

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING  
BILL LUXFORD STUDIO (FORMERLY KNOWN AS ROOM 113)  
THURSDAY, FEBRUARY 27, 2014  
8:30 A.M.**

Commissioners Present: Larry Hudkins, Chair  
Brent Smoyer, Vice Chair  
Jane Raybould  
Roma Amundson

Commissioners Absent: Deb Schorr

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dan Nolte, County Clerk  
Cori Beattie, Deputy County Clerk  
Ann Taylor, County Clerk's Office

*Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on February 26, 2014.*

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:30 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE FEBRUARY 20, 2014 STAFF MEETING MINUTES**

**MOTION:** Raybould moved and Smoyer seconded approval of the February 20, 2014 Staff Meeting minutes. Raybould, Smoyer and Hudkins voted aye. Amundson and Schorr were absent from voting. Motion carried 3-0.

**2 ADDITIONS TO AGENDA**

None were stated.

Amundson arrived at the meeting at 8:35 a.m.

**3 LEGISLATIVE UPDATE - Gordon Kissel and Joe Kohout, Kissel/E&S Associates (Legislative Consultants)**

Joe Kohout, Kissel/E&S Associates, presented a legislative update, noting bills that relate to the County's legislative priorities and other legislation of potential interest to the County (Exhibits A and B).

Andy Stebbing, County Treasurer, and Candace Meredith, Real Estate Supervisor, County Treasurer's Office, appeared and discussed Legislative Bill (LB) 979 (Change provisions relating to tax sales for delinquent property taxes). Kohout noted only one proponent appeared at the Revenue Committee's hearing and said it is unlikely the bill will go anywhere this session.

**ADMINISTRATIVE OFFICER REPORT**

**A. County Sales Tax**

Kerry Eagan, Chief Administrative Officer, said Commissioner Amundson had requested discussion in the context of future legislation to allow county-wide sales tax and indicated Candace Meredith, Real Estate Supervisor, County Treasurer's Office, did some research on the issue.

Meredith presented Sales Tax Estimates based on State Distribution (July 1, 2013 - December 31, 2013 Activity) for motor vehicles (Exhibit C), noting she excluded the taxing districts of any cities and villages that have their own sales tax from the projection (the villages of Bennet and Malcolm and the cities of Lincoln and Waverly).

Gordon Kissel, Legislative Consultant, advised the Board to wait until after the next gubernatorial election and gauge interest in the proposal before proceeding.

Eagan remarked, in his opinion, it will be a "dog fight." Hudkins noted the League of Municipalities is seeking an increase in the sales tax and said the counties should have a shot at it, too. Amundson said her concern is that the County can't count on inheritance tax revenues and it is difficult to only work with property tax revenues.

Hudkins noted some senators want to eliminate the inheritance tax and said if they want to take that revenue away from counties, they need to replace it with something that meets the needs of the counties. Kohout recommended the County analyze the following: 1) What level of revenue would be needed to replace the inheritance tax revenue; 2) What will be the overall tax burden; and 3) Fluxuations.

Eagan noted the County has the ability to levy a sales tax outside of jurisdictions that do not levy a sales tax, adding it has to be used for public safety (a half cent, a cent or a cent and a half).

Information was disseminated on what a county-wide levy would raise (Exhibit D).

#### **4 AGRICULTURAL SOCIETY UPDATE - Alan Wood, Attorney for the Lancaster County Agricultural Society**

Alan Wood, Attorney for the Lancaster County Agricultural Society, gave an overview of Legislative Bill (LB) (597) (Change provisions relating to county agricultural societies). He said the legislation broadens the capital expenditure authority of the Ag Society, to include the purchase of equipment and broadens their authority to exchange, sell or lease its real estate, with the consent of the County Board, unless the lease is less than 90 days. If real estate belonging to the Ag Society is sold, there is a restriction on those funds. Wood said the legislation will help the Ag Society with development of the commercial corner at the Lancaster Event Center.

Wood also disseminated a copy of the Ag Society's audit for the year that ended November 30, 2013 (Exhibit E). He noted one of the new managing director's goals is to get the Ag Society in a position where it is accounting for, and reserving funds for, depreciation. Wood was asked about the rate of depreciation that was used and he agreed to check and report back.

Hudkins referred to the interest rate for the note payable on Pages 21 and 22 and suggested a lower rate should be negotiated.

Hudkins also suggested the need to address the traffic flow in and out of the Event Center, noting there is a fast changing traffic light on Havelock Avenue that slows down traffic. Wood said the Ag Society will put together a working group to address the problem.

There was consensus to continue to have monthly meetings with the Ag Society.

#### **ADMINISTRATIVE OFFICER REPORT**

##### **B. Request from Prairieland Dairy for Local Siting Approval of Solid Waste Compost Facility**

Board consensus was to direct the County Clerk to schedule a public hearing on the matter.

## 5 BUDGET INSTRUCTION LETTER - Dennis Meyer, Budget & Fiscal Officer

Dennis Meyer, Budget & Fiscal Officer, disseminated a draft of the budget instruction letter (Exhibit F). He noted he had emailed a draft of the letter to the Board yesterday and had asked whether the Board wanted to include the following statement in the second paragraph: *Due to these budget concerns, the Board is asking that out of state travel for training and conferences not be included in your budget request.* Meyer said he received responses from Commissioners Raybould and Schorr, the first indicating it should be included and the second indicating it should be left out and travel requests looked at during the departmental budget hearings. There was consensus to leave the sentence in the letter.

Meyer said Commissioner Raybould also requested inclusion of the following statements:

- *The Board is asking each department to review their operations, programs and personnel that may need to be cut and prioritized. Please bring this prioritized list with you to your budget hearing to discuss with the Board.*
- *Please prioritize your capital outlay items that may need to be deferred for one year.*

There was no objection to the suggested language.

**MOTION:** Amundson moved and Raybould seconded to authorize the Chair to sign the budget instruction letter, with the noted revisions. Smoyer, Amundson, Raybould and Hudkins voted aye. Schorr was absent from voting. Motion carried 4-0.

Pam Dingman, County Engineer, appeared and said the County Shop took over maintaining the County Sheriff's vehicles, as well as vehicles from several other departments, in 1982 and it was determined that the cost of a mechanic would be billed back to the departments at a cost of \$16.00 per hour. That cost has never been revisited. She presented a breakdown of hours and part costs by department from July 1, 2008 through February 26, 2014 (see Exhibit G, note does not include vehicles sold in the last five years) and said the County Sheriff's Office is the largest user of the County Shop. Dingman noted mechanics in the County Shop make \$23.00 to \$28.00 per hour and private automotive shops charge \$90.00 to \$110.00 per hour for labor, plus a mark-up of 30% to 50% for parts, and proposed increasing the billing amount to \$60.00 per hour in an effort to recoup actual costs. She said she believes the cost

should be revisited annually and adjusted as required. Dingman noted the County Shop also has a carrying cost for inventory for vehicle maintenance, which is currently \$111,000.

Raybould said one of the Lincoln-Lancaster County Consolidation Task Force's recommendations was for the County Sheriff's Office to look at utilizing the Lincoln Police Department's (LPD's) Garage for vehicle maintenance. She said another option would be privatizing the services. Dingman said privatization would be much more costly. She said applying the \$16.00 per hour rate to the 2,600 hours for the current budget year would result in labor costs of \$42,000, plus \$83,000 in parts, for a total of \$125,000 and applying the proposed \$60.00 per hour rate would result in labor costs of \$157,000, plus parts, for a total of \$240,000. That compares to \$235,000 for labor, using the conservative figure of \$90.00 per hour, and \$108,000 for parts, using a conservative mark-up of 30%, for a total of \$343,000 for a private automotive shop. Dingman noted it may be difficult to find a private automotive shop that would be willing to provide the immediate "triage" repair for the Sheriff's patrol vehicles that the County Shop is able to provide. In terms of the Task Force's recommendations, she explained the LPD Garage's cost structure is completely different and said some joint departments have asked to bring their vehicles to the County Shop because it is less expensive.

Raybould asked Dingman to track those instances where a department has to go to a private automotive shop for services.

Jeff Bliemeister, Chief Deputy Sheriff, appeared and said he and Terry Wagner, County Sheriff, understand that the current rate is too low. He noted the Sheriff's Office has privately contracted with Lincoln Lube for oil changes for a number of years. Bliemeister said the Sheriff's Office also looked at set-up of new cruisers and explored using Jones Automotive in Omaha, which provides services to the Omaha Police Department and Nebraska State Patrol. He said the cost was fairly comparable, at the \$16.00 an hour rate, but the Sheriff's Office decided to stay with the County Shop because Jones Automotive would not provide repairs. In terms of the LPD Garage, Bliemeister said it is a separate entity and owns the city vehicles, leasing them back to departments.

There was consensus to move to the \$60.00 per hour rate.

Raybould ask whether data processing costs have been presented to departments. Meyer said Steve Henderson, Chief Information Officer, Information Services (IS), will be sending that information out to departments. It will also be made available on the IS website.

**6 SOUTHWEST 40<sup>th</sup> STREET VIADUCT UPDATE - Roger Figard, City Engineer; Devin Biesecker, Engineer, City Public Works and Utilities**

Devin Biesecker, Engineer, City Public Works and Utilities, gave an update on the Southwest 40<sup>th</sup> Street Viaduct Project, noting the following (Exhibit H):

- Project Schedule
- Accomplishments to Date
- Upcoming Work

Hudkins inquired about use of wick drains. Biesecker said there are very poor soils on the site and the wick drains draw the moisture out of the ground. He said the geotechnical firm that did the soil testing recommended using the wick drains and said they have worked out well.

Biesecker said the contractor is slightly behind schedule, due to weather delays, but is anticipated to finish ahead of the projected completion date.

Raybould inquired about neighborhood response. Roger Figard, City Engineer, said he hasn't received any complaints from the neighborhood but Dillon Tire, which is located on the southwest corner of Southwest 40<sup>th</sup> Street and West "O" Street, had concerns about access which were addressed.

**7 A) CLAIM FOR GENERAL ASSISTANCE (GA) REIMBURSEMENT FROM YORK COUNTY; AND B) NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS) MEDICAID POLICIES - Gary Chalupa, Veterans Service Officer/General Assistance Director; Brittany Behrens, Deputy County Attorney**

**A) Claim for General Assistance (GA) Reimbursement from York County**

Brittany Behrens, Deputy County Attorney, said the County Clerk's Office received a request from York County for reimbursement of General Assistance (GA) provided to a woman who is now deceased. The individual had made application at one point in Lancaster County for GA. A request for cremation and burial was subsequently made in York County. York County determined that the individual's legal settlement at the time of death was in Lancaster County because she had resided here for the last six months of her life, although she was living in York County at the time of her death. In fact, the individual did not have legal settlement in Nebraska because she did not meet the statutory requirement of one year of continuous residence in the State. Behrens recommended denial of the claim.

The Board will take formal action on the claim at the March 4, 2014 County Board of Commissioners Meeting.

## **B) Nebraska Department of Health and Human Services (DHHS) Medicaid Policies**

Gary Chalupa, Veterans Service Officer/General Assistance Director, said Nebraska Department of Health and Human Services (DHHS) caseworkers will no longer participate in discussions with his staff of how far back the County needs to have retroactive benefits approved when someone is approved for Medicaid and Supplemental Security Income (SSI) benefits, citing Health Insurance Portability & Accountability Act (HIPAA) regulations. He said the County's Business Associate Agreement with DHHS should permit them to do so. Chalupa added if DHHS stands firm on their position, it could potentially cost the County \$500,000 a year. It was noted additional information has been provided to the State's HIPAA Officer and there was consensus to wait and see if that will persuade DHHS to change its position.

### **8 ACTION ITEMS**

There were no action items.

### **9 CONSENT ITEMS**

There were no consent items.

### **10 ADMINISTRATIVE OFFICER REPORT**

- A. County Sales Tax
- B. Request from Prairieland Dairy for Local Siting Approval of Solid Waste Compost Facility

Items A and B were moved forward on the agenda.

### **11 PENDING**

There were no pending items.

### **12 DISCUSSION OF BOARD MEMBER MEETINGS**

- A. Metropolitan Planning Organization (MPO) - Hudkins/Smoyer

Hudkins said they discussed the Lincoln Cornhusker Highway Airport Corridor Plan and the South Bypass.

B. Lincoln Independent Business Association (LIBA) Breakfast -  
Raybould

Raybould said they discussed the Lancaster County Agricultural Society and the new management of the Lancaster Event Center; and the Lincoln-Lancaster County Consolidation Task Force recommendations. She said Ann Post, Director of Policy and Research for LIBA, asked whether City Attorney Juvenile Court functions have been moved to the County Attorney, which was one of the Task Force's recommendations. Raybould said she followed up with Joe Kelly, County Attorney, who indicated they have been involved with legislative issues, such as LB 464 (Change court jurisdiction over juveniles and indictment procedures), and will try to work through some of the issues related to the transfer of those functions after the legislative session.

Raybould said she asked those in attendance to support LB 887, the Medicaid expansion bill, and to contact Senator Coash and urge him to reconsider his position on the bill.

C. Lancaster County Correctional Facility Joint Public Agency (JPA)  
Hudkins/Smoyer

Smoyer said they paid claims totaling \$74,229.19 from Wells Fargo for bank fees; The Clark Enersen Partners, architects for the project; and Dickey & Burham, Inc., for work related to the warehouse.

D. Meeting with Marvin Krout, Planning Director; and Sara Hartzell,  
Planner - Hudkins/Smoyer

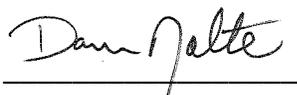
Meeting was cancelled.

**13 EMERGENCY ITEMS AND OTHER BUSINESS**

There were no emergency items or other business.

**14 ADJOURNMENT**

**MOTION:** Smoyer moved and Raybould seconded to adjourn the meeting at 10:14 a.m. Raybould, Amundson, Smoyer and Hudkins voted aye. Schorr was absent from voting. Motion carried 4-0.



Dan Nolte  
Lancaster County Clerk





**KISSEL/E&S**  
ASSOCIATES

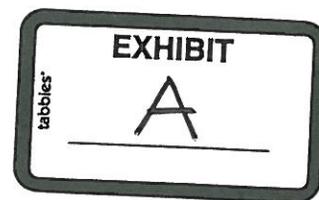
*A Limited Liability Company Associated with Erickson and Sederstrom, P.C.*

Joseph D. Kohout, *Partner*

Suite 400 Cornhusker Plaza / 301 S. 13th Street / Lincoln, NE 68508-2571

Telephone (402) 476-1188 / Facsimile (402) 476-6167

Email jkohout@kisseles.com / Website www.kisseles.com



**MEMORANDUM**

TO: Lancaster County Board of Commissioners

FROM: Gordon Kissel  
Joseph D. Kohout

DATE: February 27, 2014

RE: Weekly Update on the 2014 Legislature

---

Please accept this as the sixth of your weekly reports for the 2014 Legislative Session. Today is day 34. While some committees have completed their hearings, others will do so this week. The Legislature will take a recess day on Monday and begin full-day debates on Tuesday.

From a timeline perspective, all priority bills have been declared and the budget adjustments will wrap up early next week following tomorrow's meeting of the Nebraska Economic Forecasting Board.

**2014 Lancaster County Legislative Priorities:**

1. **Oppose Elimination of the Inheritance Tax:** The hearings on both of these bills were held last Thursday. Commissioner Raybould testified on behalf of Lancaster County. There does not appear to be support within the committee to advance either of these measures.
2. **Support Medicaid Expansion under the Affordable Care Act:** LB887, introduced by Senator Kathy Campbell, was advanced by the Health and Human Services Committee on a 5-1-1 vote with Senator Watermeier voting no and Senator Krist not voting. An amendment was attached to the bill and we have provided the Committee summary.
3. **Monitor the Implementation of 2013 Neb. Laws LB561:** As you will recall, an amendment is being prepared to LB464 that would address some concerns that have resulted from the implementation of LB561. That amendment is still being prepared. LB464 was prioritized by Senator Ashford, guaranteeing that it will come back up this session.
4. **Eliminate the Responsibility of Counties to Pay HHS Rent – LB632:** The bill is in the Government Committee. An attempt was made to advance the measure but there were not sufficient votes to advance the bill. We suggest that the measure remain in committee.

5. **Monitor Adult Corrections Reform.** The hearing on LB907 and LB999 were held two weeks ago. LB907 was declared to be a Judiciary Committee priority bill and LB999 was declared to be Senator Seiler's personal priority bill.

2014 Other Legislation:

**LB215 (Schilz)** Change provisions relating to use of the County Visitors Promotion Fund. *This bill was sent to the Governor.*

POSITION: Support as amended.

**LB925 (Coash)** Provide for transfer of motor vehicle registration duties to county treasurers. *This is Treasurer Stebbings bill that would authorize counties to opt out of the DMV's motor vehicle registration program. The hearing on this bill has not yet been scheduled.*

POSITION: Support. Hearing has been scheduled for February 24, 2014 before the Transportation and Telecommunications Committee. We have attached our hearing notes for your review.

**LB885 (Harr)** Require the use of the income approach to value certain real property for tax purposes. *Introduced by Senator Burke Harr of Omaha, he indicated that this came out of some concerns he heard about practices in Lancaster County. There has been communication from County Assessor Agena and Senator Harr's office. Those in support of this bill include the Realtors, Developers, LIBA and others. This is something that according to supporters is being done to address a difference in how Lancaster County is valuing property versus how the other 92 counties are.*

POSITION: Monitor. The bill will be heard today before the Revenue Committee.

**LB1092 (Dubas)** Authorize issuance of highway construction bonds. *This bill would authorize the issuance of bonds under the Nebraska Highway Bond Act, not to exceed \$400m in principal and \$30m in annual debt service for a period of not more than nineteen years, in order to accelerate completion of the highway construction projects identified and to be identified for funding under the Build Nebraska Act. The bonds will be issued on the recommendation of the Department of Roads/. At least 25% of the proceeds the bonds will be used for construction of the expressway system and federally designated high priority corridors as determined by NDOR. The remaining proceeds will be used to pay for surface transportation projects of the highest priority as determined by NDOR. The bonds will be paid off by June 30, 2033. The bonds will be exempt from state income tax. The proceeds from the sale of the bonds will be deposited in the Highway Cash Fund for use pursuant to the Build Nebraska Act. If these bonds are issued, all motor vehicle fuel taxes, diesel fuel taxes, compressed fuel taxes, and alternative fuel fees related to highway use, motor vehicle registration fees, and other highway-user taxes which are collected by the state in the Highway Trust Fund are irrevocably pledged for the terms of the bonds issued after July 1, 2014, to the payment of the principal, interest, and redemption premium, if any, of these bonds as they mature and become due at maturity or prior redemption and for any reserves for such bonds. An*



*amendment was offered at the hearing to transition the committed funds from the Highway Trust Fund to the Highway Cash Fund.*

POSITION: Support. This bill was advanced by the Revenue Committee and Senator Dubas declared it to be her personal priority bill. The Committee amended the bill before advancing it (with two "no" votes including Chairman Hadley) reduces the amount of bonding allowed, from \$400 million to \$200 million and reduces the time period during which the Highway Commission may issue bonds to two years. The amendment also requires that bonds carry a fixed interest rate which may be no higher than 5%.

**LB734 (Schumacher) Provide for deposit of public funds with credit unions.** *Allows for public funds to be deposited in qualifying state and federally chartered credit unions, as well as banks. The hearing on this measure was held last week. The proponents are trying to move the bill out of committee but have not been successful yet.*

POSITION: Support. The bill remains held in the Banking, Commerce and Insurance Committee and was not prioritized.

**LB994 (Health & Human Services Committee) Change fees as prescribed for vital statistics.** *Increases the amount that can be charged by Vital Statistics by \$5 per copy for a marriage certificate. Dan Nolte forwarded a request to include county fees as well. Larry Dix and I visited with Senator Campbell's office before the hearing and Corrie presented an amendment increasing the fee by \$5*

POSITION: Support as amended noted above. We are working with NACO and Senators Campbell and Mello to try to move the bill with the suggested language above. The bill was declared to be a Speaker Priority bill.

**LB661 (Krist) Provide for voter registration on the Secretary of State's website and use of Department of Motor Vehicle records.** *Modifies the Election Act (Ch. 32) to required that the Secretary of State, along with the Department of Motor Vehicles develop and implement a registration application process which may be used statewide to register to vote and update voter registration records electronically using the Secretary of State's web site, by July 2015. An applicant who has a valid Nebraska motor vehicle operator's license or state identification card may use the application process to register to vote or to update his or her voter registration record with changes in his or her personal information or other information related to his or her eligibility to vote.*

POSITION: Monitor. This bill was debated on General File this week and advanced to Select File after Senator Murante withdrew his motion to indefinitely postpone the bill.

**LB870 (Bolz) Adopt the Public Debt Recovery Program Act.** *This bill would enact the Public Debt Recovery Program, which will be administered by the State Treasurer. The Program will create a set off of any public debt which is assigned to the program against a debtor's income tax refund, state lottery prize, state pay, state contract payment, unclaimed property, any other state payment due to*



a debtor. Public debt is defined within the statute as any liquidated amount due and owing any claimant which has accrued through assignment, contract, subrogation, court judgment, or operation of law, regardless of whether there is an outstanding judgment for such amount. The bill specifically excludes any debts owed to the University of Nebraska or the state colleges, amounts for child support, or delinquent property taxes. Each state agency, court, and political subdivision may assign a public debt of more than fifty dollars to the public debt recovery program, but only after making two attempts to notify the debtor, and the passage of 90 days. The State Treasurer can pay such amounts, and then determine if the debtor is entitled to any income tax refund, state lottery prize, state pay, state contract payment, unclaimed property, or other state payment. If so, the Treasurer will then send written notification to the debtor of an assertion of the rights under the Public Debt Recovery Program Act to all or a portion of the refund or payment. A debtor can contest the amount or validity of the set off, by making a hearing request to the State Treasurer within the prescribed period. After certification of the debt by the Treasurer, they will notify the Department of Administrative Services, which will deduct an amount up to the certified debt amount from the income tax refund, state lottery prize, state pay, state contract payment, unclaimed property, or other state payment due the debtor and transfer such amount to the Public Debt Recovery Program Fund. The State Treasurer will then notify the debtor of the completion of the setoff.

This bill also creates a Public Debt Recovery Program Fund. The bill appropriates to the fund \$500,00 from the State Settlement Fund in fiscal years 2014-15 and 2015-16 and an amount equal to the cost and ongoing maintenance expense to interface with the JUSTICE System from the Supreme Court Automation Fund. The remaining funding for the Public Debt Recovery Program will be through General Funds until the program is self-sustaining through fees. At the end of any fiscal year, if the revenue in the fund from recovery fees exceeds 200% of the administrative cost of the public debt recovery program for that fiscal year, the State Treasurer must distribute an amount to each claimant equal to the portion of such excess amount determined by calculating the claimant's percentage of the total recoveries during the fiscal year and multiplying that percentage by the excess amount.

Lastly, the bill allows the Tax Commissioner to transmit information to State Treasurer for purposes of this act, without fear of criminal sanction.

POSITION: Support in concept. The commissioners submitted a letter in support of the bill with some potential changes to the bill. The bill remains held in the Revenue Committee.

**LB881 (Watermeier) Change provisions relating to death, injury, or property damage to innocent third parties as a result of a police vehicular pursuit.** This legislation would amend NERS 13-911, which is a portion of the Political Subdivisions Tort Claims Act, and NERS 81-8,215.01, which is a portion of the State Tort Claims Act. The bill explicitly disallows a passenger in or on the fleeing vehicle from being considered an innocent third party if the passenger: (a) Enters into the vehicle without coercion knowing, or with a reasonable belief, that the driver of the vehicle is under the influence of alcoholic liquor or drugs; (b) Fails to take reasonable steps to persuade the driver of the fleeing vehicle to stop the vehicle; (c) Promotes, provokes, or persuades the driver to engage in flight from law enforcement personnel; (d) Is subject to arrest or sought to be apprehended by law enforcement personnel; or (e) Is engaged in any illegal activity which would itself give rise to an arrest. Note



*importantly, in case of death, injury, or property damage to any innocent third party proximately caused by the action of a law enforcement officer employed by a political subdivision or the state during vehicular pursuit, damages shall be paid to such third party by the political subdivision state employing the officer, per these statutes.*

POSITION: Monitor

**LB1094 (Davis) Change a fund transfer to the Property Tax Credit Cash Fund.** *This bill would amend 2013, LB199, 2 section 7; to provide that the State Treasurer shall transfer \$138 million from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2014. Presently, the statute requires the Treasurer to transfer \$113 million.*

**LB1086 (Pirsch) Transfer cash reserve funds to the Property Tax Credit Cash Fund.** *This bill would amend NERS 84-612, to instruct the State Treasurer to transfer \$115 million dollars from the Cash Reserve Fund to the Property Tax Credit Cash Fund on or before December 15, 2014, and on or before December 15, 2015, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.*

**LB669 (McCoy) Transfer cash reserve funds to the Property Tax Credit Cash Fund.** *This bill would amend the Cash Reserve Fund (NERS 84-612), by requiring the State Treasurer to transfer \$85 million from the Cash Reserve Fund to the Property Tax Credit Cash Fund by the end of 2014.*

POSITION: Monitor all of these. There is an effort by the Revenue Committee to ask the Appropriations Committee to include some amount of money in the budget as an increase to the Property Tax Credit Cash Fund. The amount remains in flux.

**LB1013 (Murante) Permit counties to regulate peddlers, hawkers, and solicitors by ordinance.** *This bill would amend NERS 23-187, regarding the powers held by county boards, to provide that counties may regulate the operation or conduct of peddlers, hawkers, or solicitors on public or private property for commercial purposes by imposition of fees, issuance of a permit, or both. The ordinance must state that the permit from the county allows the operation or conduct in all areas of the county where the county has jurisdiction and where a city or village has not otherwise regulated such operation or conduct.*

POSITION: Monitor. We are attaching our notes from this hearing.

**LB812 (Hansen) Terminate the inheritance tax.** *This bill would terminate the inheritance tax by amending NERS 77-2001 and NERS 77-2002, to specify that the inheritance tax applies only to persons who die before January 1, 2015.*

POSITION: Oppose. We are attaching our notes from this hearing.



**LB960 (Carlson) Change Inheritance Tax Rates.** *Lowers inheritance tax on amounts received from an uncle, aunt, niece, or nephew related to the deceased by blood or legal adoption, or other lineal descendant of the same, or the spouse or surviving spouse of any of such persons, from 13% to 7% of the clear market value of the property received, in excess of fifteen thousand dollars. Lowers the inheritance tax on all amounts received under other circumstances from 18% to 9% of the clear market value of the beneficial interests, in excess of ten thousand dollars. Would apply to decedents dying after January 1, 2015.*

POSITION: Oppose. We are attaching our notes from this hearing.

**LB1053 (Karpisek) Provide state aid to municipalities, counties, and natural resource districts.** *This bill will amend NERS 77-27,139.03, regarding state aid to municipalities, to provide a new formula for allocating any excess money in the Municipal Equalization Fund. In addition, the bill would permit the Legislature to appropriate funds collected by a general sales tax and income tax for aid to municipalities. The bill would require the Legislature to appropriate aid to counties in an amount equal to a percentage of the total real and personal property valuation of all counties, between .0075 and .0125 percent, with each county receiving at least \$30,000 to begin with. The Legislature may also appropriate funds to the NRDs on the basis of the ratio of the total amount of property taxes levied by the particular natural resources district to the total amount of property taxes levied by all natural resources districts within the state. This bill would amend NERS 71-5314, regarding state aid, to provide that when a municipality, county, or natural resources district fails to make any payment pursuant to a loan within sixty days of the date due, that payment will be deducted from the amount of aid to municipalities, counties, or natural resources districts to which the municipality, county, or natural resources district is entitled. This amount will be paid directly to the fund from which the loan was made.*

POSITION: Monitor.

The following bills have hearings this coming week and they are of potential interest to Lancaster County:

Friday, February 28, 2014

*Revenue Committee*

**LR423CA (Nordquist) Constitutional amendment to provide that residential real property may be classified separately for property taxation.** *This resolution would place the following issue on the ballot for the general election in November 2014. It would amend VIII-1 of the Nebraska Constitution, regarding the Legislature's ability to direct taxation. It would provide that the Legislature may provide that residential real property, as defined by the Legislature, will constitute a separate and distinct class of property for purposes of taxation and may provide for a different method of taxing residential real property which results in values that are not uniform and proportionate with all other real property and franchises but which results in values that are uniform and proportionate upon all property within the class of residential real property.*



KISSEL/E&S  
ASSOCIATES

POSITION: This resolution has been prioritized by Senator Paul Schumacher and is his effort to create some flexibility for the Legislature when it comes to how it treats property for property tax purposes. This is the result of the Tax Modernization Committee hearings around the state last fall.

Please do not hesitate to contact us with any questions you might have.



KISSEL/E&S  
ASSOCIATES

**One Hundred Third Legislature  
Second Session- 2014**

**HEALTH & HUMAN SERVICES COMMITTEE**

**BILL SUMMARY**

**LB 887**

**Hearing Scheduled: Wednesday, January 29, 2014**

**LB 887 (Campbell) A Bill for an Act relating to medical assistance; to adopt the Wellness in Nebraska Act; and to declare an emergency.**

LB 887, the Wellness in Nebraska Act provides, through Medicaid expansion demonstration waivers, health care coverage to uninsured and underinsured newly eligible individuals, age 19 through 64 between 0 and 133% of the Federal Poverty Limit. Coverage will begin January 1, 2015, or as soon after as the waivers are accepted. In order to maximize the federal funds available to the state, within thirty day of enactment of LB 887, the department will apply for Medicaid expansion for the newly eligible adult population within the Medicaid managed care program, through a State Plan Amendment, until the demonstration waivers takes effect.

The WIN Act provides coverage: (1) through the WIN Marketplace with health insurance premiums paid by Medicaid funds (a) to purchase qualified health plans on the health benefit exchange for newly eligible with 100-133% FPL or (b) through payment of the employee portion of employer sponsored insurance (if determined by the state to be cost effective); and (2) through WIN Medicaid Coverage with Medicaid managed care for newly eligible (a) at or below one hundred percent of the federal poverty level or (b) at or below one hundred thirty-three percent federal poverty level for newly eligibles who are medically frail or have exceptional medical conditions.

The Medicaid funding is provided through an enhanced match of federal funds: for 2014-2016 federal funds will cover 100% of costs, for 2017-95%, for 2018-94%, for 2019-93% and for 2020 and after 90% federal funds. The administrative costs are a 50%-50% match; and the IT costs are 90% federal funds with 10% state funds.

Newly eligible individuals may enroll in WIN coverage if they provide all information regarding residence, financial eligibility, citizenship immigration status, eligibility for employer-sponsored health insurance and is determined to be eligible by the department for WIN coverage.

### **WIN Marketplace**

Newly eligible adult members will select a commercial health plan, through the Health Benefits Exchange (also known as the Marketplace). Members will select from a commercial high value silver plan. The Medicaid program will pay the premium, plus any co-pays, co-insurance deductible and wrap-around benefits for the qualified health plan (QHP) to health plan issuer on the individual's behalf. The commercial plan will provide coverage for comprehensive health services as required including Essential Health Benefits that include: ambulatory patient services, emergency services, hospitalization, mental health and substance use disorder services, rehabilitative and habilitative services, laboratory services, preventive and wellness services, and prescription drugs. In addition, wrap around benefits required by Medicaid that are not covered by QHP such as non-emergency transportation, early preventative screening, diagnosis and treatment services for individuals under twenty-one years of age and dental will be provided by the department. Monthly contributions of 2% of income for newly eligible adults participating in the Marketplace Coverage plan will be required after the first year of WIN. The WIN Marketplace will provide incentives for members to engage in health and wellness activities that will provide the opportunity to waive monthly contributions. Initially the preventive services and wellness activities shall include an appointment with a primary care physician and a health risk assessment. There will be no co-payments under WIN, except for a copay for the inappropriate utilization of the emergency room. Marketplace Coverage through a QHP will allow individuals to stay on the same plan on the Exchange as their income increases above 133%, they are no longer eligible for Medicaid and begin to pay for premiums. The delivery innovation includes emphasis on whole-person orientation and incorporating primary care systems as a foundation of care, including patient-centered medical homes. The Wellness in Nebraska Act through the WIN Marketplace will provide additional stability to the Exchange as the 20,000 plus newly eligible population assist in lowering the cost to all Nebraska Marketplace participants. The involvement of the 100-133% newly eligible population in the Marketplace will, also, help reduce the churning between Medicaid and the Marketplace- saving state funds and providing stability in coverage for members who will stay enrolled in the same plan regardless of whether coverage is subsidized through Medicaid or tax credits as member incomes increase.

### **WIN Employer-sponsored Insurance**

New eligibles with access to employer-sponsored insurance (ESI) will participate in the WIN employer sponsor insurance premium program if the department determines such participation to be cost effect to the state. Premium payments for the employee portions of the coverage shall be made by the department for the continued purchase of employer-sponsored insurance. The department shall provide for wrap-around benefits that are not covered by the ESI. This WIN ESI policy will support the continuation of employer-sponsored insurance by maintaining the members on the ESI group plan, if cost effective, thereby supporting employers' provision of insurance, lower cost participation for all employees participating in the group plan, lower cost to the Medicaid program, and providing the newly eligible employee with Medicaid subsidy.

### **WIN Medicaid Managed Care**

New eligibles between 0-100% FPL will be provided coverage through Managed Care. Coverage will include mandatory and optional Medicaid services required by the current Nebraska Medicaid Program and an additional services required under the Affordable Care Act. Members are required to schedule, within the first sixty days of enrollment, an appointment with a primary care provider, and where available, participate in a patient-centered medical home. After the first year of WIN there is a monthly contributions of 2% of income for adults with incomes greater than 50% of the Federal Poverty Level. To encourage wellness and preventative services the contributions are waived after the first year if the member completes preventive services and/or wellness activities that include the initial appointment, a yearly exam, and a risk assessment. The monthly contributions are utilized rather than co-payments, except for inappropriate use of the emergency room when there was no medical emergency. The WIN Medicaid Coverage will assist in health care reform by enhancing delivery systems through innovations and utilizing the managed care system to focus on primary care and patient centered medical homes, emphasize preventive care, and encourage the appropriate utilization of services in the most cost-effective manner. Without WIN Medicaid the 0-100% FPL newly eligible population will be left with no coverage assistance, no premium assistance and no tax subsidies to purchase insurance, leaving thousands of Nebraskans without life-saving care and continuing the expensive uncompensated cost shifting to Nebraska health providers and health care consumers.

#### **WIN Medically frail and exception medical needs**

Newly eligible members with FPL from 0-133% that are medically frail or have exceptional medical conditions shall be covered under Medicaid managed care. Medically frail or exceptional medical condition means a disabling mental disorder, a serious and complex medical condition, and physical or mental disability that significantly impair an individual's ability to perform one or more activities of daily living. Medically frail or exceptional medical condition includes at least two chronic conditions, or one chronic condition and the risk of a second chronic condition, or a serious and persistent mental health condition. The waiver application for WIN shall include a pilot program requiring each managed health organization to provide at least three health homes programs for this population. Health homes shall provide intensive care management and patient navigation services headed by a primary care provider who shall lead a multidisciplinary team which shall collectively take responsibility for the health related needs of the patient to provide integrated cost effective quality services.

#### **Health Delivery Innovations**

The goal of WIN is to engage newly eligible participants in health care and leverage the corresponding financial resources made available through the ACA to assist in the transformation of Nebraska's health care system to quality patient-centered wellness, coordinated appropriate level of care and value-based reimbursement. WIN shall include health care innovations and integrated care models to deliver health care to newly eligible individual through WIN with an emphasis on whole person orientation and incorporating primary care systems. A foundational component of such innovations and integrated care models shall be participation in patient-centered medical homes.

#### **WIN Oversight Committee**

The WIN Oversight Committee shall be chaired by the Health and Human Services Committee Chairperson and include as members: two members for the Health and Human Services Committee; two members of the Appropriations Committee; two members of the Banking, Commerce and Insurance Committee; and two at-large members of the Legislature. All member shall be appointed by the Executive Committee of the Legislature. This Oversight Committee will coordinate with the executive branch and health care stakeholders to: a) apply to CMS for the demonstration waivers, b) plan for health care innovations, including the increase of patient centered medical homes and health homes to care for individuals with complex health needs, c) review emergency room usage to improve appropriate health intervention and treatment systems, d) develop policies for purposes of minimizing the disruption of care for individuals moving between Medicaid, the Exchange and Employer provided insurance to minimize churning, and d) recommend reimbursement methodology to promote value based payments, wellness, prevention, and chronic care management in a cost effective manner. The Oversight Committee may hire a consultant with training and expertise in health care system innovation and Medicaid, preferably including specialized knowledge and experience in the process of applying and negotiating Medicaid waivers. The committee may, also, utilize stakeholders in work groups to assist with the WIN Act.

#### **Wellness Activities**

The wellness plan offers members the predictability and certainty of monthly financial contribution, which can be eliminated through the completion of healthy behaviors. Required contributions will provide individuals with consistent program policies and assist in developing financial management skills that will help as member income increases and they move to Marketplace participation through tax subsidies and premium assistance. Preventive care services and wellness activities shall include, but are not limited to, the engagement of a primary care provider within sixty days of enrollment, an annual physical and completion of an approved health risk assessment to identify unhealthy characteristics, including chronic disease, alcohol use, substance use disorders, tobacco use, obesity and immunization status.

#### **WIN Evaluation and Contingency Plan if Federal Funds are reduced**

The demonstration waiver application will include an evaluation of WIN. If the federal funding under the ACA falls below ninety percent, the Legislature in the first regular legislative session following such reduction in federal funding shall review WIN to determine how to mitigate the impact on state expenditures and review health coverage options available for person receiving coverage under WIN.

## LB 887 Committee Amendment Summary

### Definitions

1) The amendment divides “medical frail and exceptional medical condition” in to two definitions. The definition medically frail follows the requirement under federal regulation (minus the components specific to children). The definition for “exceptional medical conditions” includes chronic health and medical conditions that follow the eligibility requirement under the Affordable Care Act for individuals to participate in “Health Home” Demonstration Waivers.

The identification of “medically frail and exceptional medical condition” newly eligibles, with FPL 0-133%, will result in those participants being served through WIN Medicaid by Managed Care with health care delivery innovations outlined in the bill. Accordingly, “medically frail and exceptional medical conditions” newly eligibles do not participate in WIN Marketplace. This will result in the newly eligibles in WIN Marketplace generally making up a healthier population, potentially resulting in lower costs for all exchange participants.

2) Adds “primary care” definition. The definition reflects the Institute of Medicine definition and the examples are from current Nebraska statute.

3) Under primary care provider changes the “advance care practitioner” to “advance practice registered nurse”, who are the only advanced care practitioner covered under Nebraska credentialing.

### Wellness in Nebraska plan

1) Insures consistency in the use and definition of “medically frail and exceptional medical conditions”.

2) Clarifies the waivers language in the bill.

3) Makes changes in response to feed back from the Department of Insurance during the hearing to:

- Take out risk bearing in the Accountable Care Organization definition in response to DOI testimony.

- Clarify that wrap-around services are not to be part of a QHP but that DHHS will provide for the services required under Medicaid.

- Accordingly, addresses concerns by DOI that wrap around services would be required to be embedded in QHP and become mandated benefits in the exchange, which they will not be. Wrap around services are provided by the department apart from the QHP.

- Clarify that dental services will be a part of the coverage provided as wrap around as requirement of Medicaid, not required in a QHP in the exchange.

- Take out the requirement that the DOI “promote” two or more QHP in the exchange, another concern raised by DOI that it was beyond their scope of responsibility.

- Remove the requirement that all participating carriers in the health benefit exchange shall offer coverage conforming to WIN.

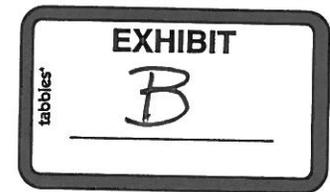
- Clarify that the bill does not intend to allow access to any network, without consideration to the difference between out-of-network and in-network cost containment measures nor is the bill proposing one all-inclusive open network as testified by DOI, but rather that WIN beneficiaries have access to the

same network and comparable coverage in in Marketplace without discrimination in network because an individual is WIN participant.

- 4) Removed the language that the Oversight Committee recommendations for policy for transition may include managed care companies being required to provide QHP in the exchange; some Medicaid Managed Care Companies do not provide any commercial insurance nor have a commercial business component.
- 5) Removes the requirement for PCMH to be certified, or plan to be certified, by January 1, 2016. Instead, gave the Oversight Committee responsibility for reviewing national certification entities' certification requirements, the PCMH agreement experience, and the PCMH Pilot to recommend certification standards for Nebraska PCMH.
- 6) Adds that the Oversight Committee will review making a proposal for a Coordinator of Medicaid Quality Improvement and Cost Analysis who may have responsibilities re health care analytics for quality improvement, cost and outcome metrics, analyzing trends, etc.
- 7) Removes the requirement that as a part of the health risk assessment members receive information on and discuss with their provider advance directives.
- 8) Requires an actuarial study to provide statistical data and analysis for the waiver applications to enact WIN.
- 9) Provides as a contingency that if CMS does not approve the WIN Marketplace waiver, the WIN Marketplace newly eligibles population will participate in the WIN Medicaid waiver.
- 10) Adds the language of LB 578, with the proposed HHS LB 578 Committee Amendment, to the LB 887 Committee Amendment to redirect a portion of the funding previously used to subsidize health insurance coverage for Nebraskans with pre-existing conditions through the Nebraska Comprehensive Health Insurance Pool to a newly-created Health Care Access and Support Fund. This new fund shall be used to financially support the health care coverage costs provided through the Medicaid state plan amendment and waivers for newly eligible adults below the 133% poverty level required under the Wellness in Nebraska Act.

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

2/26/2014 9:15 AM



LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB8	Krist		Provide for coverage of children's day services under medicaid and social services	Health and Human Services	2/20/13		x			
LB11	Krist		Change provisions relating to surcharges for 911 service	Transportation and Telecommunications	2/25/13		x		x	Support
LB28	Hadley		Change a late filing penalty relating to personal property tax	Revenue	1/25/13	General File; Select File 2/8; Final Reading 2/25; Passed on Final Reading 46-0-3; Approved	x		x	Support
LB29	Hadley		Provide a duty for county treasurers relating to recording tax assessments and collections	Revenue	1/25/13	General File; Select File w/ER9; Final Reading 2/25; Passed on Final Reading 45-0-4; Approved	x		x	Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB30	Hadley		Change distribution of motor vehicle certificate of title fees	Transportation and Telecommunications	1/22/13	General File; Select File 1/28; Final Reading 2/5; Passed on Final Reading 49-0-0; Approved 2/15	x			
LB34	Hadley		Change provisions of the Nebraska Advantage Act	Revenue	1/23/13		x			
LB36	Wightman		Change an exemption to the documentary stamp tax	Revenue	1/25/13	General File w/AM42; Select File w/ER10; Final Reading 2/25; Passed on Final Reading w/ Emergency Clause 45-0-4; Approved	x			
LB37	Wightman		Change provisions relating to powers of personal representative with respect to a decedent's Internet sites	Judiciary	1/24/13		x			

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB41	Cook		Provide for permanent early voting request list and return of early voting ballots to polling places	Government, Military and Veterans Affairs	1/23/13		x		x	Neutral
LB43	Cook		Change provisions relating to a property tax exemption	Revenue	3/1/13		x		x	Oppose
LB46	Ashford		Provide for consolidation and coordination of crime laboratories	Judiciary	1/31/13	General File w/AM398	x		x	Oppose
LB55	Wightman		Change provisions relating to reassumption of assessment function by counties	Revenue	2/28/13	General File	x		x	Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB56	Larson		Provide for automatic nomination of certain county officers	Government, Military and Veterans Affairs		General File w/AM226; Select File 1/21; Mello AM1686 Filed; AM1686 Adopted; Final Reading w/ST38; Larson AM1835 Filed; Returned to Select File; Larson AM1835 Adopted; Final Reading Second 2/10; Passed on Final Reading w/E-clause 41-2-6; Approved 2/18	x		x	Neutral
LB62	Schilz		Change levy provisions for rural and suburban fire protection districts	Revenue	3/21/13		x		x	Support
LB63	Schilz		Change distribution of certain sales and use tax revenue	Revenue	3/14/13		x			
LB65	Schilz		Authorize counties to set sheriff's fees and commissions	Government, Military and Veterans Affairs	1/30/13		x		x	Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB76	Nordquist		Adopt the Health Care Transparency Act	Health and Human Services	2/22/13	General File; AM1640 Filed; AM1640 Adopted; Select File 1/27; Final Reading 1/31; Passed on Final Reading w/E-clause 43-0-6; Approved 2/13	x			
LB82	Schumacher	Schumacher	Adopt the Taxpayer Investment Program	Revenue	2/21/13 (Cancelled) 3/5/13		x			
LB86	McGill		Authorize inspection and regulation of staff secure juvenile facilities	Judiciary	3/7/13		x		x	Support
LB97	Mello	Mello	Adopt the Nebraska Municipal Land Bank Act and authorize land banks to acquire tax-delinquent properties	Revenue	2/13/13	General File w/AM572	x		x	Watch
LB98	Mello		Change provisions relating to administrative rules	Government, Military and Veterans Affairs	2/8/13	General File w/AM331	x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB101	Watermeier		Change valuation of agricultural land and horticultural land	Revenue	2/28/13		x		x	Oppose
LB108	Karpisek		Prohibit counties, cities, and villages from imposing credentialing requirements	Government, Military and Veterans Affairs	1/30/13		x			
LB110	McGill		Change the eligibility determination for homestead exemptions	Revenue	3/1/13		x		x	Oppose
LB115	Lautenbaugh		Change provisions relating to homicide	Judiciary	2/7/13		x			
LB119	Cook		State intent relating to appropriations for Public Health Aid	Appropriations	3/25/13		x			
LB123	Lautenbaugh		Change distribution of indigent defense fees	Judiciary	1/25/13		x		x	Oppose
LB127	McGill		Provide for preregistration to vote for 16 and 17 year olds	Government, Military and Veterans Affairs	2/7/13		x		x	Watch
LB128	Coash		Create the offense of disarming a peace officer	Judiciary	1/23/13	General File w/AM238; Select File w/ER122	x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB134	Avery		Provide for inheritance by issue conceived after death	Judiciary	1/30/13		x			
LB139	Krist		Change vital statistics information relating to annulment and dissolution of marriage	Health and Human Services	1/23/13		x		x	Oppose
LB142	Lathrop		Provide that probation records are not subject to disclosure as prescribed	Judiciary	1/23/13		x			
LB144	Brasch		Provide for write-in candidacy by defeated candidate	Government, Military and Veterans Affairs	1/23/13	Davis FA183 Filed; FA183 Withdrawn; Chambers MO120 Bracket until 4/17; MO120 Fails; Selet File 1/29	x		x	Neutral
LB145	Brasch	Brasch(2014)	Change valuation of agricultural land and horticultural land	Revenue	2/28/13		x		x	Oppose
LB148	Ashford		Include ammuniton in certain offenses involving firearms	Judiciary	1/23/13		x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
	Pirsch		Provide for biennial reviews of state agency programs and services	Executive Board	1/28/13	Indefinitely Postponed	x			
LB151	Seiler		Provide a hearsay exception for certain documents and data kept in the regular course of business	Judiciary	1/25/13		x			
LB157	Cook		State intent relating to the appropriation of funds in support of dental services	Appropriations	3/25/13		x			
LB158	Seiler	Transportation and Telecommunications	Change provisions relating to eligibility for and use of ignition interlock devices	Transportation and Telecommunications	2/19/13	General File w/AM470	x			
LB160	Schumacher		Provide for electronic signatures on recall, initiative, and referendum petitions	Government, Military and Veterans Affairs	1/31/13		x		x	Neutral
LB169	Gloor		Change provisions relating to jury commissioners	Judiciary	2/13/13		x		x	Support

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB171	Bloomfield		Provide for an expedited concealed handgun permit process for applicants who are victims of domestic violence	Judiciary	3/21/13		x			
LB182	Avery		Change paternity provisions for a child conceived as a result of sexual assault	Judiciary	2/6/13		x			
LB183	Karpisek		Provide for county board appointment of election commissioners	Government, Military and Veterans Affairs	1/31/13		x		x	Neutral
LB188	Karpisek		Require legislative approval of gubernatorially appointed election commissioners	Government, Military and Veterans Affairs	1/31/13		x		x	Neutral
LB192	Karpisek		Change provisions relating to requests for information by the Auditor of Public Accounts	Government, Military and Veterans Affairs	2/13/13	General File	x			
LB194	Speaker Adams		Provide for deficit appropriations	Appropriations	2/25/13		x			

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB195	Speaker Adams		Appropriate funds for state government expenses	Appropriations	2/25/13		x			
LB196	Speaker Adams		Appropriate funds for salaries of members of the Legislature	Appropriations	2/25/13		x			
LB197	Speaker Adams		Appropriate funds for salaries of constitutional officers	Appropriations	2/25/13		x			
LB198	Speaker Adams		Appropriate funds for capital construction and property acquisition	Appropriations	2/25/13		x			
LB199	Speaker Adams		Provide fund transfers, create funds, and authorize the sale of land	Appropriations	2/25/13		x			
LB200	Speaker Adams		Provide for transfers from the Cash Reserve Fund	Appropriations	2/25/13		x			
LB202	Coash		Change provisions relating to DNA collection	Judiciary	2/8/13		x			
LB206	Schumacher		Require secret-ballot envelopes for mailed ballots	Government, Military and Veterans Affairs	2/7/13		x		x	Oppose

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB207 A	McCoy		Change motor vehicle registration provisions	Transportation and Telecommunications	1/28/13	General File; Select File 2/5; Select File 2/7; Final Reading 2/25; Passed on Final Reading 45-1-3; Approved	x		x	Support
LB209	Harr		Change provisions relating to publication of trade names	Banking, Commerce and Insurance	1/29/13	General File; Select File 2/5; Final Reading 2/25; Passed on Final Reading 46-0-3; Approved	x			
LB215	Schilz		Change provisions relating to use of the County Visitors Promotion Fund	Government, Military and Veterans Affairs	2/13/13	General File w/AM156; AM156 Adopted; Select File 1/27; Final Reading w/ST41; Passed on Final Reading 44-0-5; Approved 2/13	x		x	Oppose
LB218	Avery		Require insurance coverage for certain food formulas as prescribed	Banking, Commerce and Insurance	2/26/13		x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB224	Janssen	Pirsch	Provide veterans preference for public contracts as prescribed	Government, Military and Veterans Affairs	2/1/13		x			
LB226	Smith		Regulate dealers in the business of purchasing and reselling precious items	Judiciary	1/31/13		x		x	Watch
LB229	Nordquist		Change the Nebraska Retirement Fund for Judges fee	Nebraska Retirement Systems	2/12/13	General File	x			
LB232	Lathrop		Change judges' salaries	Judiciary	2/1/13	General File w/AM200	x			
LB235	Howard		Change precinct size requirements and procedures for drawing political subdivision boundaries and changing polling places and provide for election advisory committees	Government, Military and Veterans Affairs	2/14/13		x		x	Oppose
LB237	Karpisek		Change provisions relating to a property tax exemption	Revenue	3/1/13		x		x	Oppose

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB241	Sullivan		Authorize voters to change election of county offices from partisan to nonpartisan	Government, Military and Veterans Affairs	2/7/13		x		x	Neutral
LB246	Larson		Provide for a health care copayment for jail and prison inmates	Judiciary	2/7/13		x		x	Support
LB247	Larson		Change Nebraska Juvenile Code provisions relating to reimbursement by parents for costs of care and treatment	Judiciary	3/15/13		x			
LB255	McGill		Change provisions relating to hearsay, child abuse, and offenses relating to morals	Judiciary	2/20/13		x		x	Support
LB257	McCoy		Change provisions relating to creation of municipal counties	Government, Military and Veterans Affairs	1/30/13		x		x	Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB260	Gloor		Change requirements for a data and information system under the Nebraska Behavioral Health Services Act	Health and Human Services	2/14/13		x			
LB266	Chambers		Eliminate provisions relating to increases in local option sales tax rates	Revenue	2/27/13		x			
LB267	Chambers		Prohibit persons on parole, probation, or work release from acting as undercover agents or employees of law enforcement and prohibit admissibility of certain evidence	Judiciary	2/7/13		x			
LB271	Lautenbaugh	Government, Military and Veterans Affairs	Change provisions relating to early voting	Government, Military and Veterans Affairs	2/14/13	General File	x		x	Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB284	Conrad		Change provisions of the Political Subdivisions Tort Claims Act relating to limits on actions and amounts recoverable	Judiciary	2/13/13		x		x	Oppose
LB286	Conrad		Provide for Cash Reserve Fund transfers for affordable housing, homeless shelter assistance, and legal aid	Appropriations	2/25/13		x			
LB292	Karpisek		Change population restrictions for conducting elections by mail	Government, Military and Veterans Affairs	2/21/13 (Cancelled)		x		x	Support
LB293	Kintner	Kintner	Prohibit disclosure of any applicant or permitholder information regarding firearms registration, possession, sale, or use as prescribed	Judiciary	3/20/13		x			
LB294	Seiler		Change provisions relating to use of public resources by public officials and public employees	Government, Military and Veterans Affairs	2/22/13		x		x	Support

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB297	Bolz		Change mental injuries and mental illness compensation under the Nebraska Workers' Compensation Act	Business and Labor	1/28/13		x			
LB299	Seiler	Seiler	Change political subdivision election provisions	Government, Military and Veterans Affairs	2/21/13 (Cancelled)		x		x	Neutral
LB311	Scheer		Change filing requirements for official bonds and oaths	Government, Military and Veterans Affairs	1/30/13	General File; Select File w/ER16; Final Reading 2/26; Passed on Final Reading 47-0-2; Approved	x		x	Support
LB317	Price		Change a duty of county assessors relating to real property valuation	Revenue	3/21/13		x	Oppose	x	Oppose
LB318	McGill		Change duties of law enforcement officers and agencies relating to the taking and distribution of fingerprints	Judiciary	2/8/13		x			

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB324	Lautenbaugh		Change provisions of the Nebraska Workers' Compensation Act	Business and Labor	3/18/13		x			
LB326	Howard		Change provisions of Pharmacy Practice Act and Automated Medication Systems Act	Health and Human Services	2/1/13	General File w/AM434	x			
LB341	Wightman	Revenue	Change tax sale procedures	Revenue	2/13/13	General File w/AM564	x		x	Support
LB342	Coash		Change right to counsel provisions under the Nebraska Juvenile Code	Judiciary	3/6/13		x		x	Support
LB345	Wightman		Change transfer on death deed requirements and filings	Judiciary	2/1/13	General File w/AM350	x		x	Support
LB348	Harr		Change provisions relating to the assessment of certain rent-restricted housing projects	Revenue	3/1/13	Harr AM1764 Filed	x	Monitor	x	Oppose
LB350	Murante		Add members to the Nebraska Police Standards Advisory Council	Judiciary	2/7/13		x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB351	Harms		Require cognitive tests for persons eighty years of age or older obtaining motor vehicle operator's licenses	Transportation and Telecommunications	2/5/13		x			
LB355	Larson		Change the age of majority and certain age requirements	Judiciary	3/15/13		x			
LB360	Karpisek		Change court fees, sheriff's fees, identification inspection fees, and handgun certificate fees	Judiciary	2/8/13	Withdrawn	x		x	Support
LB363	Avery		Change provisions relating to access to public records	Government, Military and Veterans Affairs	2/6/13	General File w/ AM389(Withdrawn)& AM166; Select File w/ER22	x	Monitor	x	Cond/Support
LB364	Avery		Permit government bodies to set limits on certain contracts	Government, Military and Veterans Affairs	2/22/13		x			
LB370	Lathrop		Create the County Property Tax Assistance Program and the Municipal Property Tax Assistance Program	Revenue	2/27/13		x		x	Cond/Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB377	Johnson		Change provisions relating to annexation of a county road by a city or village	Urban Affairs	2/5/13		x		x	Neutral
LB378	Smith		Eliminate fees for the issuance of certain license plates	Transportation and Telecommunications	3/4/13		x			
LB381	Janssen		Require photographic identification to vote	Government, Military and Veterans Affairs	3/7/13		x		x	Neutral
LB386	Christensen		Require notice of road maintenance by counties as prescribed	Transportation and Telecommunications	2/19/13	General File w/AM275	x		x	Cond/ Support
LB387	Christensen		Eliminate provisions relating to constructing drainage facilities and taking other control measures on public roads	Transportation and Telecommunications	2/19/13		x		x	Oppose

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB390	Christensen	Christnesen(2014)	Change provisions relating to Governor's powers regarding restrictions on firearms and ammunition under the Emergency Management Act	Judiciary			x		x	
LB399	Lautenbaugh		Permit members of certain organizations to use flashing amber lights on motor vehicles	Transportation and Telecommunications	2/12/13	General File; Select File w/ER123; Chambers MO124 Bracket until 4/17 Filed; Lautenbaugh FA186 Filed; FA186 Withdrawn; Chambers FA190 Filed	x			
LB405	McCoy		Eliminate certain sales tax exemptions, corporate and individual income taxes, and the franchise tax and change other tax provisions	Revenue	2/6/13	Indefinitely Postponed	x		x	Watch

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB406	McCoy		Change tax provisions	Revenue	2/7/13	Indefinitely Postponed	x		x	Watch
LB417	Kolowski		Provide for guidelines for election workers	Government, Military and Veterans Affairs	2/21/13 (Cancelled) 3/5/13		x		x	Oppose
LB418	Kolowski		Change powers and duties of election commissioners, chief deputy election commissioners, and county boards	Government, Military and Veterans Affairs	2/27/13		x		x	Watch
LB433	Price		Require a report and change administration procedures for ballots at hospitals and nursing homes	Government, Military and Veterans Affairs	2/27/13		x			
LB434	Price		Provide for emergency management registries for persons with special needs	Government, Military and Veterans Affairs	2/6/13	General File w/AM324; Select File 2/26	x			
LB441	Seiler		Change provisions relating to control of dead human remains	Judiciary			x		x	

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB443	Cook		Adopt the Children's Residential Facilities and Placing Licensure Act	Health and Human Services	2/13/13		x			
LB449	Avery		Redefine high elective office for restrictions on multiple office holding	Government, Military and Veterans Affairs	2/27/13		x			
LB450	Avery		Change political party convention and caucus provisions	Government, Military and Veterans Affairs	2/27/13		x			
LB462	Ashford		Change provisions relating to contracts for joint law enforcement services	Judiciary	3/13/13		x		x	Oppose
LB463	Ashford		Change the number of separate juvenile court judges	Judiciary	3/7/13		x			
LB464	Ashford	Ashford(2014)	Change court jurisdiction over juveniles and indictment procedures	Judiciary	3/6/2013; 2/5/14 Hearing for AM1674	General File w/AM615; AM1674 Filed; Ashford AM1734 Filed	x			

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB470	Scheer		Adopt the Superintendent Pay Transparency Act	Education	2/5/13	General File w/AM444; AM444 Adopted; Select File 1/27; Final Reading 1/31; Passed on Final Reading w/E-clause 43-0-6; Approved 2/13	x			
LB473	Bloomfield		Authorize certain residency restrictions near parks under the Sexual Predator Residency Restriction Act	Judiciary	3/13/13		x		x	
LB482	Kintner		Prohibit the state and political subdivisions from adopting certain policy recommendations	Judiciary	2/13/13		x			
LB483	Bolz		Provide for a reentry planning program in adult correctional facilities	Judiciary	2/22/13		x	Support		

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB485	Conrad	Conrad(2014)	Prohibit discrimination based upon sexual orientation as prescribed	Judiciary	3/14/13		x		x	
LB503	Coash		Rename the Child Protection Act and provide for alternative response to a report of child abuse or neglect	Judiciary	3/15/2013; 2/12/14 (AM1805)	General File w/AM1967	x			
LB531	Conrad		Change distribution of sales and use tax revenue and repeal the Build Nebraska Act	Revenue	2/27/13		x		x	Oppose
LB533	Avery		Require oil and gas pipeline eminent domain condemnors to provide notice to property owners	Judiciary	2/21/13 (Cancelled) 3/5/13		x			
LB535	Lathrop		Adopt Prescription Monitoring Program Act and repeal prescription monitoring provisions	Health and Human Services	3/15/13		x			

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB538	Chambers		Change provisions relating to revocation and suspension of law enforcement training certificates or diplomas	Judiciary	2/22/13		x			
LB541	Chambers		Prohibit arbitration of claims involving disciplinary actions against peace officers	Judiciary	2/22/13		x			
LB543	Chambers	Chambers	Change a penalty from death to life imprisonment or life imprisonment without possibility of parole	Judiciary	3/13/13		x			
LB551	Schilz	Schilz	Change recreational liability provisions	Judiciary	2/13/13	Indefinitely Postponed	x			
LB561	Ashford	Judiciary	State findings and intent for changes to the juvenile justice system and a funding mechanism	Judiciary	3/7/13		x		x	Watch
LB562	Ashford		Change provisions of the juvenile justice system	Judiciary	3/6/13		x		x	Watch

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB565	Nelson		Prohibit registering to vote and voting early on the same day	Government, Military and Veterans Affairs	2/28/13		x		x	Oppose
LB574	Harr		Provide that certain assessments are levied and collected as special assessments	Revenue	2/28/13		x			
LB576	Harr		Require flagging of area near polling places and change restrictions on electioneering	Government, Military and Veterans Affairs	2/28/13		x		x	Oppose
LB577	Campbell	Campbell	Change provisions relating to the medical assistance program	Health and Human Services	2/28/13		x		x	Support
LB578	Nordquist		Create a fund to provide funding for medicaid services and change distribution of premium tax revenue	Health and Human Services	2/28/13		x		x	Support
LB580	Johnson		Change certain condemnation procedures	Judiciary	3/15/13		x			
LB581	Crawford		Change the sales and use tax collection fees	Revenue	3/20/13		x		x	Support

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB595	Price	Price	Provide for a Public Service Commission study of next-generation 911	Transportation and Telecommunications	2/25/13		x		x	Support
LB597	Larson		Change provisions relating to county agricultural societies	Agriculture	2/26/13	General File w/AM346; AM346 Adopted; Select File 1/28; Larson AM1747 Filed; AM1747 Adopted; Passed on Final Reading w/E-clause 43-0-6; Approved 2/13	x			
LB600	Wightman		Change inheritance tax rates	Revenue	2/27/13		x		x	Oppose
LB612	Schumacher	Executive Board	Require the Department of Revenue to present reports to legislative committees	Executive Board	2/19/13	General File w/AM321	x			
LB613	Schumacher	Schumacher	Create the Tax Modernization Commission	Executive Board	2/19/13	General File w/AM467	x	Monitor	x	Watch
LB614	Schumacher		Provide for withholding insurance proceeds for demolition costs	Banking, Commerce and Insurance	2/25/13		x			

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB621	Karpisek		Exempt certain information from disclosure under the Intergovernmental Risk Management Act	Banking, Commerce and Insurance	3/4/13		x			
LB623	Price		Change provisions relating to bridge construction and road improvements	Transportation and Telecommunications	2/19/13	General File w/AM518	x		x	Support
LB632	Bolz		Change funding for county offices relating to public assistance programs	Government, Military and Veterans Affairs	3/6/13		x		x	Support
LB636	Wallman		Provide restrictions for application of certain herbicides	Agriculture	3/5/13		x	Monitor	x	Oppose
LB652	Lautenbaugh		Provide procedures for taking grievances by certain county corrections officers to the Civil Service Commission	Business and Labor	3/4/13		x		x	Oppose
LB653	Davis		Change and provide for distribution of the gallonage tax on beer	General Affairs	3/4/13	Indefinitely Postponed	x		x	Support

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB661	Krist	Government, Military and Veterans Affairs (2014)	Provide for voter registration on the Secretary of State's website and use of Department of Motor Vehicle records	Government, Military and Veterans Affairs	1/23/14	General File w/AM1778; AM1778 Adopted	x	Monitor	x	Support
LB662	Krist		Provide and change requirements for voter identification	Government, Military and Veterans Affairs	1/23/14	Indefinitely Postponed	x		x	Watch
LB663	Krist		Change provisions for elections conducted by mail	Government, Military and Veterans Affairs	1/23/14	Indefinitely Postponed	x			
LB669	McCoy		Transfer cash reserve funds to the Property Tax Credit Cash Fund	Appropriations	2/18/14		x		x	Watch
LB670	McCoy	McCoy(20	Change property tax valuations of agricultural land and horticultural land	Revenue	2/7/14		x		x	Oppose
LB675	Chambers		Eliminate the property tax exemption for religious organizations	Revenue	1/24/14		x		x	Watch

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB678	Mello		Change the funding allocation percentage for the Affordable Housing Trust Fund	Appropriations	1/30/14		x			
LB681	Mello		Change provisions relating to land banks and tax sales for delinquent property taxes	Revenue	1/22/14	General File	x		x	Support
LB684	Christensen		Change provisions relating to the Nebraska Appraisal Management Company Registration Act	Banking, Commerce & Insurance	1/27/14		x			
LB685	Christensen		Change and eliminate provisions relating to the Real Property Appraiser Act	Banking, Commerce & Insurance	1/27/14		x		x	Watch
LB693	Seiler		Change succession of real property for small estates	Judiciary	1/24/14	General File w/AM1782	x			
LB697	Larson		Require publication of a statewide list of tax-delinquent properties	Revenue	1/23/14	General File	x		x	Watch

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB698	Larson		Change provisions relating to mowing and harvesting hay on the right-of-way of highways	Transportation & Telecommunications	2/3/14	General File	x		x	Watch
LB717	Gloor	Speaker (2	Change provisions relating to the Real Property Appraiser Act and professional qualifications	Banking, Commerce & Insurance	1/27/14	General File	x			
LB733	Schumacher		Adopt the Mass Assessment Act for valuation of real property for ad valorem tax purposes	Revenue	1/23/14		x		x	Support
LB734	Schumacher		Provide for deposit of public funds with credit unions	Banking, Commerce & Insurance	2/4/14		x	Support	x	Support
LB737	Dubas		Change qualifications for county veterans service officers	Government, Military and Veterans Affairs	2/13/14		x			
LB744	Avery	Speaker (2	Establish the Nebraska Sesquicentennial Commission	Government, Military and Veterans Affairs	1/24/14	General File w/AM1757	x			

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB746	Avery		Change election provisions to authorize provisional ballots and require identification for certain voters	Government, Military and Veterans Affairs	2/5/14	General File	x		x	Oppose
LB757	Smith		Create a mailbox location exception and repeal an obsolete road numbering system requirement	Transportation & Telecommunications	1/21/14	General File	x		x	Watch
LB759	Mello	Nebraska Retirement Systems (2014)	Require annual reports from various defined benefit retirement plans	Nebraska Retirement Systems	1/22/14		x		x	Watch
LB763	Janssen		Require reports from state agencies on inefficient programs	Executive Board	1/30/14		x			
LB773	Davis		Provide for partisan ballots for unaffiliated voters at primary elections	Government, Military and Veterans Affairs	2/19/14		x		x	Oppose

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB776	Hadley		Transportation and Telecommunications (2014) Adopt and update references to certain federal provisions related to motor vehicles	Transportation & Telecommunications	1/21/14	General File	x			
LB777	Hadley		Change license renewal and issuance provisions under the Motor Vehicle Operator's License Act	Transportation & Telecommunications	1/21/14	General File w/AM1645	x			
LB778	Chambers		Require certain entities to comply with provisions on open meetings, public records, and conflicts of interest	Government, Military and Veterans Affairs	1/30/14		x		x	Watch
LB780	Wightman		Change provisions relating to transfer on death deeds	Judiciary	1/24/14	General File	x		x	Support
LB792	Sullivan		Eliminate a report requirement by the county treasurers to the State Treasurer	Government, Military and Veterans Affairs	1/29/14	General File	x		x	Support
LB810	Watermeier	Speaker (2	Change provisions relating to the enforcement and servicing of real estate loans	Banking, Commerce & Insurance	2/3/14	General File w/AM1865	x			

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB812	Hansen		Terminate the inheritance tax	Revenue	2/20/14		x		x	Oppose
LB813	Hansen		Change valuation of agricultural land and horticultural land for property tax purposes	Revenue	2/7/14		x		x	Oppose
LB814	Avery	Avery (201	Change the distribution of sales tax revenue to provide funding to the Game and Parks Commission	Revenue	1/29/14	General File w/AM1876	x			
LB816	Murante		Authorize use of electronic forms of evidence of insurance for purposes of motor vehicle registration	Transportation & Telecommunications	2/4/14	General File	x			
LB821	Lautenbaugh		Provide a public benefits exemption for burial or cremation of an unclaimed body	Judiciary	2/7/14		x		x	Support

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB825	Lautenbaugh		Require Open Meeting Act compliance by boards and subcommittees subject to the Nebraska Workforce Investment Act	Government, Military and Veterans Affairs	2/6/14	General File	x		x	Watch
LB832	Lautenbaugh		Change provisions relating to reductions in sentence, change good-time provisions, and provide for earned time	Judiciary	2/12/14		x		x	Support
LB841	Hadley		Change sales and use tax provisions relating to all-terrain vehicles, utility-type vehicles, and distribution of revenue	Revenue	1/29/14		x			
LB847	Hadley		Provide for fees for copies of motor vehicle accident reports	Transportation & Telecommunications	2/25/14		x			

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB848	Harr		Provide financial assistance under the Nebraska Affordable Housing Act for the development and acquisition of low-income housing	Appropriations	1/30/14		x			
LB850	Watermeier		Provide a homestead exemption for individuals with developmental disabilities	Revenue	2/6/14	General File	x		x	Support
LB855	Wallman		Change provisions for formation and operation of cemetery associations	General Affairs	1/27/14	General File w/AM1909	x		x	Support
LB868	Karpisek		Prohibit peace officers from using government-issued equipment for private employment	Judiciary	2/20/14		x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB881	Watermeier		Change provisions relating to death, injury, or property damage to innocent third parties as a result of a police vehicular pursuit	Judiciary	2/7/14		x	Monitor	x	Support
LB885	Harr		Require the use of the income approach to value certain real property for tax purposes	Revenue	2/27/14		x	Monitor	x	Oppose
LB887	Campbell	Campbell (2014)	Adopt the Wellness in Nebraska Act	Health & Human Services	1/29/14		x	Support	x	Support
LB890	Dubas		Change provisions relating to procedures for acquiring private property for public use	Judiciary	2/20/14		x		x	Watch
LB894	Harr		Change provisions relating to applying for property tax exemptions	Revenue	1/31/14		x		x	Oppose
LB897	Cook		Provide an income tax credit to employers of public assistance recipients	Revenue	2/12/14		x			

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB905	Speaker Adams		Provide for deficit appropriations	Appropriations	2/3/14		x		x	Watch
LB906	Speaker Adams		Transfer funds and create and eliminate funds	Appropriations	2/3/14		x			
LB907	Ashford	Judiciary (2014)	Provide for supervised release, reentry probation officers, create the Nebraska Center for Justice Research, and change presentence investigations and good time provisions	Judiciary	2/6/14		x	Oppose	x	Oppose
LB910	Dubas		Require notice from state or local law enforcement to lienholders or mortgagees of abandoned motor vehicles	Transportation & Telecommunications	2/4/14		x			
LB911	Dubas		Adopt the Nebraska 911 Act and create the Next-Generation 911 Advisory Council	Transportation & Telecommunications	1/27/14		x		x	Watch
LB912	Kolowski		Adopt the Property Tax Relief Act	Revenue	2/6/14		x		x	Oppose

Kissel/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB913	Kolowski		Provide an income tax credit for property taxes paid	Revenue	2/7/14		x		x	Oppose
LB925	Coash		Provide for transfer of motor vehicle registration duties to county treasurers	Transportation & Telecommunications	2/24/14		x		x	Support
LB937	Karpisek		Change the quorum requirement for county boards	Government, Military and Veterans Affairs	2/6/14	General File	x		x	Support
LB938	Janssen		Provide an income tax credit to individuals who pay a federal health insurance penalty	Revenue	2/19/14		x		x	Watch
LB943	Nordquist	Nordquist (2014)	Change the minimum wage rate	Business & Labor	2/3/14	General File w/AM1922	x		x	Watch
LB945	Davis		Provide procedures for aid to political subdivisions from the Governor's Emergency Program	Government, Military and Veterans Affairs	2/12/14		x		x	Support
LB946	Murante	Murante (2014)	Change provisions relating to elections	Government, Military and Veterans Affairs	2/5/14		x		x	Support
LB955	Dubas		Adopt the Paid Family Medical Leave Act	Business & Labor	2/24/14		x		x	Oppose
LB960	Carlson		Change inheritance tax rates	Revenue	2/20/14		x		x	Oppose

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

2/26/2014 9:15 AM

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB964	Brasch		Provide a homestead exemption for claimants under sixty-five years of age and not married	Judiciary	2/7/14		x			
LB968	Scheer		Provide additional powers for certain sanitary and improvement districts	Urban Affairs	1/28/14		x		x	Watch
LB970	Lautenbaugh		Provide that certain votes of public officials are public record	Executive Board		Indefinitely Postponed	x		x	Watch
LB977	Conrad		Change provisions relating to standard of care for corporate trustees regarding governmental retirement and pension funds	Banking, Commerce & Insurance	2/6/14	General File	x			
LB979	Harr		Change provisions relating to tax sales for delinquent property taxes	Revenue	2/26/14		x		x	Oppose
LB980	Johnson		Change provisions relating to termination of a township board	Government, Military and Veterans Affairs	2/19/14		x		x	Support

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB986	Revenue Committee	Revenue (1)	Change homestead exemption income limitations	Revenue	2/5/14	General File w/AM2041; Hadley AM1750 Filed	x		x	Cond. Support
LB987	Revenue Committee	Revenue (1)	Adjust individual income tax brackets for inflation and exempt social security benefits from income taxation	Revenue	2/5/14	General File	x		x	Watch
LB990	Nordquist		Add a penalty and change a record requirement for 911 service suppliers	Transportation & Telecommunications	2/11/14		x		x	Support
LB994	Health and Human Services Committee	Speaker (2)	Change fees as prescribed for vital statistics	Health & Human Services	2/5/14		x		x	Support
LB995	Hadley		Provide an income tax credit for state and local taxes paid	Revenue	2/5/14		x		x	Watch
LB999	Ashford	Seiler (201)	Adopt the Criminal Justice Reentry and Data Act and create the Reentry Programming Board	Judiciary	2/6/14		x		x	Oppose
LB1003	Kolowski		Provide for natural resources districts to issue general obligation bonds	Natural Resources	2/21/14		x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

2/26/2014 9:15 AM

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB1006	McGill		Change a provision of the Private Prison Contracting Act and prohibit state agencies from entering into contracts that include certain provisions	Judiciary	2/20/14		x			
LB1013	Murante		Permit counties to regulate peddlers, hawkers, and solicitors by ordinance	Government, Military and Veterans Affairs	2/19/2014		x		x	Support
LB1014	Murante	Urban Affairs	Change provisions for election of metropolitan utilities district board of directors	Urban Affairs	2/11/2014	General File	x			
LB1017	Krist		Change and transfer pharmacy, prescription, and drug provisions	Health & Human Services	2/12/2014		x			
LB1021	Seiler		Change provisions relating to the sealing of records of a juvenile	Judiciary	2/13/2014		x			
LB1028	Coash	Judiciary	Change the number of judges of the separate juvenile court as prescribed	Judiciary	2/13/2014	General File	x			

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

2/26/2014 9:15 AM

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB1030	Kintner		Adopt the State Firearms Rights Act	Judiciary	2/28/2014		x			
LB1053	Karpisek		Provide state aid to municipalities, counties, and natural resources districts	Revenue	2/20/2014		x		x	Support
LB1057	Davis		Change the distribution of sales and use tax revenue and provide duties for the Department of Revenue	Revenue	2/28/2014		x		x	Watch
LB1063	Lautenbaugh		Require juvenile court approval to obtain a juvenile court proceeding transcript	Judiciary	2/13/2014		x			
LB1065	Lautenbaugh		Eliminate secret ballot provisions under the Open Meetings Act	Government, Military and Veterans Affairs	2/20/2014		x		x	Watch
LB1066	Lautenbaugh		Require a recorded roll call vote by certain county boards	Government, Military and Veterans Affairs	2/20/2014		x		x	Watch
LB1073	Lathrop		Require employers to e-verify immigration status of new employees	Business & Labor	2/24/2014		x		x	Watch

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

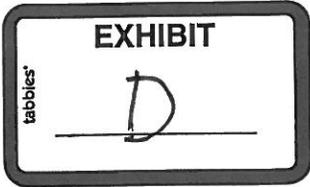
LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB1082	Brasch		Allow all-terrain vehicles and utility-type vehicles to be operated as authorized emergency vehicles	Transportation & Telecommunications	2/10/2014		x			
LB1085	Cook		Require listing of employee salaries and job titles of certain private employers	Business & Labor	2/3/2014		x		x	
LB1086	Pirsch		Transfer cash reserve funds to the Property Tax Credit Cash Fund	Appropriations	2/18/2014		x		x	Watch
LB1087	Pirsch		Create a homestead exemption for disabled veterans, widows, and widowers	Revenue	2/6/2014	General File	x		x	Support
LB1090	Conrad		Adopt the Healthy Families and Workplaces Act	Business & Labor	2/24/2014		x		x	Watch
LB1092	Dubas	Dubas (20	Authorize issuance of highway construction bonds	Revenue	2/12/2014	General File w/AM2067	x			
LB1094	Davis		Change a fund transfer to the Property Tax Credit Cash Fund	Appropriations	2/18/2014		x		x	Watch

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB1096	Ashford		Change provisions for expansion of a business improvement district	Urban Affairs	2/4/2014		x			
LB1096	Ashford		Change provisions for expansion of a business improvement district	Urban Affairs	2/4/2014		x			
LB1096	Ashford		Change provisions for expansion of a business improvement district	Urban Affairs						

Sales Tax Estimates based on State Distribution 7/1/13-12/31/13 activity

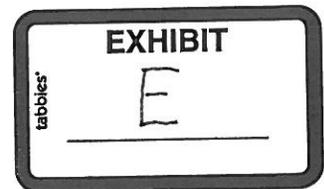
Monthly average based on actual data from 7/1/13 to 12/31/13	6 month total using average	1/2 percent increase (Year)	1 percent increase (Year)	1 1/2 percent increase (Year)
\$290,236	\$1,741,416	\$248,774	\$497,547	\$1,492,642



<u>Municipality</u>	<u>Sales Tax Rate</u>	<u>Collections FY13*</u>	<u>0.25% (1)</u>	<u>0.5% (1)</u>
Lincoln	1.5%	63,134,807.62	10,524,572.43	21,042,831.38
Bennet	1.0%	59,559.61	14,889.90	29,779.81
Davey	-			
Denton	-			
Firth	-			
Hallam	-			
Hickman	-			
Malcolm	1.0%	28,006.95	7,001.74	14,003.48
Panama	-			
Raymond	-			
Roca	-			
Sprague	-			
Waverly	1.0%	375,920.74	93,980.19	187,960.37
			<u>10,640,444.26</u>	<u>21,274,575.03</u>

\*State Treasurer Website

(1) - estimations based off collections



LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED NOVEMBER 30, 2013

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

TABLE OF CONTENTS

---

	Page
Management's Discussion and Analysis	1-3
Independent Auditors' Report	4-5
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7-8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10-11
Statement of Net Position – Proprietary Funds	12
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	13-14
Statement of Cash Flows – Proprietary Funds	15
Notes to the Financial Statements	16-23
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Equity – Budget and Actual – Statutory Basis – All Fund Types (Non-GAAP)	25-28
Other Information:	
Schedule of Expenses	30
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Schedule of Findings and Responses	33

**LANCASTER COUNTY AGRICULTURAL SOCIETY**  
Lincoln, Nebraska

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Lancaster County Agricultural Society's (the Society's) financial performance provides an overview of the Society's financial activities for the fiscal year ended November 30, 2013.

**FINANCIAL HIGHLIGHTS (BUDGETARY BASIS)**

The Society's fund balance decreased \$2,671; the amount expenditures exceeded revenues for the year.

Compared to the prior year the Society's budgetary basis operating costs increased by \$102,499, capital outlay expenditures increased by \$923,896, and debt service expenditures increased by \$25,140.

Property tax revenue amounting to \$1,015,019 for the year decreased \$14,823.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The government-wide financial statements provide a broad view of the Society's operations in a manner similar to the private sector, providing both a short-term and a long-term view of the Society's financial position. The fund financial statements focus on the near-term inflows and outflows of the Society's operation. By showing the change in net position (fund balance) for the year, the reader may ascertain whether the Society's financial condition has improved or deteriorated. The changes which are discussed in the Management's Discussion and Analysis may be financial or non-financial in nature. Non-financial factors which may have an impact on the Society include changes in the Society's property tax base and condition of the Society's infrastructure.

**FINANCIAL ANALYSIS**

The net position of the Society reflect assets over liabilities and were \$9,417,513 and \$8,531,774 as of November 30, 2013 and 2012, respectively.

	Net Position as of November 30,					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 896,418	\$ 905,217	\$ 90,283	\$ 47,968	\$ 986,701	\$ 953,185
Capital Assets	-	-	17,008,689	16,693,864	17,008,689	16,693,864
<b>Total Assets</b>	<b>896,418</b>	<b>905,217</b>	<b>17,098,972</b>	<b>16,741,832</b>	<b>17,995,390</b>	<b>17,647,049</b>
Long-Term Debt Outstanding	7,618,440	8,049,784	-	4,175	7,618,440	8,053,959
Other Liabilities	637,979	639,586	321,458	421,730	959,437	1,061,316
<b>Total Liabilities</b>	<b>8,256,419</b>	<b>8,689,370</b>	<b>321,458</b>	<b>425,905</b>	<b>8,577,877</b>	<b>9,115,275</b>
<b>Net Position</b>						
Net investment in capital assets	-	-	17,004,514	16,665,562	17,004,514	16,665,562
Restricted	(7,055,061)	(7,436,121)	-	-	(7,055,061)	(7,436,121)
Unrestricted	(304,940)	(348,032)	(227,000)	(349,635)	(531,940)	(697,667)
<b>Total Net Position</b>	<b>\$ (7,360,001)</b>	<b>\$ (7,784,153)</b>	<b>\$ 16,777,514</b>	<b>\$ 16,315,927</b>	<b>\$ 9,417,513</b>	<b>\$ 8,531,774</b>

Changes in net position from revenues exceeding expenses for the years ended November 30, 2013 and 2012, are as follows:

	REVENUES AND EXPENDITURES					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,018,770	\$ 1,910,666	\$ 2,018,770	\$ 1,910,666
Grants	930,542	-	-	-	930,542	-
Property taxes	1,009,174	1,022,754	-	-	1,009,174	1,022,754
Other general revenues	308,893	278,664	-	14,958	308,893	293,622
Total revenues	<u>2,248,609</u>	<u>1,301,418</u>	<u>2,018,770</u>	<u>1,925,624</u>	<u>4,267,379</u>	<u>3,227,042</u>
Program Expenses:						
General government	611,140	662,102	-	-	611,140	662,102
Capital Projects	79,346	122,816	-	-	79,346	122,816
JPA	13,322	13,489	-	-	13,322	13,489
Interest	335,319	351,542	-	-	335,319	351,542
Event Center	-	-	2,337,201	2,374,118	2,337,201	2,374,118
Total expenses	<u>1,039,127</u>	<u>1,149,949</u>	<u>2,337,201</u>	<u>2,374,118</u>	<u>3,376,328</u>	<u>3,524,067</u>
Increase (decrease) in net assets before transfers and losses	1,209,482	151,469	(318,431)	(448,494)	891,051	(297,025)
Transfers	(785,330)	244,359	785,330	(244,359)	-	-
Losses	-	-	(5,312)	-	(5,312)	-
Increase (decrease) in net position	424,152	395,828	461,587	(692,853)	885,739	(297,025)
Net Position:						
Beginning	<u>(7,784,153)</u>	<u>(8,179,981)</u>	<u>16,315,927</u>	<u>17,008,780</u>	<u>8,531,774</u>	<u>8,828,799</u>
Ending	<u>\$ (7,360,001)</u>	<u>\$ (7,784,153)</u>	<u>\$ 16,777,514</u>	<u>\$ 16,315,927</u>	<u>\$ 9,417,513</u>	<u>\$ 8,531,774</u>

Total expenditures do not include capital outlay of \$983,289 and \$43,800 for the years ended November 30, 2013 and 2012, respectively. Interest expense on the debt of business-type activities is included within the total expenses of each activity, which amounted to \$5,612 and \$7,102 for the years ended November 30, 2013 and 2012, respectively.

## **BUDGETARY HIGHLIGHTS**

There were no revisions in the Society's budget during the year. Actual revenue (not including Joint Public Agency activity) exceeded budgeted revenue by \$942,984; this was primarily due to a grant from the County of Lancaster, Nebraska.

Actual expenditures (not including Joint Public Agency activity) exceeded budgeted expenditures by \$1,046,870; this was primarily due facility improvements related to the grant received above from the County of Lancaster, Nebraska.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

As of November 30, 2013, the Society had \$17,008,689 invested in a broad range of capital assets, including land, buildings, and equipment. This amount represents a decrease net of depreciation of \$314,825 or 1.9%. This year's major additions were facility improvements of \$935,317, primarily to parking lot improvements and concession kitchen.

As of November 30, 2013, the Society had \$8,183,925 in debt outstanding versus \$8,659,013 last year, a decrease of 5.8%.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Society's officials consider many factors when setting the fiscal year 2012-13 budget and tax rates. Some of those factors are the assessed valuation and the tax levy rate of the Society. Since Statute 77-1601.02 limits the rate the Society can set without voter approval, increases in property tax revenue is mostly dependent on increase in assessed property valuation.

The Society's levy rate approved by the Society Board for 2013-2014 is \$.000974, \$.000524 and \$.00339 per \$100 of assessed property valuation for the general fund, the capital projects fund, and Joint Public Agency, respectively.

## **CONTACTING THE SOCIETY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Society's finances and to show the Society's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Karen Rutt, Treasurer, Lancaster County Agricultural Society, Lincoln, Nebraska, 68507.

**Micek & Crouch, P.C.**  
Certified Public Accountants

130 Cherry Hill Boulevard  
Lincoln, Nebraska 68510  
Phone: (402) 488-4900  
Fax: (402) 488-5525

Kurt L. Micek, C.P.A.  
Janalee Crouch, C.P.A.

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lancaster County Agricultural Society  
Lincoln, Nebraska

We have audited the accompanying financial statements of the government activities, the business-type activities, and each major fund of the Lancaster County Agricultural Society (the Society), as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Society'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 Society'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 opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, and each major fund of the Lancaster County Agricultural Society, as of November 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the principles generally accepted in the United States of America.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual on pages 1 through 3 and 25 through 28, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Information

The schedule of expenses presented on page 30 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2014, on our consideration of the Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Society's internal control over financial reporting and compliance.

*Mick & Crouch, P.C.*

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF NET POSITION  
November 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 7,202	\$ 14,250	\$ 21,452
Cash on deposit - County Treasurer	883,440	-	883,440
Accounts receivable	-	62,911	62,911
Taxes receivable	5,776	-	5,776
Other receivables	-	3,295	3,295
Inventory	-	9,827	9,827
Capital assets:			
Land	-	1,225,884	1,225,884
Other capital assets, net of accumulated depreciation	-	15,782,805	15,782,805
Total assets	<u>896,418</u>	<u>17,098,972</u>	<u>17,995,390</u>
<b>Liabilities</b>			
Accounts payable	62,845	38,316	101,161
Payroll and sales taxes payable	-	7,071	7,071
Accrued wages	-	22,477	22,477
Accrued absences	-	11,069	11,069
Accrued interest	143,506	-	143,506
Rental deposits	-	108,668	108,668
Line of credit	-	129,682	129,682
Bonds, notes and leases - Current	431,628	4,175	435,803
Bonds, notes and leases - Noncurrent	7,618,440	-	7,618,440
Total liabilities	<u>8,256,419</u>	<u>321,458</u>	<u>8,577,877</u>
<b>Net Position</b>			
Net investment in capital assets	-	17,004,514	17,004,514
Restricted for:			
Capital projects	(57,404)	-	(57,404)
Debt service	(6,997,657)	-	(6,997,657)
Unrestricted	(304,940)	(227,000)	(531,940)
Total net position	<u>\$ (7,360,001)</u>	<u>\$ 16,777,514</u>	<u>\$ 9,417,513</u>

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (611,140)	\$ -	\$ (611,140)
851,196	-	851,196
(13,322)	-	(13,322)
<u>(335,319)</u>	<u>-</u>	<u>(335,319)</u>
<u>(108,585)</u>	<u>-</u>	<u>(108,585)</u>
<u>-</u>	<u>(318,431)</u>	<u>(318,431)</u>
<u>-</u>	<u>(318,431)</u>	<u>(318,431)</u>
<u>(108,585)</u>	<u>(318,431)</u>	<u>(427,016)</u>
1,009,174	-	1,009,174
8,772	-	8,772
47,170	-	47,170
44,498	-	44,498
132,888	-	132,888
10,309	-	10,309
53,106	-	53,106
9,980	-	9,980
27	-	27
2,143	-	2,143
-	(5,312)	(5,312)
<u>(785,330)</u>	<u>785,330</u>	<u>-</u>
<u>532,737</u>	<u>780,018</u>	<u>1,312,755</u>
424,152	461,587	885,739
<u>(7,784,153)</u>	<u>16,315,927</u>	<u>8,531,774</u>
<u>\$ (7,360,001)</u>	<u>\$ 16,777,514</u>	<u>\$ 9,417,513</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

BALANCE SHEET - GOVERNMENTAL FUNDS  
November 30, 2013

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 5,169	\$ 2,033	\$ -	\$ 7,202
Cash on deposit - County Treasurer	646	340	882,454	883,440
Taxes receivable	<u>189,334</u>	<u>98,809</u>	<u>669,934</u>	<u>958,077</u>
Total assets	<u>\$ 195,149</u>	<u>\$ 101,182</u>	<u>\$ 1,552,388</u>	<u>\$ 1,848,719</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,867	\$ 59,978	\$ -	\$ 62,845
Accrued interest	-	-	143,506	143,506
Deferred taxes	<u>170,401</u>	<u>88,928</u>	<u>602,941</u>	<u>862,270</u>
Total liabilities	<u>173,268</u>	<u>148,906</u>	<u>746,447</u>	<u>1,068,621</u>
<b>Fund Balances:</b>				
Restricted	-	-	805,941	805,941
Unassigned	<u>21,881</u>	<u>(47,724)</u>	<u>-</u>	<u>(25,843)</u>
Total fund balances	<u>21,881</u>	<u>(47,724)</u>	<u>805,941</u>	<u>780,098</u>
Total liabilities and fund balances	<u>\$ 195,149</u>	<u>\$ 101,182</u>	<u>\$ 1,552,388</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.	(90,031)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	<u>(8,050,068)</u>
Net assets of governmental activities	<u>\$ (7,360,001)</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended November 30, 2013

	General	Capital Projects	Debt Service	Total
<b>Revenues:</b>				
Taxes	\$ 199,005	\$ 104,795	\$ 711,465	\$ 1,015,265
Bedding	8,772	-	-	8,772
Sponsorships	47,170	-	-	47,170
Fair events	44,498	-	-	44,498
Carnival and vendor income	132,888	-	-	132,888
Entry fees	10,309	-	-	10,309
Parking	53,106	-	-	53,106
Rental income	9,980	-	-	9,980
Interest income	27	-	-	27
CVB Grant	-	930,542	-	930,542
Other income	2,143	-	-	2,143
<b>Total revenues</b>	<u>507,898</u>	<u>1,035,337</u>	<u>711,465</u>	<u>2,254,700</u>
<b>Expenditures:</b>				
General Government	611,140	79,346	13,322	703,808
Debt Service	60,545	-	688,667	749,212
<b>Total expenditures</b>	<u>671,685</u>	<u>79,346</u>	<u>701,989</u>	<u>1,453,020</u>
Excess (deficit) of revenue over expenditures before other sources (uses)	(163,787)	955,991	9,476	801,680
<b>Other Financing Sources (Uses):</b>				
Transfer from (to) other funds	168,132	(953,462)	-	(785,330)
Excess (deficit) of revenue over expenditures after other sources	4,345	2,529	9,476	16,350
Fund Balance at Beginning of Year	17,536	(50,253)	796,465	763,748
Fund Balance at End of Year	<u>\$ 21,881</u>	<u>\$ (47,724)</u>	<u>\$ 805,941</u>	<u>\$ 780,098</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
For the Year Ended November 30, 2013

---

	<u>Total</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - Total governmental funds	\$ 16,350
Because some revenues will not be collected in the next year, they are not considered available revenues and are deferred in the government funds. Deferred taxes decreased by this amount during the year.	(6,091)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets.	<u>413,893</u>
Change in net assets of governmental activities	<u>\$ 424,152</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
November 30, 2013

---

	<u>Event Center</u>
Assets:	
Current Assets:	
Cash and cash equivalents	\$ 14,250
Accounts receivable, net of allowance	62,911
Other receivables	3,295
Inventory	<u>9,827</u>
Total current assets	90,283
Noncurrent Assets:	
Capital assets:	
Land	1,225,884
Other capital assets, net of accumulated depreciation	<u>15,782,805</u>
Total assets	<u>17,098,972</u>
Liabilities:	
Current Liabilities:	
Accounts payable	38,316
Payroll and sales taxes payable	7,071
Accrued wages	22,477
Accrued absences	11,069
Rental deposits	108,668
Line of credit	129,682
Notes payable - Current portion	<u>4,175</u>
Total current liabilities	<u>321,458</u>
Net Position	
Net investment in capital assets	17,004,514
Unrestricted	<u>(227,000)</u>
Total net position	<u>\$ 16,777,514</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET  
POSITION - PROPRIETARY FUNDS  
For the Year Ended November 30, 2013

	Event Center
Operating Revenues:	
Rental income	\$ 918,329
Concession income	791,702
Advertising and sponsorships	92,075
Security and labor charges	33,196
Shaving and bedding income	131,066
ATM income	6,608
Vendor income	2,235
Donations	500
Miscellaneous	43,059
Total revenues	<u>2,018,770</u>
Operating Expenses:	
Salaries	680,750
Employee benefits	48,712
Payroll taxes	71,029
Contract labor	5,754
Advertising	8,946
Dues and subscriptions	2,000
Web site development	2,750
Concession expense	288,583
Shaving and bedding expense	69,631
Supplies and office expense	30,630
Postage	1,031
Rental	35,060
Travel	1,061
Meals	712
Telephone and utilities	239,256
Contracted entertainment and show expense	36,915
Repairs and maintenance	87,771
Taxes and licenses	2,632
Insurance	57,967
Depreciation	653,068
Bad debts	6,040
Miscellaneous	1,291
Total expenses	<u>2,331,589</u>
Operating income (loss)	<u>(312,819)</u>
Nonoperating Revenues (Expenses):	
Loss on disposal of capital assets	(5,312)
Interest expense	(5,612)
Total nonoperating revenues (expenses)	<u>(10,924)</u>
Income (loss) before transfers	<u>(323,743)</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET  
POSITION - PROPRIETARY FUNDS (CONTINUED)  
For the Year Ended November 30, 2013

---

	<u>Event Center</u>
Transfers	<u>785,330</u>
Change in net position	461,587
Net Position at Beginning of Year	<u>16,315,927</u>
Net Position at End of Year	<u>\$ 16,777,514</u>

The accompanying notes are an integral part of these financial statements.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended November 30, 2013

	<u>Event Center</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 2,047,095
Cash payments to suppliers for goods and services	(998,413)
Cash payments to employees for services	(805,691)
Net cash provided by operating activities	<u>242,991</u>
Cash Flows from Noncapital Financing Activities:	
Transfers (to) other funds	<u>785,330</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of property and equipment	(973,205)
Principal paid on bonds, notes and leases	(61,195)
Interest paid on notes	(5,612)
Net cash (used) for capital and related financial activities	<u>(1,040,012)</u>
Net decrease in cash and cash equivalents	(11,691)
Cash and Cash Equivalents at Beginning of Year	<u>25,941</u>
Cash and Cash Equivalents at End of Year	<u>\$ 14,250</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (312,819)
Adjustments:	
Depreciation	653,068
(Increase) in accounts receivable	(48,275)
(Increase) in other receivables	(3,295)
(Increase) in inventory	(2,436)
(Decrease) in accounts payable	(112,692)
(Decrease) in payroll and sales taxes payable	(1,960)
(Decrease) in accrued wages	(533)
(Decrease) in accrued absences	(4,667)
Increase in rental deposits	79,725
(Decrease) in deferred revenue	(3,125)
Net cash provided by operating activities	<u>\$ 242,991</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS  
For the Year Ended November 30, 2013

---

Note 1 - Summary of Significant Accounting Policies:

FINANCIAL REPORTING ENTITY

The Society operates under a Council form of government and provides the following services as authorized by its charter: County fair, public improvements, event center, and general administrative services.

In evaluating how to define the Society, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Society is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Joint Public Agency - A five-member board of which three are appointed by the Society and two are appointed by the Lancaster County Commissioners governs the Lancaster County Fairgrounds Joint Public Agency (JPA). Although it is legally separated from the Society, the JPA is reported as if it were part of the primary government because its sole purpose is to finance a portion of the costs of acquisition of and improvements to the Society's fairgrounds.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Society as a whole. The primary government is presented separately within the financial statements with the focus on the primary government. The material effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish government activities, generally supported by taxes and Society general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarized more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Society's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended November 30, 2013

---

Note 1 - Summary of Significant Accounting Policies (Continued):

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements of the Society are prepared in accordance with generally accepted accounting principles (GAAP). The Society's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, unless they conflict with GASB pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statement of Society component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Government fund financial statement report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Society considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported as expenditures in the year due.

Major revenue sources include property taxes. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the cost of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

FUND TYPES AND MAJOR FUNDS

Governmental Funds:

General Fund – Accounts for the day-to-day administration of the Society including the fair.

Note 1 - Summary of Significant Accounting Policies (Continued):

Capital Projects – Accounts for the resources accumulated and payments made for the construction and improvements of the Society's building and grounds.

Debt Service Fund – Accounts for the accumulation of financial resources for the payment of principal and interest on the Society's general obligation debt.

Proprietary Funds:

Event Center – Used to account for operations that are financed and operated in a manner similar to private business, where the intent of the Society is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

BUDGETS AND BUDGETARY ACCOUNTING

The Society follows these procedures in establishing the budgetary data reflected in the financial statements: the Council proposes an operating budget for the fiscal year commencing the following December 1st. The operating budget includes proposed expenditures and the means to finance them. Public hearings are conducted to obtain taxpayer comments. Prior to November 20th, the budget is legally enacted through passage of an ordinance. The Council is authorized to transfer budgeted amounts between funds; however, any revisions that alter the total expenditures of the Society must be approved by public hearing. The budget is prepared on the cash basis, which is the statutory method required by the State of Nebraska's state auditor. This cash basis is not in accordance with accounting principles generally accepted in the United States of America.

Budget comparison is shown using a cash basis for property and equipment and bond proceeds and payments in the proprietary funds.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Cash Equivalents:

Cash and cash equivalents are carried at cost, which approximates market. The Society maintains cash accounts for each fund and is displayed as "cash" on the statement of net assets and balance sheet.

The Society considers highly liquid assets invested with an original maturity of three months or less to be cash equivalents.

Investments – Statutes authorize the Society to invest in certificates of deposit, passbooks and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the Society can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended November 30, 2013

---

Note 1 - Summary of Significant Accounting Policies (Continued):

Capital Assets and Depreciation:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. land, building, equipment, and similar items), are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of \$250 for equipment and having an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation has been recorded using the straight-line method to depreciate the property over their estimated useful lives. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged against income as incurred; significant renewals and betterments are capitalized.

RISK MANAGEMENT

The Society is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Society purchases commercial insurance.

During the year ended November 30, 2013, the Society did not reduce insurance coverages from coverage levels in place as of November 30, 2012. No settlements have exceeded coverage levels in place during 2013 and 2012.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ACCOUNTS RECEIVABLE

Uncollectible accounts receivable are charged directly against earnings in the period deemed nonrecoverable.

SUBSEQUENT EVENTS

The Society has evaluated subsequent events through January 18, 2014, which is the date the financial statements were issued.

Note 2 - Inventory:

Inventory is stated at the lower of cost or market. Cost is determined by the first-in, first-out method. Inventory consists primarily of food and drinks for concessions.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended November 30, 2013

Note 3 - Property Taxes:

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on April 1st and August 1st. The County bills and collects property taxes and remits to the Society monthly.

The tax rate to finance the Society for the year ended November 30, 2013, was .005013 per \$100 of actual valuation of \$20,119,951,547 for 2012.

Note 4 - Capital Assets:

The following is a summary of the changes in capital assets for the year ended November 30, 2013:

	Balance 11/30/12	Additions	Deletions	Balance 11/30/13
Land	\$ 1,225,884	\$ -	\$ -	\$ 1,225,884
Other capital assets:				
Building and improvements	\$ 20,285,370	\$ 935,517	\$ 23,262	\$ 21,197,625
Equipment	1,661,844	47,772	68,668	1,640,948
Total cost	21,947,214	983,289	91,930	22,838,573
Less accumulated depreciation	(6,479,234)	(653,068)	76,534	(7,055,768)
	<u>\$ 15,467,980</u>	<u>\$ 330,221</u>	<u>\$ 168,464</u>	<u>\$ 15,782,805</u>

Note 5 - Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefits:

Accumulated unpaid vacation pay amounted to \$11,069 for the year ended November 30, 2013.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended November 30, 2013

Note 6 - Long-Term Debt

Governmental Activities:

General Obligations Bonds, Notes Payable and Capital Leases as of November 30, 2013, are as follows:

Original Amount	Issued/ Matures	Interest Rate(s)	Balance 11/30/12	Issued	Retired	Balance 11/30/13	Due In One Year
JPA Limited Bonds 9,440,000	10/4/07 12/15/27	3.40% to 4.30%	\$ 8,115,000	\$ -	\$ 375,000	\$ 7,740,000	\$ 390,000
Note Payable - West Gate Bank 375,000	12/16/08 3/15/15	6.50%	320,462	-	29,853	290,609	32,136
Note Payable - Gana Trucking 75,000	4/15/10 5/15/15	5.00%	28,499	-	9,040	19,459	9,492
			<u>\$ 8,463,961</u>	<u>\$ -</u>	<u>\$ 413,893</u>	<u>\$ 8,050,068</u>	<u>\$ 431,628</u>

Annual requirements to pay principal and interest to maturity on outstanding notes and bonds is as follows:

Year Ended November 30,	Principal	Interest	Totals
2014	\$ 431,628	\$ 324,904	\$ 756,532
2015	673,440	297,406	970,846
2016	420,000	276,115	696,115
2017	435,000	260,189	695,189
2018	450,000	243,482	693,482
By 2023	2,535,000	930,076	3,465,076
By 2028	3,105,000	344,108	3,449,108
	<u>\$ 8,050,068</u>	<u>\$ 2,676,280</u>	<u>\$ 10,726,348</u>

General obligation bonds (JPA) are direct obligations and pledge the full faith and credit of the government. Notes payable pledge a security interest in the assets acquired under the note agreement.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended November 30, 2013

Note 6 - Long-Term Debt (Continued):

Joint Public Agency Limited Tax Facility Bonds

On October 4, 2007, the JPA issued \$9,440,000 of Limited Tax Facility bonds, Series 2007. Proceeds of the bonds were used to finance the expansion of the Lancaster County Event Center. Interest on the bonds is payable semi-annually on June 15 and December 15. Principal is due annually on December 15. Final payment is due December 15, 2027. The Society pledges all assets and revenues to the payment of principal and interest on the bonds if the JPA fails to generate sufficient tax revenues to make payments. The Society shall, after providing for the payment of operating expenses of the Facilities, set aside funds generated by the operation of the Facilities and any donations or grants it may receive in a Facilities Operations Reserve Fund. If the reserve fund exceeds 50% of the budgeted operating expenses of the Lancaster Event Center Division of the Society, exclusive of capital expenditures, 50% of such excess shall be applied to principal and interest on the bonds unless such excess is restricted by a donor for any other purpose.

Business-Type Activities:

Proprietary Fund Notes Payable and Capital Leases as of November 30, 2013, are as follows:

Original Amount	Date Issued	Interest Rate(s)	Maturity Date	Balance 11/30/12	Issued	Retired	Balance 11/30/13
Note Payable - West Gate Bank							
149,731	1/17/08	7.00%	1/15/13	\$ 6,022	\$ -	\$ 6,022	\$ -
Note Payable - John Deere Credit							
7,120	1/26/10	4.99%	1/26/13	425	-	425	-
Note Payable - John Deere Credit							
30,560	9/27/10	4.75%	8/27/13	8,021	-	8,021	-
Capital Lease Payable - Hamilton Equipment							
44,800	6/1/09	5.20%	5/1/14	13,834	-	9,659	4,175
				<u>\$ 28,302</u>	<u>\$ -</u>	<u>\$ 24,127</u>	<u>\$ 4,175</u>

Annual requirements to pay principal and interest to maturity on outstanding debt follows:

Year Ended November 30,	Principal	Interest	Totals
2014	<u>\$ 4,175</u>	<u>\$ 54</u>	<u>\$ 4,229</u>

Line of Credit:

The Society entered into a credit line agreement with West Gate Bank that matures on March 24, 2014. The line carries an available credit line of \$175,000 at 4.5% interest, secured by all Event Center assets. The available balance on the credit line as of November 30, 2013, was \$45,318.

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended November 30, 2013

---

Note 6 - Long-Term Debt (Continued):

Capital Lease:

The Society leases other equipment under capital leases. The economic substance of these leases is that the Society is financing the acquisition of the equipment through the leases and accordingly, the equipment is recorded as assets and the leases are recorded as liabilities.

The following is a summary of the leased assets included in capital assets:

Equipment under capital leases	\$	46,682
Less: Accumulated depreciation		<u>(23,341)</u>
	\$	<u><u>23,341</u></u>

Note 7 - Fund Transfers:

The Event Center fund accounts for all capital assets, as such, the General and Capital Projects funds transferred \$983,289 worth of capital assets to the Event Center fund during the year ended November 30, 2013. The Event Center released the General fund from paying for fair, operating and debt service expenses of \$197,959. Net transfers from the Event Center fund to the General fund for the year were \$785,330.

Note 9 - Retirement Plan:

The Society offers a Savings Incentive Match for Employees of Small Employers (SIMPLE) plan for all eligible employees administered by The American Funds. The Society has elected to make a matching contribution on behalf of the employee not to exceed three percent of gross wages. The matching contribution charged to retirement expense for the year ended November 30, 2013, amounted to \$14,283. Employee contributions totaled \$16,425 for the year ended November 30, 2013.

Note 10 - Advertising Agreements:

The Event Center entered into advertising agreements to provide signage in selected areas of the Event Center in exchange for the use of farm and construction equipment. This activity has been recorded as an increase in both advertising revenue and rental expense in the amount of \$19,550.

Note 11 - Governmental Fund Balances:

The Society establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the Society is bound to observe constraints imposed upon the use of its resources reported in governmental funds. The Society has identified November 30, 2012, fund balances on the balance sheet as follows:

- Amounts reported as restricted in the Debt Service fund of \$805,941 is for JPA activity.

The Society considers restricted, unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

REQUIRED SUPPLEMENTARY INFORMATION

Joint Public Agency			(Memorandum Only)		
Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
\$ 711,292	\$ 694,855	\$ 16,437	\$ 1,015,019	\$ 991,755	\$ 23,264
-	-	-	29	100	(71)
-	-	-	8,772	9,000	(228)
-	-	-	47,170	100,000	(52,830)
-	-	-	44,498	41,500	2,998
-	-	-	10,309	15,000	(4,691)
-	-	-	133,213	123,000	10,213
-	-	-	9,980	10,000	(20)
-	-	-	53,106	-	53,106
-	-	-	2,047,095	2,052,100	(5,005)
-	-	-	930,542	-	930,542
-	-	-	2,143	-	2,143
<u>711,292</u>	<u>694,855</u>	<u>16,437</u>	<u>4,301,876</u>	<u>3,342,455</u>	<u>959,421</u>
13,322	-	(13,322)	2,451,080	2,397,700	(53,380)
-	-	-	964,108	102,000	(862,108)
-	-	-	67,152	-	(67,152)
<u>694,855</u>	<u>1,241,408</u>	<u>546,553</u>	<u>822,207</u>	<u>1,291,206</u>	<u>468,999</u>
<u>708,177</u>	<u>1,241,408</u>	<u>533,231</u>	<u>4,304,547</u>	<u>3,790,906</u>	<u>(513,641)</u>
3,115	(546,553)	549,668	(2,671)	(448,451)	445,780
<u>879,339</u>	<u>876,047</u>	<u>3,292</u>	<u>907,563</u>	<u>1,042,497</u>	<u>134,934</u>
882,454	\$ <u><u>329,494</u></u>	\$ <u><u>552,960</u></u>	\$ <u><u>904,892</u></u>	\$ <u><u>594,046</u></u>	\$ <u><u>310,846</u></u>

Joint Public Agency

Actual

669,934

-

-

-

-

(143,506)

(602,941)

-

-

\$ 805,941

OTHER INFORMATION

LANCASTER COUNTY AGRICULTURAL SOCIETY  
Lincoln, Nebraska

SCHEDULE OF EXPENSES  
For the Year Ended November 30, 2013

	General Fund	Capital Projects Fund	Debt Service Fund
Premiums and Awards	\$ 45,752	\$ -	\$ -
Fair Helpers and Contract Labor	157,380	-	-
Employee Benefits	8,714	-	-
Shavings and Bedding	11,698	-	-
Advertising and Signs	40,480	-	-
Printing	10,448	-	-
Supplies and Office Expense	9,590	-	-
Watermelon Feed	1,065	-	-
Figure 8, Demolition Derby, and Hot Rod Expense	51,214	-	-
Postage	422	-	-
Telephone and Utilities	22,022	-	-
Rentals	30,513	-	-
Fair Entertainment and Other Show Expenses	103,525	-	-
Professional Fees	29,503	6,230	-
Repairs and Maintenance	19,731	71,116	-
Travel and Conventions	10,349	-	-
Meals	8,954	-	-
Insurance	33,703	-	-
Dues and Subscriptions	503	-	-
Web Site Development	1,100	-	-
Bank Charges	273	30	-
Contributions	5,620	-	-
Mining Expense	4,211	-	-
Miscellaneous	630	-	-
County Treasurer's Commission	3,740	1,970	13,322
Total expenses	<u>\$ 611,140</u>	<u>\$ 79,346</u>	<u>\$ 13,322</u>

**Micek & Crouch, P.C.**  
Certified Public Accountants

130 Cherry Hill Boulevard  
Lincoln, Nebraska 68510  
Phone: (402) 488-4900  
Fax: (402) 488-5525

Kurt L. Micek, C.P.A.  
Janalee Crouch, C.P.A.

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

Board of Directors  
Lancaster County Agricultural Society  
Lincoln, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Lancaster County Agricultural Society (the Society), as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the Society's basic financial statements, and have issued our report thereon dated January 18, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Society'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 Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society'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 Society'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses that we consider to be significant deficiencies listed as finding 2013-01.

**Compliance and Other Matters**

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

### **Society's Response to Findings**

The Society's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses and were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Society'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 society's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mick & Cronk, P.C.*

SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended November 30, 2013

---

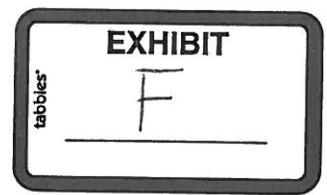
FINDING 2013-1

Condition: During the audit, the following financial statement accounts needed adjustment to agree with reconciled balances:

- Inventory
- Accounts receivable
- Accounts payable
- Loans payable
- Sales tax payable
- Rental deposits
- Retirement expense

Cause: Management does not employ a timely and accurate reconciliation process.

Response: Management will strive to perform timely and accurate accounting reconciliation practices.



## MEMORANDUM

TO: All County Departments  
FROM: Larry Hudkins, Chair  
DATE: March 3, 2014  
RE: 2014-15 Budget Requests

The County Board recently reviewed the status of the 2013-14 County budget, as well as some additional costs which we will be facing during the next few years. Several important issues are worth noting:

1. Payroll costs, which include benefits, increase on an annual basis between \$2.0 million and \$2.5 million.
2. The County Board used 1.3 cents of the Railroad Transportation Safety District's tax rate last year to fund county operations. This was a \$2.7 million number and will need to be a discussion item during the upcoming budget.
3. The condition of our economy will again affect the upcoming budget. Revenues, including interest income, have been on the decline.
4. Inheritance tax is below projections which will have an impact on fund balances. There is also legislation to eliminate or reduce the inheritance tax percentages.

The County Board anticipates budget requests for FY2015 will be far greater than our ability to pay. Last budget year the County started with an estimated shortfall of \$9.4 million. The Board understands asking for 97% budgets is not feasible for FY2015 budget requests, but need your departments to understand the FY2015 budget will be another tough budget year. The Board is asking each department to review their operations and programs to come up with ideas to cut costs. Please bring those ideas with you to your budget hearing to discuss with the Board. The Board understands this could reduce staffing. Due to these budget concerns, the Board is asking that out of state travel for training and conferences not be included in your budget request.

Please review all revenue accounts in depth as well as possible capital outlay items that could be put off a year. After the budget requests have been reviewed and the Board has a better handle on fund balances, anticipated revenues, and budgeted expenditures, adjustments will be made to present a proposed balanced budget.

The Board does not anticipate dollars will be available for expansion of services or personnel. However, if a necessity exists, expansion budgets must be separately stated on the form provided with justification for the need, and will be discussed with the Board prior to approval.

Please follow all of the instructions and properly complete all forms by April 4, 2014.

## **ADDITIONAL ITEMS TO CONSIDER**

### **Grants**

Please complete the form listing the federal grants your department has been awarded for FY2015. Include the awarded amount, the federal agency awarding the grant along with the program title, the business unit used for accounting purposes, the revenue account, any positions funded by the grant, the grant period, and any county match.

### **Computers**

As in the past, the Board will budget for computers funded with property tax dollars in the Information Services budget. Please identify your FY2015 need on the Micro Computer Request Form. Your request for FY2015 must be submitted at the same time as your budget.

### **Cutoff on Expenditures**

The cutoff for FY2014 purchase requisitions will be May 1, and the last date for sending payment vouchers to the Clerk will be June 30. Payroll will be accrued through June 30.

### **Salaries**

As usual, FY2015 salary cost-of-living will be budgeted by the County Board in their budget and should not be included in agency requests unless it will affect cost reimbursement. To insure consistency and comparability, the Board is requesting a salary recommendation schedule for all unclassified employees' salaries that are set by the Board with the exception of chief deputies for elected officials.

**Managing your FY2014 budget from now to June 30 will be helpful. Unexpended amounts will increase year-end balances, thus, reducing next year's tax requirements.**

The County Board realizes the budgeting process requires substantial effort on your part. However, adequate documentation and timely submission of your agency's budget request is essential to us in determining the spending levels of the County in line with the revenues available.

# Shop Hours



	7-1-08 to 6-30-09		7-1-09 to 6-30-10		7-1-10 to 6-30-11		7-1-11 to 6-30-12		7-1-12 to 6-30-13		7-1-13 to 2-26-14	
	Hours	Parts										
63 Mental Health	168.8	\$ 8,508.85	154.3	\$ 5,547.87	176.7	\$ 9,185.86	205.3	\$ 6,123.03	226.8	\$ 6,066.34	87.7	\$ 2,340.83
125 Public Transit	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	17.1	\$ 1,056.66
605 Assessor	55.4	\$ 2,777.46	80.8	\$ 1,776.49	67.5	\$ 5,359.81	115.1	\$ 2,917.66	81.7	\$ 2,672.48	30.6	\$ 564.40
641 Building & Grounds	20.4	\$ 1,307.87	3.8	\$ 305.11	12.3	\$ 1,117.89	5.2	\$ 503.64	36.8	\$ 1,285.20	19	\$ 692.33
645 Extension	24.1	\$ 820.82	30.1	\$ 2,379.44	22.6	\$ 231.46	13.5	\$ 393.07	42	\$ 1,727.80	29.7	\$ 1,358.22
649 Property Management	104.5	\$ 6,529.37	95.1	\$ 3,336.09	116	\$ 4,295.92	90.1	\$ 4,140.43	97.2	\$ 5,473.18	71.4	\$ 2,915.67
651 Sheriff	1280	\$ 20,154.96	1402.6	\$ 36,565.91	1243	\$ 40,747.82	1521.4	\$ 43,646.18	1707.5	\$ 47,094.36	1546.1	\$ 45,142.02
671 Corrections	125.1	\$ 3,651.65	39.5	\$ 2,732.06	47	\$ 4,076.82	33.8	\$ 2,472.54	74.5	\$ 4,286.06	121.1	\$ 1,828.02
676 Community Corrections	120.2	\$ 4,718.35	131.5	\$ 3,657.92	128.7	\$ 5,238.05	107.8	\$ 4,275.31	83.4	\$ 2,458.81	55.2	\$ 2,002.95
678 Attention Center	65.1	\$ 2,466.29	56.1	\$ 1,495.42	60.1	\$ 2,360.18	69.5	\$ 2,115.49	46.9	\$ 1,128.96	14.8	\$ 253.61
693 Civil Defense	112.7	\$ 3,747.44	110.1	\$ 12,771.33	87.6	\$ 5,580.92	122.5	\$ 4,059.70	103.4	\$ 7,354.35	35.4	\$ 2,641.63
733 Weed Control	137.5	\$ 7,881.27	165	\$ 7,777.82	157.6	\$ 9,965.11	143.5	\$ 6,472.63	93.1	\$ 2,905.94	33	\$ 1,046.86
780 Records & Information	22.9	\$ 2,686.60	12.8	\$ 365.56	24.8	\$ 715.98	15.1	\$ 712.93	15.1	\$ 662.02	10.7	\$ 381.80
785 Mental Health CC	3.2	\$ 82.70	11.4	\$ 224.77	3.5	\$ 76.37	6.2	\$ 298.22	11.4	\$ 144.43	14.5	\$ 594.83
<b>Totals</b>	<b>2239.9</b>	<b>\$ 65,333.63</b>	<b>2293.1</b>	<b>\$ 78,935.79</b>	<b>2147.4</b>	<b>\$ 88,952.19</b>	<b>2449</b>	<b>\$ 78,130.83</b>	<b>2619.8</b>	<b>\$ 83,259.93</b>	<b>2086.3</b>	<b>\$ 62,819.83</b>
703 Engineering	2970.7	\$ 322,221	2834	\$ 477,975	4037.6	\$ 423,377	4001.8	\$ 444,820	4732.2	\$ 783,802	3231	\$ 419,110
<b>Totals W/Engineering</b>	<b>5210.6</b>	<b>\$ 387,555</b>	<b>5127.1</b>	<b>\$ 556,911</b>	<b>6185</b>	<b>\$ 512,329</b>	<b>6450.8</b>	<b>\$ 522,951</b>	<b>7352</b>	<b>\$ 867,062</b>	<b>5317.3</b>	<b>\$ 481,930</b>

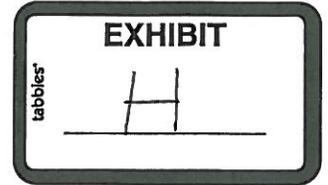
SW 40<sup>th</sup> Viaduct  
Fast Facts  
February 27, 2014



**Contacts:**

City Design Project Manager:  
Design Consultant:

Devin Biesecker, (402) 937-5515  
Kirkham Michael



**Project Schedule:**

Construction Start	3/1/2013
Construction Duration	902 calendar days
Construction Complete	9/6/2015

We are currently slightly behind the contractor's proposed schedule. This is mainly due to the cold winter which caused the earthwork operation to shut down until the frost comes out of the ground. We have approximately one month earthwork left to complete. This slow down will not impact our final completion date for the project.

**Accomplished to Date:**

- Water line installed and active
- Sanitary Sewer line relocated.
- BNSF access road installed.
- Temporary drive to the jail completed.
- Over 26 miles of wick drains installed to facilitate consolidation of the bridge embankment.
- Grading on the south embankment, south of Middle Creek is complete.
- 5 of the 8 bridge piers for the bridge over BNSF are complete or nearing completion.
- All girders for the Middle Creek and BNSF bridges have been fabricated.

**Upcoming work this Spring:**

- Finish grading the embankments for the BNSF bridge
- Complete 3 more piers and abutments for BNSF bridge
- Complete Middle Creek Piers and abutments



Ditch Grading on West side of SW 40<sup>th</sup>



Wick Drain Installation w/ sand blanket in place



Driving Pile on Pier #8



Rebar placement for pier #8 footing and column



Concrete pour for columns on Pier #7



Setting steel for Pier #8 cap

## Ann C. Taylor

---

**From:** Dennis M. Meyer  
**Sent:** Thursday, February 27, 2014 2:47 PM  
**To:** Ann C. Taylor  
**Subject:** FW: Budget Letter

---

**From:** Jane Raybould [<mailto:jane@brstores.com>]  
**Sent:** Wednesday, February 26, 2014 1:51 PM  
**To:** Dennis M. Meyer  
**Cc:** Kerry P. Eagan; 'Brent Smoyer'; 'Deb Schorr'; 'Roma Amundson'  
**Subject:** RE: Budget Letter

Dennis,

The sentence in red should stay.

Here is a suggested replacement for one of the sentences. "The Board is asking each department to review their operations, programs and personnel that may need to be cut and prioritize. Please bring this prioritized list with you to your budget hearing to discuss with the Board." Delete the next sentence that starts with, "The Board understands..." Then the sentence in red.

In the next paragraph change the first sentence to read , "Please review all revenue accounts in depth and indicate any potential revenue shortages or changes. Please prioritize your capital outlay items that may need to be deferred for one year."

I think the language should be a little clearer that we may need to consider some cuts and would prefer the department be notified and prepare their budgets with the prioritized lists of cuts and deferred capital outlay or projects.

Thanks.

Jane

---

**From:** Dennis M. Meyer [<mailto:DMMeyer@lanaster.ne.gov>]  
**Sent:** Wednesday, February 26, 2014 11:44 AM  
**To:** Brent Smoyer; Jane Raybould; 'Deb Schorr'; Roma Amundson  
**Subject:** Budget Letter

I am needing Larry's signature tomorrow on the budget letter so I have attached a copy for your review. One of my questions will be whether the sentence in red should stay or go.

Dennis Meyer  
Lancaster County Budget & Fiscal Officer  
555 South 10th Street, Suite 110  
Lincoln NE 68508  
Phone: (402) 441-6869  
Email: [dmmeyer@lanaster.ne.gov](mailto:dmmeyer@lanaster.ne.gov)