

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

**BASIC FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION AND
ACCOMPANYING INDEPENDENT AUDITOR'S REPORT**

**Year Ended
June 30, 2015**



GORACKE & ASSOCIATES, P.C.
Certified Public Accountants

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

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Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

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GORACKE & ASSOCIATES, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Sanitary and Improvement District No. 217
Sarpy County, Nebraska**

We have audited the accompanying financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 217 of Sarpy County, Nebraska (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 18-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of law, 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* in considering the District's internal control over financial reporting and compliance.

Goracke & Associates P.C.

La Vista, Nebraska
November 23, 2015

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

STATEMENT OF NET POSITION

June 30, 2015

ASSETS

Current assets

Cash on deposit, County Treasurer	\$	172,825
Receivable		
Taxes		56,029
Interest on taxes		217

Total current assets 229,071

Non-current assets

Capital assets, net of accumulated depreciation		798,764
Bond issue costs, net of accumulated amortization		43,771

Total non-current assets 842,535

TOTAL ASSETS 1,071,606

LIABILITIES

Current liabilities

Accounts payable		7,147
Accrued interest		6,907
Bonds payable - current portion		25,000
Warrants payable		61,608

Total current liabilities 100,662

Non-current liabilities

Bonds payable		1,020,000
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Total non-current liabilities 1,020,000

TOTAL LIABILITIES 1,120,662

NET POSITION

Invested in capital assets, net of related debt		(204,488)
Unrestricted		155,432

TOTAL NET POSITION \$ (49,056)

See notes to basic financial statements.

**SANITARY AND IMPROVEMENT DISTRICT
 NO. 217 OF SARPY COUNTY, NEBRASKA**
STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2015

EXPENSES

General government:

Audit fees	\$	9,006
Legal and professional fees		13,471
Amortization		2,750
Depreciation		35,550
Collection fee - County Treasurer		1,565
Insurance		556
Interest		50,153
Placement fee		1,075
Utilities		2,467

Total expenses		116,593
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GENERAL REVENUES

Personal and real property taxes		105,061
Motor vehicle tax revenue		223

Total general revenues		105,284
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CHANGE IN NET ASSETS		(11,309)
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NET ASSETS - beginning of the year		(37,747)
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NET ASSETS - ending of the year	\$	(49,056)
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See notes to basic financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

Balance Sheet

For the Year Ended June 30, 2015

	General Fund	Bond Fund	Total Governmental Fund
ASSETS			
Cash on deposit, County Treasurer	\$ 19,409	\$ 153,416	\$ 172,825
Taxes receivable	10,672	45,357	56,029
Interest on taxes receivable	41	176	217
	\$ 30,122	\$ 198,949	\$ 229,071
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 6,397	\$ 750	\$ 7,147
Accrued interest	4,884	-	4,884
Warrants payable	61,608	-	61,608
	72,889	750	73,639
Fund Balances			
Unreserved	(42,767)	198,199	155,432
	(42,767)	198,199	155,432
	\$ 30,122	\$ 198,949	\$ 229,071

See notes to basic financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

Reconciliation of Governmental Funds Balance Sheet to
the Statement of Net Position
Ended June 30, 2015

Total fund balances - governmental funds \$ 155,432

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 not reported in the governmental fund
financial statements:

Fixed assets	1,181,863	
Accumulated depreciation	<u>(383,099)</u>	
		798,764

Other long-term assets are not financial resources and therefore not
reported in the fund financial statements:

Bond issue costs	55,000	
Accumulated amortization	<u>(11,229)</u>	
		43,771

Other liabilities are not due and payable in the current period and
therefore not reported in governmental funds:

Bonds payable		(1,045,000)
Accrued interest - bonds		<u>(2,023)</u>

Net position of governmental activities \$ (49,056)

See notes to basic financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
Year Ended June 30, 2015

	General Fund	Bond Fund	Total Governmental Funds
REVENUES			
Personal and real property taxes	\$ 20,012	\$ 85,049	\$ 105,061
Interest income	387	1,645	2,032
Motor vehicle tax revenue	43	180	223
Total revenues	20,442	86,874	107,316
EXPENDITURES			
Current			
Audit fees	9,006	-	9,006
Collection fee - County Treasurer	299	1,266	1,565
Insurance	556	-	556
Legal and professional fees	12,179	1,292	13,471
Utilities	2,467	-	2,467
Interest	3,450	-	3,450
Placement fee	1,075	-	1,075
Debt service			
Bond principal	-	20,000	20,000
Bond interest	-	48,752	48,752
Total expenditures	29,032	71,310	100,342
Excess of revenues over expenditures	(8,590)	15,564	6,974
OTHER FINANCING USES			
Proceeds from bond issuance	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(8,590)	15,564	6,974
FUND BALANCE - BEGINNING	(34,177)	182,635	148,458
FUND BALANCE - ENDING	\$ (42,767)	\$ 198,199	\$ 155,432

See notes to basic financial statements.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities Year Ended June 30, 2015

Net change in fund balances - total governmental funds	\$	6,974
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of depreciation expense in the current year for capital assets.		(35,550)
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Repayment of bond principal is reported as an expenditure in governmental funds. In the statement of net assets, the repayment reduces long term liabilities.

This is the amount of repayments in the current year.		20,000
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Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Increase in accrued interest - bonds		17
Amortization of bond issue costs		(2,750)
		(2,733)

Change in net assets of governmental activities	\$	(11,309)
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See notes to basic financial statements.

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements

June 30, 2015

NOTE A NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Sanitary and Improvement District No. 217 of Sarpy County, Nebraska (the District) is presented to assist in understanding the District's basic financial statements. The financial statements and notes are representations of the District's management who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

District Activities

The District was created by decree of the Sarpy County District Court as a public corporation of the State of Nebraska under Sections 31-727 to 31-762, Reissue Revised Statutes of Nebraska, 1993, as amended, for the purpose of providing the essential roads, sewer and water facilities, and electrical connections necessary for a commercial development. The District's sole purpose is to provide those services and has determined that no other related organizations exist for which it exercises oversight responsibility. The District has a tax base made up of a commercial development, conducting its activity in Sarpy County, Nebraska.

The Reporting Entity

The Board of Trustees of the District has financial accountability and control over all the activities related to Sanitary and Improvement District No. 217. 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. The District is engaged in a single governmental program and is not included in any other governmental "reporting entity" as defined by the GASB pronouncements. In addition, there are no component units as defined by the Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Management's Discussion and Analysis

Management has elected to omit "Management's Discussion and Analysis" from the basic financial statements as required by GASB Statement No. 34 and 37.

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements

June 30, 2015

NOTE A NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The basic financial statements of the District include the government-wide and the fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities, which report financial information for all nonfiduciary activities of the District. Individual funds are not displayed, and internal activity between or within funds is eliminated.

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. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

Fund Financial Statements

The fund financial statements provide additional and detailed information about the District. The emphasis of the fund financial statements is on the determination of financial position and changes in financial position rather than upon net income. The following is a description of the District's two governmental funds:

General Fund - This fund is the operating fund of the District. It is used to account for all financing resources, except those required to be accounted for in other funds.

Bond Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements

June 30, 2015

NOTE A NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

In the government-wide financial statements, the activities are accounted for using the economic resources measurement focus and the accrual basis of accounting. On an accrual basis, revenues are recognized when earned. Expenditures are recorded when liabilities are incurred, regardless of the timing of related cash flows.

In the fund financial statements, both funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they become measurable and available. 'Available' means collectable within the current period or soon thereafter to pay liabilities of the current period. 'Measurable' means the amount of the transaction can be determined. Expenditures are recognized in the period the liability is incurred, except for unmatured interest of general long-term debt, which is recognized when due.

Property tax revenues are recognized when susceptible to accrual within 60 days of year end. Miscellaneous revenues are recognized as the amounts are collected. Investment earnings are recorded as earned since they are measurable and available.

Budgets and Budgetary Accounting

The District is required by Nebraska law to adopt an annual operating budget for all the funds over which the District controls. The budget is adopted using the cash basis of accounting, which differs significantly from accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues and expenditures are recorded when cash is received or paid. Payment is deemed to have been made when warrants are issued. Budgetary comparisons presented for both the General Fund and Bond Fund in this report are on non-GAAP budgetary basis.

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements

June 30, 2015

NOTE A NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

The District adheres to the following procedures in preparing and adopting the budget:

1. In or before September, the Board of Trustees proposes an operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to September 20, the Board of Trustees formally approves the budget document following a public hearing, with notice given five days in advance.
3. As of September 20, the budget document must be on file with the County Board and the Auditor of Public Accounts.
4. Appropriations for the General Fund and the Bond Fund lapse at the end of the fiscal year.
5. Expenditures and transfers cannot exceed appropriations at the fund level. When expenditures and transfers are required for functions that have not been budgeted, authorization to amend the budget and to incur the expenditures is permitted following a public hearing. No significant supplemental appropriations were made for the fiscal year ended June 30, 2015.
6. A majority vote by the Board of Trustees may authorize transfer of budgeted amounts from the General Fund to the Bond Fund.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Taxes Receivable

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

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements June 30, 2015

NOTE A NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

Capital assets of the District, which primarily include infrastructure assets, are recorded at historical cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for significant capital assets are as follows:

Paving and storm sewer	30 – 40 Years
Sanitary sewer	40 Years
Electrical	30 Years
Improvements	25 – 30 Years

GASB 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year, and allows for an extended implementation period for retroactive reporting of infrastructure. The District has elected to report and depreciate all major infrastructure assets retroactively.

Amortization

Bond issue costs are amortized over the terms of the bonds, using the interest method of amortization. Amortization expense for the year ended June 30, 2015, amounted to \$2,750.

NOTE B CONCENTRATION OF CREDIT RISK

Cash

At June 30, 2015, the cash on deposit, \$172,825, is equal to the carrying amount of the District's deposits. The deposits of the District are classified as Category 3, deposits that are uncollateralized or uninsured. The deposit balance with the County Treasurer is covered by federal depository insurance or with sufficient assets pledged to the County, which are held by the County in its name, rather than in the name of the District.

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements June 30, 2015

NOTE B CONCENTRATION OF CREDIT RISK (CONTINUED)

Investments

State Statute authorizes the District to invest in obligations of the U.S. Treasury. As of June 30, 2015, there are no funds invested in U.S. Treasury obligations.

NOTE C PROPERTY TAXES

Property taxes are levied in September and attach as an enforceable lien on the assessed property as of December 31. Nebraska State law allows taxpayers the opportunity to pay real estate taxes in two equal installments after December 31. Installment one is due March 31 and delinquent April 1. Installment two is due July 31 and delinquent August 1. If, after February of the following year, the taxes remain delinquent, the County places the property up for tax sale. Tax collections are remitted to the District from the County on a daily basis.

Property tax revenues are recognized when they become available, which includes those property tax revenues expected to be collected within sixty days after year-end. The portion of the taxes not expected to be collected within sixty days after year-end is recorded as deferred revenue. Delinquent taxes are considered fully collectable and, therefore, no allowance for uncollectable taxes is provided.

The District has levied real and personal property taxes as follows:

<u>Fiscal Year</u>	<u>District Valuation of Property</u>	<u>District Tax Levy Per \$100 Valuation</u>		
		<u>General</u>	<u>Bond</u>	<u>Total</u>
2014 - 2015	\$ 10,005,807	0.20016	0.85068	1.05

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements June 30, 2015

NOTE D CAPITAL ASSETS

A summary of capital assets for the year ended June 30, 2015, is as follows:

	Balance 2014	Additions	Deletions	Balance 2015
<u>Depreciable Capital Assets</u>				
Paving and storm sewer	\$ 402,952	\$ -	\$ -	\$ 402,952
Sanitary sewer	444,543	-	-	444,543
Electrical	67,610	-	-	67,610
Improvements	<u>266,758</u>	<u>-</u>	<u>-</u>	<u>266,758</u>
	1,181,863	-	-	1,181,863
Accumulated depreciation	<u>347,549</u>	<u>35,550</u>	<u>-</u>	<u>383,099</u>
	<u>\$ 834,314</u>	<u>\$ 35,550</u>	<u>\$ -</u>	<u>\$ 798,764</u>

NOTE E GENERAL LONG-TERM DEBT

Transactions for long-term debt for the year ended June 30, 2015 are summarized as follows:

	Balance 2014	Proceeds	Payments	Balance 2015
Series 2011 Bonds	<u>\$ 1,065,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 1,045,000</u>

Long-term debt was comprised of the following:

	2015
General obligation bond issued on June 15, 2011, bonds outstanding due serially through December 15, 2031, annual maturities range from \$5,000 in 2011 to \$105,000 in 2031, interest payable semi-annually at 1.00% to 5.35% per annum.	\$ 1,045,000

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Notes to Financial Statements June 30, 2015

NOTE E GENERAL LONG-TERM DEBT (CONTINUED)

Aggregate maturities during the next five year are as follows:

Due fiscal year ended June 30	Principal	Interest	Total
2016	\$ 25,000	\$ 48,548	\$ 73,548
2017	30,000	47,960	77,960
2018	35,000	47,165	82,165
2019	35,000	46,115	81,115
2020	40,000	44,960	84,960
Thereafter	880,000	343,433	1,223,433
Total	<u>\$ 1,045,000</u>	<u>\$ 578,181</u>	<u>\$ 1,623,181</u>

NOTE F 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. Significant losses are covered by commercial insurance for all programs. There have been no significant reductions in insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget Favorable (Unfavorable)
REVENUES				
Personal and real property taxes	\$ 19,400	\$ 19,400	\$ 19,102	\$ (298)
Interest income	250	250	212	(38)
Motor vehicle tax revenue	50	50	43	(7)
Total revenues	<u>19,700</u>	<u>19,700</u>	<u>19,357</u>	<u>(343)</u>
EXPENDITURES				
Current				
Audit fees	17,000	17,000	26,018	(9,018)
Interest	1,600	1,600	326	1,274
Collection fee - County Treasurer	400	400	298	102
Insurance	2,200	2,200	2,048	152
Legal and professional fees	23,000	23,000	28,584	(5,584)
Utilities	6,000	6,000	6,302	(302)
Repairs and maintenance	1,500	1,500	-	1,500
Debt service				
Bond principal	-	-	-	-
Bond interest	-	-	-	-
Total expenditures	<u>51,700</u>	<u>51,700</u>	<u>63,576</u>	<u>(11,876)</u>
Deficiency of revenues under expenditures	(32,000)	(32,000)	(44,219)	(12,219)
OTHER FINANCING SOURCES				
Proceeds from registered warrants	40,900	40,900	61,608	20,708
Total other financing sources	<u>40,900</u>	<u>40,900</u>	<u>61,608</u>	<u>20,708</u>
Net change in fund balance	8,900	8,900	17,389	<u>\$ 8,489</u>
FUND BALANCE - BEGINNING	<u>20,358</u>	<u>20,358</u>	<u>15,430</u>	
FUND BALANCE - ENDING	<u>\$ 29,258</u>	<u>\$ 29,258</u>	<u>\$ 32,819</u>	

See Independent Auditor's Report.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - BOND FUND

Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis) (See Note A)	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
REVENUES				
Personal and real property taxes	\$ 83,000	\$ 83,000	\$ 81,183	\$ (1,817)
Interest income	600	600	900	300
Motor vehicle tax revenue	300	300	181	(119)
Total revenues	83,900	83,900	82,264	(1,636)
EXPENDITURES				
Current				
Audit fees	-	-	-	-
Collection fee - County Treasurer	1,600	1,600	1,267	333
Other operating	49,000	49,000	-	49,000
Interest	-	-	-	-
Insurance	-	-	-	-
Legal and professional fees	17,000	17,000	542	16,458
Utilities	-	-	-	-
Capital improvements	-	-	-	-
Debt service				
Bond principal	20,000	20,000	20,000	-
Bond interest	48,753	48,753	48,752	1
Total expenditures	136,353	136,353	70,561	65,792
Deficiency of revenues under expenditures	(52,453)	(52,453)	11,703	64,156
OTHER FINANCING SOURCES				
Proceeds from bond issuance	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(52,453)	(52,453)	11,703	\$ 64,156
FUND BALANCE - BEGINNING	17,144	17,144	81,299	
FUND BALANCE - ENDING	\$ (35,309)	\$ (35,309)	\$ 93,002	

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

Taxes Receivable
June 30, 2015

	<u>Fiscal Year</u>	<u>Receivable at June 30, 2014</u>	<u>Taxes Assessed</u>	<u>Taxes Collected</u>	<u>Receivable at June 30, 2015</u>
General Fund	2013 - 2014	\$ 9,610	\$ -	\$ 9,610	\$ -
	2014 - 2015	<u>-</u>	<u>20,012</u>	<u>9,340</u>	<u>10,672</u>
		<u>\$ 9,610</u>	<u>\$ 20,012</u>	<u>\$ 18,950</u>	<u>\$ 10,672</u>
Bond Fund	2013 - 2014	\$ 40,841	\$ -	\$ 40,841	\$ -
	2014 - 2015	<u>-</u>	<u>85,050</u>	<u>39,693</u>	<u>45,357</u>
		<u>\$ 40,841</u>	<u>\$ 85,050</u>	<u>\$ 80,534</u>	<u>\$ 45,357</u>

See Independent Auditor's Report.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

Bonds Payable
June 30, 2015

Bond Information	Interest Rates	Maturity Dates	Amount
Issue date: June 15, 2011			
	2.35%	December 15, 2015	25,000
	2.65%	December 15, 2016	30,000
	3.00%	December 15, 2017	35,000
	3.30%	December 15, 2018	35,000
	3.60%	December 15, 2019	40,000
	3.85%	December 15, 2020	40,000
	4.05%	December 15, 2021	45,000
	4.20%	December 15, 2022	50,000
	4.40%	December 15, 2023	55,000
	4.55%	December 15, 2024	60,000
	4.70%	December 15, 2025	65,000
	4.85%	December 15, 2026	75,000
	5.35%	December 15, 2027	85,000
	5.35%	December 15, 2028	95,000
	5.35%	December 15, 2029	100,000
	5.35%	December 15, 2030	105,000
	5.35%	December 15, 2031	105,000
			\$ 1,045,000

See Independent Auditor's Report.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

INFORMATION REQUIRED BY SECTION 31-715 AND 31-740
REVISED STATUTES OF NEBRASKA
Year Ended June 30, 2015

Gross income from all sources	\$	107,316
Amount spent for sewage disposal		-
Amount expended on water mains		-
Gross amount of sewage processed		-
Amount expended for:		
a. Maintenance and repair		-
b. New equipment		-
c. New construction work		-
d. Property purchased		-
Number of employees		None
Salaries and fees paid to employees		-
Total amount of taxes levied upon the property within the district	\$	105,061

See Independent Auditor's Report.

SANITARY AND IMPROVEMENT DISTRICT NO. 217 OF SARPY COUNTY, NEBRASKA

District Officials and Related Bonds
June 30, 2015

Trustees		Bonds	
Name	Office	Insurer	Amount
Gary L. Pink	Chairman	Western Surety Company	5,000
Deborah A. Pink	Clerk	Western Surety Company	20,000
John W. Pink	Trustee		
Amy C. Pink	Trustee		
Julie A. Geary	Trustee		
<u>Attorney</u>		<u>Fiscal Agent</u>	
Croker, Huck, Kasher, DeWitt, Anderson & Gonderinger, P.C. Omaha, NE		Ameritas Investment Corp. Omaha, NE	
<u>Accountant</u>			
Goracke & Associates, P.C. La Vista, NE			
Warrants indebtedness as of June 30, 2015			61,608
Bond principal indebtedness as of June 30, 2015			1,045,000

See Independent Auditor's Report.



GORACKE & ASSOCIATES, P.C.
Certified Public Accountants

**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
Sanitary and Improvement District No. 217
Sarpy County, Nebraska**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Sanitary and Improvement District No. 217 of Sarpy County, Nebraska, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is intended for the information and use of the Board of Trustees, the State of Nebraska Auditor of Public Accounts, and the property owners of the District, and is not intended to be and should not be used by anyone other than these specified parties.

Goracke & Associates P.C.

La Vista, Nebraska
November 23, 2015

Sanitary and Improvement District No. 217 of Sarpy County, Nebraska

Schedule of Findings and Responses June 30, 2015

FINANCIAL STATEMENT FINDINGS

2015-1 SIGNIFICANT DEFICIENCY

Financial Statement Preparation

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

Condition: The District does not have personnel available to prepare its own financial statements in accordance with the generally accepted principles reporting model. Therefore, the District's management relies on its auditors to prepare the District's financial statements and notes to the financial statements.

Effect: The District cannot on its own, comply with regulatory requirements to prepare annual financial statements in accordance with accounting principles generally accepted in the United States of America.

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

Response: Management has determined it would not be cost-beneficial to establish a system of internal controls that would allow the District to prepare its own financial statements. Accordingly, the District engaged the audit firm to assist in the preparation of the financial statements and related notes in accordance with accounting principles generally accepted in the United States of America. The Board of Trustees will oversee and monitor the transactions being reported.