

**Annual Report
For the fiscal year ended June 30, 2019**

SARPY COUNTY, NEBRASKA

The operating data for Sarpy County, Nebraska (the “**County**”) for the fiscal year ended June 30, 2019, is attached as **Exhibit A**. The County’s audited financial statements for the fiscal year ended June 30, 2019, are attached as **Exhibit B**. Together, the attached audited financial statements and operating data constitute the County’s Annual Report, which is required by the County’s continuing disclosure obligations (collectively, the “**Undertaking**”) pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, for the securities listed on **Schedule 1**.

The information contained in this Annual Report is current as of June 30, 2019, or as otherwise indicated. Certain information in this Annual Report has been provided by third-party sources. Nothing contained in the Undertaking or this Annual Report is, or should be construed as, a representation by any person, including the County, that this Annual Report includes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed on Schedule 1, or any other securities of the County. Nothing contained in this Annual Report obligates the County to update any of the financial information or operating data contained in this Annual Report.

For additional information, contact:

William E. Conley
Chief Financial Officer
Sarpy County, Nebraska
1210 Golden Gate Drive, Suite 1220
Papillion, NE 68046-2842
bconley@sarpy.com
402.593.5958

SARPY COUNTY, NEBRASKA

Date: February 26, 2020

Schedule 1

Related Securities

SERIES 2019 OBLIGATIONS

Issuer: Sarpy County Leasing Corporation
Issue Name: \$20,790,000 Sarpy County Leasing Corporation Taxable Facilities and Refunding Bonds, Series 2019
Date of Issuance: December 3, 2019

SERIES 2018 OBLIGATIONS

Issuer: Sarpy County Leasing Corporation
Issue Name: \$4,025,000 Sarpy County Leasing Corporation Taxable Refunding Bonds, Series 2018
Date of Issuance: December 20, 2018

SERIES 2017 OBLIGATIONS

Issuer: Sarpy County, Nebraska
Issue Name: \$6,920,000 Sarpy County, Nebraska Highway Allocation Fund Pledge Bonds, Series 2017
Date of Issuance: October 17, 2017

SERIES 2016 OBLIGATIONS

Issuer: Sarpy County, Nebraska
Issue Name: \$8,165,000 Sarpy County, Nebraska Certificates of Participation, Series 2016
Date of Issuance: September 1, 2016

Exhibit A

Operating Data for the County for fiscal year ended June 30, 2019

SARPY COUNTY, NEBRASKA GENERAL DESCRIPTION OF THE COUNTY

The County encompasses approximately 249 square miles on the eastern border of Nebraska. While it is the smallest County by square mile in the State, it has the State's third largest population. It is located just south of the City of Omaha, and is home to the cities of Bellevue, Gretna, La Vista, Papillion and Springfield.

Unlike many other counties in Nebraska, the County 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 U.S. Strategic Command ("STRATCOM").

The County has one of the largest growing populations in the State due primarily to continued residential and commercial development west and south of the cities of Papillion and Gretna.

MANAGEMENT OF THE COUNTY

The County is governed by a five-member elected Board of Commissioners. The Board of Commissioners appoints professional staff. The following are the County's administrative and financial officers:

Dan Hoins, County Administrator. Dan Hoins has a Bachelor's degree in General Studies and a Master's degree in Organizational Leadership. Mr. Hoins served as the Chief Deputy Sheriff for Cass County, Nebraska for 10 years and as Chief of Police for the City of Papillion, Nebraska for 6 years. He served as City Administrator for the City of Papillion for 7 years and has been the County Administrator for Sarpy County since 2017.

Scott Bovick, Deputy County Administrator. Scott Bovick has a Bachelor of Arts degree in Political Science, a Master of Science in Public Administration, and a PhD (all but dissertation) in Public Administration. Scott served as Assistant City Administrator for the City of Blair, Nebraska for 2 ½ years, as City Administrator for Nebraska City, Nebraska for 8 years and has served as Sarpy County Deputy County Administrator for 8 years.

Stu De La Castro, Director of Administrative Services. Stu De La Castro has a Bachelor of Science degree in Psychology and Criminal Justice. He served in the Sarpy County Sheriff's Office for 15 years, reaching the rank of Lieutenant. He was the Pottawattamie County (Iowa) Jail Administrator for 17 years. Mr. De La Castro served as the Sarpy County Emergency Communications Director for two years and in 2017 was promoted to Sarpy County Director of Administrative Services.

William E. (Bill) Conley, Chief Financial Officer. Bill Conley has a bachelor's degree from the University of Nebraska – Lincoln and a master's degree from the University of Nebraska at Omaha. Mr. Conley began serving as the County's Chief Financial Officer in April 2019. He previously spent 9 years as vice chancellor for business and finance at the University of Nebraska at Omaha, and most recently served as the Director of Finance and Infrastructure at Northstar Foundation and Omaha Outward Bound School.

TAX INFORMATION

Assessed Value of Taxable Property

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Percentage of Increase</u>
2010	\$11,076,469,531	0.90%
2011	11,197,886,358	1.10
2012	11,451,696,861	2.30
2013	11,599,879,360	1.30
2014	11,995,964,919	3.40
2015	12,785,158,397	6.58
2016	13,565,438,185	6.10
2017	14,493,101,695	6.84
2018	15,511,549,423	7.03
2019	16,801,973,211	8.32

Source: Sarpy County Assessor

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

The County by law may assess taxes in an amount not to exceed \$0.50 per \$100 of assessed valuation without an approving vote of the citizens of the County. The County's total tax levy for fiscal year 2019-2020 is 29.690 cents per \$100 of assessed valuation.

<u>Year</u>	<u>Amount</u>
2010	29.990
2011	29.990
2012	29.990
2013	29.990
2014	29.990
2015	29.690
2016	29.690
2017	29.690
2018	29.690
2019	29.690

Source: The County

Ten Largest Taxpayers

In 2019, the ten largest taxpayers located in the County, the actual taxes of their property and the type of their business included the following:

<u>Business Name</u>	<u>2019 Taxes</u>	<u>Nature of Business</u>
Shadow Lake Towne Center LLC	\$2,238,572	Retail Businesses
Raven Northbrook LLC	1,820,810	Data Center
Omaha Outlets LLC	1,641,537	Retail Business
JQHQ Hotels LLC	1,495,866	Conference Center and Hotel
Offutt AFB America	1,371,598	Base Housing
Edward Rose Development	1,323,367	Apartments
Walmart	1,263,732	Retail Business
The Travelers Indemnity Company	1,218,951	Insurance
PayPal	908,891	Commercial Business
Harrison Hills Apartments	898,454	Apartments

*Totals based on names on file

Source: Sarpy County Treasurer's Office

Tax Levies and Collections

Tax Certified by The Assessor for the following fiscal years:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Real Estate	\$284,652,230	\$303,856,990	\$323,668,524
Personal	8,105,627	8,273,437	8,141,786
Centrally Assessed	<u>1,646,328</u>	<u>1,763,712</u>	<u>1,977,765</u>
	\$294,404,185	\$313,894,139	\$333,788,075

Net Tax Collected by The County Treasurer as of June 30, 2019 for the following fiscal years:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Real Estate	\$284,620,780	\$303,800,075	\$182,098,079
Personal	8,099,505	8,249,226	5,575,979
Centrally Assessed	<u>1,641,119</u>	<u>1,759,322</u>	<u>1,174,644</u>
	\$294,361,404	\$313,808,623	\$188,848,702

Total Uncollected Tax as of June 30, 2019 for the following fiscal years:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Real Estate	\$31,450	\$56,915	\$141,570,445
Personal	6,122	24,211	2,565,807
Centrally Assessed	<u>5,209</u>	<u>4,390</u>	<u>803,121</u>
	<u>\$42,781</u>	\$85,516	\$144,939,373
Percentage	<u>0.015%</u>	<u>0.027%</u>	<u>43.42%</u>

Source: Unaudited Financial Statements

DEBT INFORMATION

Indebtedness

Debt Issued by Sarpy County, Nebraska, outstanding as of June 30, 2019:

<u>Outstanding Obligations</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
Limited Tax Refunding Building Bonds, Series 2014 ¹	04/15/2014	\$ 5,090,000	\$ 850,000
Certificates of Participation, Series 2016 ²	09/01/2016	8,165,000	6,015,000
Highway Allocation Fund Pledge Bonds, Series 2017 ³	10/17/2017	<u>6,920,000</u>	<u>5,600,000</u>
Total		<u>\$20,175,000</u>	<u>\$12,465,000</u>

¹Refunding of the County's \$7,790,000 Limited Tax Building Bonds dated December 8, 2009 which was originally issued to finance the construction of a Law Enforcement Center. Final maturity 12/15/2019.

²Financed towers, building, equipment and associated costs for the E911 radio upgrade project.

³Financed the costs of constructing certain road improvements in the County.

Source: Sarpy County

Debt Issued by Sarpy County Leasing Corporation, outstanding as of June 30, 2019:

<u>Outstanding Obligations</u>	<u>Issue Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
Lease Rental Revenue Bonds (Omaha Royals Stadium Project), Series 2009A*	10/15/2009	\$ 4,195,000	\$ 1,720,000
Lease Rental Revenue Bonds (Omaha Royals Stadium Project), Taxable Series 2009B* (Build America Bonds – Direct Payment to Issuer)	10/15/2009	9,290,000	9,290,000
Recovery Zone Facility Certificates of Participation Series 2010 *	11/23/2010	8,070,000	7,460,000
Taxable Refunding Bonds Series 2018	12/20/2018	<u>\$4,025,000</u>	<u>\$4,025,000</u>
Total		<u>\$25,580,000</u>	<u>\$22,495,000</u>

*The Sarpy County Leasing Corporation issued these obligations to pay the costs of acquiring, constructing, equipping and furnishing a baseball stadium owned by Sarpy County and leased to Omaha Royals Limited Partnership for use by the Omaha Royals Baseball Team (now known as the Omaha Storm Chasers). These bond issues were refunded on December 3, 2019 through issuance of the Leasing Corporation’s Taxable Facilities and Refunding Bonds, Series 2019, in the principal amount of \$20,790,000.

Source: The County

Direct, Underlying and Overlapping Tax-Supported Debt Ratios

The following table provides certain debt ratios for the County, and including certain tax-supported indebtedness of the County’s major overlapping and underlying political subdivisions. The table applies the County’s assessed valuation for 2019-2020 and current tax-supported indebtedness and debt information for the other political subdivisions as of the various dates provided below under “**DEBT INFORMATION—Estimated Overlapping and Underlying Indebtedness**”.

Combined Direct Debt:	\$34,960,000
Combined Direct Debt and Overlapping and Underlying Debt:	\$1,180,744,334
Ratio of Combined Direct Debt to Assessed Valuation:	0.21%
Ratio of Combined Direct Debt and Overlapping and Underlying Debt to Assessed Valuation:	7.03%
Population (2018 estimate):	184,459
Per Capita Share of Combined Direct Debt:	\$190
Per Capita Share of Combined Direct Debt and Overlapping and Underlying Debt:	\$6,401

Estimated Overlapping and Underlying Indebtedness

The following are the principal political subdivisions in the County with outstanding debt attributable to the County, along with the portion of each body's assessed valuation that is within the County, the total debt of each such subdivision, and the amount applicable to the County, as of the dates indicated.

	Total Assessed Valuation (2019)	Total Sarpy County Valuation (2019)	% Applicable to County	Total Tax Supported Obligations	Amount Applicable to County
Sarpy County	\$16,801,973,211	\$16,801,973,211	100.00%	\$ 34,960,000 ¹	\$ 34,960,000
City of Bellevue	3,392,853,103	3,392,853,103	100.00	35,190,000 ²	35,190,000
City of Gretna	406,249,790	406,249,790	100.00	16,855,000 ³	16,855,000
City of La Vista	1,651,417,826	1,651,417,826	100.00	53,950,000 ²	53,950,000
City of Papillion	2,457,185,050	2,457,185,050	100.00	106,470,000 ^{2,4}	106,470,000
City of Springfield	110,066,247	110,066,247	100.00	107,000 ³	107,000
Bellevue Public Schools	3,247,357,665	3,247,357,665	100.00	58,915,000 ²	58,915,000
Gretna Public Schools	2,922,043,640	2,922,043,640	88.26	179,290,000 ²	158,241,354
Papillion-La Vista Public Schools	6,209,434,652	6,209,434,652	100.00	123,475,000 ²	123,475,000
Springfield-Platteview Community Schools	1,711,718,579	1,711,718,579	100.00	17,695,000 ²	17,695,000
Millard Public Schools	11,382,045,563	2,072,595,668	18.21	151,410,000 ³	27,571,761
Omaha Public Schools	23,750,647,812	976,743,702	4.11	508,225,000 ²	20,888,048
Metro Comm. College	71,728,712,059	71,728,712,059	23.42	41,040,000 ²	9,611,568
Papio-Mo NRD	70,562,081,104 ²	16,801,973,211	23.81	63,128,270 ²	15,030,841
				Total	\$678,960,572

¹As of 6/30/2019. Not including Leasing Corporation's Taxable Facilities and Refunding Bonds, Series 2019 but including bonds refunded thereby.

²Each respective political subdivision, via official statement disclosures on the MSRB's EMMA website.

³Each respective political subdivision's budget report for fiscal year 2018-2019, on the Nebraska State Auditor's website

⁴Includes bonded indebtedness assumed by the City from recently-annexed SIDs.

In addition to the above-referenced indebtedness, the County has a number of Sanitary and Improvement Districts within the County, that are used as financing tools for new residential and commercial developments outside of existing city limits. The amount of indebtedness associated with each such District as of June 30, 2019 is indicated in the following table:

SID No.	Total Assessed Valuation	Total Debt
SID #23	\$ 55,725,702	\$ 735,000
SID #24	7,474,839	-
SID #29	10,261,904	279,665
SID #34	16,449,967	492,538
SID #38	27,965,659	40,098
SID #48	127,981,898	-
SID #52	121,587,984	-
SID #65	78,499,527	679,502
SID #67	37,459,107	200,000
SID #68	32,552,276	725,000
SID #79	29,178,195	-
SID #81	23,732,601	855,416
SID #87	19,123,098	-
SID #92	35,774,187	139,950
SID #96	47,711,683	-
SID #97	66,221,686	2,690,000
SID #101	71,363,090	1,256,521
SID #104	147,564,668	-
SID #111	79,400,706	-
SID #130	4,463,910	-
SID #133	48,873,649	565,000
SID #151	7,291,342	140,000
SID #156	77,785,030	2,100,000
SID #158	188,033,287	7,630,000
SID #162	171,492,580	3,310,000
SID #163	73,629,327	705,000
SID #164	2,966,532	115,000
SID #165	21,499,941	795,000
SID #171	111,679,428	4,715,000
SID #172	68,268,123	645,000
SID #176	52,088,578	3,595,000
SID #177	19,336,135	1,870,000
SID #180	223,192,756	11,190,000
SID #182	9,191,684	655,000
SID #183	52,694,395	1,080,000
SID #186	\$56,979,733	1,170,000
SID #189	118,143,601	2,965,000
SID #190	87,717,932	3,630,000
SID #191	5,485,037	215,000
SID #192	64,067,562	2,505,000
SID #257	120,473,440	8,170,000

SID No.	Total Assessed Valuation	Total Debt
SID #197	33,092,086	1,215,000
SID #199	33,571,471	2,695,000
SID #202	106,652,336	6,555,000
SID #204	33,156,830	675,000
SID #207	14,738,559	635,000
SID #208	56,957,239	1,265,000
SID #209	-	-
SID #210	59,233,572	2,175,000
SID #213	-	-
SID #215	82,191,545	3,350,000
SID #216	130,850,370	3,975,000
SID #217	-	-
SID #220	110,052,126	4,755,000
SID #221	30,850,912	1,515,000
SID #223	106,412,391	5,215,000
SID #224	26,864,214	2,965,000
SID #225	40,984,585	1,685,000
SID #228	83,373,236	2,735,000
SID #230	43,108,171	1,660,000
SID #231	9,414,293	700,000
SID #232	4,327,928	240,000
SID #233	97,303,166	3,650,000
SID #234	21,953,598	610,000
SID #235	75,367,902	3,550,000
SID #236	27,165,870	1,940,000
SID #237	159,970,946	2,527,443
SID #238	53,416,367	3,830,000
SID #240	52,750,456	10,188,722
SID #241	64,977,895	1,810,000
SID #242	7,458,599	80,000
SID #243	115,533,538	5,310,000
SID #244	32,224,384	1,600,000
SID #245	109,559,669	5,540,000
SID #246	88,518,096	5,065,000
SID #248	14,149,685	670,000
SID #249	43,645,859	4,901,069
SID #250	36,531,522	2,940,000
SID #251	66,540,458	5,485,000
SID #254	578,024	-
SID #255	43,770,331	3,499,150
SID #311	12,020,741	3,816,508

SID No.	Total Assessed Valuation	Total Debt
SID #258	56,243,033	5,017,316
SID #260	120,58,972	4,875,000
SID #261	173,363,585	8,495,000
SID #263	58,959,859	4,155,000
SID #264	290,198,446	27,770,000
SID #265	45,146,326	2,270,000
SID #266	26,366,672	1,935,000
SID #268	8,137,276	1,935,000
SID #269	7,465,063	280,000
SID #270	70,986,453	9,847,827
SID #272	82,213,722	7,515,000
SID #274	23,056,956	1,585,000
SID #275	64,163,792	4,630,000
SID #276	71,668,410	2,000,000
SID #278	43,891,520	4,030,000
SID #279	23,568,037	715,000
SID #280	27,870,951	2,317,558
SID #282	26,548,844	1,550,000
SID #285	19,236,215	-
SID #286	106,191,781	3,955,000
SID #288	12,541,925	1,300,000
SID #289	23,475,474	770,000
SID #290	13,338,048	13,084,544
SID #291	89,969,552	8,070,000
SID #292	126,367,394	9,740,426
SID #293	27,288,597	6,399,242
SID #294	67,862,299	6,857,198
SID #295	26,420,122	2,366,516
SID #296	29,054,183	3,650,683
SID #297	40,196,718	6,214,474
SID #298	11,342,928	850,000
SID #299	89,817,068	14,666,418
SID #300	6,975,896	3,523,179
SID #301	61,306,721	3,600,000
SID #302	19,844,171	3,157,556
SID #303	29,846,844	3,174,234
SID #304	26,444,074	5,439,865
SID #305	6,938,362	4,621,227
SID #306	20,900,421	1,465,000
SID #307	5,610,441	4,928,611
SID #308	14,804,771	6,116,455
SID #309	28,585,134	3,676,382
SID #310	5,090,269	2,878,348

SID No.	Total Assessed Valuation	Total Debt
SID #312	17,139,424	5,638,434
SID #313	13,155,671	5,935,421
SID #314	19,869,934	3,625,734
SID #315	8,847,085	2,876,279
SID #316	5,787,085	2,850,601
SID #317	24,840,646	4,876,709
SID #318	667,462	860,462
SID #319	3,731,833	-
SID #320	7,760,790	7,044,150
SID #321	3,791,340	2,311,894
SID #322	3,301,401	169,579
SID #323	2,402,741	5,112,193
SID #324	2,649,028	4,038,142
SID #325	1,227,495	1,813,641
SID #326	7,119,017	6,060,012
SID #327	3,274,238	4,237,624
SID #328	1,372,449	3,462,497
SID #330	7,441,280	1,800,646
SID #331	6,214,207	4,805,539
SID #332	2,076,905	1,632,700
SID #333	2,832,387	3,073,747
SID #334	1,710,854	3,170,780
SID #335	641,009	5,180,842
SID #336	2,161,635	1,291,617
SID #337	1,248,142	1,142,467
SID #339	600,909	147,411
SID # 340	255,732	-
Grand Total	\$6,782,206,703	\$ 466,823,762

CERTAIN DEMOGRAPHIC AND ECONOMIC INFORMATION

Sarpy County Population (1980-2018)

<u>Year</u>	<u>Population</u>
1980 (census)	86,015
1990 (census)	102,582
2000 (census)	122,595
2010 (census)	158,840
2011 (estimate)	162,561
2012 (estimate)	165,853
2013 (estimate)	169,331
2014 (estimate)	172,193
2015 (estimate)	175,692
2016 (estimate)	179,023
2017 (estimate)	181,439
2018 (estimate)	184,459

Source: U.S. Census Bureau

Sarpy County Building Permits*

<u>Year</u>	<u>Single Family</u>		<u>Multi Family</u>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
2010	78	34,085,230	1	1,238,465
2011	169	36,527,462	0	-
2012	195	38,787,474	0	-
2013	318	63,519,462	4	8,232,185
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	-
2019	334	84,964,326	0	-

<u>Year</u>	<u>Commercial/Industrial</u>	
	<u>Permits</u>	<u>Value</u>
2010	4	2,742,806
2011	12	1,727,142
2012	17	6,540,526
2013	33	3,354,267
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
2019	46	18,266,503

*Includes only areas outside city zoning jurisdictions.

Source: Sarpy County Building and Planning Department

Employers

The ten largest employers located in the County, the estimated number of employees and the nature of their business are as follows:

<u>Organization</u>	<u>Employees</u>	<u>Industry</u>
Offutt Air Force Base	5,000-9,999	Government
PayPal, Inc.	1,000-4,999	Service
Papillion-LaVista Public Schools	1,000-4,999	Education
Werner Enterprises, Inc.	1,000-4,999	Trucking
Bellevue Public Schools	1,000-4,999	Education
Wal-Mart & Sam's Club	1,000-4,999	Retail
Hillcrest Health System	1,000-4,999	Medical
Gretna Public Schools	500-999	Education
Securities America, Inc.	500-999	Financial
Infogroup, Inc.	500-999	Data/Marketing

Source: Sarpy County Economic Development Corporation, 2019

Per Capita Personal Income

<u>Year</u>	<u>Sarpy County</u>	<u>Nebraska</u>	<u>United States</u>
2018	\$ 50,333	\$ 53,263	\$ 54,420
2017	48,385	50,663	51,869
2016	47,009	49,703	48,961

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Local Area Personal Income (Sarpy); Federal Reserve Bank of St. Louis Economic Research (NE & USA)

Median Household Income

<u>Year</u>	<u>Sarpy County</u>	<u>Nebraska</u>	<u>United States</u>
2018	\$77,941	\$59,566	\$61,937
2017	75,752	56,675	57,562
2016	72,269	54,384	55,322
2015	70,543	52,997	53,889

Source: U.S. Census Bureau

Employment History

<u>Year</u>	<u>Sarpy County Labor Force</u>	<u>Sarpy County Employed</u>	<u>Sarpy County Unemployment Rate</u>	<u>Nebraska Unemployment Rate</u>	<u>United States Unemployment Rate</u>
2018	94,057	91,558	2.7%	2.8%	3.9%
2017	93,021	90,472	2.7	2.9	4.4
2016	91,966	89,296	2.9	3.1	4.9
2015	90,607	88,063	2.8	3.0	5.3
2014	89,703	86,921	3.1	3.3	6.2

Sources: Nebraska Department of Labor and U.S. Department of Labor

Sales

The following table reflects net taxable sales (excluding motor vehicles) within the County as an indicator of commercial activity. The County does not collect any revenues from sales tax.

<u>Year</u>	<u>Net Taxable Sales</u>
2018	\$1,952,317,063
2017	1,835,611,916
2016	1,743,450,920
2015	1,691,615,901
2014	1,566,802,225

Source: Nebraska Department of Revenue

Exhibit B

Audited financial statements of the County for the fiscal year ended June 30, 2019