July 1, 2009. To the extent applicable to this Undertaking, the District shall comply with the Release and with EMMA.

(e) The continuing obligation hereunder of the District to provide Annual Financial Information, Audited Financial Statements, if any, and Material 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.

(f) 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 by the District 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:

(i) 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;

(ii) 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

(iii) The amendment does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the District (such as nationally recognized bond counsel), or by approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment.

(g) The initial Annual 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 operating data or financial information being provided.

(h) 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.

Section 15. The Attorney for the District is hereby directed to file this Bond Resolution in the District Court of Sarpy County, Nebraska, and request approval of the issuance of the Bonds, as provided by law.

ADOPTED this 6th day of December, 2012.

Chairman

Clerk

REFUNDING—BOOK ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants, interest on the Bonds is not includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended, and is exempt from Nebraska state income taxes. No opinion is expressed with respect to the additional corporate minimum tax on "adjusted current earnings" or any other tax. See "LEGAL MATTERS—Tax Exemption" herein. Sanitary and Improvement District No. 216 of Sarpy County, Nebraska (the "District") has designated the Bonds as "Qualified Tax-Exempt Obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

\$2,230,000
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA
(MILLARD PARK SOUTH)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

Dated: January 15, 2013

Due: January 15, as shown below

The Series 2013 Bonds (the "Bonds") are issuable in fully registered form in the denominations of \$5,000 and integral multiples thereof. Interest is payable semiannually on January 15 and July 15 of each year, commencing July 15, 2013, by check or draft mailed to the registered owner as of the applicable record date at the address shown on the books of registry maintained by Bankers Trust Company, as Registrar. Principal of the Bonds is payable upon presentation and surrender of the Bonds at the principal corporate office of Bankers Trust Company, as Paying Agent, in Des Moines, Iowa.

The Bonds maturing on January 15, 2019 and thereafter 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 January 15, 2018, at the principal amount thereof plus interest to the redemption date, all as described in this Official Statement.

The Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchases of the Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Purchasers will not receive certificates evidencing the Bonds. Principal of and interest on the Bonds will be payable by the Paying Agent directly to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser of a beneficial interest in the Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Bonds. See "THE BONDS—Book-Entry Only System" herein.

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

MATURITY SCHEDULE

Maturity Date (January 15)	Principal Amount	Interest Rate	Price	Maturity Date (January 15)	Principal Amount	Interest Rate	Price
2014	\$125,000	%	100%	2021	\$175,000	%	100%
2015	130,000		100	2022	185,000		100
2016	140,000		100	2023	195,000		100
2017	145,000		100	2024	210,000		100
2018	150,000		100	2025	220,000		100
2019	155,000		100	2026	235,000		100
2020	165,000		100				

(plus accrued interest from January 15, 2013)

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

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

The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval of legality of the Bonds by Baird Holm LLP Bond Counsel, and to certain other conditions. Certain legal advice will be provided to the Underwriter by Kutak Rock LLP, Counsel to the Underwriter. It is expected that the Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about January 15, 2013.

**SANITARY AND IMPROVEMENT DISTRICT
NO. 216
OF SARPY COUNTY, NEBRASKA**

BOARD OF TRUSTEES

Robert Storz Chairman
Daniel E. Norman Clerk
Jon M. Wollenburg Trustee
Jshon J. Breeling Trustee

BOND COUNSEL

Baird Holm LLP

ATTORNEY FOR DISTRICT

Ronald W. Hunter, Esq.

REGISTRAR AND PAYING AGENT

Bankers Trust Company

ACCOUNTANT

Seim, Johnson, Sestak & Quist

UNDERWRITER

Ameritas Investment Corp.

UNDERWRITER'S COUNSEL

Kutak Rock LLP

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.

OFFICIAL STATEMENT

\$2,230,000
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA
(MILLARD PARK SOUTH)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

INTRODUCTION

This Official Statement has been prepared in connection with the offer for sale of the \$2,230,000 General Obligation Refunding Bonds, Series 2013 (the "Bonds") issued by Sanitary and Improvement District No. 216 of Sarpy County, Nebraska (Millard Park South) (the "District"), a body corporate and politic and a political subdivision of the State of Nebraska. By authority of Reissue Revised Statutes of Nebraska, as amended, constituting Sections 31-727 et seq. (the "Act"), a sanitary and improvement district may be established for the purpose of, among other things, financing the capital costs of public improvements within the boundaries of the district. Once duly established, a sanitary and improvement district is a body corporate and politic and a political subdivision of the State of Nebraska, with the powers to issue warrants (which are orders of the district to the county treasurer, as ex officio treasurer of the district, to pay district debts) and bonds for its authorized purposes and to assess special assessments and levy ad valorem taxes to repay such 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 related Resolution (as hereinafter defined). 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 the Underwriter, Ameritas Investment Corp., Suite 222, 440 Regency Parkway Drive, Omaha, Nebraska 68114, Attention: Mr. Richard S. Harman, 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 January 15, 2013 and will bear interest from that date, payable July 15, 2013 and semiannually thereafter on January 15 and July 15 of each year. 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 on the basis of a 360-day year. The Bonds will mature on January 15 of each year in the years and principal amounts and bear interest at the rates referred to on the cover page of this Official Statement.

Authority for Issuance

The Bonds are being issued pursuant to and by authority of the Act and a Bond Resolution (the "Resolution") of the Board of Trustees of the District adopted on December 6, 2012, authorizing the issuance and sale of the Bonds for the purpose of providing the funds, including funds on deposit in the District's bond fund, required to currently refund the District's General Obligation Bonds, Series 2006 (the "Refunded Bonds"). The Refunded Bonds were issued by the District to pay for the installation of public improvements and public infrastructure in the District. The District's General Obligation Bonds, Series 2008 and its General Obligation Bonds, Series 2009 (the "Parity Bonds") which are secured on parity with the Bonds, are outstanding in the aggregate principal amount of \$2,425,000 and \$870,000, respectively.

Registration, Transfer and Payment

The principal of the Bonds is payable upon presentation and surrender thereof at the principal corporate trust office of Bankers Trust Company, as Registrar and Paying Agent (the "Paying Agent and Registrar"). The interest on the Bonds will be payable by check or draft mailed to registered owners appearing on the books of the Paying Agent and Registrar at the close of business on the first day of the month in which an interest payment date occurs. The District, the Paying Agent and Registrar 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 and Registrar 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 and Registrar, 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 and Registrar 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 and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to such Paying Agent and Registrar, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Paying Agent and Registrar will authenticate and deliver at the office of the Paying Agent and Registrar (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, of the same series, interest rate and maturity 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 and Registrar 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, but no fee shall be charged for the registration or transfer or issuance. The Paying Agent and Registrar shall not be required (a) to issue, transfer or exchange Bonds from the close of business on the first day of each month in which an interest payment date occurs until such interest payment date; (b) to issue, register or transfer any Bonds for a period of 15 days immediately preceding any selection of Bonds for redemption or for a period of 15 days thereafter; or (c) to register, transfer or exchange any Bonds which have been designated for redemption within a period of 30 days immediately preceding the date fixed for redemption.

Book-Entry Only System

The Bonds initially are being issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners (as hereinafter defined) will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution. The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. Neither the District nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of maturity and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, 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 effect 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. 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 AND REGISTRAR 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 AND REGISTRAR 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 AND REGISTRAR 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

Bonds maturing on January 15, 2019 and thereafter 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, 2018, at the principal amount thereof plus interest accrued thereon to the date fixed for redemption, with no redemption premium. The District may select the Bonds so to be redeemed in its sole discretion.

Notice of Redemption

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

Security for Bonds

Pursuant to the Resolution, the full faith, credit and taxing power of the District will be irrevocably pledged for the prompt payment of the principal of and the interest on the Bonds as the same become due. The District further agrees that it will cause to be levied annually upon all the taxable property in the District an ad valorem tax which, together with any collections of 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 thereafter 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 and "APPENDIX A—Special Assessments."

Sources and Uses of Funds

The Resolution provides that the proceeds of the sale of the Bonds (net of Underwriter's discount) shall be paid to the County Treasurer of Sarpy County, Nebraska (the District's ex officio treasurer), for deposit into the District's bond fund held by the County Treasurer. Such net proceeds, together with other amounts on deposit in the District's bond fund and available for such purpose, shall be applied to the payment and redemption of the Refunded Bonds.

Sources:		
	Bond Proceeds (net of accrued interest, if any)	\$2,230,000.00
	Bond Fund	551,961.46
	Total	<u>\$2,781,961.46</u>
Uses:		
	Redeem Principal of Refunded Bonds	\$2,600,000.00
	Interest on Refunded Bonds to January 15, 2013	50,461.45
	Cost of Issuance (estimate)	20,000.00
	Underwriter's Discount	111,500.00
	Total	<u>\$2,781,961.46</u>

BONDHOLDERS' RISKS

Challenges to Property Tax System

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

Adverse Property Development Conditions

Continued development within the District is contingent upon numerous factors. In general, additional construction in the District may be adversely affected by changes in general economic conditions, fluctuations in the local real estate market, the availability of mortgage money and other similar factors. Other factors influencing decisions to buy property in the District will include the overall tax levels, the proximity and reputation of schools, the convenience to local shopping and employment and the availability and cost of utility services. Furthermore, land development is subject to comprehensive federal, state and local regulations. There can be no assurance that land development operations within the District will not be adversely affected by future government policies. The ultimate consequence of such adverse conditions may be an inability by the District to pay its debts, including the Bonds. See "Bankruptcy of District" and "Bankruptcy of Property Owners" below and "APPENDIX A—Remedies for Delinquencies."

Delinquent Special Assessments

Even in the absence of adverse property development conditions, from time to time the payment of special assessments with respect to various parcels of property in the District may be delinquent. Sanitary and improvement districts do not collect any special assessments unless and until the lot to which it relates is developed, built upon and sold, at which time the sale price may include the amount of the special assessment. Alternatively, the new owner may assume the obligations to repay special assessments in installments. Installments of special assessments are due and payable annually, but the development and sale of District properties (and related collection of special assessments) may not occur by the time necessary to avoid delinquencies. Amounts available to the District from ad valorem tax revenues and other sources may not be sufficient to make up any special assessment shortfall. See "APPENDIX A—Remedies for Delinquencies" herein for general information about delinquent special assessments.

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. While the District does not currently anticipate issuing additional bonds payable from such tax levy, no assurance can be given that the District will not elect to do so prior to the final maturity of the Bonds.

Bankruptcy of District

aSignificant delays in the development of a sanitary and improvement district after the incurrence of indebtedness for public improvements while interest on such indebtedness continues to compound can result in a debt burden and a significant tax levy that discourage sale of property and impedes the ability of the district to provide services to current residents. For such reasons, among others, several Nebraska sanitary and improvement districts have over the years 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 filing could include material modification of the terms of the Bonds and related documents and significant delays in the payment of, or the loss of, all or a portion of the principal of and interest on the Bonds. The District, however, does not have significant exposure to the risks of a compounding debt burden because it does not have any outstanding construction fund warrants. The Nebraska Supreme Court has held that the payment of a district's bonds would have priority over the payment of such district's warrants.

Bankruptcy of Property Owners

aThe payment of property owners' taxes and special assessments and the ability of the District or Sarpy County to foreclose the lien of a delinquent unpaid tax or assessment, 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.

bAlthough personal bankruptcy proceedings would not cause the ad valorem taxes or special assessments to become extinguished, 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 delinquent installments of taxes or assessments not being paid in full. The risk of delay in the payment of the principal of and interest on the Bonds due to the bankruptcy proceeding of a single property owner is mitigated in the case of the District by the dispersal of the ownership of the District's property to hundreds of property owners. See "APPENDIX B—Major Taxpayers."

No Investment Rating

aNone of the Bonds, the Parity Bonds or any other debt obligations of the District are 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

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

ONGOING DISCLOSURE

The District has undertaken in the Resolution (the "Undertaking") on behalf of the Bondholders and beneficial owners to provide to the Municipal Securities Rulemaking Board ("MSRB"), in an electronic format accompanied by identifying information as prescribed by the MSRB, (a) financial information and operating data about the District and (b) notices of the material events specified by Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). See "APPENDIX E—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. The District believes it is in compliance with its prior continuing disclosure obligations in relation to the Rule. The District is required by the Act annually to 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".

LEGAL MATTERS

Legal Opinion

aThe legal opinion of Baird Holm LLP, Omaha, Nebraska ("Bond Counsel"), approving the validity of the Bonds, will be provided to purchasers at the time of original delivery of the Bonds. Bond Counsel examined a transcript of the District's proceedings and relied thereon without undertaking to verify the same by independent investigation. Bond Counsel has not reviewed, and undertakes no responsibility for, this Official Statement or any of the information contained herein,

other than as it relates to its opinion. Certain legal matters will be passed upon for the Underwriter by Kutak Rock LLP, as Counsel to the Underwriter.

Tax Exemption

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

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

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

cNo opinion is expressed by Bond Counsel with respect to the treatment of interest on the Bonds under the additional corporate minimum tax on "adjusted current earnings" as provided for in Sections 56(c) and (g) of the Code or with respect to any other tax based thereon or with respect to any other consequences affecting the federal income tax liability of a recipient of interest on the Bonds.

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

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

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

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

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

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

NO LITIGATION

No litigation is pending or, to the knowledge of the District, threatened in any court to restrain or enjoin the issuance or delivery of any of the Bonds or in any way contesting or affecting the validity 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., as Underwriter, is purchasing the Bonds from the District for resale at a purchase price of 95.00% of the principal amount plus accrued interest, if any. 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 such public offering prices may be changed from time to time by the Underwriter.

FINANCIAL STATEMENTS

The audited financial statements for the District for the fiscal year ended June 30, 2011 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, 2011 are available for inspection at the offices of the District in Omaha, Nebraska and at the offices of the State Auditor of Public Accounts in Lincoln, Nebraska. The financial statements of the District as of June 30, 2011 included as Appendix B of this Official Statement have been audited by Seim, Johnson, Sestak & Quist, independent auditors, as stated in their report appearing therein.

MISCELLANEOUS

This Official Statement has been executed and delivered by the Chairman of the Board of Trustees of the District, on behalf of the District. At the date of this Official Statement and at the date of delivery of the Bonds, (a) 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 (b) 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 implied, 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. The delivery of this Official Statement has been duly authorized by the District.

SANITARY AND IMPROVEMENT

**DISTRICT NO. 216 OF SARPY COUNTY,
NEBRASKA**

**By /s/ Robert Storz
Chairman**

APPENDIX A

**SANITARY AND IMPROVEMENT DISTRICT
NO. 216
OF SARPY COUNTY, NEBRASKA—GENERAL
INFORMATION
General**

The District, commonly known as Millard Park South, was established on November 22, 2000 pursuant to the provisions of the Act. The District consists of approximately 157 acres located in Sarpy County, Nebraska north of Giles Road between 163rd and 168th Streets within the Omaha, Nebraska metropolitan area. The District lies within the zoning jurisdiction of Sarpy County, Nebraska. Metropolitan Utilities District and Omaha Public Power District provide the District with water and natural gas, and electric services, respectively. The City of Omaha, through an agreement with Sarpy County, provides sanitary sewer services to the District. The District lies within the Millard Public School District. An elementary school is located at 162nd Street and Harrison Street just north of the District, a middle school is located immediately north and east of the District, and Millard West High School is located at 180th & Q Streets, approximately one and one-half miles from the District.

The District is being developed as a residential subdivision. Development commenced with the installation of the streets, sewers, utilities and other public improvements required for the construction and sale of houses. The District includes 539 platted single-family and townhouse lots in Phases 1A, 1B, Millard Park South 2 and Millard Park South 3. Installation of improvements is complete in all phases. As of November 1, 2012, there were 468 houses on the 2012 tax rolls; 10 houses were completed but not on the 2012 tax rolls at full valuation, while 10 houses were in various stages of construction for a total of 488 houses.

aA location map of the District and related information about Sarpy County, Nebraska are included in Appendices attached hereto.

Board of TrusteesThe District is governed by a five-member Board of Trustees:

Name	Position
Robert Storz	Chairman
Daniel E. Norman	Clerk
Jon M. Wollenburg	Trustee
Jshon J. Breeling	Trustee

All members of the Board of Trustees are resident property owners. Under the Act, the members of the Board of Trustees are elected every two years. The next election is in September 2014.

Financial InformationThe taxable value for all real property in the District as of January 1, 2012 is \$94,207,491, up from \$91,615,486 at January 1, 2011. The average value of the single-family houses, patio homes and townhouses in the District on the 2012 tax rolls approximated \$258,000. The District's ad valorem tax levy for fiscal year 2011/12 was \$0.750001 per \$100 of taxable value. The 2011/2012 tax levy payable by District property owners was \$2.49758 per \$100 of taxable value, and included Sarpy County (\$0.299900/\$100), Millard Public School District (\$0.26000/\$100), Learning Community (\$0.96000/\$100), Educational Service Unit #3 (\$0.016087/\$100), Papio Natural Resources District (\$0.032753/\$100), Millard Suburban Fire District (\$0.09250/\$100), Agricultural Society (\$0.00134/\$100) and Metropolitan Community College (\$0.08500/\$100).

Pursuant to the Act, the District's financial statements must be audited annually by its independent auditors and the audit and financial statements placed on file with the Nebraska State Auditor of Public Accounts. See "FINANCIAL STATEMENTS" herein.

Plan of Financing

The total construction cost of the public improvements within the District approximates \$7,200,000. The District has levied special assessments in the amount of \$3,937,123 with respect to the public improvements within the District and as of August 1, 2012 there was \$72,335 in unpaid special assessments.

The District anticipates house building to be substantially complete within three to five years. On the assumptions that 475 single-family houses are built and sold at an average price of \$205,000 and 64 townhouses are built and sold at an average price of \$145,000 the district anticipates its eventual tax base to be approximately \$105,000,000.

Description of Budget Process

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

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

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

The proposed budget is reviewed by the board of trustees of the district, in consultation with the district's attorney, accountant and fiscal agent. Prior to its adoption, a budget summary is published in a local legal newspaper one time at least five days prior to the budget meeting, with a copy of the meeting notice being given at least one week prior to the meeting. At the meeting, the budget is discussed in open and public

session, after which it can be adopted as proposed or as modified at the meeting. If modified, a summary of the modifications must be published one time in a legal newspaper within 20 days of adoption of the budget.

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

Ad Valorem Taxes

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

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

If taxes are not paid within three years of the due date, the parcel of property to which the taxes appertain is subject to foreclosure by Sarpy County, Nebraska. Subsequent to entry of a decree of foreclosure, a tax certificate with respect to such parcel can be purchased by a third party. The tax certificate ripens into a deed if the delinquent taxes, together with interest and court costs, are not paid by the present owner within three years of issuance of the tax certificate. See “Remedies for Delinquencies” below.

When tax payments are received by the Sarpy County Treasurer, they are allocated 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 by 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 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 does permit 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

As of August 1, 2012, the District had \$72,335.00 of outstanding special assessments. Under the Act, a portion of the costs of the work for which the District issues construction fund warrants is assessed against the benefited properties. After the Board of Trustees of the District levies such assessments, they are collected by the Sarpy County Treasurer on behalf of the District. Special assessments relating to the District's improvements constitute a lien in favor of the District on the assessed property, but do not constitute a personal or corporate indebtedness of the owners of property within the District. Special assessments, as levied by the District, are payable in annual installments during a period of not more than 10 years. The lien of the District is inferior only to the general taxes levied by the State and its political subdivisions, including the District. If an annual installment of assessments is not paid by the property owner when due, the installment becomes delinquent. Interest accrues on nondelinquent installments at the interest rate per annum of the greater of (a) the rate of interest accruing on the construction fund warrants registered against the District 60 days prior to the actual levy of the special assessments or (b) the average rate of interest accruing on the District's construction fund warrants issued to pay for the improvements for which the special assessments are to be levied adjusted to the next greater ½%. Delinquent installments bear interest at the rate of 2% per annum above the rate set by the District on such installments before delinquency, subject to a 14% per annum ceiling (subject to adjustment from time to time by the Legislature). If three consecutive installments become delinquent, the Board of Trustees of the District may declare all remaining installments due and payable and increase to 14% per annum (subject to adjustment from time to time by the Legislature) the interest rate on all installments.

Remedies for Delinquencies

Tax Certificate Sale. 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. If taxes or assessments are delinquent for three years or more, the county must conduct a tax certificate sale or foreclose as described below in order to recapture anticipated proceeds from property taxes and special assessment. 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 assessment 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 or foreclose on the tax lien via a sheriff's sale. If a tax certificate is not sold, the owner retains the property, but interest still will accrue as aforesaid.

Foreclosure Proceedings. The second statutory method for clearing liens of taxes or assessment 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. 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.

Alternatively, the county may foreclose the lien of delinquent taxes or special assessments against property within a district. If the special assessments are not requested by a district to be included in the tax foreclosure proceeding and the delinquent special assessments have not been previously offered for sale by the county treasurer, then the district's special assessment lien will survive the tax 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 specifically associated with tax certificates sales and will not be subject to an additional two year redemption period. 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.

APPENDIX B

**SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA—FINANCIAL INFORMATION** *Part One*

Selected District Financial Information

DEBT SERVICE REQUIREMENTS

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

For Year Ending December 31	Annual Debt Service Requirements on Parity Bonds	Principal	January 15 Interest	July 15 Interest	Total
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
Total					

SELECTED FINANCIAL INFORMATION

2012 Taxable Valuation	\$94,207,491
Projected Final Taxable Valuation (Estimate)	\$105,000,000
Outstanding District Bonded Debt (Upon issuance of the Bonds)	\$5,525,000
Total Outstanding District Debt (Upon issuance of the Bonds)	\$5,525,000
Bond Fund Balance (Upon issuance of the Bonds)	\$308,252
Outstanding Special Assessments (August 1, 2012)	\$72,335
Ratio of District Debt to 2012 Taxable Valuation	5.87%

STATEMENT OF DEBT AND DEBT RATIOS(September 6, 2012)

Direct Debt	
General Obligation Bonds, Series 2008	\$2,425,000
General Obligation Bonds, Series 2009	870,000
General Obligation Refunding Bonds, Series 2013*	<u>2,230,000</u>
Total Direct Debt	\$5,525,000
Overlapping General Obligation Debt	
Millard Public School District	\$1,395,431
Sarpy County	<u>160,595</u>
Total Overlapping General Obligation Debt	\$1,556,026
Total Direct and Overlapping General Obligation Debt	\$7,081,026
2012 Taxable Valuation	\$94,207,491
Ratio of Direct Debt to 2012 Taxable Valuation	5.87%
Ratio of Direct and Overlapping Debt to 2012 Taxable Valuation	7.52%

Source: Sarpy County Treasurer, Sarpy County Assessor and Nebraska State Auditor Website

*As if issued September 6, 2012

OVERLAPPING DEBT
(September 6, 2012)

	2012 Taxable Valuation	Net Bonded Debt	Net Bonded Debt Applicable to S.I.D. No. 216
Millard Public School District	\$9,147,790,990	\$135,500,000	\$1,395,431
Sarpy County	\$11,371,503,799	\$19,385,000	<u>160,595</u>
Total			\$1,556,026

Source: Sarpy County Assessor and Nebraska State Auditor Website

TOTAL PROPERTY TAX LEVIES
Sanitary and Improvement District No. 216
of Sarpy County, Nebraska
(levy rates are dollars per \$100 of actual valuation)

	<u>2011/2012</u>	<u>2010/2011</u>	<u>2009/2010</u>
SID No. 216			
General Fund	\$0.300000	\$0.400000	\$0.400000
Bond Fund	<u>0.450000</u>	<u>0.350000</u>	<u>0.350000</u>
Total	\$0.750000	\$0.750000	\$0.750000
Other Taxing Units			
Sarpy County	\$0.299900	\$0.299900	\$0.299900
Millard Public School District	0.260000	0.260000	0.250000
Learning Community	0.960000	0.961250	0.965000
Educational Service Unit No. 3	0.016087	0.016108	0.016180
Metropolitan Community College	0.085000	0.085000	0.085000
Millard Suburban Fire District	0.092500	0.102000	0.102660
Agricultural Society	0.001340	0.001136	0.001111
Papio Natural Resource District	<u>0.032753</u>	<u>0.032753</u>	<u>0.032756</u>
Total	\$1.747580	\$1.758147	\$1.752607
Total Levy S.I.D. No. 216	<u>\$2.497580</u>	<u>\$2.508147</u>	<u>\$2.502607</u>

Source: Sarpy County Treasurer

PROPERTY VALUATIONS as of January 1 Sanitary and Improvement District No. 216 of Sarpy County, Nebraska

Year	Taxable Valuation as of January 1
2012	\$94,207,491
2011	\$91,615,486
2010	\$86,538,230
2009	\$82,638,571
2008	\$80,059,460

Source: Sarpy County Assessor & Sarpy County Treasurer

**PROPERTY TAX COLLECTIONS
Sanitary and Improvement District No. 216
of Sarpy County, Nebraska
(as of October 31, 2012)**

Year	Due*	Levied	Collected	Collected	Percent
2011/12	12/31/11	\$687,116		\$649,978	94.60%
2010/11	12/31/10	\$649,037		\$625,348	96.35%
2009/10	12/31/09	\$619,793		\$600,111	96.82%
2008/09	12/31/08	\$600,446		\$598,770	99.72%

* 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 2011/2012 year, accordingly, were due on December 31, 2011, but the first installment of such taxes did not become delinquent until April 1, 2012 and the second installment did not become delinquent until August 1, 2012.

Source: Sarpy County Treasurer

MAJOR TAXPAYERS

No taxpayer owns property in the District with a valuation in excess of 1% of the District's 2012 taxable valuation.

Source: Sarpy County Assessor

APPENDIX C

SARPY COUNTY, NEBRASKA INFORMATION

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

GENERAL DESCRIPTION OF THE COUNTY

The County encompasses approximately 249 square miles, or 159,360 acres in area, and is located on the eastern border of Nebraska. Sarpy County is surrounded by Douglas County on the north, Saunders County on the west, Cass County on the south, and borders with the State of Iowa on the east. The Missouri River separates Iowa and Nebraska on Sarpy County's eastern edge. Papillion, the county seat of Sarpy County, is located ten miles from Omaha, Nebraska, and 45 miles from Lincoln, Nebraska. The current population of the County is 158,840.

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

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

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

Source: 2010 US Census

THE ECONOMY

The economy of Sarpy County can be described as follows:

Labor Force. According to the Nebraska Department of Labor, the average monthly civilian labor force in Sarpy County in 2010 was 78,286. According to Offutt Air Force Base, there are 9,546 military and civilian personnel employed on the base in Bellevue.

Source: State of Nebraska, (for civilian labor); Sarpy County Department of Labor Planning and Development, Toby Churchill (for military assigned)

Per Capita Personal Income. In 2010, the per capita personal income of Sarpy County residents was \$28,029, which was 70% of the Nebraska average per capita income of \$39,557.

Source: Sarpy Chamber of Commerce

Median Household Income. The 2010 median income of households in Sarpy County was \$71,867.

Source: Sarpy Chamber of Commerce

Sales. Net taxable sales (excluding motor vehicles) within the County increased from \$1,020,721,260 in 2009 to \$1,073,751,329 in 2010, representing a 5.2% increase over the prior year.

Source: Nebraska Department of Revenue Research Department

INDEBTEDNESS

The County by law may assess taxes in an amount not to exceed \$0.50 per \$100 of actual valuation without an approving vote of the citizens of the County. The County's total tax levy for fiscal year 2010-2011 is 29.990 cents per \$100 of actual valuation.

LIMITED TAX BUILDING BONDS, SERIES 2007 (Courthouse Addition)

The County issued \$7,000,000 Limited Tax Building Bonds dated February 6, 2007 to finance the construction of a Courthouse Administrative Addition. Refunding bonds were issued on August 8, 2011 in the amount of \$4,165,000, of which \$3,915,000 remain outstanding.

LIMITED TAX BUILDING BONDS, SERIES 2008 (Courthouse Remodel)

The County issued \$5,700,000 Limited Tax Building Bonds dated June 5, 2008 to finance the remodel of the existing Courthouse, \$4,155,000 of which remain outstanding.

HIGHWAY ALLOCATION BONDS, SERIES 2009 (96TH STREET)

The County issued \$6,075,000 in Highway Allocation Bonds dated February 18, 2009 to finance the repayment of the 96th Street Project, of which \$2,475,000 remain outstanding.

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

The County issued \$7,790,000 Limited Tax Building Bonds dated December 8, 2009 to finance the construction of a Law Enforcement Center, \$6,350,000 of which remain outstanding.

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

The Sarpy County Leasing Corporation issued bonds dated October 1, 2009 in the aggregate principal amount of \$18,985,000 to pay the costs of acquiring, constructing, equipping and furnishing a baseball stadium owned by Sarpy County and leased to Omaha Royals Limited Partnership for use by the Omaha Storm Chasers Baseball Team.

The aggregate principal amount consists of the following:

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

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

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

EMPLOYERS

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

COMPANY	ADDRESS	PHONE	INDUSTRY
Offutt Air Force Base	205 Looking Glass Ave. #121	402-294-5533	Military
PayPal, Inc.	12312 Port Grace Blvd. LaVista, NE 68128	402-935-2000	Service
Papillion-LaVista Schools	420 South Washington Street	402-537-6200	Education
Bellevue Public Schools	1600 Hwy 370 Bellevue, NE 68005	402-293-4000	Education
Werner Enterprises	Hwy 50 & I-80 Omaha, NE 68138	402-895-6640	Trucking
AmeriTrade (Southroads)	1001 Fort Crook Road North	402-970-7000	Financial
InfoGroup Compilation Center	1020 East First Street Papillion, NE 68046	402-593-4500	Service
Bellevue University	1000 Galvin Road S. Bellevue, NE 68005	402-293-3800	Education
Oriental Trading Company	4206 South 108th Street Omaha, NE 68137	402-331-5511	Warehouse/ Distribution
Ehrling Bergquist Clinic	2501 Capehart Road Offutt AFB, NE 68113	402-294-5533	Military Healthcare
Hillcrest Health Systems	1804 Hillcrest Drive Bellevue, NE 68005	402-682-4800	Healthcare
Sarpy County Government	1210 Golden Gate Dr. #1126	402-593-2346	Gov't
Alegent Health Midlands Hospital	1111 South 84th Street Papillion, NE 68046	402-593-3000	Healthcare
Northrup Grumman	3200 Sampson Way Bellevue, NE 68005	402-291-8300	Service
Bellevue Medical Center	2500 Bellevue Med Ctr Dr Bellevue, NE 68123	402-763-3000	Healthcare
Wal-Mart Super Center (Bellevue, Gretna & Papillion)	10504 S. 15th Street Bellevue, NE 68005	402-292-0156	Retail
Gretna Public Schools	11717 S. 216th Street Gretna, NE 68028	402-332-3265	Education
Super Target Stores (Bellevue & Papillion)	718 N. Washington Street Papillion, NE 68046	402-597-9990	Retail
Securities America, Inc.	12325 Port Grace Blvd. LaVista, NE 68128	402-339-9111	Service
Streck, Inc.	7002 S. 109th Street LaVista, NE 68128	402-333-1982	Mfg.

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

20 LARGEST TAXPAYERS

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

BUSINESS NAME	2010 Taxes	NATURE OF BUSINESS
Shadow Lake Towne Center LLC	\$2,007,542.00	Retail Business
JQH LaVista Conference/CY Dev/III Dev	\$1,396,187.00	Conference Center & Hotel
Offutt AFB America	\$ 974,292.00	Base Housing
Werner Leasing, Inc./Werner Enterprises	\$ 880,665.00	Lease/Trucking Company
Wells Exchange-Maass Rd/Samson Way	\$ 773,125.00	Foreign LLC
Walmart Real Estate/Stores	\$ 768,867.00	Retail Business
Emperian Bellevue Landings/Overlook	\$ 734,785.00	Apartments
Harrison Hills Apartments	\$ 632,498.00	Apartments
Toys NE QRS 15-74 Inc.	\$ 598,074.00	Distribution
PayPal	\$ 590,861.00	Commercial Business
Cole Mt. Papillion NE LLC	\$ 520,662.00	Retail Business
Shopko Properties/Real Estate	\$ 477,514.00	Distribution
Yahoo, Inc.	\$ 467,035.00	Commercial Business
Rock Creek Apartments	\$ 408,230.00	Apartments
Nebraska Machinery	\$ 403,034.00	Retail Business
Edward Rose Development	\$ 373,547.00	Apartments
Pointe Partnership	\$ 379,117.00	Apartments
Twin Creek Apartments, Inc.	\$ 352,059.00	Apartments
Cox Communications	\$ 348,810.00	Telecommunications
Rotella Italian Bakery	\$ 342,715.00	Retail Business

*Totals based on names on file

Source: Sarpy County Treasurer's Office

SARPY COUNTY BUILDING PERMITS*

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

Includes only areas outside city zoning jurisdictions.

Commercial/Industrial Permits

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

Source: Sarpy County Building and Planning Department

LEVIES, COLLECTIONS AND VALUATIONS

History of Levied and Collected Taxes

	2008	2009	2010
TAX CERTIFIED BY THE ASSESSOR:			
Real Estate	\$211,307,141.00	\$220,181,970.00	\$223,785,014.00
Personal	\$ 6,065,877.00	\$ 6,542,588.00	\$ 6,444,400.00
Centrally Assessed	\$ <u>1,166,863.00</u>	\$ <u>1,454,081.00</u>	\$ <u>1,433,290.00</u>
	\$203,959,699.00	\$228,178,639.00	\$231,662,704.00
NET TAX COLLECTED BY THE COUNTY TREASURER AS OF JUNE 30, 2011:			
Real Estate	\$211,213,578.00	\$219,980,113.00	\$119,608,682.00
Personal	\$ 5,986,838.00	\$ 6,390,213.00	\$ 3,804,172.00
Centrally Assessed	\$ <u>1,166,863.00</u>	\$ <u>1,454,081.00</u>	\$ <u>850,598.00</u>
	\$218,364,279.00	\$227,824,407.00	\$124,263,452.00
TOTAL UNCOLLECTED TAX AS OF JUNE 30, 2011:			
Real Estate	\$ 93,563.00	\$ 201,857.00	\$104,176,332.00
Personal	\$ 82,039.00	\$ 152,375.00	\$ 2,640,228.00
Centrally Assessed	\$ <u>-</u>	\$ <u>-</u>	\$ <u>582,692.00</u>
	\$ 175,602.00	\$ 354,232.00	\$107,399,252.00
PERCENTAGE	<u>0.08%</u>	<u>0.16%</u>	<u>46.36%</u>

Source: Sarpy County Unaudited Financial Statements

Actual Value of Taxable Property

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

Source: Sarpy County Assessor

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

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

Source: Sarpy County

POPULATION

Sarpy County Population (2000–2010)

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

Source: U.S. Census

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

Following is an excerpt from the District's Resolution passed on December 6, 2012, comprising the District's continuing disclosure undertaking pursuant to Securities and Exchange Commission Rule 15c2-12(d)(2).

- a) The District does hereby covenant and agree and enters into the written undertaking set forth in this Section 14 (the "Undertaking") for the benefit of the holders and beneficial owners of the Refunding 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 construction fund warrants, its outstanding general fund warrants and its outstanding bonds does not exceed \$10,000,000.
- c) The District undertakes to provide Financial Information about the District to the MSRB 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.
- d) The District designates as the person from whom its Financial Information and Material Event Notices can be obtained: Mr. Richard S. Harman, Ameritas Investment Corp., Suite 222, 440 Regency Parkway Drive, Omaha, Nebraska 68114, Telephone: (402) 384-8433.
- e) If a Material Event occurs while any Refunding Bonds are Outstanding, the District shall provide a Material Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB. Each Material Event Notice shall be so captioned and shall prominently state the date and title of the Refunding 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, 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 GAAP for governmental units as prescribed by 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) "*Material Event*" means any of the following events with respect to the Refunding 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 security, or other material events affecting the tax status of the Refunding 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 Refunding Bonds, if material;**
- (xi) **Rating changes;**
- (xii) **Bankruptcy, insolvency, receivership or similar event of 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; and**
- (xiv) **Appointment of a successor or additional paying agent or the change of name of a paying agent, if material**

(4) ***“Material Event Notice”*** means an electronic notice of a Material 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 Material 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.

- g) **The continuing obligation hereunder of the District to provide Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once the Refunding 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 Refunding 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 does not materially impair the interests of Bondholders, as determined either by parties unaffiliated with the District (such as nationally recognized bond counsel), or by approving vote of Bondholders pursuant to the terms of this Undertaking at the time of the amendment.**
- 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 operating data or 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 Refunding 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.**

Kristi Weispfenning

From: "Norris Franzen" <dazen@windstream.net>
Date: Wednesday, November 21, 2012 8:08 AM
To: "Jshon Breeling" <JshonBreeling@yahoo.com>; "John Wollenburg" <wollenburg@cox.net>; "Daniel Norman" <den662@cox.net>; "Robert Storz" <hehi1963@yahoo.com>
Cc: "Hunter Ron W" <rwhre@hunterlaw.omhcoxmail.com>
Attach: 2012 FS - draft.pdf; 2012 IC - draft.pdf; 2012 Report - draft.pdf
Subject: Fw: SID 216 drafts
 Good morning all,

Attached are the draft financial reports for SID 216 that are being prepared by Seim Johnson. I have reviewed the reports, comparing them to the budgetary items for the district. I have found no discrepancies in the report. The final documents will be reviewed at the meeting on the 6th of December.

Kristi, would you please place the budget review on the agenda for the 6th.

Dazen, Inc.
 Norris Franzen Designated Broker
 Real-estate & Development Consultant
 15514 Copper Corral Drive
 Plattsmouth, NE 680485002
dazen@windstream.net Ph402.319.0327

----- Original Message -----

From: Tony Eitzmann
To: Bill Morrison
Cc: Norris Franzen
Sent: Monday, November 19, 2012 11:34 AM
Subject: SID 216 drafts

Attached are the financial statement drafts for SID 216. Please review and let me know if you have any questions or concerns. I would like to set up a call with you for sometime next week to go through several questions to finalize the audit and the financial statements. Please let me know if/when you are available next week.

Thanks so much.

Tony Eitzmann



18081 Burt Street, Suite 200
 Omaha, NE 68022-4722
 Office: 402-330-2660
 Direct: 402-691-5548
 Fax: 402-330-5108
 Email: eitzmann@seimjohnson.com
 Web site: SeimJohnson.com

 The information contained in this message and the documents accompanying this message contain information that is privileged and confidential and is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering it to the

intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication, other than its return to the sender, is strictly prohibited. Thank you.

The following statement is provided pursuant to U.S. Treasury Department Regulations: Any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or applicable state or local tax provisions, or (ii) promoting, marketing or recommending to another party any matter addressed herein. The person to whom this advice is addressed is under no obligation to keep the advice or matters related to the advice confidential.

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Basic Financial Statements
and Supplementary Information
June 30, 2012**

Together with Independent Auditor's Report

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

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**Independent Auditor's Report on the Basic
Financial Statements and Supplementary Information**

To the Board of Trustees of
Sanitary Improvement District No. 216
of Sarpy County, Nebraska:

We have audited the accompanying financial statements of the governmental activities of Sanitary Improvement District No. 216 of Sarpy County, Nebraska (the District) as of and for the year ended June 30, 2012, 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 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 of material misstatement. 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 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 District as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparisons for the general and debt service funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District's management has elected to omit management's discussion and analysis from the basic financial statements. The management's discussion and analysis information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2012 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Omaha, Nebraska,
_____, 2012

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Sanitary Improvement District No. 216
of Sarpy County Nebraska

Governmental Funds Balance Sheet / Statement of Net Assets
June 30, 2012

	General	Debt Service	Total	Adjustments (Note 1)	Statement of Net Assets
ASSETS					
Cash and cash equivalents	\$ 96,936	692,020	788,956	--	788,956
Receivables:					
Property taxes	137,680	198,437	336,117	--	336,117
Special assessments	--	114,909	114,909	--	114,909
Interest on special assessments	--	71,074	71,074	--	71,074
Due from governmental agency	--	46,407	46,407	--	46,407
Capital assets, net of accumulated depreciation	--	--	--	5,381,893	5,381,893
Bond issue costs, net of accumulated amortization	--	--	--	352,325	352,325
Total assets	\$ 234,616	1,122,847	1,357,463	5,734,218	7,091,681
LIABILITIES					
Accounts payable	\$ 77,759	--	77,759	--	77,759
Accrued interest payable	--	--	--	68,871	68,871
Deferred revenue	15,771	201,558	217,329	(217,329)	--
Long-term debt					
Portion due within one year	--	--	--	230,000	230,000
Portion due after one year	--	--	--	5,717,585	5,717,585
Total liabilities	93,530	201,558	295,088	5,799,127	6,094,215
FUND BALANCES/NET ASSETS					
Restricted fund balance - debt service	--	921,289	921,289	(921,289)	--
Unassigned fund balance	141,086	--	141,086	(141,086)	--
Total fund balance	141,086	921,289	1,062,375	(1,062,375)	--
Total liabilities and fund balances	\$ 234,616	1,122,847	1,357,463		
Invested in capital assets, net of related debt				(205,782)	(205,782)
Restricted for debt service				1,053,976	1,053,976
Unrestricted				149,272	149,272
Total net assets				\$ 997,466	997,466

See Notes to Basic Financial Statements

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Statement of Governmental Fund Revenues, Expenditures
and Changes in Fund Balances / Statement of Activities
For the Year Ended June 30, 2012**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Activities</u>
REVENUES:					
Personal and real estate taxes	\$ 269,867	404,799	674,666	21,641	696,307
Special assessments	--	129,219	129,219	(129,219)	--
Interest on investments	--	119	119	--	119
Interest on special assessments	--	71,943	71,943	(56,192)	15,751
Other interest	--	18,259	18,259	--	18,259
Miscellaneous	6,503	37,902	44,405	--	44,405
Total revenues	<u>276,370</u>	<u>662,241</u>	<u>938,611</u>	<u>(163,770)</u>	<u>774,841</u>
EXPENDITURES:					
Amortization of bond issue costs	--	--	--	38,404	38,404
Capital outlay	26,172	--	26,172	(26,172)	--
Collection fees	5,117	11,699	16,816	--	16,816
Depreciation	--	--	--	257,741	257,741
Electricity	28,565	--	28,565	--	28,565
Fiscal agent fees	--	1,250	1,250	--	1,250
Insurance	2,566	--	2,566	--	2,566
Interest on bonds	--	289,820	289,820	(2,251)	287,569
Professional fees	66,898	--	66,898	--	66,898
Publication fees	61	--	61	--	61
Repairs and maintenance	177,949	--	177,949	--	177,949
Street signs	526	--	526	--	526
Total expenditures	<u>307,854</u>	<u>302,769</u>	<u>610,623</u>	<u>267,722</u>	<u>878,345</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(31,484)</u>	<u>359,472</u>	<u>327,988</u>	<u>(431,492)</u>	<u>(103,504)</u>
OTHER FINANCING SOURCES (USES):					
Issuance of warrants	341,782	1,250	343,032	(343,032)	--
Retirement of warrant principal	(334,197)	(1,250)	(335,447)	335,447	--
Retirement of bond principal	--	(215,000)	(215,000)	215,000	--
Total other financing uses, net	<u>7,585</u>	<u>(215,000)</u>	<u>(207,415)</u>	<u>207,415</u>	<u>--</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(23,899)</u>	<u>144,472</u>	<u>120,573</u>	<u>(120,573)</u>	
CHANGE IN NET ASSETS				<u>(103,504)</u>	<u>(103,504)</u>
FUND BALANCES/NET ASSETS					
Beginning of year	<u>164,985</u>	<u>776,817</u>	<u>941,802</u>	<u>159,168</u>	<u>1,100,970</u>
End of year	<u>\$ 141,086</u>	<u>921,289</u>	<u>1,062,375</u>	<u>(64,909)</u>	<u>997,466</u>

See Notes to Basic Financial Statements

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Statement of Receipts and Disbursements –
Budget and Actual – General Fund
For the Year Ended June 30, 2012**

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS:			
Personal and real estate taxes	\$ 274,846	263,992	(10,854)
Miscellaneous revenues	--	6,503	6,503
Total receipts	<u>274,846</u>	<u>270,495</u>	<u>(4,351)</u>
DISBURSEMENTS:			
Capital outlay	25,950	26,172	(222)
Collection fees	5,389	5,117	272
Electricity	34,637	27,385	7,252
Insurance	4,000	2,566	1,434
Miscellaneous	4,000	--	4,000
Professional fees	63,000	72,628	(9,628)
Publication fees	1,200	118	1,082
Repairs and maintenance	211,500	212,541	(1,041)
Street cleaning	1,000	--	1,000
Street signs	1,250	374	876
Total disbursements	<u>351,926</u>	<u>346,901</u>	<u>5,025</u>
RECEIPTS UNDER DISBURSEMENTS (BUDGETARY BASIS)	<u>(77,080)</u>	<u>(76,406)</u>	<u>674</u>
OTHER FINANCING SOURCES (USES):			
Issuance of warrants	346,537	341,782	(4,754)
Retirement of warrants	(346,537)	(334,197)	12,339
Total other financing uses, net	<u>--</u>	<u>7,585</u>	<u>7,585</u>
RECEIPTS AND OTHER FINANCING SOURCES UNDER DISBURSEMENTS AND OTHER FINANCING USES	<u>\$ (77,080)</u>	<u>(68,821)</u>	<u>8,259</u>
ADJUSTMENTS:			
To adjust receipts for accruals		5,875	
To adjust disbursements for accruals		39,047	
Total adjustments		<u>44,922</u>	
RECEIPTS AND OTHER FINANCING SOURCES UNDER DISBURSEMENTS AND OTHER FINANCING USES (GAAP)		<u>\$ (23,899)</u>	

See Notes to Basic Financial Statements

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Statement of Receipts and Disbursements –
Budget and Actual – Debt Service Fund
For the Year Ended June 30, 2012**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
RECEIPTS:			
Personal and real estate taxes	\$ 412,270	395,987	(16,283)
Special assessments	42,574	129,219	86,645
Interest on investments	--	137	137
Interest on special assessments	9,370	71,943	62,573
Miscellaneous revenues	--	9,754	9,754
Total receipts	<u>464,214</u>	<u>607,040</u>	<u>142,826</u>
DISBURSEMENTS:			
Collection fees	9,102	11,699	(2,597)
Construction costs	2,000	--	2,000
Fiscal agent fees	1,750	1,250	500
Interest on bonds	289,820	289,820	--
Total disbursements	<u>302,672</u>	<u>302,769</u>	<u>(97)</u>
RECEIPTS OVER DISBURSEMENTS (BUDGETARY BASIS)	<u>161,542</u>	<u>304,271</u>	<u>142,729</u>
OTHER FINANCING SOURCES (USES):			
Issuance of warrants	3,750	1,250	(2,500)
Retirement of warrants	(3,750)	(1,250)	2,500
Retirement of bond principal	(215,000)	(215,000)	--
Total other financing uses, net	<u>(215,000)</u>	<u>(215,000)</u>	<u>--</u>
RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING USES	<u>\$ (53,458)</u>	<u>89,271</u>	<u>142,729</u>
ADJUSTMENTS:			
To adjust receipts for accruals		<u>55,201</u>	
RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES (GAAP)		<u>\$ 144,472</u>	

See Notes to Basic Financial Statements

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

(1) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies employed in the preparation of these financial statements:

A. Reporting Entity

Sanitary Improvement District No. 216 of Sarpy County, Nebraska (the District) was formed on December 1, 2000 to construct and maintain improvements in Millard Park South. The Subdivision consists of 507 lots and is located in Sarpy County, Nebraska.

The Board of Trustees of the District has financial accountability and control over all the activities related to Sanitary Improvement District No. 216. The Board of Trustees is elected by the property owners of the District and has decision-making authority, the authority to levy taxes, the power to designate management, and the ability to significantly influence operations. The Board also has primary financial accountability for fiscal matters of the District.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Government Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the District to impose its will on that organization, or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the District. Based on these criteria, there are no other organizations or agencies which should be included in these basic financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities, which report financial information for all activities of the District.

The government-wide Statement of Net Assets recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by law through constitutional provisions or enabling legislature. Internally imposed designations of resources are not presented as restricted net assets.

The government-wide Statement of Activities reflects the expenses of the District's governmental activities, offset by general revenues to determine the change in net assets for the year.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses, as appropriate. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the District's governmental funds:

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

General Fund - The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

Debt Service Fund - The Debt Service Fund is used to account for the funding and payment of interest and principal of general obligation debt of the District.

D. 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 earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

E. Budgets and Budgetary Accounting

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

Formal budgetary integration is employed as a management control device during the year for the General and Debt Service Funds. These budgets are adopted on the cash basis of accounting. Revenues are recognized when cash is received and expenses are recognized when cash is disbursed.

The District approves total budget appropriations. Supplemental funds may be appropriated for emergency purposes after a public hearing and approval by the District. The level of budgetary responsibility is by total appropriations.

Unused appropriations for all of the above annual budgeted funds lapse at the end of the District's fiscal year.

The budget amounts shown in the basic financial statements are the final authorized amounts. No additional appropriations were made during the year ended June 30, 2012.

F. Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments that are available to meet working capital requirements and other current obligations.

Cash of the individual funds of the Sanitary Improvement District were held by the Sarpy County, Nebraska Treasurer, the fiscal agent, in a pooled fund. Such pooled fund deposits were covered by federal depository insurance or with sufficient assets pledged to Sarpy County by the financial institution at June 30, 2012. Amounts collateralized were not readily available.

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

G. Deposits and Investments

State statutes require that all bank balances be insured or collateralized by United States government securities held by the District's third-party agent or the pledging financial institution's trust department in the name of the District.

Credit Risk The statutes of the State of Nebraska authorize the District to invest in certificates of deposit and time deposits of banks or capital stock financial institutions, obligations of the United States government and agencies thereof, and securities as provided in the authorized investment guidelines of the Nebraska Investment Council. The District does not have a policy for custodial credit risk beyond requirements set by the state statutes. All cash funds are held in the County's name, as such, the District is exposed to this risk at June 30, 2012.

Interest Rate Risk The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

H. Receivables

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. Revenues on special assessments and the related accrued interest are recognized as the amounts are collected in the government fund financial statements. Uncollected special assessments and accrued interest outstanding are recorded as receivable and deferred revenue on the government fund balance sheets as of June 30, 2012. Revenues on special assessments are recognized when levied and interest on outstanding special assessments are recognized when earned in the government-wide financial statements. Property tax and special assessment receivables are written off when deemed uncollectible. Recoveries of property tax and special assessment receivables previously written off are recorded when received. Interest income on property taxes and special assessments is recognized when received in the government fund financial statements.

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

I. Property Taxes

The District has approved tax levies as follows for the year ended June 30, 2012:

	<u>Dollars per \$100 of Valuation</u>
General Fund	\$ 0.3000
Valuation	<u>91,615,486</u>
Total tax levy	<u>\$ 274,846</u>
Debt Service Fund	\$ 0.4500
Valuation	<u>91,615,486</u>
Total tax levy	<u>\$ 412,270</u>
Levy Date	December 31
Due Date	December 31
Delinquent Dates	April 1 and August 1
Interest Rate	14%

J. Capital Assets

Capital assets, primarily infrastructure, are reported in the government-wide financial statements. Such assets are recorded at historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation is calculated using the straight-line depreciation method with a half-year taken the first year and the last year over the following estimated useful lives:

Paving and sewers	30 Years
Gas, electric and water distribution systems	30 Years

K. Bond Issue Costs

The bond issue costs on general obligation bonds payable are being amortized using the interest method over the life of the bonds. Amortization expense included in the accompanying statement of activities was \$38,404 for the year ended June 30, 2012.

L. Estimates

The presentation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

*M. Reconciliation of the Balance Sheet to the Statement of Net Assets -
Governmental Funds for the Year Ended June 30, 2012*

Total fund balances - governmental funds	\$ 1,062,375
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,381,893
Deferred revenue on property taxes and special assessments in the government funds has been recorded as revenue in the government-wide financial statements.	146,255
Interest is accrued as revenue on unpaid special assessments in the government-wide statements whereas interest on special assessments is recorded as revenue in the governmental funds when collected.	71,074
Accrued interest expense is not due or payable in the current period and, accordingly, is not reported in the governmental funds.	(68,871)
Bond issue costs are reported in governmental activities but are not reported in the funds as they do not provide economic resources.	352,325
Long-term debt is not due and payable in the current period and, therefore, are not reported in the funds.	<u>(5,947,585)</u>
Total net assets - governmental activities	<u>\$ 997,466</u>

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

N. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities - Governmental Fund for the Year Ended June 30, 2012

Net change in fund balances - governmental funds	\$ 120,573
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(231,569)
Accrued interest expense that does not require current financial resources.	2,251
Collections on special assessments and interest thereon have been reported as revenues in the governmental funds but are reported as decreases in receivables in the statement of net assets. This is the amount of collections on special assessments and the change in accrued interest thereon.	(185,411)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	21,641
Bond issuance costs are capitalized and amortized on the government-wide statements whereas bond issuance costs are recorded as expenditures on the governmental funds when paid.	(38,404)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The net change in long-term debt for the year was:	<u>207,415</u>
Change in net assets of governmental activities	<u>\$ (103,504)</u>

O. Subsequent events

The District considered events occurring through _____, 2012 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

(2) Capital Assets

The following is a summary of capital assets:

	<u>Balance 6/30/2011</u>	<u>Current Period Additions</u>	<u>Adjustments</u>	<u>Balance 6/30/2012</u>
Land	\$ --	26,172	--	26,172
Paving and sewers	5,783,240	--	--	5,783,240
Gas, electric and water distribution system	1,948,919	--	--	1,948,919
	<u>7,732,159</u>	<u>26,172</u>	<u>--</u>	<u>7,758,331</u>
Less: Accumulated depreciation	<u>(2,118,697)</u>	<u>(257,741)</u>	<u>--</u>	<u>(2,376,438)</u>
	<u>\$ 5,613,462</u>	<u>(231,569)</u>	<u>--</u>	<u>5,381,893</u>

As of June 30, 2012, the District had no contractual commitments for construction projects.

The District recorded depreciation expense of \$257,741 for the year ended June 30, 2012.

(3) Special Assessments

The Board of Trustees has levied special assessments on the lots in the District. The assessment is summarized as follows:

Levy Date:	June 20, 2002	October 23, 2003	November 20, 2003	September 8, 2005
Amount Assessed:	\$1,100,525	\$1,437,371	\$448,406	\$950,813
Due Date:	August 9, 2002	December 12, 2003	January 9, 2004	October 28, 2005
Delinquent Date:	June 20, 2003	October 23, 2004	November 20, 2004	September 8, 2006
Regular Rate:	8%	7.5%	7.5%	7.5%
Delinquent Rate:	10%	9.5%	9.5%	9.5%

The special assessments are payable in ten annual principal installments, plus interest, beginning on the due date. Special assessments delinquent at June 30, 2012 were \$75,315.

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

(4) Long-Term Debt

General Obligation Bonds

Transactions for general obligation bonds for the year ended June 30, 2012 are summarized as follows:

	<u>Balance</u> <u>6/30/2011</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2012</u>
Bond issue, 2006 (A)	\$ 2,725,000	--	125,000	2,600,000
Bond issue, 2008 (B)	2,470,000	--	45,000	2,425,000
Bond issue, 2009 (C)	960,000	--	45,000	915,000
	<u>\$ 6,155,000</u>	<u>--</u>	<u>215,000</u>	<u>5,940,000</u>

- (A) – 4.10% - 4.90% Series 2006, general obligation bonds due annually each February 15 through 2026, interest due semiannually on February 15 and August 15, currently callable in whole or in part, at par value plus accrued interest to the date set for redemption. As of June 30, 2012, the average effective interest rate was 5.12% and the average stated rate was 4.71%.
- (B) – 3.35% - 5.45% Series 2008, general obligation bonds due annually each May 15 through 2028, interest due semiannually on May 15 and November 15, callable in whole or in part, anytime on or after May 15, 2013 at par value plus accrued interest to the date set for redemption. As of June 30, 2012, the average effective interest rate was 5.64% and the average stated rate was 5.21%.
- (C) – 2.40% - 5.10% Series 2009, general obligation bonds due annually each October 15 through 2029, interest due semiannually on April 15 and October 15, callable in whole or in part, anytime on or after October 15, 2014 at par value plus accrued interest to the date set for redemption. As of June 30, 2012, the average effective interest rate was 5.25% and the average stated rate was 4.58%.

Aggregate maturities for general obligation bonds are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 230,000	282,323	512,323
2014	245,000	273,786	518,786
2015	255,000	264,481	519,481
2016	270,000	254,260	524,260
2017	290,000	243,006	533,006
2018 - 2022	1,740,000	1,003,808	2,743,808
2023 - 2027	2,245,000	533,652	2,778,652
2028 - 2030	665,000	41,042	706,042
	<u>\$ 5,940,000</u>	<u>2,896,358</u>	<u>8,836,358</u>

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

Warrants Payable

The District issues warrants to pay for expenditures of the District. When warrants are presented for payment, the paying agent either pays them or registers them, at which time interest begins accruing if the warrant is registered. The interest rate on the registered warrants is 7% to 8%. These warrants are generally expected to be redeemed with tax and special assessment revenues or refinanced with a long-term bond issue within their appropriate statutory maturity limits.

General Fund warrants are due and payable no later than three years from the date of issuance. Debt Service Fund warrants are due and payable no later than five years from the date of issuance.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Balance outstanding, June 30, 2011	\$ --	--	--
Warrants issued	341,782	1,250	343,032
Warrant principal payments/cancellations	<u>(334,197)</u>	<u>(1,250)</u>	<u>(335,447)</u>
Balance outstanding, June 30, 2012	<u>\$ 7,585</u>	<u>--</u>	<u>7,585</u>

(5) Surety Bonds

The District has acquired the following surety bonds which have been filed with the County Clerk in accordance with Nebraska Statutes Section 31-734:

Chairperson	\$ 5,000
Clerk	20,000

(6) Credit Risk

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

(7) 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; and natural disasters. The District has purchased a commercial general liability insurance policy and bonds on its chairman and clerk to minimize the adverse effects of certain types of losses. There have been no significant reductions in insurance coverage and no significant claims or settlements for the current year or the three prior years. The District has retained the risk of loss for property damage to its public improvements.

(8) Related Parties

The Board of Trustees of the District is comprised of individuals that have a direct or indirect ownership interest in the property within the District.

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

Exhibit 1

**Information Required by Section 31-740,
Revised Statutes of Nebraska 1943, Reissued 2008
For the Year Ended June 30, 2012**

Gross revenue from all sources	\$	938,611
Amount spent for access to facilities and use of service of library system of neighboring cities and villages		None
Amount expended for capital improvements for water mains, net of utility refunds		None
Amount spent for sewage disposal		None
Gross amount of sewage processed		None
Cost per thousand gallons of processing sewage		None
Amount expended for maintenance and repairs	\$	177,949
Amount expended for new equipment		None
Amount expended for new construction work, net		None
Amount expended for property purchased	\$	26,172
Number of employees		None
Salaries and fees paid to employees		None
Total amount of taxes levied upon the property within the District	\$	687,116
Total amount of special assessments levied upon property within the District		None

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

Exhibit 2

**Board of Trustees
June 30, 2012**

<u>Name</u>	<u>Office</u>
W.L. Morrison, Jr.	Chairperson
Kristy J. Gregath	Clerk
Robert Storz	Trustee
Andrea Storz	Trustee

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Sanitary Improvement District No. 216
of Sarpy County Nebraska

Schedule of Debt Services Requirements
June 30, 2012

Year Ending June 30,	General Obligation Bonds						Combined Requirements	
	Series 2006		Series 2008		Series 2009		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2013	\$ 135,000	121,108	50,000	122,917	45,000	38,298	230,000	282,323
2014	140,000	115,572	55,000	121,144	50,000	37,070	245,000	273,786
2015	145,000	109,693	65,000	119,080	45,000	35,708	255,000	264,481
2016	150,000	103,457	75,000	116,513	45,000	34,290	270,000	254,260
2017	160,000	96,857	85,000	113,400	45,000	32,749	290,000	243,006
2018	170,000	89,657	95,000	109,745	45,000	31,095	310,000	230,497
2019	175,000	81,922	105,000	105,518	45,000	29,340	325,000	216,780
2020	185,000	73,873	115,000	100,688	45,000	27,495	345,000	202,056
2021	195,000	65,270	125,000	95,225	50,000	25,475	370,000	185,970
2022	205,000	56,105	135,000	89,100	50,000	23,300	390,000	168,505
2023	215,000	46,060	140,000	82,350	50,000	21,075	405,000	149,485
2024	230,000	35,525	145,000	75,210	50,000	18,800	425,000	129,535
2025	240,000	24,255	155,000	67,307	50,000	16,475	445,000	108,037
2026	255,000	12,495	165,000	58,860	50,000	14,025	470,000	85,380
2027	--	--	445,000	49,867	55,000	11,348	500,000	61,215
2028	--	--	470,000	25,615	60,000	8,414	530,000	34,029
2029	--	--	--	--	65,000	5,228	65,000	5,228
2030	--	--	--	--	70,000	1,785	70,000	1,785
Totals	\$ 2,600,000	1,031,849	2,425,000	1,452,539	915,000	411,970	5,940,000	2,896,358

**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**

To the Board of Trustees of
Sanitary Improvement District No. 216
of Sarpy County, Nebraska:

We have audited the financial statements of government activities and each major fund of Sanitary Improvement District No. 216 of Sarpy County, Nebraska (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon, dated _____, 2012. 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 the District'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 the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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 over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control over financial reporting, that we consider to be a significant deficiency (12-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended for the information of the District's Board of Trustees and the State of Nebraska Auditor of Public Accounts. However, this report is a matter of public record and its distribution is not limited.

Omaha, Nebraska,
_____, 2012

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Schedule of Findings and Responses
June 30, 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

12-1

Significant Deficiency:

Criteria:	Management is responsible for the preparation and fair presentation of the District's financial statements.
Condition:	External accountants prepare the District's financial statements and notes to financial statements.
Cause:	Due to the limited number of management and administrative personnel, management has elected to have external accountants prepare the financial statements and notes to financial statements.
Effect:	Condition could result in the District's financial statements to be misstated and not detected by the District's personnel.
Recommendation:	We recommend the District have a heightened awareness of the transactions being reported.
Response:	Management is aware of this significant deficiency and believes it is not financially prudent for the District to employ personnel for the purpose of preparing the financial statements. Management will continue to have a heightened awareness of the District's transactions when reviewing the financial statements prepared by external accountants.
Conclusion:	Response accepted.

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

_____, 2012

To the Board of Trustees of
Sanitary Improvement District No. 216
of Sarpy County, Nebraska:

In planning and performing our audit of the financial statements of Sanitary Improvement District No. 216, (the "District") as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) 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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control that we consider to be a significant deficiency:

Financial Statement Reporting

Many Sanitary Improvement Districts rely on the auditor to assist with the preparation of the annual financial statements including notes to the financial statements. Auditing standards emphasize that the auditor cannot be part of the system of internal control over financial reporting.

Accurate preparation of the District's financial statements and notes to the District's financial statements in accordance with accounting principles generally accepted in the United States of America requires a high degree of technical expertise and substantial experience in preparing such statements and notes. In our judgment certain members of the District's accounting personnel possess the degree of technical expertise required to prepare the District's financial statements in accordance with such principles. However, at this time, management has made the decision to have external accountants prepare these statements. As a result, this could cause the District's financial statements to be misstated and not be detected by the District's personnel. We believe that this is not an uncommon situation for Districts such as yours, and may be a conscious decision based on cost benefit considerations. We recommend management mitigate this situation by having a heightened awareness of the transactions being reported.

This communication is intended solely for the information and use of the Board of Trustees, management and others within the District and is not intended to be and should not be used by anyone other than these specified parties. We appreciate serving Sanitary Improvement District No. 216, and would be happy to assist you in addressing and implementing the suggestion in this letter.

Omaha, Nebraska,
_____, 2012

_____, 2012

To the Board of Trustees of
Sanitary Improvement District No. 216
Omaha, Nebraska:

This letter is being issued to the Board of Trustees of Sanitary Improvement District No. 216 to comply with Statement on Auditing Standards No. 114, which requires an auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audits for Sanitary Improvement District No. 216 (the District) for the year ended June 30, 2012 that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these required communications.

Auditor's Responsibility Under Professional Standards

Our responsibility under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* has been described to you in our arrangement letter dated April 27, 2012.

Accounting Practices

Adoption of, or Changes in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within accounting principles generally accepted in the United States of America for accounting policies and practices related to material items during the current audit.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us that they used all relevant facts available to them at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's June 30, 2012 financial statements:

- Collectability of receivables
- Depreciation expense

Financial Statement Disclosures

We would be pleased to meet with you to discuss key financial statement disclosures if you have any questions or concerns.

Audit Adjustments

There were 14 audit adjustments made to the original trial balance presented to us to begin our audit decreasing net assets by \$123,956. Audit adjustments recorded by the District are shown on Exhibit 1.

Uncorrected Misstatements

There were no uncorrected misstatements (passed audit adjustments) noted for the District in the current year.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultation with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Letter Communicating Internal Control Related Matters

We have separately communicated the significant deficiency identified during our audit of the financial statements in a letter dated _____, 2012.

Certain Written Communications between Management and Seim Johnson, LLP

In connection with our audit we received a representation letter from management confirming it has the primary responsibility for the fair presentation in the financial statements in conformity with accounting principles generally accepted in the United States of America. The representation letter reduces to writing the more significant oral representations made by management during the course of the audit. A copy of this representation letter can be provided upon request.

Other Items

A copy of our most recent quality review is attached to this correspondence.

Closing

We will be pleased to respond to any questions you have about the foregoing.

To the Board of Trustees of
Sanitary Improvement District No. 216

_____, 2012
Page 3

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than the specified parties.

Omaha, Nebraska,
_____, 2012.

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

**Sanitary Improvement District No. 216
of Sarpy County, Nebraska**

Exhibit 1

**Adjusting Journal Entries
June 30, 2012**

Number	Name	Account No	Debit	Credit
1	RECEIVABLES - SPECIAL ASSESSMENTS	1210B 2		129,218.49
1	RECEIVABLES - INTEREST ON SP ASSESS	1220B 2		56,191.56
1	SPECIAL ASSESSMENTS	4300B 2	129,218.49	
1	INTEREST - SPECIAL ASSESSMENTS	4400B 2	56,191.56	
To Adjust Special Assesement Receivable				
2	RECEIVABLES - PROPERTY TAXES	1200B 2	18,561.65	
2	PROPERTY TAXES	4000B 2		18,561.65
To adjust property tax receivable				
3	RECEIVABLES - PROPERTY TAXES	1200A 1	17,764.16	
3	PROPERTY TAXES	4000A 1		17,764.16
To adjust property tax recievable				
4	INVESTMENTS	1300B 2		17.44
4	INTEREST ON INVESTMENTS	4150B 2	17.44	
To record investments at cost and accrued interest				
5	BOND ISSUE COSTS	1450B 2		38,404.27
5	BOND ISSUE COSTS	5200B 2	38,404.27	
To record amortization of bond issue costs				
6	CURRENT PORTION OF L-T DEBT	2150B 2	215,000.00	
6	PRINCIPAL PAYMENT ON BONDS	5220B 2		215,000.00
To record payment of bonds and record issuance of new bond				

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

Sanitary Improvement District No. 216
of Sarpy County, Nebraska

Exhibit 1
(Continued)

Adjusting Journal Entries
June 30, 2012

Number	Name	Account No	Debit	Credit
7	WARRANTS PAYABLE	2100A 1		7,585.00
7	ISSUANCE OF WARRANTS	5165A 1	341,782.43	
7	RETIREMENT OF WARRANTS	5191A 1		334,197.43
	To adjust GF cash to accrual			
8	RECEIVABLES - OTHER	1230B 2	46,406.93	
8	MISCELLANEOUS REVENUES	4500B 2		28,147.73
8	INTEREST INCOME - OTHER	4700B 2		18,259.20
	To record the receivable from MUD at 6/30/2012.			
9	CURRENT PORTION OF L-T DEBT	2150B 2		230,000.00
9	BONDS PAYABLE	2250B 2	230,000.00	
	To reclassify current portion of LT Debt			
10	ACCOUNTS PAYABLE	2000A 1	116,804.72	
10	ELECTRICITY - STREET LIGHTING	5060A 1		9,078.67
10	STREET SIGNS	5105A 1		42.2
10	LEGAL FEES	5120A 1		6,990.00
10	PUBLICATIONS	5130A 1		56.93
10	REPAIRS & MAINTENANCE	5140A 1		100,636.92
	To reverse prior year GF A/P			

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

Sanitary Improvement District No. 216
of Sarpy County, Nebraska

Exhibit 1
(Continued)

Adjusting Journal Entries
June 30, 2012

Number	Name	Account No	Debit	Credit
11	ACCOUNTS PAYABLE	2000A 1		77,758.99
11	ELECTRICITY - STREET LIGHTING	5060A 1	10,258.15	
11	STREET SIGNS	5105A 1	195.18	
11	LEGAL FEES	5120A 1	1,260.00	
11	REPAIRS & MAINTENANCE	5140A 1	66,045.66	
	To record unpaid invoices at 6/30/2011			
12	ACCUMULATED DEPRECIATION	1500B 2		257,741.00
12	DEPRECIATION EXPENSE	5300B 2	257,741.00	
	To record depreciation expense			
13	ACCRUED INTEREST PAYABLE - WARRANTS	2300B 2	2,250.93	
13	ACCRUED INTEREST	5091B 2		2,250.93
	To record accrued interest to actual.			
14	LAND	1430A 1	26,172.02	
14	LAND ACQUISITION	5500A 1		26,172.02
	To record purchase of land in the current year.			

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

Quality Review

**BRADY
MARTZ**

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

System Review Report

December 8, 2011

To the Partners of Seim Johnson, LLP and the Peer Review Committee of the Nevada Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Seim Johnson, LLP in effect for the year ended June 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Seim Johnson, LLP in effect for the year ended June 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Seim Johnson, LLP has received a peer review rating of *pass*.


Brady Martz and Associates, P.C.

BRADY, MARTZ & ASSOCIATES, P.C.
401 Demers Avenue Suite 300 P.O. Box 14296
Grand Forks, ND 58708-4296 (701) 775-4685 Fax (701) 795-7498
www.bradyartz.com

McGLADREY ALLIANCE  McGladrey

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

Kristi Weispfenning

From: "Norris Franzen" <dazen@windstream.net>
Date: Wednesday, November 21, 2012 8:44 AM
To: "Robert Storz" <hehi1963@yahoo.com>
Cc: "Hunter Ron W" <rwhre@hunterlaw.omhcoxmail.com>
Attach: SID #216.doc
Subject: Fw: Representation letter
 Good morning Bob,

It is required that accounting firms have a representation letter signed by their client, that defines the responsibility of financial statements made to the auditor. This has been signed by the Chairman each year. Bill Morrison has signed this letter each year, after I reviewed it, making sure that the statements of representation are correct.

Seim Johnson has asked if I would cosign this letter with the chairman. Since I am familiar with the financials of SID 216, and I have reviewed the financial statements and the representation letter, I have agreed to sign it as consultant for the district.

This letter will be present for signing on the 6th.

Dazen, Inc.
 Norris Franzen Designated Broker
 Real-estate & Development Consultant
 15514 Copper Corral Drive
 Plattsmouth, NE 680485002
dazen@windstream.net Ph402.319.0327

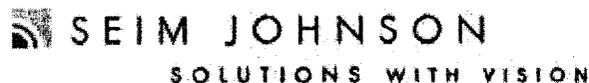
----- Original Message -----

From: Tony Eitzmann
To: Norris Franzen
Sent: Tuesday, November 20, 2012 2:19 PM
Subject: Representation letter

Attached is the representation letter we just discussed. Please let me know if you have any questions on any of the provisions of this letter.

Thanks again for all of your help.

Tony Eitzmann



18081 Burt Street, Suite 200
 Omaha, NE 68022-4722
 Office: 402-330-2660
 Direct: 402-691-5548
 Fax: 402-330-5108
 Email: eitzmann@seimjohnson.com
 Web site: SeimJohnson.com

 The information contained in this message and the documents accompanying this message contain information that is privileged and confidential and is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering it to the

11/26/2012

intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication, other than its return to the sender, is strictly prohibited. Thank you.

The following statement is provided pursuant to U.S. Treasury Department Regulations: Any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or applicable state or local tax provisions, or (ii) promoting, marketing or recommending to another party any matter addressed herein. The person to whom this advice is addressed is under no obligation to keep the advice or matters related to the advice confidential.

**Sanitary Improvement District No. 216
Of Sarpy County, Nebraska
11605 Arbor Street, Suite 104
Omaha, Nebraska 68144**

December 6, 2012

Seim Johnson, LLP
18081 Burt Street, Suite 200
Omaha, NE 68022-4722

In connection with your audit of the basic financial statements of Sanitary Improvement District No. 216 of Sarpy County, Nebraska (the District) as of and for the year ended June 30, 2012, we confirm that we are responsible for the fair presentation in the financial statements of the financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

We confirm, to the best of our knowledge and belief as of December 6, 2012, the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have identified for you all of our funds and governmental functions.
3. We have properly classified all funds and activities.
4. We are responsible for compliance with laws and regulations applicable to the District, including adopting, approving and amending budgets.
5. We have identified and disclosed to you, either ourselves, through our attorney, our fiscal agent or others providing services for the District, all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.
6. We have made available to you all:
 - a. Financial records and related data of all funds and activities in existence at anytime during the period covered by your audit.
 - b. Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
7. There was no communication from grantors, lenders, other funding sources or regulatory agencies concerning noncompliance with:
 - a. Statutory, regulatory or contractual provisions or requirements.
 - b. Financial reporting practices that could have a material effect on the financial statements.
8. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management

- b. **Employees who have significant roles in the internal control.**
- c. **Others where the fraud could have a material effect on the financial statements.**

3. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
4. We have no knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, analysts, regulators or others.
5. We have informed you of all significant deficiencies in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize and report financial data. We are aware of no material weaknesses in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize and report financial data.
6. We have no plans or intentions that may materially affect the carrying value or classification of assets.
7. The following have been properly recorded and/or disclosed in the financial statements:
 - a. All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - b. Deposits and investment securities category or custodial credit risk.
11. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectable amounts.
 - b. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2012 and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2012.
3. There are no:
 - a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
 - c.

- d. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification and/or the Contingent Liabilities Topic of the GASB Accounting Standards Codification.
- e. Related party transactions as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, or interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees.
- f. Guarantees, whether written or oral, under which the District is contingently liable.
- g. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
- h. Lines of credit or similar arrangements.
- i. Agreements to repurchase assets previously sold.
- j. Security agreements in effect under the Uniform Commercial Code.
- k. Liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in anyway.
- l.
- m. Amounts of contractual obligations for plant construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
- n. Investments in debt or equity securities.
- o.
- p. Liabilities which are subordinated in any way to any other actual or possible liabilities.
- q. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
- r. Debt issue provisions.
- s. Leases or material amounts of rental obligations under long-term leases.
- t. Authorized but unissued bonds and/or notes.
- u. Risk financing activities.
- v.
- w. Derivative financial instruments.
- x.
- y. Assets or liabilities measured at fair value.
- z.
- aa. Special and extraordinary items.
- bb. Arbitrage rebate liabilities.**
- cc.
- dd. Impairment of capital assets.
- ee.
- ff. Pension obligations, post-retirement benefits other than pensions, or deferred compensation agreements attributable to employee services rendered through June 30, 2012.

gg. Environmental cleanup obligations.

34. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with the Contingencies Topic of the FASB Accounting Standards Codification and/or the Contingent Liabilities Topic of the GASB Accounting Standards Codification.
35. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
36. The District has satisfactory title to all owned assets.
37. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
38. Net asset components (invested in capital assets, net of related debt, restricted, and unrestricted) and fund balance reserves and designations are properly classified and, when applicable, approved.
39. Expenses or expenditures have been appropriately classified in or allocated in the statement of activities, and allocations have been made on a reasonable basis.
40. Revenues are appropriately classified in the statement of activities in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
41. Capital assets, including infrastructure assets, are properly capitalized, reported and depreciated.
42. We have reviewed, approved, and take full responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.
43. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of the issuance of the supplementary information and the auditor's report thereon.
44. We are responsible for determining that significant events or transactions that have occurred since the statement of net liabilities date and through December 6, 2012, have been recognized or disclosed in the basic financial statements. No events or transactions other than those disclosed in the financial statements have occurred subsequent to the statement of

net liabilities date and through December 6, 2012, that would require recognition or disclosure in the basic financial statements. We further represent that as of December 6, 2012, the basic financial statements were completed in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the basic financial statements had been obtained.

- 45. During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
- 46.
- 47. The District authorizes you to forward copies of the audit reports to the State Auditor's office and to the Sarpy County Treasurer, as required by law. We also authorize you to send copies to the District's underwriters, Ameritas Investment Group.

Very truly yours,

SANITARY IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA

Chairman of the Board

By _____

Consultant

By _____

11/5/2012
08:21:58

**** COUNTY TREASURER GENERAL LEDGER ****
DETAIL REVENUE LISTING PER FUND
FOR: OCTOBER 2012

PAGE: 1

FUND: 8116	SID #216 GENERAL	M-T-D	Y-T-D
10100	- BEGINNING CASH ON HAND	76,919.87	96,935.20
15100	- BEGINNING INVESTMENT ON HAND	0.00	0.00
BEGINNING BALANCE:		76,919.87	96,935.20
TAX RECEIPT COLLECTIONS:			
30337	- 2011 REAL ESTATE TAXES	297.15	122,823.86
TAX RECEIPT TOTALS:		297.15	122,823.86
34401	- HOMESTEAD EXEMP ALLOCATION	0.00	979.44
34601	- MOTOR VEHICLE PRO RATE	0.00	83.19
OTHER RECEIPT TOTALS:		0.00	1,062.63
60000	- DISBURSEMENTS	-2,564.18	-143,718.32
60001	- PROPERTY TAX COMMISSION	-5.94	-2,456.47
10000	ENDING CASH ON HAND	74,646.90	74,646.90
15100	ENDING INVESTMENT ON HAND	0.00	0.00
GRAND TOTALS		74,646.90	74,646.90

FUND: 8816 SID #216 BOND

M-T-D

Y-T-D

10100 - BEGINNING CASH ON HAND	924,008.91	692,021.40
15100 - BEGINNING INVESTMENT ON HAND	0.00	0.00

BEGINNING BALANCE:	924,008.91	692,021.40
--------------------	------------	------------

TAX RECEIPT COLLECTIONS:

30337 - 2011 REAL ESTATE TAXES	445.72	184,235.88
--------------------------------	--------	------------

TAX RECEIPT TOTALS:	445.72	184,235.88
---------------------	--------	------------

31701 - SPECIAL ASSESSMENTS	62,903.57	129,409.73
34401 - HOMESTEAD EXEMP ALLOCATION	0.00	1,469.15
34601 - MOTOR VEHICLE PRO RATE	0.00	124.79
54001 - MISCELLANEOUS REVENUE	0.00	46,406.93

OTHER RECEIPT TOTALS:	62,903.57	177,410.60
-----------------------	-----------	------------

60000 - DISBURSEMENTS	-64,418.75	-125,722.50
60001 - PROPERTY TAX COMMISSION	-8.91	-3,684.72
60002 - SPECIAL ASSESSMENT COMM	-1,258.07	-2,588.19

10000 ENDING CASH ON HAND	921,672.47	921,672.47
15100 ENDING INVESTMENT ON HAND	0.00	0.00

GRAND TOTALS	921,672.47	921,672.47
--------------	------------	------------

The Omaha World-Herald Ad Order Confirmation

Ad Content

RONALD W. HUNTER
 Attorney at Law
 11605 Arbor Street, Suite 104
 Omaha, NE 68144

NOTICE OF MEETING
 Sanitary and Improvement District
 No. 216 of Sarpy County, Nebraska

NOTICE IS HEREBY GIVEN that a meeting of the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, will be held at 4:00 p.m. on Thursday, October 25, 2012, located at 13917 Gold Circle, Omaha, Nebraska, which meeting will be open to the public.

An Agenda for such meeting, kept continuously current, is available for public inspection at the office of the Chairman of the Board of the District at 11605 Arbor St., Suite 104, Omaha, Nebraska, and includes payment of bills of the District.

Kristy J. Gregath
 Clerk of the District
 1572531; 10/24

Ad Number 0001572531-01

Sales Rep. jerwin

Order Taker jerwin

Ad Type SNI Legals

Ad Size
 : 1.0 X 26 Li

PO Number SID 216

Color B&W

Promo Type

Customer
 RONALD HUNTER LAW OFFIC

Customer Account

154004

Customer Address

11605 ARBOR ST, #104
 OMAHA NE 68144 USA

Customer Phone

(402)397-6965

Ordered By

Special Pricing

None

Invoice Text

SID 216

Materials

Ad Order Notes

<u>Tear Sheets</u>	<u>Proofs</u>	<u>Blind Box</u>
0	0	

<u>Net Amount</u>	<u>Total Amount</u>
\$10.73	\$10.73

Payment Method

<u>Payment Amount</u>	<u>Amount Due</u>
\$0.00	\$10.73

<u>Product Information</u>	<u>Placement/Classification</u>	<u>Run Dates</u>	<u># Inserts</u>	<u>Cost</u>
SNI Classified::	Papillion Legals	10/24/2012	1	\$10.73
	SNI Legal Papillion-Appears i			

The Omaha World-Herald Ad Order Confirmation

Ad Content

RONALD W. HUNTER
 Attorney at Law
 11605 Arbor Street, Suite 104
 Omaha, NE 68144

NOTICE OF MEETING
 Sanitary and Improvement District
 No. 216 of Sarpy County, Nebraska

NOTICE IS HEREBY GIVEN that a meeting of the Board of Trustees of Sanitary and Improvement District No. 216 of Sarpy County, Nebraska, will be held at 4:30 p.m. on Thursday, December 6, 2012, at 11605 Arbor Street, Suite 104, Omaha, Nebraska, which meeting will be open to the public. An Agenda for such meeting, kept continuously current, is available for public inspection at the office of the Chairman of the Board of the District at 11605 Arbor St., Suite 104, Omaha, Nebraska, and includes payment of bills of the District.

DANIEL E. NORMAN,
 Clerk of the District
 1586979; 125

Ad Number 0001586979-01

Sales Rep. jerwin

Order Taker jerwin

Ad Type SNI Legals

Ad Size
 : 1.0 X 26 Li

PO Number SID 216

Color B&W

Promo Type

Customer
 RONALD W HUNTER, ATTY AT

Customer Account
 167774

Customer Address
 11605 ARBOR ST., SUITE 104
 OMAHA NE 68144 USA

Customer Phone
 (402)397-6965

Ordered By

Special Pricing

None

Invoice Text

SID 216

Materials

Ad Order Notes

<u>Tear Sheets</u>	<u>Proofs</u>	<u>Blind Box</u>
0	0	

<u>Net Amount</u>	<u>Total Amount</u>
\$10.73	\$10.73

Payment Method

<u>Payment Amount</u>	<u>Amount Due</u>
\$0.00	\$10.73

<u>Product Information</u>	<u>Placement/Classification</u>	<u>Run Dates</u>	<u># Inserts</u>	<u>Cost</u>
SNI Classified::	Papillion Legals	12/5/2012	1	\$10.73
	SNI Legal Papillion-Appears i			

The Omaha World-Herald Ad Order Confirmation

Ad Content

RONALD W. HUNTER
Attorney at Law
11605 Arbor Street,
Suite 104
Omaha, NE 68144

NOTICE OF MEETING

Sanitary and
Improvement District
No. 216 of Sarpy
County, Nebraska

NOTICE IS HEREBY GIV-
EN that a meeting of
the Board of Trustees
of Sanitary and Im-
provement District No.
216 of Sarpy County,
Nebraska, will be held
at 4:00 p.m. on Thurs-
day, October 25, 2012,
located at 13917 Gold
Circle, Omaha, Nebras-
ka, which meeting will
be open to the public.
An Agenda for such
meeting, kept continu-
ously current, is avail-
able for public inspec-
tion at the office of the
Chairman of the Board
of the District at 11605
Arbor St., Suite 104,
Omaha, Nebraska, and
includes payment of
bills of the District.

Kristy J. Gregath
Clerk of the District

Ad Number 0001573921-01
Sales Rep. kpetersen
Order Taker kpetersen
Ad Type Liner Classified New
Ad Size : 1.0 X 40 Li
PO Number SID 216
Color B&W
Promo Type
Customer
RONALD HUNTER LAW OFFICE
Customer Account
154004
Customer Address
11605 ARBOR ST, #104
OMAHA NE 68144 USA
Customer Phone
(402)397-6965
Ordered By
KRISTI WEISPFENNING
Special Pricing
None
Invoice Text
Materials
Ad Order Notes

<u>Tear Sheets</u>	<u>Proofs</u>	<u>Blind Box</u>
0	0	
Net Amount		Total Amount
\$242.80		\$242.80

Payment Method

<u>Payment Amount</u>	<u>Amount Due</u>
\$0.00	\$242.80

<u>Product Information</u>	<u>Placement/Classification</u>	<u>Run Dates</u>	<u># Inserts</u>	<u>Cost</u>
OWH::All Editions	Public Notices - Classified	10/23/2012	1	\$232.80
	0675-Public Notices			
On Line Class::All Editions	Public Notices - Classified	10/23/2012	1	\$10.00
	0675-Public Notices			



Account Number	Due Date	Total Amount Due
9254119457	Nov 19, 2012	\$6,802.67

Customer Name: SID 216 SARPY
Statement Date: October 29, 2012

For bill inquiries call the Omaha Office
(402) 536-4131. See back for toll-free number.

Billing Information for service address: 16500 S BRIAR ST, STLT OMAHA NE

Billing Period From 09-27-2012 To 10-29-2012 @ 32 Days

Rate	Summary Usage		
	Current Amount	Fuel and Purchased Power Adjustment	Subtotal Amount per Rate
SL61	\$2,415.31	\$20.78	\$2,570.07

Rate	Summary Usage		
	Current Amount	Fuel and Purchased Power Adjustment	Subtotal Amount per Rate

Sales Tax 133.98
 Total Charges \$2,570.07
 Previous Balance 6,796.78
 Payments Received: 10/18/12 2,564.18CR
 Total Amount Due \$6,802.67
 Late Payment Charge of \$102.80 applies after due date.

Please return this portion with payment

If all customers switched to paperless billing, OPPD would save more than \$1.5 million annually in paper, postage and supplies. Sign up now at oppd.com/MyAccount.

Statement Date: October 29, 2012

Account Number	Due Date	Total Amount Due
9254119457	Nov 19, 2012	\$6,802.67

Late Payment Charge of \$102.80 applies after due date.

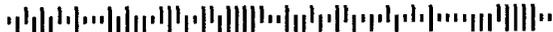
Amount Paid

Energy Assistance: Monthly \$1 \$2 \$5 Other \$ _____

One-Time Contribution \$ _____

A current phone number on our record simplifies outage reporting. Your service address is identified by the phone number:

Check Here to indicate name, address or phone changes on back of this statement


 SID 216 SARPY CO
 % RONALD W. HUNTER
 11605 ARBOR ST STE 104
 OMAHA NE 68144-2982

PO BOX 3995
OMAHA NE 68103-0995



01925411945700000068026700000690547201211191



Account Number	Due Date	Total Amount Due
9254119457	Nov 19, 2012	\$6,802.67

Customer Name: SID 216 SARPY
Statement Date: October 29, 2012

Billing Information for service address: 16500 S BRIAR ST, STLT OMAHA NE

Billing Period From 09-27-2012 To 10-29-2012 @32 Days

Rate	Method No.	Number of Lamps	Price per Lamp	Usage			
				Current Amount	Fuel and Purchased Power Adjustment	Total Usage Amount	Sub-Total Amount per Rate
SL61	61211	137	\$17.63	\$2,415.31			
SL61					20.78	2,415.31	\$2,570.07



Account Number	Due Date	Total Amount Due
9254119457	Dec 19, 2012	\$6,807.98

Customer Name: SID 216 SARPY
Statement Date: November 29, 2012

For bill inquiries call the Omaha Office
(402) 536-4131. See back for toll-free number.

Billing information for service address: 16500 S BRIAR ST, STLT OMAHA NE

Billing Period From 10-29-2012 To 11-29-2012 @31 Days

Rate	Summary Usage		
	Current Amount	Fuel and Purchased Power Adjustment	Subtotal Amount per Rate
SL61	\$2,415.31	\$21.86	\$2,571.21

Rate	Summary Usage		
	Current Amount	Fuel and Purchased Power Adjustment	Subtotal Amount per Rate

Sales Tax 134.04
 Total Charges \$2,571.21
 Previous Balance 6,802.67
 Payments Received: 11/09/12 2,565.90CR
 Total Amount Due \$6,807.98
 Late Payment Charge of \$102.85 applies after due date.

Please return this portion with payment

Holiday lighting adds warmth to your home during the holidays. Decorate safely by following smart safety tips at oppd.com/HolidayLighting.

Statement Date: November 29, 2012

Account Number	Due Date	Total Amount Due
9254119457	Dec 19, 2012	\$6,807.98

Late Payment Charge of \$102.85 applies after due date.

Amount Paid

Energy Assistance: Monthly \$1 \$2 \$5 Other \$ _____

One-Time Contribution \$ _____

A current phone number on our record simplifies outage reporting. Your service address is identified by the phone number:

Check Here to indicate name, address or phone changes on back of this statement

SID 216 SARPY CO
% RONALD W. HUNTER
11605 ARBOR ST STE 104
OMAHA NE 68144-2982

PO BOX 3995
OMAHA NE 68103-0995



01925411945700000068079800000691083201212192



Account Number	Due Date	Total Amount Due
9254119457	Dec 19, 2012	\$6,807.98

Customer Name: SID 216 SARPY
Statement Date: November 29, 2012

Billing Information for service address: 16500 S BRIAR ST, STLT OMAHA NE

Billing Period From 10-29-2012 To 11-29-2012 @31 Days

Rate	Method No.	Number of Lamps	Price per Lamp	Usage			
				Current Amount	Fuel and Purchased Power Adjustment	Total Usage Amount	Sub-Total Amount per Rate
SL61	61211	137	\$17.63	\$2,415.31			
SL61					21.86	2,415.31	\$2,571.21



5023 Shannon Drive
 Papillion, NE 68133
 greenlifegardens.com
 (402) 593-7651

Invoice

Date 11/28/2012
Invoice # 27129

Work Site

Millard Park South
 c/o: NP Dodge Land Development
 13917 Gold Circle
 Omaha, NE 68144

SID 216
 Millard Park South
 Omaha, NE

Terms

Due on receipt

Project Name

November Maintenance

Description

Quantity

Rate

Total

The following work was completed at SID 216:
 10.24: Weeded beds and cut back perennials as needed.
 11.19: Watered newly planted landscaping beds. Removed trash from outlots and trash bins.

Labor	12	38.00	456.00
Disposal of material	1	30.00	30.00

*OK Mains 11/20/12
 SID 216 Repair & Adjust*

Total Charges	\$486.00
Sales Tax (5.5%)	<u>\$0.00</u>
Total Charges + Tax	\$486.00

NP Dodge Insurance Agency, Inc
12002 Pacific St.
Omaha, NE 68154-3507
Phone : 402-938-5008 Fax : 402-938-5090

INVOICE # 28769		Page 1
ACCOUNT NO.	DATE	
SI216-1	PV	11/09/12

SID #216 of Sarpy County
c/o Ronald W. Hunter
11605 Arbor St. #104
Omaha, NE 68144

Item #	Eff Date	Trm	Type	Policy #	Description	Amount
432525	10/25/12		NEW BOND	RPO2125302	Position Schedule Bond Old Republic Surety Co.	\$ 100.00
					Invoice Balance:	\$ 100.00

RONALD W. HUNTER

Attorney at Law

11605 Arbor Street, Suite 104

Omaha, NE 68144

e-mail: rwhre@hunterlaw.omhcoxmail.com

Telephone: (402) 397-6965

Fax: (402) 397-0607

December 5, 2012

Sanitary and Improvement District No. 216
c/o 11605 Arbor Street, Suite 104
Omaha, NE 68144

Re: Sanitary and Improvement District No. 216

=====

For legal services performed re: general services from 10-25-12
through 12-05-12.

(See Attached Schedule of Services)

7.10 hours x \$150.00 per hour = \$1,065.00

TOTAL AMOUNT DUE= \$1,065.00

SCHEDULE OF SERVICES
FOR SID 216

10/25/12	Prepared for and attended Board of Trustees meeting.	1.50
11/07/12	Preparation of minutes, supporting documents, and warrants of the last meeting of the Board of Trustees.	1.90
11/08/12	Mailed executed warrants to payees.	0.60
11/18/12	Final review of minutes, supporting documents and warrants of last meeting. Hand carried minutes to N.P. Dodge for signatures.	0.80
11/25/12	Preparation of notices of next meeting of the Board of Trustees to Sarpy County, Papillion Times, and the Trustees.	1.10
12/05/12	Prepared Agenda for next meeting.	<u>1.20</u>
	Total	<u>7.10</u>

SOURCE OF FUNDS:

USE OF FUNDS:

BOND ISSUE	0.00
CASH ON HAND 10/31/2012	921,672.47
FUNDS FROM WARRANTS	0.00
	921,672.47

AUGUST 15th PYMT 2006 BONDS	0.00
REDEEM 2006 BONDS	0.00
INT ON BONDS TO 10/15/2012	0.00
UNDERWRITERS DISCOUNT	0.00
ISSUANCE EXPENSES (EST)	0.00
BOND SINKING FUNDS	921,672.47
	921,672.47

YEAR	TAXABLE VALUE	BOND LEVY	BD FUND RECEIPTS	SPL ASSES INCOME	INT INCOME @ 0.25%	2006 BOND PAYOUT	2008 & 2009 BOND PAYOUT	YEAR END BALANCE
2011	91,615,486	0.45						921,672.47
2012	94,207,491	0.45	0.00		1,152.09	0.00	61,458.75	861,365.81
2013	96,057,491	0.53	415,455.04		2,153.41	253,340.00	259,787.50	765,846.76
2014	96,057,491	0.53	498,922.61		1,914.62	252,632.50	256,493.75	757,557.74
2015	96,057,491	0.53	498,922.61		1,893.89	251,575.00	262,828.75	743,970.49
2016	96,057,491	0.53	498,922.61		1,859.93	250,157.50	268,503.75	726,091.78
2017	96,057,491	0.53	498,922.61		1,815.23	253,257.50	273,522.50	700,049.61
2018	96,057,491	0.53	498,922.61		1,750.12	255,790.00	277,871.25	667,061.10
2019	96,057,491	0.53	498,922.61		1,667.65	252,897.50	281,542.50	633,211.36
2020	96,057,491	0.53	498,922.61		1,583.03	254,571.25	289,506.25	589,639.49
2021	96,057,491	0.53	498,922.61		1,474.10	255,687.50	291,562.50	542,786.20
2022	96,057,491	0.53	498,922.61		1,356.97	256,082.50	292,925.00	494,058.27
2023	96,057,491	0.53	498,922.61		1,235.15	255,792.50	288,730.00	449,693.53
2024	96,057,491	0.53	498,922.61		1,124.23	259,890.00	283,908.75	405,941.62
2025	96,057,491	0.53	498,922.61		1,014.85	258,375.00	283,383.75	364,120.33
2026	96,057,491	0.53	498,922.61		910.30	261,247.50	287,113.75	315,591.99
2027	96,057,491	0.40	498,922.61		788.98		552,686.25	262,617.33
2028	96,057,491	0.00	376,545.36		656.54		554,692.50	85,126.74
2029			0.00		212.82		73,570.00	11,769.55
			=====	=====	=====	=====	=====	
			7,776,916.92	0.00	24,563.92	3,571,296.25	5,140,087.50	

ISSUER: SARPY COUNTY SID NO. 216
 PURPOSE: GENERAL OBLIGATION REFUNDING BONDS
 AMOUNT: \$2,230,000.00
 DATED: JANUARY 15, 2013
 DUE: JANUARY 15, 2013-2026
 CALLABLE: JANUARY 15, 2018

SCHEDULE 2

MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE	JANUARY 15 INTEREST	JANUARY 15 PRINCIPAL	JULY 15 INTEREST	ANNUAL TOTAL
2013	0.00	0.000%	0.00	0.00	24,950.00	24,950.00
2014	125,000.00	1.250%	24,950.00	125,000.00	24,168.75	174,118.75
2015	130,000.00	1.350%	24,168.75	130,000.00	23,291.25	177,460.00
2016	140,000.00	1.500%	23,291.25	140,000.00	22,241.25	185,532.50
2017	145,000.00	1.600%	22,241.25	145,000.00	21,081.25	188,322.50
2018	150,000.00	1.750%	21,081.25	150,000.00	19,768.75	190,850.00
2019	155,000.00	1.900%	19,768.75	155,000.00	18,296.25	193,065.00
2020	165,000.00	2.100%	18,296.25	165,000.00	16,563.75	199,860.00
2021	175,000.00	2.300%	16,563.75	175,000.00	14,551.25	206,115.00
2022	185,000.00	2.500%	14,551.25	185,000.00	12,238.75	211,790.00
2023	195,000.00	2.650%	12,238.75	195,000.00	9,655.00	216,893.75
2024	210,000.00	2.800%	9,655.00	210,000.00	6,715.00	226,370.00
2025	220,000.00	2.900%	6,715.00	220,000.00	3,525.00	230,240.00
2026	235,000.00	3.000%	3,525.00	235,000.00	0.00	238,525.00
=====			\$217,046.25	\$2,230,000.00	\$217,046.25	\$2,664,092.50

1,185,000.00

PURCHASE PRICE	BOND PROCEEDS	NET INTEREST COST	AVERAGE INTEREST COST	UNDERWRITER DISCOUNT
95.00	\$2,118,500.00	3.1647	2.5179	\$111,500.00

*MANDATORY SINK FUND BONDS
 CASH FLOW FOR SARPY CO. SID NO. 216

USE OF FUNDS:

SOURCE OF FUNDS:

BOND ISSUE	2,230,000.00
CASH ON HAND 10/31/2012	921,672.47
FUNDS FROM WARRANTS	0.00
	3,151,672.47

NOV 15, 2012 PYMT 08 BONDS	61,458.75
REDEEM 2006 BONDS	2,600,000.00
INT ON BONDS TO 01/15/2013	50,461.46
UNDERWRITERS DISCOUNT	111,500.00
ISSUANCE EXPENSES (EST)	20,000.00
BOND SINKING FUNDS	308,252.26
	3,151,672.47

YEAR	TAXABLE VALUE	BOND LEVY	BD FUND RECEIPTS	SPL ASSES INCOME	INT INCOME @ 0.25%	NEW BOND PAYOUT	2008 & 2009 BOND PAYOUT	YEAR END BALANCE
2011	91,615,486	0.45						308,252.26
2012	94,207,491	0.45	0.00		192.66	0.00	0.00	308,444.92
2013	96,057,491	0.50	415,455.04		771.11	24,950.00	259,787.50	439,933.57
2014	96,057,491	0.50	470,681.71		1,099.83	174,118.75	256,493.75	481,102.61
2015	96,057,491	0.50	470,681.71		1,202.76	177,460.00	262,828.75	512,698.32
2016	96,057,491	0.50	470,681.71		1,281.75	185,532.50	268,503.75	530,625.52
2017	96,057,491	0.50	470,681.71		1,326.56	188,322.50	273,522.50	540,788.79
2018	96,057,491	0.50	470,681.71		1,351.97	190,850.00	277,871.25	544,101.22
2019	96,057,491	0.50	470,681.71		1,360.25	193,065.00	281,542.50	541,535.68
2020	96,057,491	0.50	470,681.71		1,353.84	199,860.00	289,506.25	524,204.97
2021	96,057,491	0.50	470,681.71		1,310.51	206,115.00	291,562.50	498,519.69
2022	96,057,491	0.50	470,681.71		1,246.30	211,790.00	292,925.00	465,732.70
2023	96,057,491	0.50	470,681.71		1,164.33	216,893.75	288,730.00	431,954.99
2024	96,057,491	0.50	470,681.71		1,079.89	226,370.00	283,908.75	393,437.83
2025	96,057,491	0.50	470,681.71		983.59	230,240.00	283,383.75	351,479.38
2026	96,057,491	0.50	470,681.71		878.70	238,525.00	287,113.75	297,401.03
2027	96,057,491	0.50	470,681.71		743.50		552,686.25	216,139.99
2028	96,057,491	0.00	470,681.71		540.35		554,692.50	132,669.55
2029			0.00		331.67		73,570.00	59,431.22
=====			7,475,680.63	0.00	18,219.58	2,664,092.50	5,078,628.75	

SCHEDULE 3

Remaining Pymts	
2006 BONDS	3,571,296.25
Payments on	
2012 BONDS	<u>2,664,092.50</u>
"Gross" Savings	907,203.75
SID "Cash Contribution"	
to REFUNDING	<u>551,961.46</u>
"Net" Savings	355,242.29
Net Bond Proceeds	2,118,500.00
Called Bonds	2,600,000.00
Interest on Called Bonds	50,461.46
Issuance Expenses	<u>20,000.00</u>
"Cash Contribution"	(551,961.46)

SID "Cash Contribution" consists of:
 Net Bond Proceeds minus (Called Bonds +
 Interest on Called Bonds + Issuance Expenses)

INTEREST RATE COMPARISON

<u>YEAR</u>	<u>2006 BONDS</u>	<u>2012 BONDS</u>	<u>INTEREST RATE DIFFERENCE</u>
2014	4.20%	1.25%	-2.95%
2015	4.30%	1.35%	-2.95%
2016	4.40%	1.50%	-2.90%
2017	4.50%	1.60%	-2.90%
2018	4.55%	1.75%	-2.80%
2019	4.60%	1.90%	-2.70%
2020	4.65%	2.10%	-2.55%
2021	4.70%	2.30%	-2.40%
2022	4.90%	2.50%	-2.40%
2023	4.90%	2.65%	-2.25%
2024	4.90%	2.80%	-2.10%
2025	4.90%	2.90%	-2.00%
2026	4.90%	3.00%	-1.90%

L. *Net Assets/Fund Balance*

The District considers that all incurred and spent restricted, committed, and assigned amounts have been utilized first before unassigned amounts are made.

Fund balance of the District's governmental funds are classified in the financial statements as follows:

- *Nonspendable Fund Balance* consists of amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be kept intact. The District had no nonspendable fund balance as of June 30, 2012.
- *Restricted Fund Balance* consists of amounts that are restricted for specific purposes. These restrictions are either imposed by 1) externally imposed by creditors, grantors contributors, or laws or regulations of other governments or 2) imposed through constitutional provisions or enabling legislation.
- *Committed Fund Balance* consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts. The Board of Trustees is the District's highest level of authority. All actions concerning approving, eliminating, or modifying of minimal fund balances will be accomplished through resolution. The District had no committed fund balance as of June 30, 2012.
- *Assigned Fund Balance* consists of amounts that are constrained by the government intended to be used for specific purposes, but are neither restricted nor committed. The authority for making an assignment is not required to be the government's highest decision making authority. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regards to committed fund balances. The Board of Trustees of the District will have the overall responsibilities for monitoring these balances. The District had no assigned fund balance as of June 30, 2012.
- *Unassigned Fund Balance* is the residual classification for the general fund. The general fund is the only fund to report a positive unassigned fund balance.

Net assets of the District are classified in the government-wide statement of net assets and are defined as follows:

- *Net assets invested in capital assets net of related debt* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets.
- *Restricted expendable net assets* are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, contributors or laws or regulations external to the District.
- *Restricted nonexpendable net assets* equal the principal portion of permanent endowments. The District had no restricted nonexpendable net assets as of June 30, 2012.
- *Unrestricted net assets* are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

The District first applies restricted resources when an expense incurred for purposes for which both restricted and unrestricted resources are available.

**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

M. Estimates

The presentation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets as of June 30, 2012

Total fund balances - governmental funds	\$ 1,062,375
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,381,893
Deferred revenue on property taxes and special assessments in the governmental funds has been recorded as revenue in the government-wide financial statements.	146,255
Interest is accrued as revenue on unpaid special assessments in the government-wide statements whereas interest on special assessments is recorded as revenue in the governmental funds when collected.	71,074
Accrued interest expense is not due or payable in the current period and, accordingly, is not reported in the governmental funds.	(68,871)
Bond issue costs are reported in governmental activities but are not reported in the funds as they do not provide economic resources.	352,325
Long-term debt is not due and payable in the current period and therefore, is not reported in the funds.	<u>(5,947,585)</u>
Total net assets - governmental activities	<u>\$ 997,466</u>

DRAFT FOR DISCUSSION PURPOSES ONLY - SEIM JOHNSON, LLP

Dazen, Inc.

Norris Franzen

Real-estate & Development Consultant
15514 Copper Corral Drive
Platismouth, NE 680485002
dazen@windstream.net

Ph.402.319.0327

SID 216 BALANCE SHEET

	Date	Debit	Credit	Balance
Balance as of	June 30, 2012			\$96,935.20
Warrants Outstanding	June 30, 2012	\$7,585.85		\$89,349.35
Warrants Issued	July 26, 2012	\$103,675.25		-\$14,325.90
Net Income County Treasurer	July 31, 2012		\$115,353.14	\$101,027.24
Warrants Issued	August 30, 2012	\$27,742.49		\$73,284.75
Net Income County Treasurer	August 31, 2012		\$5,093.26	\$78,378.01
Warrants Issued	September 4, 2012	\$4,715.58		\$73,662.43
Net Income County Treasurer	September 30, 2012		\$687.41	\$74,349.84
Warrants Issued	October 25, 2012	\$48,883.82		\$25,466.02
Net Income County Treasurer	October 31, 2012		\$291.21	\$25,757.23
Net Income County Treasurer	November 30, 2012		\$548.32	\$26,305.55
Warrants Issued	December 6, 2012			19,299.01

7054.54

SID General Fund 12.13.xls June 30, 2012

ENTITY	BUDGET ITEM	MEETING DATE	WARRANT NUMBERS	ISSUED TO	(BUDGET) EXPENDITURE
Sid 216	01 Insurance			BUDGET	\$ (3,000.00)
	01 Insurance Total				\$ (3,000.00)
Sid 216	02 Miscellaneous			BUDGET	\$ (4,000.00)
	02 Miscellaneous Total				\$ (4,000.00)
Sid 216	03 Mowing/Landscaping			BUDGET	\$ -
	03 Mowing/Landscaping Total				\$ -
Sid 216	04 Audit Fees	October 25, 2012	2683	Seim Johnson LLP	\$ 6,500.00
Sid 216	04 Audit Fees			BUDGET	\$ (8,000.00)
	04 Audit Fees Total				\$ (1,500.00)
Sid 216	05 Consulting Fees	July 26, 2012	2668	Dazen, Inc.	\$ 15,980.00
Sid 216	05 Consulting Fees	August 30, 2012	2676	Dazen, Inc.	\$ 3,400.00
Sid 216	05 Consulting Fees	October 25, 2012	2685	Dazen, Inc.	\$ 6,120.00
Sid 216	05 Consulting Fees			BUDGET	\$ (35,000.00)
	05 Consulting Fees Total				\$ (9,500.00)
Sid 216	06 Legal Fees	July 26, 2012	2669	Ronald W. Hunter	\$ 2,811.90
Sid 216	06 Legal Fees	October 25, 2012	2686	Ronald W. Hunter	\$ 4,793.84
Sid 216	06 Legal Fees			BUDGET	\$ (12,000.00)
	06 Legal Fees Total				\$ (4,394.26)
Sid 216	07 Publication Fees	July 26, 2012	2661	World Harold Media Group	\$ 10.73
Sid 216	07 Publication Fees	August 30, 2012	2671	World Harold Media Group	\$ 10.73
Sid 216	07 Publication Fees			BUDGET	\$ (500.00)
	07 Publication Fees Total				\$ (478.54)
Sid 216	08 Repairs & Maintenance	July 26, 2012	2663	Greenlife Gardens	\$ 14,410.87
Sid 216	08 Repairs & Maintenance	July 26, 2012	2664	Scholl Excavating	\$ 19,891.50
Sid 216	08 Repairs & Maintenance	July 26, 2012	2665	Scholl Excavating	\$ 19,943.94
Sid 216	08 Repairs & Maintenance	July 26, 2012	2666	Scholl Excavating	\$ 19,778.16
Sid 216	08 Repairs & Maintenance	August 30, 2012	2674	Scholl Excavating	\$ 1,575.00
Sid 216	08 Repairs & Maintenance	August 30, 2012	2675	Scholl Excavating	\$ 19,997.82
Sid 216	08 Repairs & Maintenance	September 4, 2012	2679	Greenlife Gardens	\$ 2,151.40
Sid 216	08 Repairs & Maintenance	October 25, 2012	2681	Greenlife Gardens	\$ 9,110.30
Sid 216	08 Repairs & Maintenance	October 25, 2012	2684	Scholl Excavating	\$ 19,239.90
Sid 216	08 Repairs & Maintenance			BUDGET	\$ (180,000.00)
	08 Repairs & Maintenance Total				\$ (53,901.11)
Sid 216	09 Street Cleaning	July 26, 2012	2667	Clean Sweep Commercial	\$ 590.00
Sid 216	09 Street Cleaning			BUDGET	\$ (1,000.00)
	09 Street Cleaning Total				\$ (410.00)
Sid 216	10 Street Signs	August 30, 2012	2673	Signature Advertising	\$ 195.18
Sid 216	10 Street Signs	October 25, 2012	2682	Signature Advertising	\$ 553.88
Sid 216	10 Street Signs			BUDGET	\$ (1,250.00)
	10 Street Signs Total				\$ (500.94)
Sid 216	11 Street Lighting	July 26, 2012	2662	O.P.P.D.	\$ 10,258.15
Sid 216	11 Street Lighting	August 30, 2012	2672	O.P.P.D.	\$ 2,563.76
Sid 216	11 Street Lighting	September 4, 2012	2678	O.P.P.D.	\$ 2,564.18
Sid 216	11 Street Lighting	October 25, 2012	2680	O.P.P.D.	\$ 2,565.90
Sid 216	11 Street Lighting			BUDGET	\$ (35,000.00)
	11 Street Lighting Total				\$ (17,048.01)
Sid 216	17 Silt Basin Cleaning			BUDGET	\$ -
	17 Silt Basin Cleaning Total				\$ -
	Grand Total				\$ (94,732.86)

Sanitary Improvement District No. 216
of Sarpy County Nebraska

Notes to Basic Financial Statements
June 30, 2012

L. *Net Assets/Fund Balance*

The District considers that all incurred and spent restricted, committed, and assigned amounts have been utilized first before unassigned amounts are made.

Fund balance of the District's governmental funds are classified in the financial statements as follows:

- *Nonspendable Fund Balance* consists of amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be kept intact. The District had no nonspendable fund balance as of June 30, 2012.
- *Restricted Fund Balance* consists of amounts that are restricted for specific purposes. These restrictions are either imposed by 1) externally imposed by creditors, grantors contributors, or laws or regulations of other governments or 2) imposed through constitutional provisions or enabling legislation.
- *Committed Fund Balance* consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts. The Board of Trustees is the District's highest level of authority. All actions concerning approving, eliminating, or modifying of minimal fund balances will be accomplished through resolution. The District had no committed fund balance as of June 30, 2012.
- *Assigned Fund Balance* consists of amounts that are constrained by the government intended to be used for specific purposes, but are neither restricted nor committed. The authority for making an assignment is not required to be the government's highest decision making authority. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regards to committed fund balances. The Board of Trustees of the District will have the overall responsibilities for monitoring these balances. The District had no assigned fund balance as of June 30, 2012.
- *Unassigned Fund Balance* is the residual classification for the general fund. The general fund is the only fund to report a positive unassigned fund balance.

Net assets of the District are classified in the government-wide statement of net assets and are defined as follows:

- *Net assets invested in capital assets net of related debt* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets.
- *Restricted expendable net assets* are noncapital net assets that must be used for a particular purpose, as specified by creditors, grantors, contributors or laws or regulations external to the District.
- *Restricted nonexpendable net assets* equal the principal portion of permanent endowments. The District had no restricted nonexpendable net assets as of June 30, 2012.
- *Unrestricted net assets* are remaining net assets that do not meet the definition of invested in capital assets net of related debt or restricted.

The District first applies restricted resources when an expense incurred for purposes for which both restricted and unrestricted resources are available.

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**Sanitary Improvement District No. 216
of Sarpy County Nebraska**

**Notes to Basic Financial Statements
June 30, 2012**

M. Estimates

The presentation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets as of June 30, 2012

Total fund balances - governmental funds	\$ 1,062,375
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,381,893
Deferred revenue on property taxes and special assessments in the governmental funds has been recorded as revenue in the government-wide financial statements.	146,255
Interest is accrued as revenue on unpaid special assessments in the government-wide statements whereas interest on special assessments is recorded as revenue in the governmental funds when collected.	71,074
Accrued interest expense is not due or payable in the current period and, accordingly, is not reported in the governmental funds.	(68,871)
Bond issue costs are reported in governmental activities but are not reported in the funds as they do not provide economic resources.	352,325
Long-term debt is not due and payable in the current period and therefore, is not reported in the funds.	<u>(5,947,585)</u>
Total net assets - governmental activities	<u>\$ 997,466</u>

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