

REFUNDING—BOOK ENTRY ONLY

NOT RATED; BANK QUALIFIED

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

\$3,230,000*
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA
(Millard Park South)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2020

Dated: June 15, 2020

Due: October 15, as shown below

Sanitary and Improvement District No. 216 of Sarpy County, Nebraska (Millard Park South), a body corporate and politic and a political subdivision of the State of Nebraska (the “District”), is issuing the above-captioned bonds (the “Bonds”) pursuant to its authority under Sections 10-615 and 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended, and a resolution of the District’s Board of Trustees (the “Resolution”).

The District is issuing the Bonds in fully registered form which, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will serve as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the security depository with respect to the Bonds. See “THE BONDS — Book-Entry Only System” herein.

Interest is payable semiannually on October 15 and April 15 of each year, commencing October 15, 2020. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal or redemption price of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC. UMB Bank, NA, West Des Moines, Iowa will serve as paying agent and registrar (the “Paying Agent”) for the Bonds. For terms relating to payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see “THE BONDS — Book-Entry-Only System” herein.

The Bonds maturing on or after October 15, 2025 are subject to optional redemption prior to maturity at the option of the District, in whole or in part, at any time on or after June 15, 2025 at the principal amount thereof plus interest to the redemption date, all as described in this Official Statement.

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

MATURITY SCHEDULE

Type	Maturity Date (October 15)	Principal Amount	Interest Rate	Price	Type	Maturity Date (October 15)	Principal Amount	Interest Rate	Price
Serial	2021	\$140,000		100%	Serial	2031	\$170,000		100%
Serial	2022	140,000		100	Serial	2032	175,000		100
Serial	2023	145,000		100	Serial	2033	180,000		100
Serial	2024	150,000		100	Serial	2034	185,000		100
Serial	2025	150,000		100	Serial	2035	190,000		100
Serial	2026	150,000		100	Serial	2036	190,000		100
Serial	2027	155,000		100	Serial	2037	200,000		100
Serial	2028	160,000		100	Serial	2038	205,000		100
Serial	2029	165,000		100	Serial	2039	215,000		100
Serial	2030	165,000		100					

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

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

The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval of legality of the Bonds by Kutak Rock LLP, Bond Counsel, and to certain other conditions. Kutak Rock LLP, Underwriter’s Counsel, will provide certain legal advice to the Underwriter regarding this Official Statement. It is expected that the Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about June 15, 2020.

AMERITAS INVESTMENT COMPANY, LLC

Dated: May __, 2020

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

BOARD OF TRUSTEES

John Wollenburg Chair
Jesse McConnell..... Clerk
Lyle Person..... Trustee
Valerie Norman Trustee

BOND COUNSEL

Kutak Rock LLP

ATTORNEY FOR DISTRICT

Pansing Hogan Ernst & Bachman LLP

PAYING AGENT AND REGISTRAR

UMB Bank, N.A.

ACCOUNTANT

Seim Johnson LLP

UNDERWRITER

Ameritas Investment Company, LLC

UNDERWRITER'S COUNSEL

Kutak Rock LLP

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations in connection with the Bonds or the matters described herein, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion contained herein are subject to change, without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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THE UNDERWRITER INTENDS TO OFFER THE BONDS INITIALLY AT THE OFFERING PRICES SET FORTH ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, WHICH MAY SUBSEQUENTLY CHANGE WITHOUT ANY REQUIREMENT OF PRIOR NOTICE. IN CONNECTION WITH ITS REOFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE

PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. THESE FORWARD-LOOKING STATEMENTS INCLUDE, AMONG OTHERS, STATEMENTS CONCERNING EXPECTATIONS, BELIEFS, OPINIONS, FUTURE PLANS AND STRATEGIES, ANTICIPATED EVENTS OR TRENDS AND SIMILAR EXPRESSIONS CONCERNING MATTERS THAT ARE NOT HISTORICAL FACTS. THE FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN OR IMPLIED BY SUCH STATEMENTS. THE DISTRICT HAS NO DUTY OR OBLIGATION TO UPDATE ANY OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.

OFFICIAL STATEMENT

\$3,230,000*
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA
(MILLARD PARK SOUTH)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2020

INTRODUCTION

This Official Statement has been prepared in connection with the offer for sale of \$3,230,000* in aggregate principal amount of General Obligation Refunding Bonds, Series 2020 (the “Bonds”) issued by Sanitary and Improvement District No. 216 of Sarpy County, Nebraska (Millard Park South), a body corporate and politic and a political subdivision of the State of Nebraska (the “District”).

Pursuant to Sections 10-615 and 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (the “Act”), a sanitary and improvement district may, finance or refinance the capital costs of public improvements and public infrastructure within the boundaries of such district. Once duly established, a sanitary and improvement district possesses certain powers, including, but not limited to, the authority to issue warrants and bonds for its authorized purposes, to assess special assessments and to levy ad valorem taxes to repay its indebtedness.

Brief descriptions of the Bonds, the security therefor and the District are included in this Official Statement together with summaries of certain provisions of the Bonds and the District’s Resolution (as hereinafter defined) authorizing the issuance of the Bonds. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Resolution are qualified in their entirety by reference to the complete documents, copies of which are available for inspection at the office of the Underwriter, Ameritas Investment Company, LLC, 5900 O Street, Lincoln, Nebraska 68510, Attention: Ms. Jen Kobza, 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 June 15, 2020, and will bear interest from that date, payable October 15, 2020 and semiannually thereafter on October 15 and April 15 of each year (each an “Interest Payment Date”). The Bonds will mature on October 15 in the years and principal amounts and bear interest at the rates referred to on the cover page of this Official Statement.

Pursuant to the Resolution, the Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity. Interest on the Bonds will be calculated based on twelve 30-day months and a 360-day year.

* Preliminary; subject to change.

Authority for Issuance and Use of Proceeds

The District is issuing the Bonds pursuant to and by authority of the Act and a Bond Resolution (the “Resolution”) adopted by the District’s Board of Trustees on March 24, 2020, as amended, which Resolution authorizes the issuance and sale of the Bonds. The District previously issued its General Obligation Refunding Bonds, Series 2013, dated January 15, 2013 in the original aggregate principal amount of \$2,230,000 (the “2013 Bonds”). The District used the proceeds of the 2013 Bonds to refund the District’s General Obligation Bonds, Series 2006, the proceeds of which the District used to redeem construction fund warrants issued by the District to pay the costs of installing public improvements in the District. The District previously issued its General Obligation Refunding Bonds, Series 2014, dated August 15, 2014 in the original aggregate principal amount of \$2,430,000 (the “2014 Bonds”). The District used the proceeds of the 2014 Bonds to refund the District’s General Obligation Bonds, Series 2008, the proceeds of which the District used to redeem construction fund warrants issued by the District to pay the costs of installing public improvements in the District.

The 2013 Bonds maturing on or after January 15, 2019 are subject to redemption in whole or in part at the option of the District, at any time on or after January 15, 2018, at par plus accrued interest to the date set for redemption, with no redemption premium.

The 2014 Bonds maturing on or after October 15, 2019 are subject to redemption, in whole or in part, prior to maturity at the option of the District at any time on or after April 15, 2019 at the principal amount thereof plus interest accrued thereon to the date fixed for redemption, with no redemption premium.

The District will use the proceeds of the Bonds, together with funds on deposit in the District’s Bond Fund, to refund on a current refunding basis on June 15, 2020 (the “Redemption Date”) \$1,220,000 outstanding aggregate principal amount of the 2013 Bonds (the “2013 Refunded Bonds”) and \$1,855,000 outstanding aggregate principal amount of the 2014 Bonds (the “2014 Refunded Bonds” and together with the 2013 Refunded Bonds, the “Refunded Bonds”). The District’s General Obligation Refunding Bonds, Series 2015 (the “Parity Bonds”), which are secured on parity with the Bonds, are outstanding in the aggregate principal amount of \$565,000.

Registration, Transfer and Payment

The principal of the Bonds is payable upon presentation and surrender thereof at the principal corporate trust office of UMB Bank, N.A., West Des Moines, Iowa, as Paying Agent and Registrar (the “Paying Agent”). The interest on the Bonds will be payable by check or draft mailed to registered owners appearing on the books of the Paying Agent at the close of business on the first day of the month in which an Interest Payment Date occurs (the “Record Date”).

The District and the Paying Agent may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payment thereof and for all other purposes and neither the District nor the Paying Agent shall be bound by any notice or knowledge to the contrary, whether such Bond shall be overdue or not. All payments of or on account of interest to any registered owner of any Bond and all payments of or on account of principal to the registered owner of any Bond, shall be valid and effectual and shall be a discharge of the District and the Paying Agent, in respect of the liability upon the Bond or claim for interest, as the case may be, to the extent of the sum or sums paid.

The District will cause books for the registration and transfer of the Bonds to be kept at the principal office of the Paying Agent at all times while any of such Bonds shall be outstanding. Any Bond may be transferred pursuant to its provisions at the principal office of the Paying Agent by surrender of such Bond for cancellation, accompanied by a written instrument of transfer in a form satisfactory to such Paying

Agent, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Paying Agent will authenticate and deliver at the office of the Paying Agent (or send by registered mail to the owner thereof at such owner's expense), in the name of the transferee or transferees, a new Bond of the same series, interest rate, principal amount and maturity, dated so there shall result no gain or loss of interest as a result of such transfer. To the extent of denominations authorized for Bonds by the Resolution, one Bond may be transferred for several other Bonds of the same series, interest rate and maturity, and for a like aggregate principal amount and several such Bonds may be transferred for one or several such Bonds, respectively, of the same series, interest rate and maturity and for a like aggregate principal amount. As a condition of any registration or transfer, the Paying Agent may at its option require the payment of a sum sufficient to reimburse it or the District for any tax or other governmental charge that may be imposed thereon. The Paying Agent may charge reasonable fees for a transfer; provided, however, the District shall not pay any such fees.

The Paying Agent shall not be required (a) to issue, transfer or exchange Bonds from the Record Date to the next Interest Payment Date; (b) to issue, register or transfer any Bonds for a period of 15 days immediately preceding any selection of Bonds for redemption or for a period of 15 days thereafter; or (c) to register, transfer or exchange any Bonds which have been designated for redemption within a period of 30 days immediately preceding the date fixed for redemption.

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

Book-Entry-Only System

The Bonds initially are being issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners (as hereinafter defined) will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution. The following information about the book-entry-only system applicable to the Bonds has been supplied by DTC. Neither the District nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository

Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District, as issuer of the Bonds, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s

practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered to DTC. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

NEITHER THE DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE PAYING AGENT AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments. Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

THE DISTRICT AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS, (ii) BONDS REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN

THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “RULES” APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

Optional Redemption

The Bonds maturing on or after October 15, 2025 are subject to optional redemption prior to maturity at the option of the District, in whole or in part, at any time on or after June 15, 2025 at the principal amount thereof plus interest to the redemption date, with no redemption premium. The District may select the maturity of the Bonds so to be redeemed in its sole discretion.

Notice of Redemption

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

Security for Bonds

Pursuant to the Resolution, the District irrevocably pledged its full faith, credit and resources and its taxing power for the prompt payment of the principal of and the interest on the Bonds as the same become due. The District agrees that it will cause to be levied annually upon all the taxable property in the District an ad valorem tax which, together with collections of any special assessments or any other funds legally available for the purpose, will be sufficient to meet the payment of principal of and interest on the Bonds, the Parity Bonds and any other bonds now or hereafter issued by the District, as such principal and interest become due. The Resolution does not limit such ad valorem tax as to rate or amount and it does not limit the ability or authority of the District to issue additional bonds in the future. See “APPENDIX A — Budget and Levy Limitations” thereunder for a discussion of challenges to Nebraska’s property tax system. See also “BONDHOLDERS’ RISKS — Parity Bonds.”

Sources and Uses of Funds

The District shall provide the proceeds from the sale of the Bonds (net of Underwriter’s discount and other costs of issuance) to the paying agent for the Refunded Bonds to redeem the Refunded Bonds as set forth below:

Sources:

Bond Proceeds (net of accrued interest, if any)	\$3,230,000.00
Bond Fund Cash	<u>0.00</u>
Total	<u>\$3,230,000.00</u>

Uses:

Redemption of Refunded Bonds.....	\$3,099,704.38
Cost of Issuance (including underwriter’s discount)	<u>130,295.62</u>
Total	<u>\$3,230,000.00</u>

BONDHOLDERS’ RISKS

Adverse Property Sale Conditions

Development in the District is complete. See “APPENDIX A — District Development” herein. Accordingly, the District does not expect the risks described under this paragraph to materially affect the repayment of the Bonds. The development and sale of sanitary and improvement district properties are contingent upon numerous factors. Changes in general economic conditions, including fluctuations in the local real estate market, interest rates on construction loans, the availability of mortgage money, and other similar factors, may adversely affect the development of a district. Other factors influencing decisions to buy property in a district would include the overall tax levels, the convenience to local shopping and employment, accessibility to major highways and interstates, the proximity and reputation of schools and the availability and cost of utility services. Land development is subject to comprehensive federal, state and local regulations. There can be no assurance that future government policies will not adversely affect land development operations within a district. The ultimate consequence of such adverse conditions may be an inability by a district to pay its debts, including its bonds.

Challenges to Property Tax System

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

Delinquent Special Assessments

The District has no outstanding special assessments to collect and does not anticipate levying new special assessments. Accordingly, the District does not expect to be subject to the risk of delinquent special assessment collections. See “APPENDIX A — Special Assessments” and “APPENDIX A — Remedies for Delinquencies” herein for general information about delinquent special assessments.

Parity Bonds

Other than the Parity Bonds, the District presently has no other bonds outstanding that are payable from or secured by the pledge of ad valorem taxes as permitted under the Act. However, neither the Act nor the Resolution limits the ability or the authority of the District to issue additional bonds secured by a pledge of the revenues derived from such tax. No assurance can be given that the District will not elect to issue additional bonds payable from such tax levy prior to the final maturity of the Bonds.

Bankruptcy of District

Significant delays in the development of a sanitary and improvement district after the incurrence of indebtedness for public improvements while interest on such indebtedness continues to compound can result in a debt burden and a significant tax levy that discourages sale of property and impedes the ability of the district to provide services to current residents. This risk is small in the case of the District because development in the District is complete. For such reasons, among others, several Nebraska sanitary and

improvement districts over the years have filed bankruptcy petitions under Chapter 9 of the United States Bankruptcy Code. Such a filing by the District would result in an automatic stay of certain District payments, including its debt service payments, and enforcement actions against the District or its property. The consequences for the District's bondholders of a Chapter 9 bankruptcy filing could include material modification of the terms of the Bonds and related documents and significant delays in the payment, or loss of all or a portion, of the principal and interest on the Bonds. The District, however, does not have significant exposure to the risks of a compounding debt burden because it does not have any construction fund warrants outstanding. The Nebraska Supreme Court has held that the payment of a district's bonds would have priority over the payment of such district's construction fund warrants.

Bankruptcy of Property Owners

The payment of property owners' taxes and the ability of the District or Sarpy County to foreclose the lien of a delinquent unpaid tax, as discussed under "Remedies for Delinquencies" in Appendix A, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of Nebraska relating to judicial foreclosure or tax certificate sales. Bond Counsel's approving legal opinion will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although personal bankruptcy proceedings would not extinguish the outstanding ad valorem taxes, the bankruptcy of a property owner could result in a delay in prosecuting foreclosure proceedings. Such delay in prosecuting foreclosure proceedings would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of partial or incomplete payments on delinquent installments of taxes. The dispersal of ownership of the property within the District to hundreds of property owners mitigates the potential risk of delay in the payment of the principal and interest on the Bonds due to a single District property owner filing for bankruptcy. See "APPENDIX A — District Development" and "APPENDIX B — Major Taxpayers".

No Investment Rating

None of the Bonds, Parity Bonds, or any other debt obligation of the District is rated by a securities rating agency. The District has not applied, and does not intend to apply, for any such rating. The absence of an investment rating may adversely affect the marketability of the Bonds.

No Secondary Market Maker

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

Operational Disruption Risk; COVID-19

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the operations and effectiveness of municipal governments, such as the District. One such external event is the recent global outbreak of COVID-19 ("COVID-19"), a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization, which is affecting the national capital markets and which may negatively impact the State's housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local level in various forms, including executive orders and legislative actions.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. The United States Congress recently enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020, which provides over \$2 trillion of direct financial aid to American families, payroll and operating expense support for small businesses, and loan assistance for distressed industries, as well as providing funds to and directing the Federal Reserve System to support the capital markets. On March 13, 2020, the Governor of Nebraska declared a State emergency with respect to the Pandemic. By executive orders, the Governor also has announced Statewide social distancing restrictions, limited mass gatherings, ordered the closure of schools, restaurants, bars and other public accommodations, as well as other actions affecting state and local governments and Nebraska families. Each such order is subject to change and/or extension.

The District has not at this point experienced any material adverse financial impacts from the Pandemic. While the District does not currently expect any significant adverse financial impacts, there could be reductions in property tax receipts for a period of time and the ultimate financial impact of economic disruption from Pandemic is uncertain.

ONGOING DISCLOSURE

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

A failure by the District to comply with the Undertaking will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in equity, including seeking specific performance by court order, to cause the District to comply with its obligations under the Undertaking.

Pursuant to the Act, the District must annually file its independently audited financial statements with the Nebraska State Auditor of Public Accounts, where they are available as public records for inspection during normal business hours. See “FINANCIAL STATEMENTS.”

LEGAL MATTERS

Legal Opinion

Kutak Rock LLP, Omaha, Nebraska (“Bond Counsel”) will deliver its legal opinion approving the validity of the Bonds to the Underwriter and the District at the time of original delivery of the Bonds. Bond Counsel examined a transcript of the District’s proceedings and relied thereon without undertaking to verify the same by independent investigation. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP.

Tax Exemption

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding

sentence assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

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

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “LEGAL MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how

any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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

NO LITIGATION

No litigation is pending or, to the knowledge of the District, threatened in any court to restrain or enjoin the issuance or delivery of any of the Bonds or in any way contesting or affecting the validity or tax-exempt status of the Bonds or the Resolution approving the Bonds or contesting the powers or authority of the District to issue the Bonds or to adopt such Resolution.

UNDERWRITING

Ameritas Investment Company, LLC is purchasing the Bonds from the District for resale at a purchase price of \$3,123,400 (principal amount of the Bonds, less an underwriting discount of \$96,600), plus accrued interest, if any. Ameritas Investment Company, LLC shall make a public offering of the Bonds at not in excess of the public offering prices set forth on the cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of such Bonds are purchased. The Bonds may be offered and sold to certain dealers at prices lower than such public offering prices and the Underwriter may change such public offering prices from time to time.

FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2019 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, 2019 are available for inspection at the offices of the attorney for the District in Omaha, Nebraska and at the offices of the State Auditor of Public Accounts in Lincoln, Nebraska. Seim Johnson LLP, as independent auditors, audited the financial statements of the District as of June 30, 2019 included in Appendix B of this Official Statement, as stated in their report appearing therein.

MISCELLANEOUS

The Chair of the Board of Trustees, on behalf of the District, executed and delivered this Official Statement. At the date of this Official Statement and at the date of delivery of the Bonds, (i) the information and statements, including financial statements, of or pertaining to the District, contained in this Official Statement were and are correct in all material respects; and (ii) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District further confirms that insofar as the descriptions and statements, including financial data, contained in this Official Statement of or pertaining to nongovernmental bodies or governmental bodies other than the District are concerned, such descriptions, statements and data have been obtained from sources believed

by the District to be reliable, and that the District has no reason to believe that they are untrue or incomplete in any material respect.

The information contained in this Official Statement has been obtained from the District and other sources believed to be reliable, but said information is not warranted or guaranteed, either expressly or impliedly, as to accuracy or completeness by the Underwriter.

Any statement in this Official Statement involving matter of opinion, whether or not expressly so stated, is intended as such and not as representations of fact. The appendices attached hereto are an integral part of this Official Statement, and should be read in conjunction with the foregoing material.

AUTHORIZATION OF OFFICIAL STATEMENT

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

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

By /s/ _____
Chair

APPENDIX A — GENERAL INFORMATION
SANITARY AND IMPROVEMENT DISTRICT NO. 216
OF SARPY COUNTY, NEBRASKA

(Millard Park South)

The District

The District’s original developer established Sanitary and Improvement District No. 216 of Sarpy County, commonly known as Millard Park South (the “District”), on November 22, 2000 pursuant to the provisions of Section 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (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.

District Development

Development of the District as a residential subdivision progressed in four phases. Installation of the public infrastructure in the District is complete in all phases. The District consists of 542 platted single-family and townhouse lots. Development in the District is substantially complete; 539 single-family homes and townhomes occupy the 542 lots in the District.

Board of Trustees

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

Name	Position
John Wollenburg	Chair
Jesse McConnell	Clerk
Lyle Person	Trustee
Valerie Norman	Trustee

At present, each member of the Board of Trustees is a resident property owner in the District. Under the Act, elections for members of the Board of Trustees occur every two years. The next Board of Trustees election is in September 2020.

Financial Information

As of June 15, 2020, the District will have outstanding general obligation bonds in the principal amount of \$3,795,000 and no outstanding construction fund warrants.

The District’s 2019/2020 Bond Fund tax levy is set at \$0.37 and the General Fund tax levy is set at \$0.25 per \$100 of taxable valuation. The 2019 taxable valuation of all real property in the District is \$130,850,370. By the issuance of the Bonds as provided herein, the District will restructure the amount of its annual principal and interest payments, lengthen the maturity schedule for its debt service payments, and take advantage of other economic benefits, including the anticipated reduction of its annual Bond Fund tax levy.

Description of Budget Process

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

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

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

The proposed budget is reviewed by the board of trustees of the district, in consultation with the district's attorney, accountant, and municipal advisor, if applicable. Prior to its adoption, a budget summary is published in a local legal newspaper one time at least five days prior to the budget meeting, with a copy of the meeting notice being given at least one week prior to the meeting. At the meeting, the budget is discussed in open and public session, after which it can be adopted as proposed or as modified at the meeting. If modified, a summary of the modifications must be published one time in a legal newspaper within 20 days of adoption of the budget.

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

Ad valorem Taxes

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

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

If taxes are not paid within three years of the due date, the parcel of property to which the taxes appertain is subject to foreclosure by Sarpy County, Nebraska. Prior to entry of a decree of foreclosure and sale for delinquent taxes, the county treasurer may conduct a tax certificate sale with respect to such parcel. See “Remedies for Delinquencies” below.

When the Sarpy County Treasurer receives tax payments, they allocate the payments among the various taxing authorities levying taxes. The Sarpy County Treasurer is the ex-officio treasurer for all sanitary and improvement districts within Sarpy County, Nebraska, including the District. Those funds collected pursuant to a district’s tax levy are then deposited into such district’s General Fund and Bond Fund, as applicable. A district’s claim for its share of general ad valorem taxes is of equal priority with the tax claims of other taxing authorities, and such taxes constitute a first lien against the property, superior to purchase money mortgages, special assessments and all other liens.

Bondholders are paid the principal of and the interest on bonds issued by sanitary and improvements districts generally from ad valorem taxes and special assessments. Individual bondholders do not enjoy a lien on the real property within a district. The remedies of a tax certificate sale and foreclosure available to the county and a district, as applicable, may accrue to the benefit of the bondholders, but are not directly available to bondholders. If the payment of bond principal has been in default for over 90 days, a majority of the bondholders may petition for the appointment of an administrator in lieu of the district board of trustees. The board of trustees or the new administrator, if any, may negotiate agreements to compromise the indebtedness, including the issuance of new bonds in conjunction with a workout. This effort can include a voluntary Chapter 9 bankruptcy filing by the district. See “BONDHOLDERS’ RISKS — Bankruptcy of District.”

Budget and Levy Limitations

The Nebraska Legislature has imposed budget limitations and property tax restrictions on Nebraska political subdivisions, including sanitary and improvement districts, intended to reduce the level of property taxation and expenditures in the State of Nebraska (the “State”). State law prohibits governmental units, including sanitary and improvement districts in existence for more than five years, from adopting budgets in excess of 102.5% of the prior fiscal year’s budget plus allowable growth (which includes increases in taxable valuation for such things as new construction and annexations). However, such budgetary limitations do not apply, among other things, to revenues pledged to retire bonded indebtedness, such as the Bonds, or budgeted for capital improvements. Provision also is made for a governmental unit to exceed the budget limit for a given fiscal year by up to an additional 1% upon the affirmative vote of at least 75% of the governing body or in such amount as is approved by a majority vote of the electorate. State law also limits the maximum rates that may be levied by each type of governmental unit. The General Fund levy of a sanitary and improvement district in existence for more than five years is limited to a maximum of 40¢ per \$100 of taxable valuation (districts in existence less than five years are not subject to any maximum General Fund levy until they reach their fifth anniversary). The levy limit does not apply to tax levies for bonded indebtedness, such as the Bonds, approved according to law and secured by a levy on property. Taxable value of motor vehicles no longer constitutes a portion of the ad valorem tax base of sanitary and improvement districts and districts do not receive motor vehicle taxes. Special assessments are not property taxes subject to the levy limitation. State law permits a political subdivision to exceed its levy limitation for a period of up to five years by majority vote of the electorate.

There can be no assurance that Nebraska’s system of assessing and taxing real property will remain substantially unchanged. Such changes could materially and adversely affect the amount of property tax revenues the District could collect in future years. The District does not believe that the Nebraska Legislature, subject to constitutional restrictions, if any, would leave the District without adequate taxing resources to pay for its programs and meet its financial obligations, including the repayment of its warrants, bonds and other obligations.

Special Assessments

The District has no special assessments outstanding and has no present plans to levy additional special assessments. The following discussion, accordingly, is not applicable to the District’s current circumstances and

is provided for information only. Under the Act, the District assesses against specially benefitted property, a portion of the costs of the work for which the District issues construction fund warrants. After the Board of Trustees of the District levies such assessments, the Sarpy County Treasurer collects them on behalf of the District. Special assessments relating to the District's improvements constitute a lien in favor of the District on the assessed property, but do not constitute a personal or corporate indebtedness of the owners of property within the District. The lien of the District is inferior only to the general taxes levied by the State and its political subdivisions, including the District. Special assessments are due without interest 50 days after the date of levy, but if not so paid they shall bear interest thereafter on a per annum basis. Interest accrues on annual installments at the interest rate per annum of the greater of (a) the rate of interest accruing on the construction fund warrants registered against the District 60 days prior to the actual levy of the special assessments or (b) the average rate of interest accruing on the District's construction fund warrants issued to pay for the improvements for which the special assessments are to be levied adjusted to the next greater ½%. Such assessments shall become delinquent in equal annual installments over such periods of years (not exceeding 20 years and typically 10 years), as the Board of Trustees determines at the time of making the levy. Delinquent installments bear interest at the rate of 2% per annum above the rate set by the District on such installments before delinquency, subject to a 14% per annum ceiling (subject to adjustment from time to time by the Legislature). If three or more annual installments become delinquent, the Board of Trustees of the District may declare all remaining annual installments due and payable and increase to 14% per annum (subject to adjustment from time to time by the Legislature) the interest rate on all installments.

Remedies for Delinquencies

Tax Certificate Sale and Tax Deed. Nebraska law provides two statutory schemes for clearing the tax liens of delinquent special assessment installments and ad valorem taxes. Both processes require several years to reach conclusion. The first method is the sale of tax certificates by the county in which the property in question is located. County treasurers are empowered to sell tax certificates for real estate on which taxes or assessments have not been paid as provided by law for an amount equal to all of the taxes and, if so requested by the levying district, special assessments. The county treasurer conducts tax certificate sales in March following three weekly notice publications in general circulation newspapers in the county. For the tax certificate sale to occur, the county treasurer must receive a sale price at least equal to the sum of the delinquent assessments, delinquent ad valorem taxes, if any, and certain statutory expenses. If a tax certificate is sold, the liens of the special assessments and any other taxes are transferred to the purchaser, and the county treasurer will distribute to the district that portion of sale price attributable to the delinquent special assessment installments and the district's share of unpaid ad valorem taxes. Subject to the priority of outstanding bonds, the district then may retire warrants in full in the order registered to the extent of the amount of the proceeds of the tax certificate sale. The owner of the property will have three years from the tax certificate sale date to redeem the tax certificates, after which time the purchaser of the tax certificates, if not so redeemed, may obtain a tax deed pursuant to Section 77-1837, Reissue Revised Statutes of Nebraska, as amended, or foreclose on the tax lien via a sheriff's sale as discussed below. If the purchaser exercises its right to acquire a tax deed, the district's lien for special assessments, if not so included in the tax certificate sale, will remain and the tax deed will be subject to the lien of special assessments. In order to obtain a tax deed or a sheriff's deed, the tax certificate holder must act under either method within nine months of the end of the three-year redemption period. If a tax certificate is not sold, the owner retains the property, but interest still will accrue as aforesaid. The county treasurer conducts the tax certificate sale and maintains the records.

Foreclosure Proceedings and Sheriff's Deed. The second statutory method for clearing liens of taxes or assessments is foreclosure against the property in question. Either the sanitary and improvement district or the county may exercise the right to foreclose; however, a district may only foreclose its tax lien in the case of delinquent special assessments.

Additionally, as mentioned above, the purchaser of a tax certificate may also obtain a sheriff's deed via the foreclosure proceedings. Upon exercising the remedy of foreclosure pursuant to its tax certificate lien, the county court may immediately confirm the sale and issue a sheriff's deed to the tax certificate purchaser.

The district's board of trustees may initiate foreclosure proceedings once special assessment installments are delinquent for three years running and may bid its tax lien in the amount of delinquent special assessments at the sheriff sale. The district will take the property if there are no other adequate bids and may resell the property, in which event the proceeds of the resale must be divided among the affected taxing jurisdictions, including the district, in proportion to their respective liens. However, the district is not entitled to any surplus unless the county treasurer has first offered the special assessments for sale via the tax certificate sale process describe above.

Alternatively, the county may foreclose the lien of delinquent taxes or special assessments against property within a district. If taxes or assessments are delinquent for three years or more, the county must foreclose in order to recapture anticipated proceeds from property taxes and special assessments. If the special assessments are not requested by a district to be included in the tax foreclosure proceeding and the county treasurer has not previously offered the delinquent special assessments for sale, then the district's special assessment lien will survive the foreclosure sale.

Confirmation of the sale of foreclosed property pursuant to a sheriff's sale is not available until the passage of a two-year redemption period (during which time the delinquent property owner may satisfy the delinquency and remove the outstanding lien of taxes or special assessments), running from the sale date. Thus, the winning bidder must wait two years before receiving clear title. However, the purchaser of a tax certificate may foreclose its lien at the conclusion of the three year redemption period specifically associated with the tax certificate sale and will not be subject to an additional two year redemption period. Under the foreclosure proceedings, there is no requirement that the auction price equal or exceed the special assessments and ad valorem taxes then owing; the recovery, if any, can be insufficient to make bondholders whole.

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DEBT SERVICE REQUIREMENTS

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

For Year Ending December 31	Debt Service on Parity Bonds	Debt Service on Bonds	Total
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
TOTAL			

APPENDIX B — FINANCIAL INFORMATION & ANNUAL AUDIT

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

Part One

Selected District Financial Information

SELECTED FINANCIAL INFORMATION

2019 Taxable Valuation	\$130,850,370
Outstanding District Bonded Debt (Including the Bonds)	\$3,795,000
Outstanding District Construction Fund Warrants	\$0
Total Outstanding District Debt (Following issuance of the Bonds)	\$3,795,000
Bond Fund Balance (Following issuance of the Bonds)	\$744,733
Outstanding Special Assessments with accrued interest	\$0
Total Net District Debt (Following issuance of the Bonds) <i>(Net District Debt=Outstanding District Debt, less Bond Fund Cash and Uncollected Special Assessments)</i>	\$3,050,267
Ratio of District Debt to 2019 Taxable Valuation	2.90%
Ratio of Net District Debt to 2019 Taxable Valuation	2.33%

STATEMENT OF DIRECT DEBT

Direct Debt	
General Obligation Refunding Bonds, Series 2020	\$3,230,000
General Obligation Refunding Bonds, Series 2015	<u>565,000</u>
Total Direct Debt	\$3,7985,000

OVERLAPPING DEBT

	Taxable Valuation	Bonded Debt	Net Bonded Debt Applicable to S.I.D. No. 216
Sarpy County	\$3,392,853,103	\$53,370,000	\$2,058,293
Millard Public School District	\$11,382,045,563	\$142,270,000	1,635,566
Papio Missouri River NRD	\$70,562,081,104	\$58,475,000	<u>108,436</u>
Total Overlapping Debt			\$3,802,295
Total Direct Debt of District			\$3,795,000
Total Direct and Overlapping General Obligation Debt			<u>\$7,597,295</u>
2019 Taxable Valuation			\$130,850,370
Ratio of Direct & Overlapping Debt to 2019 Taxable Valuation			5.81%

Source: Sarpy County Assessor & Nebraska State Auditor Website

PROPERTY VALUATIONS

Year	Taxable Valuation
2019	\$130,850,370
2018	\$122,036,355
2017	\$118,287,197
2016	\$112,286,696
2015	\$103,373,222

Source: Sarpy County Assessor

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

SID No. 216	2019/2020	2018/2019	2017/2018
General Fund	\$0.250000	\$0.250000	\$0.250000
Bond Fund	<u>0.370000</u>	<u>0.400000</u>	<u>0.460000</u>
Total	\$0.620000	\$0.650000	\$0.710000
Other Taxing Units			
Sarpy County	\$0.296900	\$0.296900	\$0.296900
Millard Public School	1.22600	1.25100	1.21900
Learning Community Elem	0.016052	0.016250	0.016250
Millard Rural Fire	0.136032	0.136045	0.136045
Papio Natural Resource	0.037384	0.037594	0.037797
Metropolitan Community College	0.095000	0.095000	0.095000
Agricultural Society	0.002758	0.002742	0.002587
Educational Service Unit #3	<u>0.015000</u>	<u>0.015000</u>	<u>0.015000</u>
Total Other	\$1.825126	\$1.850531	\$1.818579
Total Levy	\$2.445126	\$2.500531	\$2.528579

Source: Sarpy County Clerk

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

Year	Due *	Levied	Collected	Percent Collected
2019/2020	12/31/2019	\$811,272	N/A	N/A
2018/2019	12/31/2018	\$793,236	\$792,900	99.96%
2017/2018	12/31/2017	\$839,839	\$842,332	100.30%

* 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 2019/2020 year, accordingly, are due on December 31, 2019, but the first installment of such taxes did not become delinquent until April 1, 2020 and the second installment will not become delinquent until August 1, 2020. Thus, the amount of taxes collected in the current fiscal year will be reported upon preparation of the District's 2020 audited financial statements.

Source: Sarpy County Treasurer

MAJOR TAXPAYERS

No property owner in the District owns property with a taxable valuation in excess of 3.00% of the District's 2019 taxable valuation.

DISTRICT DEVELOPMENT

District Build Out	Built or Under Construction Homes	Platted Lots	Percent Complete
Single Family/ Townhome Lots	539	542	99.45%

Part Two of Appendix B

Independent Auditor's Report and Combined Financial Statements fiscal year ending June 30, 2019

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

**Basic Financial Statements
and Supplementary Information
June 30, 2019**

Together with Independent Auditor's Report

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

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental 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, 2019, 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 the 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in conformity 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 13 - 15 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 response 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.

Management 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information on pages 16 - 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. 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 supplementary information 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 18, 2019 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 solely 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 effectiveness of the District's 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.



Omaha, Nebraska,
November 18, 2019

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

**Governmental Funds Balance Sheet / Statement of Net Position
June 30, 2019**

	General	Debt Service	Total	Adjustments (Note 1)	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$ 326,254	864,495	1,190,749	--	1,190,749
Personal property and real estate taxes receivable	134,227	214,764	348,991	--	348,991
Capital assets, net	--	--	--	3,577,705	3,577,705
Total assets	\$ 460,481	1,079,259	1,539,740	3,577,705	5,117,445
LIABILITIES					
Accounts payable	\$ 15,041	--	15,041	--	15,041
Accrued interest payable	--	--	--	34,902	34,902
Long-term debt:					
Portion due within one year	--	--	--	335,000	335,000
Portion due after one year	--	--	--	3,640,000	3,640,000
Total liabilities	15,041	--	15,041	4,009,902	4,024,943
FUND BALANCES/NET POSITION					
Fund balances:					
Restricted for debt service	--	1,079,259	1,079,259	(1,079,259)	--
Unassigned	445,440	--	445,440	(445,440)	--
Total fund balance	445,440	1,079,259	1,524,699	(1,524,699)	--
Total liabilities and fund balances	\$ 460,481	1,079,259	1,539,740		
Net position:					
Net investment in capital assets				(397,295)	(397,295)
Restricted for debt service				1,044,357	1,044,357
Unrestricted				445,440	445,440
Total net position				\$ 1,092,502	1,092,502

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, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Activities</u>
REVENUES:					
Personal property and real estate taxes	\$ 305,004	487,986	792,990	--	792,990
Miscellaneous	748	8,906	9,654	--	9,654
Total revenues	<u>305,752</u>	<u>496,892</u>	<u>802,644</u>	<u>--</u>	<u>802,644</u>
EXPENDITURES/EXPENSES:					
Current:					
Collection fees	5,427	9,268	14,695	--	14,695
Depreciation	--	--	--	257,742	257,742
Electricity	30,078	--	30,078	--	30,078
Fiscal agent fees	--	1,750	1,750	--	1,750
Insurance	2,480	--	2,480	--	2,480
Miscellaneous	299	--	299	--	299
Mowing	28,032	--	28,032	--	28,032
Professional fees	49,922	--	49,922	--	49,922
Repairs and maintenance	48,546	--	48,546	--	48,546
Debt service:					
Retirement of bond principal	--	320,000	320,000	(320,000)	--
Retirement of warrants	164,509	1,750	166,259	(166,259)	--
Interest on bonds	--	128,204	128,204	(2,033)	126,171
Total expenditures/expenses	<u>329,293</u>	<u>460,972</u>	<u>790,265</u>	<u>(230,550)</u>	<u>559,715</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	(23,541)	35,920	12,379	230,550	242,929
OTHER FINANCING SOURCES:					
Issuance of warrants	164,509	1,750	166,259	(166,259)	--
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	140,968	37,670	178,638	(178,638)	--
CHANGE IN NET POSITION				242,929	242,929
FUND BALANCE/NET POSITION:					
Beginning of year	304,472	1,041,589	1,346,061	--	849,573
End of year	<u>\$ 445,440</u>	<u>1,079,259</u>	<u>1,524,699</u>	<u>--</u>	<u>1,092,502</u>

See Notes to Basic Financial Statements

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

**Notes to Basic Financial Statements
June 30, 2019**

(1) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies employed in the preparation of these financial statements. These policies are in accordance with accounting principles generally accepted in the United States of America.

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 the District. 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 Position and the Statement of Activities, which report financial information for all activities of the District.

The government-wide Statement of Net Position presents the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The District's net position is reported in three categories – net investment in capital assets; restricted net position; and unrestricted net position.

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 position 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. The following comprise the District's governmental funds:

General Fund - The General Fund is the general operating fund of the District. All general tax revenue and other revenue 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.

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

**Notes to Basic Financial Statements
June 30, 2019**

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Personal property and real estate 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 year. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures are recognized only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds and proceeds from general long-term debt are reported as other financing sources.

D. 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 District were held by the treasurer of Sarpy County, Nebraska (the County), the fiscal agent, in a pooled fund. Such pooled fund deposits were covered by federal depository insurance or with sufficient assets pledged to the County by the financial institution at June 30, 2019. Amounts collateralized were not readily available.

E. Receivables

Personal property and real estate taxes are recognized as a receivable at the time an enforceable legal claim is established. Personal property and real estate tax receivables are written off when deemed uncollectible. Recoveries of personal property and real estate tax receivables previously written off are recognized when received. Interest income on personal property and real estate taxes is recognized when received in the governmental fund financial statements.

F. Personal Property and Real Estate Taxes

The District has approved tax levies as follows during the year ended June 30, 2019:

	Dollars per \$100 of Valuation
General Fund	\$ 0.2500
Valuation	<u>122,036,355</u>
Total tax levy	<u>\$ 305,091</u>
Debt Service Fund	\$ 0.4000
Valuation	<u>122,036,355</u>
Total tax levy	<u>\$ 488,145</u>
Levy Date	December 31
Due Date	December 31
Delinquent Dates	April 1 and August 1
Interest Rate	14%

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

**Notes to Basic Financial Statements
June 30, 2019**

G. *Capital Assets, Net*

Capital assets, primarily infrastructure, are reported in the government-wide financial statements. Such assets are recognized 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

H. *Net Position/Fund Balance*

Fund Balance

Fund balance of the District's governmental funds are classified in the governmental fund 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, 2019.
- Restricted Fund Balance consists of amounts that are restricted for specific purposes. These restrictions are either 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 committed fund balances will be accomplished through resolution. The District had no committed fund balance as of June 30, 2019.
- 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, 2019.
- 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.

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

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

**Notes to Basic Financial Statements
June 30, 2019**

Net Position

Net position of the District is classified in the government-wide Statement of Net Position and is defined as follows:

- Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase, construction, or improvement of those assets.
- Restricted Net Position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.
- Unrestricted Net Position is the remaining net position that does not meet the definition of net investment in capital assets or restricted.

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

I. 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 and disclosures in the basic financial statements. Actual results could differ from those estimates.

J. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position as of June 30, 2019

Total fund balances - governmental funds	\$	1,524,699
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,577,705
Accrued interest expense is not due or payable in the current period and, accordingly, is not reported in the governmental funds.		(34,902)
Long-term debt is not due and payable in the current period and therefore, is not reported in the funds.		<u>(3,975,000)</u>
Total net position - governmental activities	\$	<u><u>1,092,502</u></u>

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

**Notes to Basic Financial Statements
June 30, 2019**

K. Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities for the Year Ended June 30, 2019

Net change in fund balances - governmental funds	\$ 178,638
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 expense exceeded capital outlays in the current period.	(257,742)
Accrued interest expense that does not require current financial resources.	2,033
Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the Statement of Net Position, the proceeds increase long-term liabilities.	(166,259)
Repayment of principal on noncurrent liabilities is reported as an expenditure in the governmental funds. In the Statement of Net Position, the repayment reduces long-term liabilities. This is the amount of repayments in the current year.	<u>486,259</u>
Change in net position - governmental activities	<u>\$ 242,929</u>

L. Subsequent events

The District considered events occurring through November 18, 2019 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

(2) 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, 2019.

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.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

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

**Notes to Basic Financial Statements
June 30, 2019**

(3) Capital Assets, Net

The following is a summary of capital assets:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Balance 6/30/2019</u>
Land	\$ 26,172	--	26,172
Paving and sewers	5,707,661	--	5,707,661
Gas, electric and water distribution systems	2,024,498	--	2,024,498
	7,758,331	--	7,758,331
Less: Accumulated depreciation	<u>(3,922,884)</u>	<u>(257,742)</u>	<u>(4,180,626)</u>
	<u>\$ 3,835,447</u>	<u>(257,742)</u>	<u>3,577,705</u>

The District recognized depreciation expense of \$257,742 for the year ended June 30, 2019.

As of June 30, 2019, the District had no contractual commitments for construction projects.

(4) Long-Term Debt

Bond Obligations

Transactions for bond obligations for the year ended June 30, 2019 are summarized as follows:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2019</u>	<u>Due Within One Year</u>
Bond issue, 2013 (A)	1,540,000	--	155,000	1,385,000	165,000
Bond issue, 2014 (B)	2,090,000	--	115,000	1,975,000	120,000
Bond issue, 2015 (C)	665,000	--	50,000	615,000	50,000
	<u>\$ 4,295,000</u>	<u>--</u>	<u>320,000</u>	<u>3,975,000</u>	<u>335,000</u>

(A) 2.10% - 3.00% Series 2013, general obligation refunding bonds due annually each January 15 through 2026, interest due semiannually on January 15 and July 15, callable in whole or in part anytime at par value plus accrued interest to the date set for redemption. As of June 30, 2019, the average effective interest rate was 3.00% and the average stated rate was 2.70%.

(B) 2.35% - 3.85% Series 2014, general obligation refunding bonds due annually each October 15 through 2028, interest due semiannually on October 15 and April 15, callable in whole or in part anytime at par value plus accrued interest to the date set for redemption. As of June 30, 2019, the average effective interest rate was 3.92% and the average stated rate was 3.58%.

(C) 2.05% - 3.70% Series 2015, general obligation refunding bonds due annually each October 15 through 2030, interest due semiannually on October 15 and April 15, callable in whole or in part anytime on or after April 15, 2020 at par value plus accrued interest to the date set for redemption. As of June 30, 2019, the average effective interest rate was 3.58% and the average stated rate was 3.24%.

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

**Notes to Basic Financial Statements
June 30, 2019**

Aggregate maturities for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 335,000	121,696	456,696
2021	355,000	114,019	469,019
2022	370,000	105,119	475,119
2023	375,000	95,200	470,200
2024	390,000	84,437	474,437
2025-2029	2,085,000	225,463	2,310,463
2030-2034	65,000	1,203	66,203
	<u>\$ 3,975,000</u>	<u>747,137</u>	<u>4,722,137</u>

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 issuance 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.

Transactions for warrants payable for the year ended June 30, 2019 are summarized as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Balance outstanding, June 30, 2018	\$ --	--	--
Warrants issued	164,509	1,750	166,259
Warrant principal payments/cancellations	<u>(164,509)</u>	<u>(1,750)</u>	<u>(166,259)</u>
Balance outstanding, June 30, 2019	<u>\$ --</u>	<u>--</u>	<u>--</u>

(5) Surety Bonds

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

Chairperson	\$ 5,000
Clerk	20,000

(6) Credit Risk

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

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

**Notes to Basic Financial Statements
June 30, 2019**

(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

**Statement of Receipts and Disbursements – Budget and Actual
General Fund – Budgetary Basis
For the Year Ended June 30, 2019**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
RECEIPTS:			
Personal property and real estate taxes	\$ 305,091	294,548	(10,543)
Miscellaneous receipts	800	748	(52)
Total receipts	<u>305,891</u>	<u>295,296</u>	<u>(10,595)</u>
DISBURSEMENTS:			
Current:			
Collection fees	5,982	5,427	555
Electricity	35,000	30,134	4,866
Insurance	2,500	2,480	20
Miscellaneous	200	304	(104)
Mowing	55,000	28,032	26,968
Professional fees	80,000	51,179	28,821
Repairs and maintenance	110,000	52,381	57,619
Street cleaning	1,000	--	1,000
Street signs	2,000	--	2,000
Debt service:			
Retirement of warrants	285,700	164,509	121,191
Total disbursements	<u>577,382</u>	<u>334,446</u>	<u>242,936</u>
DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	(271,491)	(39,150)	232,341
OTHER FINANCING SOURCES:			
Issuance of warrants	285,700	164,509	(121,191)
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS	<u>\$ 14,209</u>	<u>125,359</u>	<u>111,150</u>
ADJUSTMENTS:			
To adjust receipts for accruals		10,456	
To adjust disbursements for accruals		5,153	
Total adjustments		<u>15,609</u>	
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES		<u>\$ 140,968</u>	

See Note to Required Supplementary Information

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

Exhibit 2

**Statement of Receipts and Disbursements – Budget and Actual
Debt Service Fund – Budgetary Basis
For the Year Ended June 30, 2019**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
RECEIPTS:			
Personal property and real estate taxes	\$ 488,145	500,960	12,815
Miscellaneous receipts	1,500	8,906	7,406
Total receipts	<u>489,645</u>	<u>509,866</u>	<u>20,221</u>
DISBURSEMENTS:			
Current:			
Collection fees	9,571	9,268	303
Fiscal agent fees	1,750	1,750	--
Debt service:			
Retirement of bond principal	320,000	320,000	--
Retirement of warrants	1,750	1,750	--
Interest on bonds	128,204	128,204	--
Total disbursements	<u>461,275</u>	<u>460,972</u>	<u>303</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	28,370	48,894	20,524
OTHER FINANCING SOURCES:			
Issuance of warrants	<u>1,750</u>	<u>1,750</u>	<u>--</u>
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS	<u>\$ 30,120</u>	50,644	<u>20,524</u>
ADJUSTMENTS:			
To adjust receipts for accruals		<u>(12,974)</u>	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		<u>\$ 37,670</u>	

See Note to Required Supplementary Information

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

**Note to Required Supplementary Information
June 30, 2019**

(1) 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 expenditures 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, 2019.

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

Exhibit 3

**Information Required by Nebraska Revised Statute §31-740 (Reissue 2016)
For the Year Ended June 30, 2019**

Gross revenue from all sources	\$	802,644
Amount spent for access to facilities and use of service of library system of neighboring cities and villages		None
Amount spent for solid waste collection services		None
Amount spent for sewage disposal		None
Amount expended on water mains		None
Gross amount of sewage processed		None
Cost per thousand gallons of processing sewage		None
Amount expended for maintenance and repairs	\$	48,546
Amount expended for new equipment		None
Amount expended for new construction work, net		None
Amount expended for property purchased		None
Number of employees		None
Salaries and fees paid to employees		None
Total amount of taxes levied upon the property within the District	\$	793,236

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

Exhibit 4

**Board of Trustees
June 30, 2019**

<u>Name</u>	<u>Office</u>
Jon M. Wollenburg	Chairperson
John Lesley	Clerk
Jesse McConnell	Trustee
Lyle R. Person	Trustee
Kacie Hinze	Trustee

Sanitary Improvement District No. 216
of Sarpy County Nebraska

Exhibit 5

Schedule of Debt Service Requirements
June 30, 2019

Year Ending June 30,	General Obligation Refunding Bonds							
	Series 2013		Series 2014		Series 2015		Combined Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	165,000	36,593	120,000	66,818	50,000	18,285	335,000	121,696
2021	175,000	33,128	125,000	63,751	55,000	17,140	355,000	114,019
2022	185,000	29,103	130,000	60,210	55,000	15,806	370,000	105,119
2023	195,000	24,478	125,000	56,387	55,000	14,335	375,000	95,200
2024	210,000	19,310	125,000	52,387	55,000	12,740	390,000	84,437
2025	220,000	13,430	125,000	48,169	50,000	11,128	395,000	72,727
2026	235,000	7,050	135,000	43,616	50,000	9,527	420,000	60,193
2027	--	--	140,000	38,665	55,000	7,780	195,000	46,445
2028	--	--	465,000	27,391	60,000	5,795	525,000	33,186
2029	--	--	485,000	9,337	65,000	3,575	550,000	12,912
2030	--	--	--	--	65,000	1,203	65,000	1,203
Totals	\$ 1,385,000	163,092	1,975,000	466,731	615,000	117,314	3,975,000	747,137

**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***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Sanitary Improvement District No. 216 of Sarpy County, Nebraska (the District), as of and for the year ended June 30, 2019, 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 18, 2019.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

District's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Sean Johnson CPA". The signature is written in a cursive style.

Omaha, Nebraska,
November 18, 2019

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

**Schedule of Findings and Responses
June 30, 2019**

FINANCIAL STATEMENT FINDINGS

Internal Control Over Financial Reporting:

2019-001

Criteria:	Management is responsible for the preparation and fair presentation of the District's financial statements.
Condition:	Management relies on external accountants to 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.
Views of Responsible Officials and Planned Corrective Action:	Management is aware of this deficiency in internal control over financial reporting 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.

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

**Independent Auditor's Comments on Resolution of Prior Audit Findings
June 30, 2019**

2018-001

Significant Deficiency:

Condition:	Management relies on external accountants to prepare the District's financial statements and notes to financial statements.
Auditee Response:	Management is aware of this deficiency in internal control over financial reporting 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.
Status:	Finding not cleared. See finding 2019-001.

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, 2019, 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 that are appropriate in the circumstances 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a poorly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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. We did not identify any deficiencies in the District's internal control that we consider to be a material weakness.


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. We consider the following deficiency in the District's internal control 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,
November 18, 2019

APPENDIX C — SARPY COUNTY, NEBRASKA INFORMATION

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

General Description of the County

The County encompasses approximately 249 square miles, or 159,360 acres in area, and is located on the eastern border of Nebraska. Sarpy County is surrounded by Douglas County on the north, Saunders County on the west, and Cass County on the south, and borders with the State of Iowa on the east. The Missouri River separates Iowa and Nebraska on Sarpy County's eastern edge. Papillion, the county seat of Sarpy County, is located ten miles from Omaha, Nebraska, and 45 miles from Lincoln, Nebraska. The current population of the County is estimated at 184,459.

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

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

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

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

Source: Sarpy County (for Offutt information and size of county)

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 April 2019 was 95,891. According to Offutt Air Force Base, as of 2017 there are 16,753 military and civilian personnel employed on the base in Bellevue.

*Source: State of Nebraska, <http://networks.nebraska.gov> (for civilian labor)
Offutt Economic Impact Statement Fiscal Year 2017 (for military and civilian assigned).*

Per Capita Personal Income. In 2017, the per capita personal income of Sarpy County residents was \$48,129 which was 94.7% of the Nebraska average per capita income of \$50,809. The lower per capita income is explained by Sarpy County's 27.6% population under age 18.

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

Median Household Income. In 2017 the median income of households in Sarpy County was \$75,752.

Source: <http://quickfacts.census.gov> - most recent info available

Sales

Net taxable sales (excluding motor vehicles) within the County increased from \$1,743,450,920 in 2016 to \$1,835,611,916 in 2017, representing a 5.3% increase over the prior year.

Source: Sarpy County

Employers

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

Company	Industry
Offutt Air Force Base	Government
PayPal, Inc.	Service
Infogroup, Inc.	Data/Marketing
Oriental Trading Company	Warehouse/ Distribution
Papillion-La Vista Public Schools	Education
Bellevue Public Schools	Education
Werner Enterprises	Trucking
Wal-Mart Stores & Sam's Club	Retail
Bellevue University	Education
Hillcrest Health Systems	Healthcare

Source: Sarpy County Economic Development Corporation, 2018

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 2018-2019 is 29.690 cents per \$100 of actual valuation.

Source: Sarpy County

Actual Value of Taxable Property

Tax Year	Actual Valuation	Percentage of Increase
2014	\$11,995,964,919.00	3.40
2015	\$12,785,158,397.00	6.58
2016	\$13,565,438,185.00	6.10
2017	\$14,493,101,695.00	6.84
2018	\$15,511,549,423.00	7.03

Source: Sarpy County Assessor

10 Largest Taxpayers

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

Business Name	2018 Taxes	Nature of Business
Shadow Lake Towne Center LLC	\$2,250,821	Retail Businesses
Omaha Outlets LLC	\$1,610,493	Retail Business
JQH La Vista Conference/CY Dev/III Dev	\$1,375,430	Conference Center & Hotel
Offutt AFB America	\$1,295,102	Base Housing
Walmart Real Estate/Stores/Business Trust/Neighborhood Market	\$1,243,659	Retail Business
Edward Rose Development	\$989,363	Apartments
PayPal	\$956,289	Commercial Business
MFR Partners IX/XVI LLC	\$851,689	Apartments
Werner Enterprises	\$784,679	Trucking
Harrison Hills Apartments	\$783,330	Apartments

*Totals based on names on file.

Source: Sarpy County Treasurer's Office.

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

Year	Amount
2014	29.990
2015	29.690
2016	29.690
2017	29.690
2018	29.690

Source: Sarpy County

Tax Levies and Collections

Tax Certified by the Assessor

	2015	2016	2017
Real Estate	\$266,992,173	\$284,736,799	\$304,381,624
Personal	6,923,756	7,045,338	7,428,978
Centrally Assessed	1,515,907	1,641,119	1,747,151
	<u>\$275,431,836</u>	<u>\$293,423,256</u>	<u>\$313,557,753</u>

Source: Sarpy County Unaudited Financial Statements

Sarpy County Population

July 2014 (estimate)	172,193
July 2015 (estimate)	175,692
July 2016 (estimate)	179,023
July 2017 (estimate)	181,439
July 2018 (estimate)*	184,459

Source: U.S. Census (*Based on Census Bureau Vintage 2018 Population Estimate)

Sarpy County Building Permits*

Year	Single Family		Multi Family	
	Permits	Value	Permits	Value
2014	320	\$ 76,495,447	1	\$ 4,535,687
2015	330	\$ 79,457,683	1	\$ 1,966,328
2016	276	\$ 68,739,432	0	\$ -
2017	342	\$ 84,666,636	0	\$ -
2018	329	\$ 81,169,710	0	\$ -

Year	Commercial/Industrial	
	Permits	Value
2014	9	\$23,277,076
2015	28	\$36,792,946
2016	52	\$33,244,920
2017	57	\$34,262,992
2018	87	\$20,185,899

Source: Sarpy County Building and Planning Department

*Includes only areas outside city zoning jurisdictions.

APPENDIX D — FORM OF CONTINUING DISCLOSURE UNDERTAKING

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

This Continuing Disclosure Certificate, dated on or about June 15, 2020 is executed and delivered by Sanitary and Improvement District No. 216 of Sarpy County, Nebraska (the “District”) in connection with the issuance by the District of \$3,230,000 in aggregate principal amount of its General Obligation Refunding Bonds, Series 2020 (the “Bonds”). The Bonds are being issued pursuant to a resolution dated March 24, 2020 (the “Resolution”) authorizing the issuance of the Bond and authorizing the District to enter into this Undertaking. In consideration of the purchase of such Bonds by the owners thereof, the District hereby covenants and agrees as follows:

- (a) The District does hereby covenant and agree and enters into this written undertaking (the “Undertaking”) for the benefit of the holders and beneficial owners of the Bonds required by Section (d)(2) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2-12) (the “Rule”). Capitalized terms used in this Undertaking and not otherwise defined in this Undertaking shall have the meanings assigned such terms in subsection (f) hereof. It being the intention of the District that there be full and complete compliance with the Rule, this Undertaking shall be construed in accordance with the written interpretative guidance and no-action letters published from time to time by the Securities and Exchange Commission and its staff with respect to the Rule.
- (b) The District represents and warrants that the aggregate amount of its outstanding municipal securities, including the Bonds, does not exceed \$10,000,000.
- (c) The District undertakes to provide, on or before the Record Date, Financial Information about the District to the MSRB, via UMB Bank, NA, as Dissemination Agent pursuant to a Dissemination Agent Agreement between the District and UMB Bank, NA (the “Dissemination Agent”), in an electronic format accompanied by identifying information as prescribed by the MSRB, to the extent that the District customarily prepares such Financial Information and makes it publicly available. The District shall provide any information or notice required by this Undertaking to the Dissemination Agent. The Dissemination Agent will not be responsible for compiling any of the information required to be provided by this Undertaking.
- (d) The District designates as the person from whom its Financial Information and Listed Event Notices can be obtained: Ms. Minda Barr, UMB Bank, NA, as Dissemination Agent, 7155 Lake Drive, West Des Moines, IA 50265.
- (e) If a Listed Event occurs while any Bonds are outstanding, the District, through the Dissemination Agent, shall provide a Listed Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB. Each Listed Event Notice shall be so captioned and shall prominently state the date and title of the Bonds.
- (f) The following are the definitions of the capitalized terms used in this Undertaking and not otherwise defined in this Undertaking:
 - (1) “*Financial Information*” means the financial information or operating data with respect to the District presented in the Official Statement related to the Bonds, which is customarily prepared by the District and is publicly available. The District

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

- (2) “*Audited Financial Statements*” means the District’s annual financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Government Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall then be required or permitted by the laws of the State of Nebraska.
- (3) “*Listed Event*” means any of the following events with respect to the Bonds:
 - (i) Principal and interest payment delinquencies;
 - (ii) Non-payment related defaults, if material;
 - (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (v) Substitution of credit or liquidity providers, or their failure to perform;
 - (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (vii) Modifications to rights of Bondholders, if material;
 - (viii) Bond calls, if material, and tender offers;
 - (ix) Defeasances;
 - (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
 - (xi) Rating changes;
 - (xii) Bankruptcy, insolvency, receivership or similar event of the District;
 - (xiii) The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (xiv) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
 - (xv) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms

of a financial obligation of the District, any of which affect security holders, if material; and

- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.
- (4) “*Listed Event Notice*” means an electronic notice of a Listed Event.
- (5) “*MSRB*” means the Municipal Securities Rulemaking Board. As of July 1, 2009, the MSRB is the sole repository to which the District must electronically submit Financial Information, Audited Financial Statements, if any, and Listed Event Notices pursuant to this Undertaking. Reference is made to Commission Release No. 34-59062, December 8, 2008 (the “*Release*”) relating to the MSRB’s Electronic Municipal Market Access (“*EMMA*”) system for municipal securities disclosure that became effective on July 1, 2009. To the extent applicable to its Undertakings, the District shall comply with the Release and with EMMA.
- (6) “*Record Date*” means March 31 of each year, or such later date as the information comprising the Financial Information is customarily prepared and made publicly available.
- (g) The continuing obligation hereunder of the District to provide Financial Information, Audited Financial Statements, if any, and Listed Event Notices shall terminate immediately once the Bonds no longer are outstanding. This Undertaking, or any provision hereof, shall be null and void in the event that the District obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds, provided that the District shall have provided notice of such delivery and the cancellation of this Undertaking to the MSRB.
- (h) This Undertaking may be amended, without the consent of the Bondholders, but only upon the District obtaining an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Undertaking with the Rule, provided that the District shall have provided notice of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:
 - (1) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the District or type of business conducted;
 - (2) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
 - (3) The amendment either (i) is approved by the Bondholders in the same manner as provided in the Resolution for amendments thereto with the consent of Bondholders, or (ii) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Bondholders.

- (i) The initial Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change, if any, in the type of financial information being provided.
- (j) Any failure by the District to perform in accordance with this Undertaking shall not constitute an event of default with respect to the Bonds. If the District fails to comply herewith, any Bondholder or beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations hereunder.

[Signature Page to Follow]

THIS CERTIFICATE IS EXECUTED AND DATED June 15, 2020

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

By: _____
Chair, Board of Trustees