

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
THURSDAY, MARCH 24, 2011
8:30 A.M.**

Commissioners Present: Deb Schorr, Chair
Larry Hudkins
Jane Raybould
Brent Smoyer

Commissioners Absent: Bernie Heier, Vice Chair

Others Present: Kerry Eagan, Chief Administrative Officer
Dennis Meyer, Budget and Fiscal Officer
Brittany Behrens, Deputy County Attorney
Dan Nolte, County Clerk
Cori Beattie, Deputy County Clerk
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 8:30 a.m.

AGENDA ITEM

1 APPROVAL OF THE THURSDAY, MARCH 17, 2011 STAFF MEETING MINUTES

MOTION: Hudkins moved and Raybould seconded approval of the March 17, 2011 Staff Meeting minutes. Hudkins, Raybould, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

2 ADDITIONS TO THE AGENDA

A. Justice Council

MOTION: Hudkins moved and Smoyer seconded approval of the addition to the agenda. Smoyer, Raybould, Hudkins and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

3 LEGISLATIVE UPDATE - Gordon Kissel and Joe Kohout, Kissel/E&S Associates

Gordon Kissel, Kissel/E&S Associates, presented a legislative update and a legislative bills of interest report (Exhibits A and B).

Kerry Eagan, Chief Administrative Officer, noted the Board received an email from Larry Dix, Nebraska Association of County Officials (NACO) Executive Director, requesting support of Legislative Bill (LB) 84 (Adopt the Build Nebraska Act and authorize bonds for the highway system).

Raybould inquired about an amendment that would remove the bonding component.

Joe Kohout, Kissel/E&S Associates, said that is one of the concepts still being discussed.

Raybould asked why some senators find bonding objectionable.

Kohout attributed it to a fundamental principal among the Nebraska populace that government shouldn't go into debt to fund projects. He added that the debt component is one of Governor Heineman's primary objections.

Members of the Board agreed to contact certain members of the Lancaster County Senate Delegation, who appear to be undecided on this issue, to ask them to vote in favor of the legislation.

ADDITIONS TO THE AGENDA

A. Justice Council

Eagan asked whether the Board would like to have a member serve on the Justice Council. He noted that Kim Etherton, Community Corrections Director, has offered to serve as the facilitator.

Raybould and Smoyer both expressed interest in serving.

The Chair noted that Commissioner Heier has served as the Board's liaison for Corrections and may also have an interest in serving. She asked that a decision be delayed until April 7th when all five Commissioners are scheduled to be present.

ACTION ITEMS

- A. Notice of Contract Termination to American Family Life Assurance Company of Columbus (AFLAC) (Voluntary Benefits)**

MOTION: Hudkins moved and Smoyer seconded approval. Hudkins, Raybould, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

ADMINISTRATIVE OFFICER REPORT

A. County Agency Tours

The Board will tour departments on Tuesday, April 5th, following the County Board of Commissioners Meeting and on Thursday, April 7th following attendance at a luncheon hosted by the Nebraska Association of County Officials (NACO) at the Cornhusker Marriott Hotel in recognition of Counties' Legislative Day.

B. Clean Your Files Week (April 17-23, 2011)

There was general consensus to participate in the event.

C. County Government Week

Cori Beattie, Deputy County Clerk, explain the National Association of County Officials (NACo) has designated April, 2011 as National County Government Month. She noted the following suggestions with regard to promotion of county government:

- 1 Speak to a civic club about the county's services
- 2 Visit a school and educate students about county government
- 3 Plan a career day
- 4 Set up tours of county offices and facilities for students
- 5 Allow students to "shadow" a commissioner or the chief administrative officer for a day
- 6 Sponsor a coloring or poster contest for elementary students focusing on a county government theme
- 7 Prepare and distribute "County Fact Sheets" on programs and services the County provides.
- 8 Release a county "Fact of the Day" each day during National County Government Month
- 9 Hold an open house and tours of facilities for the public
- 10 Create a citizens' academy
- 11 Encourage volunteerism
- 12 Moderate a college or high school debate addressing issues affecting local government
- 13 Schedule editorial board meeting with local newspapers

Board consensus was to proceed with Numbers 2, 5, 8, and 9. Since the theme this year is "Serving Our Veterans, Armed Forces and Their Families", the Board will ask

Gary Chalupa, Veterans Service Officer and/or Retired General Ed Binder to accompany members of the Board when they visit area schools. The Board also plans to issue a proclamation and press release in support of National County Government Month and to include a link to the NACo website on the County' website.

D. Mayor's News Conference Regarding Sherman Field Forever Campaign
(March 31, 2011 at 10:00 a.m.)

It was noted Commissioner Smoyer will represent the Board at the news conference and will speak about the County's contribution to the campaign with Visitors Improvement Fund dollars.

E. City-County Common Meeting (April 5, 2011)

The following agenda items were suggested: 1) Fiscal Year 2011/2012 Projected Budget for Information Services (IS); 2) Health Insurance Request for Proposals (RFP); and 3) Consolidation.

F. Jail Tour (April 12, 2011)

There was no objection to the proposed date.

**4 A) COUNTY CHANGE OF ZONE NO. 10026, WIND ENERGY
CONVERSION SYSTEM/TURBINES; AND B) COUNTY CHANGE OF
ZONE NO. 11004, FINAL ACTION BY PLANNING COMMISSION -
Mike DeKalb, Planner**

A) County Change of Zone No. 10026

Mike DeKalb, Planner, gave an overview of County Change of Zone No. 10026, a request from the Planning Director for a text amendment to the Lancaster County Zoning Resolution to allow commercial wind energy conversion systems/turbines by special permit in the Agricultural (AG) District (Exhibit C). He noted the County had been approached by a commercial wind company that was exploring the possibility of erecting a wind farm with about 30 large commercial machines in the southern part of the county. There is a recommendation of approval from Planning staff and the Planning Commission. The Planning Commission has also recommended approval of a similar text amendment to the City zoning ordinance.

Raybould asked whether the potential for environmental impact has been addressed, such as prohibiting location in a bird migratory path.

DeKalb said the Nebraska Game and Parks Commission and Lower Platte South Natural Resources District (NRD) were advised of the proposed text amendment and will be notified if an area of application is in close proximity to a resource. He said the machines can also cause radar interference and said the Planning Department consulted the Lincoln Airport Authority and Nebraska Department of Aeronautics about potential impact.

B) County Change of Zone No. 11004

DeKalb gave an overview of County Change of Zone No. 11004, a request from the Planning Director for a text amendment to the Lancaster County Zoning Resolution to: 1) Delegate final action on special permits to the Planning Commission, with a provision for appeal to the County Board; and 2) Delegate final action on County Board of Zoning Appeals applications to the County Board of Zoning Appeals, with a provision for appeal to the County Board (Exhibit D). He said the intent is to streamline the process for applicants. Planning staff and the Planning Commission have recommended approval.

5 LANCASTER COUNTY ANNUAL AUDIT REPORT - Dennis Meyer, Budget and Fiscal Officer; Jeremy Vokt and Amanda Chantiam, Bland & Associates

Jeremy Vokt and Amanda Chantiam, Bland & Associates, gave an overview of the audit report for the year ending June 30, 2010 (Exhibit E). Chantiam noted it is an unqualified opinion which is the best type of report an auditee may receive from an external auditor.

In response to a request from Hudkins, Vokt agreed to forward the Board additional information on the loss on sale of capital assets (see Page 8).

Hudkins also inquired about the Lancaster Manor Fund (see Pages 56 and 59).

Dennis Meyer, Budget and Fiscal Officer, said the figures shown in the report for the Manor are prior to its sale (the Lancaster Manor Asset Purchase Agreement is referenced on Page 46).

Chantiam said the report indicates two significant deficiencies:

- 1) The County should prepare the financial statements.

Meyer said he would need additional staff to comply with the finding.

- 2) The County did not reconcile transfers between related entities during the year. Additionally, the County did not capitalize a transfer-in of capital outlay incurred by the Public Building Commission (PBC) and required to be transferred at 50% to the County.

Meyer said this finding was also relayed to the PBC and said he believes the solution is to fully utilize the County's financial system for the PBC.

ADDITIONS TO THE AGENDA

MOTION: Hudkins moved and Smoyer seconded to add a salvage retention agreement to the agenda. Hudkins, Raybould, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

Eagan presented an email from Sue Eckley, County Risk Manager, indicating one of the Community Mental Health Center's (CMHC's) vehicles was damaged and deemed a total loss by the insurance company, due to the high number of miles the vehicle was driven (Exhibit F). He said CMHC has received a repair estimate that is less than the insurance settlement.

Raybould questioned whether the County would still be able to obtain liability coverage for the vehicle if it is salvaged.

The item was held for additional information.

- 6 LABOR NEGOTIATIONS AND PENDING LITIGATION** - Mark Koller, Personnel Director; John Cripe, Classification and Compensation Manager; Nicole Gross, Compensation Technician; Tom Fox, Deputy County Attorney

MOTION: Hudkins moved and Smoyer seconded to enter Executive Session at 9:45 a.m. for the purpose of protecting the public interest with regards to discussion of labor negotiations and pending litigation. Hudkins, Raybould, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

MOTION: Smoyer moved and Hudkins seconded to exit Executive Session at 10:24 a.m. Smoyer, Raybould, Hudkins and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

- 7 COUNTY VEHICLE FLEET** - Sue Eckley, County Risk Manager; Tom Champoux, UNICO Group, Inc.

Sue Eckley, County Risk Manager, distributed information regarding insurance costs for county vehicles and mileage reimbursement rates and amounts (Exhibits G, H & I).

Tom Champoux, UNICO Group, Inc., said employees who drive their own vehicles for business use assume additional liability and are advised to have an incidental business use endorsement for their vehicle. He estimated the cost at \$50 to \$100, adding not all insurance companies provide this coverage. Champoux said the County has hired and non-owned auto coverage in place and would also be protected by the tort claims cap if an employee were to cause a multi-million dollar accident but said he is not sure whether the cap would also apply to the employee.

MOTION: Hudkins moved and Smoyer seconded to request a legal opinion on the issue of liability for individuals driving for the County in the course of business. Raybould, Hudkins, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

Champoux recommended that the County also set a minimum insurance limit.

Eckley said insurance coverage will need to be monitored to insure compliance and job descriptions may need to be revised if employees will be required to provide their own transportation. There could also be workers' compensation issues.

There was general consensus to: 1) Check with other counties, such as Douglas and Sarpy, to see how they have addressed this issue; and 2) Schedule discussion of how much business travel could be transferred to personal vehicles on a Management Team Meeting agenda.

ADDITIONS TO THE AGENDA

B. Salvage Retention Agreement

Raybould asked Eckley whether liability insurance covers salvage vehicles.

Eckley said it does.

MOTION: Hudkins moved and Smoyer seconded to authorize the Chair to sign the salvage retention agreement. Hudkins, Smoyer, Raybould and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

8 INFORMATION SERVICES (IS) DISCUSSION - Steven Henderson, Information Services (IS) Manager

Steven Henderson, Information Services (IS) Manager, said he has had a number of conversations over the last few weeks with Dennis Meyer, County Budget and Fiscal Officer; Steve Hubka, City Budget Officer; and the Mayor's Office regarding the budget and whether the payment flow for mainframe services can be restructured to minimize the immediate budget impact of Lincoln Electric System's departure from the mainframe. He said the largest consumer of the mainframe service is the County Treasurer's Office. There are also several City departments that are significant mainframe users. Henderson said it was decided that the rates for the County Treasurer's Office will be restructured over the next two to three years to provide relief. He said the impact for the rest of the City and County customers drops off enough that an undue burden could not be determined at this point in time. Henderson said this does not solve the mainframe problem but gives his department more time to analyze and determine the future of IS's mainframe services. Henderson said the question will be whether the mainframe remains a viable and reasonable tool for the City and County. He said other options for the future include: 1) Broaden customer base; 2) Utilize the State's mainframe environment; and 3) Cloud computing (the provision of computational resources on demand via a computer network). Henderson said he will continue to research options and will bring a recommendation back to the Board.

It was noted that the County's interlocal agreement with the City for a joint data processing division will expire in September and Henderson was asked to gather the information as quickly as possible so the Board can decide whether to renew that agreement.

Schorr said she believes the Board should consider issuing a Request for Proposals (RFP) for IS services.

Henderson also suggested the need to re-examine utilization of the Geographic Information System (GIS), explaining a large part of the increase for GIS is related to preparing for technical advances in that area.

Meyer noted there is a new \$85,000 line item in the budget this year that is related to GIS.

Board consensus was to schedule GIS discussion on the March 31st Staff Meeting agenda.

9 JUVENILE EARLY ASSESSMENT EVALUATION - Joe Kelly, County Attorney; Alicia Henderson, Chief Deputy County Attorney, Juvenile Division; Kit Boesch, Human Services Administrator; Kristi Bauer, Attorney

Alicia Henderson, Chief Deputy County Attorney, Juvenile Division, gave an overview of the Early Assessment Process in the Juvenile Court Division of the County Attorney's Office (Exhibits J & K). She noted the Human Services Department obtained a Crime Commission grant that allowed the County Attorney's Juvenile Court Division to hire Kristi Bauer, a former deputy county attorney, for one year to serve as an Assessment Specialist.

Bauer said she screens juvenile law citations, referrals from law enforcement and the assessments by Sara Kliewer, who works through Cedars Youth Services, and decides whether to refer the juveniles who were cited to diversion or to an attorney for filing. She said turnaround following the assessment is usually one week.

10 A) MILLIMAN ACTUARIAL CONTRACT; AND B) RECORDS MANAGEMENT PAROLE PROJECT - Brittany Behrens, Deputy County Attorney

A) Milliman Actuarial Contract

Brittany Behrens, Deputy County Attorney, said Milliman will not agree to a limited liability clause but has agreed to extend the liability cap to \$100,000.

B) Records Management Parole Project

Behrens said she has drafted a contract with the State for Records and Information Management to microfilm documents for the Judicial Users System to Improve Court Efficiency (JUSTICE), the State Court Administrator's database for District and County Courts (see March 10, 2011 Staff Meeting minutes). She noted that compensation will be on a per image and per roll basis.

Brian Pillard, Records & Information Manager, appeared and requested authorization to increase staff hours to perform the work.

MOTION: Smoyer moved and Hudkins seconded to authorize additional hours for the employee who is currently working 21 hours per week, as needed to perform the additional work. Hudkins, Raybould, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.

11 BUDGET UPDATE - Dennis Meyer, Budget and Fiscal Officer

Dennis Meyer, Budget and Fiscal Officer, said county departments are struggling with how to absorb rent and Information Service (IS) rate increases.

Schorr asked whether any IS projects could be deferred.

Meyer said he has posed that question but did not receive an answer.

Hudkins asked whether the City plans to exempt IS from its directive to city departments to submit budgets at 97% of last year's budget.

Meyer said IS operates as an enterprise fund and the City may decide not to hold it to the budget restriction.

Troy Hawk, Court Administrator, Lancaster County District Court, appeared and discussed his department's budget.

Raybould suggested reductions could be made to the District Court's budget by reducing the fees paid to court appointed attorneys and witnesses and asking jurors to waive their fees.

Hawk said he does not believe State Statutes provide for a waiver of fees and said it is not the Judges place to advocate such a position. He said the rate paid to court appointed attorneys is low for the market and has not been increased since 2005.

NOTE: The rate is \$65 per hour for County Court and \$75 per hour for District Court.

Raybould asked whether video conferencing could be utilized for expert witnesses as a cost savings measure.

Hawk said evidence may not be presented via video conferencing.

Raybould suggested that lodging of jurors might be another area of the budget that could be reduced.

Hawk explained that criminal defendants in District Court have the right to request that the jury be sequestered.

Hudkins suggested that District Court try to negotiate a reduced room rate for juries.

Hawk said he will work with the Purchasing Department in that regard.

Raybould suggested additional areas to explore for budget reductions include security staffing for the government complex and health insurance contributions. She also stated she would be willing to assist departments in making reductions to their budgets.

12 ACTION ITEMS

- A. Notice of Contract Termination to American Family Life Assurance Company of Columbus (AFLAC) (Voluntary Benefits)

Item was moved forward on the agenda.

13 CONSENT ITEMS

There were no consent items.

14 ADMINISTRATIVE OFFICER REPORT

- A. County Agency Tours
- B. Clean Your Files Week (April 17-23, 2011)
- C. County Government Week
- D. Mayor's News Conference Regarding Sherman Field Forever Campaign (March 31, 2011 at 10:00 a.m.)
- E. City-County Common Meeting (April 5, 2011)
- F. Jail Tour (April 12, 2011)

Items A-F were moved forward on the agenda.

15 PENDING

There were no pending items.

16 DISCUSSION OF BOARD MEMBER MEETINGS

The Chair asked that the list of meetings be limited to Board committee assignments. Board members may report on other meetings they have attended by asking that the item be scheduled on the agenda.

- A. Meeting with the Mayor - Smoyer

Smoyer said they discussed ways to fund widening of Havelock Avenue by the Lancaster Event Center and County involvement with the Haymarket Arena Project.

B. Board of Equalization Meeting - Raybould, Smoyer

Raybould and Smoyer reported that they met with Tom Kubert, Great Plains Appraisal Company, Inc. (Referee Coordinator), and discussed options for Board of Equalization hearings.

C. District Energy Corporation (DEC) - Hudkins, Heier

Hudkins said the DEC voted to support a petition for reclassification of 145 wells that were drilled for its geothermal energy facilities project at the new Lancaster County Adult Detention Facility (LCADF) on Southwest 40th Street. **NOTE:** The Nebraska Department of Health and Human Services (HHS) rejected the wells because the boreholes did not meet state specifications.

D. Community Mental Health Center (CMHC) Advisory Committee - Raybould

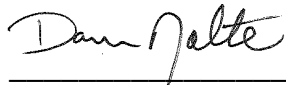
Raybould said discussion focused on the budget. She also reported that the CMHC is in negotiations for a contract with the Lincoln Regional Center for monitoring sex offenders in the community.

17 EMERGENCY ITEMS AND OTHER BUSINESS

There were no emergency items or other business.

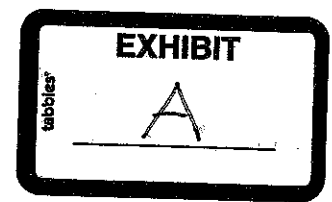
18 ADJOURNMENT

MOTION: Smoyer moved and Hudkins seconded to adjourn the meeting at 12:40 p.m. Hudkins, Raybould, Smoyer and Schorr voted aye. Heier was absent from voting. Motion carried 4-0.



Dan Nolte
Lancaster County Clerk





Lancaster County Board of Commissioners

Legislative Update

March 24, 2011

Today is the fifty-first day of the ninety-day session.

Today the Legislature will be discussing Senator Deb Fischer's priority bill LB 84. This is the bill that would create the Build Nebraska Act. This act would result in a greater investment in surface transportation infrastructure. This will be financed with bonded debt. The bill would also dedicate a portion of the state sales tax to financing in 2013. The bill would provide (among other things) approximately an additional \$10 million for road construction to the states counties. Although the money would not be available until 2013 and it is earmarked for road construction it would offset the \$9 million lost to counties when the state cut state aid. The adopt the Build Nebraska Act proposes to utilize a half-cent of the state's existing 5.5 cent sales tax for a newly created State Highway Capital Improvement Fund, generating roughly \$125 million a year for the next 20 years to construct high-priority capital improvements and reconstruction projects throughout the state. The bill would also permit, but not require the Department of Roads to bond for high-priority projects if approved by the voters. As amended, the bill would require that at least \$15 million of the revenue be used for construction of the expressway system and for federally designated high-priority corridors.

We anticipate the debate to be contagious and very long. There will be those senators that have other interests than road construction that will oppose the plan. Proponents of the measure have asked two questions of the senators: "Will you vote to advance the bill?", and "Will you support a closure motion?" Long debate is headed our way today and tomorrow.

LB 106 (Schilz) is a bill that would authorize a county sales tax for capital improvements for public safety services and transportation infrastructure. The bill was amended by the Revenue Committee to allow the use of the county local option sales tax for crime prevention, offender detention and police services. Senator Loudon has prioritized the bill. The bill has yet to be on the agenda. We have discussed with NACO and indicated our support.

Legislative Bill of Interest Report
 Kissel/ES Associates
 Client: Lancaster County



LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB14	Wightman		Change and eliminate fees received by registers of deeds and clerks	Government, Military and Veterans Affairs	1.19.11		X		X	Support
LB33	Louden		Change valuation of agricultural and horticultural land	Revenue	1.21.11		X		X	Oppose
LB48	Janssen		Adopt the Illegal Immigration Enforcement Act	Judiciary	3.2.11		X		X	Monitor
LB49	Krist		Provide certain requirements relating to filing of nonconsensual liens	Banking, Commerce and Insurance	1.31.11		X		X	

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB62	Heidemann		Change budget revision and salary approval provisions for counties	Government, Military and Veterans Affairs	1.20.11	General File with AM245; AM245 adopted; Select File with ER26; ER26 adopted; Lathrop AM496 filed & adopted; Final Reading with ST6; Dubas AM611 filed; Motion to rtn to Select File for specific amendment pending; Sullivan FA7 filed; Motion to rtn to Select File failed; Dubas AM611 withdrawn; Sullivan FA7 withdrawn; Final Reading 40-5-4 Governor Approved	X	Monitor	X	Support
LB66	Cornett		Change provisions relating to DNA collection	Judiciary	1.19.11	General File with AM241; Cornett AM386 filed	X	Support	X	
LB69	Louden		Change provisions relating to use of comparable sales for tax valuation	Revenue	1.21.11		X		X	Oppose

Kissel/ES Associates
Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB78	Pahls		Define a term in the Public Funds Deposit Security Act	Banking, Commerce and Insurance	1.24.11	General File; AM194 filed; AM194 adopted; Select File with ER22; ER22 adopted; Final Reading with Emergency Clause 45-0-4 3.4.11 Governor Approved 3.10.11	X		X	
LB84	Fischer	Fischer	Adopt the Build Nebraska Act and authorize bonds for the highway system	Revenue	2.10.11	General File with AM385; Fischer AM827 filed; Flood FA8 filed; Fischer AM916 filed	X		X	Support
LB87	Christensen		Change provisions relating to mowing weeds in ditches	Transportation and Telecommunications	3.8.11		X		X	Oppose
LB106	Schilz	Louden	Authorize a county sales tax for capital improvements for public safety services and transportation infrastructure	Revenue	1.27.11	General File with AM731	X	Support	X	Support

Kissel/ES Associates
Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB111	Gloor		Change membership on mental health boards	Health and Human Services	1.19.11	General File with AM98; AM98 adopted; Select File; Final Reading 49-0-0 2.16.11 Governor Approved 2.22.11	X		X	
LB115	Council		Change limitation of action provisions under the Political Subdivisions Tort Claims Act	Judiciary	2.3.11		X	Oppose	X	Oppose
LB117	Avery		Change publication requirements for constitutional amendments and initiative and referendum measures	Government, Military and Veterans Affairs	1.21.11		X		X	
LB128	Avery		Change DNA collection provisions	Judiciary	1.19.11	IPP'd 2.11.11	X	Support	X	
LB129	Avery		Eliminate the statute of limitation for certain felonies	Judiciary	1.27.11		X		X	

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB133	Ashford		Require inclusion of sentencing costs in presentence reports	Judiciary	2.2.11		X		X	
LB135	Smith		Change the date for remitting certain funds under the Motor Vehicle Certificate of Title Act	Transportation and Telecommunications	1.18.11	General File; Langemeier AM56 filed; Select File; Smith AM61 filed; Langemeier AM56 withdrawn; AM61 adopted; Final Reading	X		X	Support
LB137	Lautenbaugh	Speaker	Change provisions relating to postconviction relief	Judiciary	2.2.11	General File with AM735	X		X	
LB139	Lautenbaugh		Change surplus property sale provisions of the County Purchasing Act	Government, Military and Veterans Affairs	1.26.11	General File with AM292	X	Support	X	Support

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB157	Coash		Change guardianship and conservatorship provisions	Judiciary	1.20.11	General File; Coash AM106 filed; Flood AM107 filed & adopted; Flood AM112 filed; AM106 & AM112 adopted; Coash AM140 filed & adopted; Select File; Coash AM215 filed; Flood AM110 & AM111 withdrawn; Coash AM215 adopted; Final Reading 49-0-0 2.16.11 Governor Approved 2.22.11	X		X	
LB159	Urban Affairs Committee		Authorize bond powers for cities, villages, and counties for nonprofit enterprises	Urban Affairs	1.18.11	General File with AM244; AM244 adopted; Select File with ER36; Schumacher AM470 filed; ER36 adopted; AM470 adopted; Final Reading w/Emergency Clause 48-0-1 3.10.11 Governor Approved 3.16.11	X		X	Monitor

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Date	Status	LC	LC Position	NACO	NACO Position
LB160	Campbell		Eliminate a duty of the county assessor relating to information on trusts that own agricultural land	Agriculture	2.1.11	General File; Select File; Final Reading 47-0-2 3.4.11 Governor Approved 3.10.11	X		X	Support
LB161	Karpisek		Change provisions relating to recounting votes	Government, Military and Veterans Affairs	1.21.11	General File with AM264; Karpisek AM383 filed; Lautenbaugh MO13 Bracket until June 8, 2011 filed & prevailed	X		X	Support
LB162	Campbell		Change provisions relating to abstracts of property assessment rolls	Revenue	2.17.11		X		X	Support
LB164	Louden		Provide notification requirements before moving buildings or other large objects on a county or township road	Transportation and Telecommunications	1.31.11	General File with AM286; AM286 adopted; Select File; Final Reading 47-0-2 3.10.11 Governor Approved 3.16.11	X		X	Support
LB182	Hansen		Change provisions relating to the issuance of one license plate	Transportation and Telecommunications	3.7.11		X		X	Neutral

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB183	Wightman		Change abandoned motorboat and trailer provisions	Transportation and Telecommunications	1.31.11		X		X	Monitor
LB185	Fulton		Provide for one vehicle license plate	Transportation and Telecommunications	3.7.11		X		X	Neutral
LB186	Sullivan		Require nonpartisan ballots for county officers	Government, Military and Veterans Affairs	2.16.11		X		X	Oppose
LB189	Council		Adopt the Criminal Offender Employment Act	Business and Labor	1.24.11		X		X	Monitor
LB191	Council		Change provisions relating to sentence reductions	Judiciary	2.2.11	General File; Select File with ER37; ER37 adopted; Final Reading w/Emergency Clause 45-0-4 3.10.11 Governor Approved 3.16.11	X		X	
LB202	Council		Authorize petitions for recall and resentencing for certain minors sentenced to life imprisonment	Judiciary	1.27.11	General File with AM399	X		X	

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB203	Council		Change sentencing requirements with respect to certain minors	Judiciary	1.27.11		X		X	
LB206	Wightman		Provide for disposition of abandoned camper units and cabin trailers	Transportation and Telecommunications	1.31.11		X		X	Monitor
LB210	Cornett		Change revenue and taxation provisions	Revenue	1.19.11	General File; Select File; Final Reading 48-0-1 3.10.11 Governor Approved 3.16.11	X		X	Monitor
LB214	Pankonin		Require nonpartisan election of county and city officials	Government, Military and Veterans Affairs	2.16.11		X	Monitor	X	Oppose
LB226	Gloor	Speaker	Create the offense of assault with a bodily fluid against a public safety officer	Judiciary	2.4.11		X	Support	X	
LB233	Krist		Decrease the number of members of the Legislature to forty-five	Redistricting	2.16.11		X		X	

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB234	Fischer		Change provisions relating to county office and service facilities of the Department of Health and Human Services	Government, Military and Veterans Affairs	2.3.11		X	Support	X	Support
LB239	Janssen		Require presentation of government-issued photographic identification to vote in elections	Government, Military and Veterans Affairs	2.24.11	General File with AM727	X		X	Oppose
LB242	Hadley		Change provisions relating to assault, assault on an officer, and offenses by a confined person	Judiciary	2.4.11		X		X	
LB251	Council	Judiciary	Change court fees	Judiciary	1.26.11		X		X	Support
LB254	Campbell		Provide and change requirements for instruments recorded by the register of deeds	Government, Military and Veterans Affairs	2.3.11	General File with AM240	X		X	Support

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB266	Sullivan		Change the Open Meetings Act relating to closed sessions	Government, Military and Veterans Affairs	1.26.11		X		X	Monitor
LB270	Executive Board		Eliminate duties and positions in the Public Counsel's office	Executive Board	3.3.11		X	Support	X	Support
LB277	Coash		Change the Nebraska Visitors Development Act to provide for the advice of a visitors committee to a county board	Government, Military and Veterans Affairs	3.9.11	General File	X	Support	X	Support
LB278	Coash		Authorize payment to county officers and employees by electronic funds transfer	Government, Military and Veterans Affairs	2.3.11	General File; Select File with ER34; ER34 adopted; Final Reading 48-0-1 3.10.11 Governor Approved 3.16.11	X	Support	X	Support
LB289	Mello	Speaker	Authorize the operation on public highways of low-speed vehicles as prescribed	Transportation and Telecommunications	2.15.11	General File with AM416	X		X	Neutral

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB301	Ashford		Change provisions for sealing records under the Nebraska Juvenile Code	Judiciary	2.24.11		X		X	
LB304	McGill		Provide for treatment of sexually transmitted diseases as prescribed	Health and Human Services	2.24.11	General File	X		X	
LB318	Cornett		Redefine qualified claimant for homestead exemption purposes	Revenue	2.9.11		X	Monitor	X	Oppose
LB319	Cornett		Change reimbursement for homestead exemptions	Revenue	2.9.11		X	Monitor	X	Oppose
LB320	Cornett		Change homestead exemption income limitations	Revenue	2.9.11		X	Monitor	X	Oppose

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB321	Cornett		Change calculations relating to homestead exemptions	Revenue	2.9.11		X	Monitor	X	Oppose
LB322	Cornett		Provide requirements for prescription drug insurance	Banking, Commerce and Insurance	2.14.11		X	Monitor	X	Monitor
LB327	Campbell		Change motor vehicle fees and distribution of the proceeds	Transportation and Telecommunications	2.1.11		X		X	Support
LB330	Cook		Change requirements for dental hygienists in public health-related settings	Health and Human Services	3.4.11		X		X	
LB337	Fulton	Speaker	Change timeframes for audits by the Auditor of Public Accounts	Government, Military and Veterans Affairs	2.10.11	General File with AM275	X		X	Monitor
LB339	Ashford		Change Nebraska Juvenile Code predisposition evaluation procedures	Judiciary	2.9.11		X	Monitor	X	

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB344	Ashford		Change provisions relating to municipal counties and merger of governmental services	Government, Military and Veterans Affairs	2.25.11		X		X	Monitor
LB363	Cornett		Change provisions relating to the Tax Equalization and Review Commission and property taxes and provide a duty for the Secretary of State	Revenue	2.17.11		X		X	Monitor
LB365	Sullivan		Change access provisions for voter information and voter registration registers	Government, Military and Veterans Affairs	2.24.11		X		X	
LB368	Brasch		Change nomination provisions for partisan offices	Government, Military and Veterans Affairs	2.2.11	General File; Select File; Final Reading 48-0-1 3.10.11 Governor Approved 3.16.11	X	Support	X	Oppose

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB370	Wightman		Eliminate provisions relating to issuance of tax deeds	Revenue	2.11.11	General File	X		X	
LB371	Schumacher		Provide for an unfair insurance trade practice relating to public officials	Banking, Commerce and Insurance	2.15.11		X		X	Monitor
LB373	Speaker Flood		Make deficiency appropriations	Appropriations	2.7.11		X		X	Monitor
LB374	Speaker Flood		Appropriate funds for state government expenses	Appropriations	2.7.11		X		X	Monitor
LB375	Speaker Flood		Appropriate funds for salaries of members of the Legislature	Appropriations	2.7.11		X		X	Monitor
LB376	Speaker Flood		Appropriate funds for salaries of constitutional officers	Appropriations	2.7.11		X		X	Monitor
LB377	Speaker Flood		Appropriate funds for capital construction	Appropriations	2.7.11		X		X	Monitor

Kissel/ES Associates
Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB378	Speaker Flood		Provide for fund transfers and change provisions relating to various funds	Appropriations	2.7.11		X		X	Monitor
LB379	Speaker Flood		Transfer funds from the Cash Reserve Fund	Appropriations	2.7.11		X		X	Monitor
LB383	Cornett	Revenue	Eliminate state aid for municipalities, counties, and natural resources districts	Revenue	1.26.11	General File; Louden AM288 filed; Council AM252 filed; AM288 & AM252 lost; Select File; Council AM331 filed; Council AM334 filed; Council AM334 lost; Mello AM490 filed & lost; Council AM331 lost; Final Reading with Emergency Clause 36-9-4 3.4.11 Governor Approved 3.10.11	X	Oppose	X	Oppose

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB384	Cornett	Revenue	Eliminate a commissioner of the Tax Equalization and Review Commission and authorize single commissioner hearings	Revenue	2.3.11		X		X	Support
LB388	Wightman	Wightman	Adopt the Site and Building Development Act and change provisions relating to the Affordable Housing Trust Fund	Banking, Commerce and Insurance	2.7.11	General File; Wightman AM649 filed; AM649 adopted	X		X	Monitor
LB390	Ashford	Speaker	Change provisions relating to jails and corrections and create the Community Corrections Division of the Nebraska Commission on Law Enforcement and Criminal Justice	Judiciary	1.27.11		X	Oppose	X	Oppose

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB391	Schilz		Create the Nebraska Invasive Species Council	Natural Resources	2.17.11		X		X	
LB392	Schilz		Provide powers and duties relating to aquatic invasive species	Natural Resources	2.17.11		X		X	
LB396	Pahls		Change bond provisions relating to the deposit and investment of certain county funds	Banking, Commerce and Insurance	1.31.11	General File; Select File; Final Reading 46-0-3 3.4.11 Governor Approved 3.10.11	X		X	Support
LB398	Lathrop		Change provisions relating to notaries public	Judiciary	1.28.11		X		X	
LB405	Cornett		Authorize hearings by a single commissioner of the Tax Equalization and Review Commission	Revenue	2.17.11		X		X	Support

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB409	Utter		Provide for the retention of insurance proceeds by a country or municipality to repair or demolish damaged property	Banking, Commerce and Insurance	2.14.11	General File with AM577	X		X	Monitor
LB415	Wallman		Change provisions relating to contraband in a detention facility or providing an inmate with contraband	Judiciary	2.10.11	General File with AM525	X		X	
LB430	Cornett		Change property tax levy limitations	Revenue	2.2.11	General File	X		X	Monitor
LB437	Urban Affairs Committee		Change state building code provisions	Urban Affairs	2.8.11		X		X	
LB441	Heidemann		Change levy provisions for rural and suburban fire protection districts	Revenue	3.3.11		X		X	Monitor

Kissel/ES Associates
Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB444	Avery		Provide methods for notice under the Open Meetings Act	Government, Military and Veterans Affairs	1.26.11		X		X	Support
LB447	Fulton		Change provisions relating to vehicular pursuit	Judiciary	2.25.11		X	Support	X	Support
LB449	Nelson	Speaker	Change the Election Act	Government, Military and Veterans Affairs	2.16.11	General File with AM867	X		X	Monitor
LB451	Ashford		Change court fees, procedures, offices, and judgeships	Judiciary	2.11.11		X	Monitor	X	Monitor
LB452	Ashford		Provide for lottery winnings and tax refund intercept for debts owed to courts	Judiciary	1.28.11		X	Monitor	X	Monitor
LB457	Campbell		Provide for notice of preliminary valuations and in-person meeting relating to property taxes and change certain dates	Revenue	2.17.11		X	Monitor	X	Monitor

Legislative Bill of Interest Report
 Kissel/ES Associates
 Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB459	Schilz		Limit the adoption of any law by a political subdivision regarding the ownership of domestic animals	Agriculture	3.1.11	General File with AM720	X		X	Monitor
LB460	Ashford		Change the Sex Offender Registration Act	Judiciary	3.16.11		X	Monitor	X	
LB475	Lautenbaugh		Change garnishment provisions to include independent contractors providing services to government entities	Judiciary	2.11.11		X		X	Monitor
LB479	Lathrop	Lathrop	Authorize a minor to give consent to evidence collection and examination and treatment in cases of sexual assault	Judiciary	2.10.11	General File with AM335; Lathrop AM890 filed	X		X	

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB480	Krist		Provide for agreements relating to public building commissions	Government, Military and Veterans Affairs	2.9.11	General File	X	Monitor	X	Monitor
LB482	Utter	Utter	Change provisions governing industrial disputes involving municipal corporations under the Industrial Relations Act	Business and Labor	2.7.11		X		X	Monitor
LB499	Price	Government, Military and Veterans Affairs	Change provisions relating to filing for office, registering to vote, and voting under the Election Act	Government, Military and Veterans Affairs	2.2.11	General File with AM404	X		X	Monitor
LB504	Campbell		Change motor fuel tax rates	Revenue	2.10.11		X		X	Monitor
LB508	Bloomfield		Authorize certain residency restrictions near parks for sexual predators	Judiciary	3.16.11		X		X	Support

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB513	Christensen		Adopt the Escort Services Accountability and Permit Act	Judiciary	2.25.11		X		X	
LB518	Christensen		Change certain penalty and violation provisions of the Concealed Handgun Permit Act	Judiciary	2.23.11		X		X	
LB519	Pirsch		Change the priority of liens for special assessments	Revenue	2.17.11		X		X	Oppose
LB529	Carlson		Change provisions relating to conservation and preservation easements and the Nebraska Environment Trust	Natural Resources	2.3.11		X	Monitor	X	Support
LB530	Council		Adopt the Employee Credit Privacy Act	Business and Labor	1.31.11		X	Monitor	X	
LB536	Wightman		Adopt the Nebraska Uniform Real Property Transfer on Death Act	Judiciary	2.17.11		X		X	Oppose

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB538	Karpisek		Change provisions relating to the disposition of seized firearms	Judiciary	2.16.11		X		X	
LB545	Pahls		Establish a copay for medical services provided at a correctional facility	Judiciary	3.16.11		X		X	Support
LB546	Gloor	Gloor	Change provisions relating to adoption of the International Residential Code	Urban Affairs	2.8.11	General File with AM348; AM348 adopted; McGill AM599 filed & adopted; Select File with ER44; Krist AM748 filed	X		X	
LB564	Fulton	Fulton	Change and eliminate provisions of the Industrial Relations Act and the State Employees Collective Bargaining Act	Business and Labor	2.7.11		X		X	Monitor

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB565	Ashford		Require secure storage of firearms and notice of such requirement by retailers upon sale and create the offense of improper storage of a firearm	Judiciary	3.17.11		X		X	
LB569	Coash		Require employers to e-verify the immigration status of new employees	Judiciary	3.2.11		X		X	Monitor
LB573	Price		Authorize use of rotating or flashing amber lights on any motor vehicle operated by or for a storm spotter	Transportation and Telecommunications	2.15.11	General File with AM344	X		X	Support
LB584	Fulton		Exempt deployed military personnel from motor vehicle registration fees	Transportation and Telecommunications	2.1.11		X		X	Oppose
LB597	Pahls		Require consolidation of county offices	Government, Military and Veterans Affairs	2.25.11		X		X	Oppose

Legislative Bill of Interest Report
 Kissel/ES Associates
 Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB605	Conrad		Provide for voter registration on election day and require identification to vote	Government, Military and Veterans Affairs	2.24.11		X		X	Oppose
LB609	Pirsch		Adopt the Correctional Facility Reimbursement Act	Judiciary	3.16.11		X		X	Oppose
LB613	Pirsch		Change certain lien provisions relating to homeowner's associations and condominiums	Banking, Commerce and Insurance	2.22.11		X		X	
LB614	Pirsch		Change provisions relating to homeowners' association and condominium association liens	Banking, Commerce and Insurance	2.22.11		X		X	

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB623	Lautenbaugh		Change effect of Industrial Relation Act petitions and provide provisions for counties encompassing a city of the metropolitan class	Business and Labor	2.7.11		X		X	Monitor
LB628	Cook	Speaker	Authorize certain political subdivisions to donate certain motor vehicles to charitable organizations	Government, Military and Veterans Affairs	2.11.11	General File	X		X	Monitor
LB631	Cook		Provide for a permanent early voting request list	Government, Military and Veterans Affairs	2.24.11		X		X	
LB638	Karpisek		Provide restrictions relating to sale of county records for commercial purposes	Government, Military and Veterans Affairs		Karpisek MO10 Withdraw bill filed; MO10 prevailed; Bill withdrawn	X		X	Support
LB643	Lautenbaugh		Provide additional public records that may be withheld	Government, Military and Veterans Affairs	3.10.11		X		X	Monitor

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB658	Karpisek		Change the fee for obtaining a handgun certificate	Judiciary	2.23.11		X		X	
LB664	Nelson	Nelson	Repeal the Industrial Relations Act and the State Employees Collective Bargaining Act and prohibit public collective bargaining and work stoppage	Business and Labor	2.7.11		X		X	Monitor
LB669	Flood	Speaker	Change provisions relating to sealing of juvenile court records	Judiciary	2.24.11		X		X	
LB670	Flood	Flood	Authorize court-ordered conditions for dispositions under the Nebraska Juvenile Code	Judiciary	2.24.11		X	Monitor	X	
LB672	Flood		Provide an exemption from the documentary stamp tax	Revenue	2.3.11		X		X	Oppose

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB674	Haar		Prohibit or restrict certain electronic monitoring of employees by employers	Business and Labor	3.7.11		X	Monitor	X	Monitor
LB676	Lathrop		Change provisions relating to emergency protective custody under the Nebraska Mental Health Commitment Act	Judiciary	2.17.11		X	Monitor	X	
LB681	Karpisek		Provide for distribution of a portion of keno tax proceeds for thoroughbred horseracing purses	General Affairs	2.7.11		X		X	Monitor
LB685	Schilz		Change provisions of the Nebraska Visitors Development Act relating to the use of funds and the members of committees	Government, Military and Veterans Affairs	3.9.11	Schilz AM31 filed	X	Oppose	X	Monitor

Kissel/ES Associates

Client: Lancaster County

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LB688	Smith		Require certain law enforcement officers and firefighters to work until age fifty-five to receive full benefits and prohibit elective officers from receiving retirement benefits	Nebraska Retirement Systems	2.15.11		X	Monitor	X	Oppose
LR2CA	Harms		Constitutional amendment to authorize county manager form of county government	Government, Military and Veterans Affairs	2.25.11		X		X	Neutral
LR3CA	Fischer		Constitutional amendment to authorize pledge of state sales and use taxes for highway bonds	Transportation and Telecommunications	2.1.11		X		X	Monitor
LR9CA	Schilz		Constitutional amendment to change agricultural and horticultural land valuation	Revenue	3.3.11		X		X	Neutral

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	LC	LC Position	NACO	NACO Position
LR29CA	Nelson		Constitutional amendment to prohibit government from engaging in collective bargaining	Business and Labor	2.7.11		X		X	Monitor

**Proposed text
as prepared by the County Attorney:**



Definitions, 2.030 Commercial Wind Energy Conversion Systems/Turbines (CWECS) are defined as: a commercial grade wind energy conversion system (WECS) of over 100 Kilowatt (KW) plate rated capacity and intended to be used primarily to provide off-site power.

Article 4, AG Agriculture
4.007 Permitted Special Permit
dd) Commercial Wind Energy Conversion Systems/Turbines

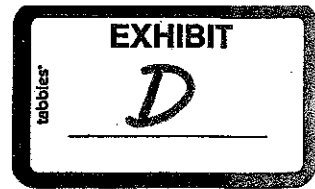
Article 13, Special Permits:
A Commercial Wind Energy Conversion System(s) (CWECS) may be allowed in the AG District by Special Permit under the conditions listed below.

1. Each CWECS machine shall be no less than 1,000 feet from any property line of a dwelling unit not associated with the project.
2. The distance from all external boundary lot lines and/or right-of-way lines of the special permit to any tower support base of the CWECS shall be equal to the height of the tower plus the rotor radius.
3. Each CWECS machine, including all equipment, shall have a sound emission rating of no more than 35 dBA. Noise levels caused from the CWECS machine(s) shall not exceed 35dBA at the property line of any dwellings within a one mile radius of a CWECS machine. A noise study, incorporating both A and C weighted noise impacts on property within one mile may be required. Noise rating shall conform to International Electrotechnical Commission (IEC) standards unless otherwise directed by a government agency.
4. Machines shall meet all FAA requirements, including but not limited to lighting and radar interference issues. Strobe lighting shall be avoided if alternative lighting is allowed. Color and finish shall be white, gray or another non-obtrusive, non reflective finish.
5. All applicable electrical, building, utility tie-in codes and other government regulations shall apply.
6. The distance from any tower base of a CWECS to any tower support base of another CWECS under other ownership shall be spaced a minimum of five (5) rotor diameters distance figured by the size of the largest rotor.
7. Each CWECS shall have a decommissioning plan outlining the means, procedure and cost of removing the machine(s) and all related supporting infrastructure and a bond or equivalent enforceable resource to guarantee removal and restoration upon discontinuance, decommissioning or abandonment.
8. Said CWECS shall meet all Federal, State and local rules and regulations.

The Planning Commission may amend, modify or adjust any condition of this special permit or impose additional conditions as appropriate to preserve or promote the public health, safety and general welfare.

DRAFT

APPEAL
of Planning Commission action
to County Board



Today's Date

(this form must be received by the Planning Dept. within 14 days of the action by the Planning Commission)

To: Planning Department
Jean Preister
555 S. 10th St., Ste. 213
Lincoln NE 68508
402-441-6365
jpreister@lincoln.ne.gov

Dear Clerk:

I am submitting this letter of appeal to Resolution No. _____, adopted by the Lincoln-Lancaster County
Planning Commission on (Date) , approving Special Permit No. _____ on property
generally located at _____

Please advise me of the hearing date before the County Board.

Signature of person requesting appeal: _____

Printed Name _____

Address _____
Street City State ZIP

Phone Number _____

Email _____

DRAFT

Print Form

13.002. Procedures. An application and copies of the plot plan drawn to an accurate scale and showing all pertinent information shall be filed in writing with the Planning Department. Before the issuance of any special permit of any of the above buildings or uses, the County Board shall refer the proposed application to the Planning Commission. ~~the Planning Commission shall hold a public hearing and make a report to the County Board regarding shall consider~~ the effect of such proposed building or uses upon the character of the neighborhood, traffic conditions, public utility facilities, the Comprehensive Plan and other matters relating to the public health, safety and general welfare. ~~No action by the County Board shall be taken on any application for a proposed building or use above referred to until and unless the report of the Planning Commission has been filed with the County Clerk. Any action by the Planning Commission may be appealed to the County Board.~~ An existing use of the type listed above lawfully established on the effective date of this resolution shall be deemed to have received special permit as herein required and shall be provided with such a permit by the Building Inspector upon request and shall not be a nonconforming use; provided, however, that such an existing use shall require a special permit for enlargement, extension or relocation. (Resolution R-07-0016, March 13, 2007)

13.003. Special Permit Administrative Amendments. After the County Board has approved a special permit, including the specific plot plan under Article 13, the Planning Director is authorized to approve amendments to the special permit provided:

- a) A request for an administrative amendment is filled with the Planning Director accompanied by a plot plan drawn to an accurate scale and showing all pertinent information relating to the requested amendment;
- b) No buildings or uses are permitted within the yards required by Article 13;
- c) The intent of the County Board in preserving the public health, safety and general welfare will still be carried out. (Resolution R-07-0016, March 13, 2007)

13.018 Appeal of Planning Commission Action.

(a) Any aggrieved person, or any person or group officially designated to participate in the administration of this title may appeal any action of the Planning Commission to the County Board by filing notice of appeal with the County Clerk within fourteen days following the action of the Planning Commission.

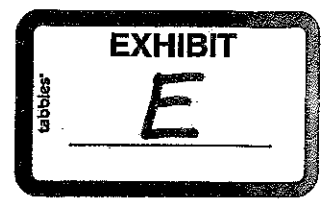
(b) Upon receipt of the appeal by the County Board, the board shall hold a public hearing thereon within thirty days from the date of appeal. Notice of the public hearing shall be given as provided in Article 22, Section 22.005 hereafter.

(c) In exercising its appellate jurisdiction, the action appealed from shall be deemed advisory and the County Board may, after public hearing, in conformity with the provisions of this Article, make such decision as ought to be made.

19.009. In exercising the above mentioned jurisdiction, such Board may, in conformity with the provisions of this resolution, reverse or affirm, wholly or partially, or may modify the order, requirement, decision, or determination appealed from and may make such ~~decisions recommendation~~ as ought to be made. In considering all appeals under this resolution, the Board shall, before making any finding in a specific case, first determine that the proposed change will not constitute a change in the District Map and will not impair an adequate supply of light and air to adjacent property, or increase the congestion in public streets, or increase the public danger of fire and safety, or materially diminish or impair established property values within the surrounding area, or in any other respect impair the public health, safety, comfort, morals and welfare of Lancaster County. Every change decided upon ~~change recommended~~ by the Board shall be accompanied by a written finding of fact based on sworn testimony and evidence, specifying the reason for granting or denying the variation. Decisions of the Board of Zoning Appeals shall be final unless appealed to the County Board pursuant to Section 19.011.

19.011.

(a) Any aggrieved person, or any person or group officially designated to participate in the administration of this title may appeal any action of the Board of Zoning Appeals to the County Board by filing notice of appeal with the County Clerk within fourteen (14) days following the action of the Board of Zoning Appeals.



LANCASTER COUNTY, NEBRASKA
FINANCIAL STATEMENTS
WITH
SUPPLEMENTAL INFORMATION
AND
ACCOMPANYING INDEPENDENT AUDITORS' REPORTS
YEAR ENDED JUNE 30, 2010

BLAND & ASSOCIATES, P.C.
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON
FINANCIAL STATEMENTS AND SUPPLEMENTAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Commissioners
Lancaster County, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, Nebraska (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

**INDEPENDENT AUDITORS' REPORT ON
FINANCIAL STATEMENTS AND SUPPLEMENTAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

The budgetary information on pages 47 through 50 is not a required part of the financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The accompanying supplemental information on pages 51 through 72 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards on pages 51 through 53 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements of the County. The Schedule of Expenditures of Federal Awards (pages 51 through 53) and Combining Statements – Governmental and Proprietary Funds (pages 54 through 62) have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The Statements of Accountability (pages 63 through 72) have not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

BLAND + ASSOCIATES, P.C.

Omaha, Nebraska
January 26, 2011

LANCASTER COUNTY, NEBRASKA
STATEMENT OF NET ASSETS
June 30, 2010

ASSETS	Governmental Activities
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 25,176,218
Certificates of Deposit	10,396,332
Investments	3,840,901
Interest Receivable	45,882
Due From Other Governmental Agencies	3,302,931
Patient and Insurance Receivable	
Less Allowance for Doubtful Accounts of \$201,377	111,638
Taxes Receivable	21,347,743
Total Current Assets	64,221,645
CAPITAL ASSETS	
Non-depreciable Capital Assets	
Land	10,316,110
Total Non-depreciable Capital Assets	10,316,110
Depreciable Capital Assets	
Less Accumulated Depreciation	(60,866,639)
Total Depreciable Capital Assets	102,873,006
Total Capital Assets	113,189,116
OTHER ASSETS	
Debt Issuance Costs, Net of Accumulated Amortization	26,949
	\$ 177,437,710
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 5,283,830
Accrued Interest Payable	11,833
Claims Liability	1,096,437
Accrued Salaries	2,067,162
Due to Other Governmental Agencies	125,000
Current Portion of Bonds Payable	320,000
Current Portion of Capital Lease Obligations	15,331
Total Current Liabilities	8,919,593
LONG-TERM LIABILITIES	
Accrued Compensated Absences	6,975,655
Bonds Payable, Less Current Portion	1,396,056
Capital Lease Obligations, Less Current Portion	15,857
Total Long-Term Liabilities	8,387,568
Total Liabilities	17,307,161
COMMITMENTS AND CONTINGENCIES	
NET ASSETS	
Invested In Capital Assets, Net of Related Debt	111,441,872
Restricted For Debt Service	2,962,967
Unrestricted	45,725,710
Total Net Assets	160,130,549
	\$ 177,437,710

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

LANCASTER COUNTY, NEBRASKA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
General Government	\$ 90,207,636	\$ 27,336,121	\$ 2,546,655	\$ (60,324,860)
Community Development	1,614,371	-	-	(1,614,371)
Public Works	16,098,376	10,884,151	-	(5,214,225)
Public Health and Human Services	28,898,926	21,579,371	1,834,676	(5,484,879)
Culture and Recreation	1,291,784	24,919	-	(1,266,865)
Debt Service Interest	584,947	700,694	-	115,747
Total Functions/Programs	<u>\$ 138,696,040</u>	<u>\$ 60,525,256</u>	<u>\$ 4,381,331</u>	<u>(73,789,453)</u>
GENERAL REVENUES				
Taxes				
Property Tax				47,351,439
Motor Vehicle Tax				6,485,361
Inheritance Tax				4,644,623
Homestead Exemption				1,208,333
In-lieu-of Tax				1,513,373
Carline/Airline Tax				326,985
Insurance Tax				341,101
MV Prorate Tax				143,947
Lodging Tax				1,980,960
Other				
State Aid to Counties				705,509
Miscellaneous				1,681,601
Intergovernmental				928,478
Investment Income				732,832
Transfers				1,803,738
Total General Revenues				<u>69,848,280</u>
CHANGE IN NET ASSETS				(3,941,173)
NET ASSETS - BEGINNING OF THE YEAR, AS PREVIOUSLY STATED				162,299,320
PRIOR PERIOD ADJUSTMENT				1,772,402
NET ASSETS - BEGINNING OF THE YEAR, AS RESTATED				164,071,722
NET ASSETS - END OF YEAR				\$ 160,130,549

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

LANCASTER COUNTY, NEBRASKA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	Major Governmental Funds				
	General Fund (011)	Bridge and Road Special (021)	Lancaster Manor Fund (061)	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,310,170	\$ 2,787,653	\$ 1,488,617	\$ 12,680,909	\$ 19,247,349
Certificates of Deposit	8,580,353	1,543,750	-	123,057	10,247,160
Investments	3,139,597	338,334	-	164,076	3,642,007
Due From Other Governmental Agencies	1,627,147	44,443	-	1,631,342	3,302,932
Interest Receivable	34,154	6,879	-	2,146	43,179
Patient and Insurance Receivables, Net of Allowance for Doubtful Accounts of \$201,377	-	-	-	111,638	111,638
Taxes Receivable	19,592,310	-	-	1,755,433	21,347,743
	<u>\$ 35,283,731</u>	<u>\$ 4,721,059</u>	<u>\$ 1,488,617</u>	<u>\$ 16,448,601</u>	<u>\$ 57,942,008</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 2,358,010	\$ 778,867	\$ 825,941	\$ 1,289,024	\$ 5,251,842
Accrued Salaries	1,520,896	74,690	-	464,480	2,060,066
Due To Other Governmental Agencies	-	-	-	125,000	125,000
Deferred Revenue	1,609,170	-	-	148,764	1,757,934
Total Liabilities	<u>5,488,076</u>	<u>853,557</u>	<u>825,941</u>	<u>2,027,268</u>	<u>9,194,842</u>
COMMITMENTS AND CONTINGENCIES					
FUND BALANCE					
Reserved for Debt Service	-	-	-	2,962,967	2,962,967
Reserved for Encumbrances	268,020	1,762,712	-	244,719	2,275,451
Unreserved	29,527,635	2,104,790	662,676	11,213,647	43,508,748
Total Fund Balance	<u>29,795,655</u>	<u>3,867,502</u>	<u>662,676</u>	<u>14,421,333</u>	<u>48,747,166</u>
	<u>\$ 35,283,731</u>	<u>\$ 4,721,059</u>	<u>\$ 1,488,617</u>	<u>\$ 16,448,601</u>	<u>\$ 57,942,008</u>

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

LANCASTER COUNTY, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2010

Total Fund Balances - Governmental Funds	\$	48,747,166
Amounts reported in the governmental activities in the statement of net assets are different because:		
Capital assets are reported at historical cost, net of accumulated depreciation, on the statement of net assets, including internal service funds.		113,189,116
Debt issuance costs are reported at historical cost, net of accumulated amortization, on the statement of net assets, including internal service funds.		26,949
Internal service funds are used by the County to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		5,144,116
Property tax revenues, not collected within 60 days of the fiscal year end are not financial resources and, therefore, not reported as revenues in the governmental funds.		1,757,934
The issuance of bonds payable, net of bond discounts provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds.		(1,716,056)
The following expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Capital lease obligations		(31,188)
Accrued compensated absences		(6,975,655)
Accrued interest payable		(11,833)
		(18,946,676)
Net Assets - Governmental Activities	\$	<u>160,130,549</u>

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

LANCASTER COUNTY, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	Major Governmental Funds			Other Governmental Funds	Total Governmental Funds
	General Fund (011)	Bridge and Special Road Fund (021)	Lancaster Manor Fund (061)		
REVENUES					
Taxes	\$ 57,873,703	\$ 1,829	\$ -	\$ 6,135,058	\$ 64,010,590
Charges for Services	13,058,639	820,722	1,393,113	4,385,412	19,657,866
Federal Receipts	2,546,655	-	-	1,834,676	4,381,331
State Revenues	2,675,840	-	-	9,683,090	12,358,930
Medicaid/Medicare/MRO Reimbursements	-	-	12,629,582	2,779,748	15,409,330
License, Fees and Rental Income	84,111	-	67,500	1,438,170	1,589,781
Interest Income	615,214	33,602	-	70,291	719,107
Intergovernmental	754,162	-	-	174,317	928,479
Other	1,352,796	7,946	-	934,275	2,295,017
Total Revenues	78,941,120	864,099	14,090,195	27,435,037	121,330,451
EXPENDITURES					
General Government	76,959,561	-	-	245,966	77,205,527
Public Safety - Law Enforcement	-	-	-	-	-
Community Development	-	-	-	1,614,371	1,614,371
Public Works	-	6,684,458	-	11,802,634	18,487,092
Public Health and Human Services	-	-	15,861,731	12,633,262	28,494,993
Culture and Recreation	-	-	-	1,291,784	1,291,784
Debt Service	-	-	-	74,724	74,724
Total Expenditures	76,959,561	6,684,458	15,861,731	27,662,741	127,168,491
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,981,559	(5,820,359)	(1,771,536)	(227,704)	(5,838,040)
OTHER FINANCING SOURCES (USES)					
Debt Payments	(14,823)	-	-	(610,000)	(624,823)
Gain on Sale of Capital Assets	60	-	-	-	60
Operating Transfers In	41,278	6,027,559	500,000	391,713	6,960,550
Operating Transfers Out	(6,918,564)	-	-	(41,986)	(6,960,550)
Transfers In - Public Building Commission	1,803,738	-	-	-	1,803,738
Transfers Out - City of Lincoln	-	-	-	(507,107)	(507,107)
Total Other Financing Sources (Uses)	(5,088,311)	6,027,559	500,000	(767,380)	671,868
CHANGE IN FUND BALANCE	(3,106,752)	207,200	(1,271,536)	(995,084)	(5,166,172)
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED	34,518,815	3,660,302	1,934,212	15,572,411	55,685,740
PRIOR PERIOD ADJUSTMENT	(1,616,408)	-	-	(155,994)	(1,772,402)
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	32,902,407	3,660,302	1,934,212	15,416,417	53,913,338
FUND BALANCE - END OF YEAR	\$ 29,795,655	\$ 3,867,502	\$ 662,676	\$ 14,421,333	\$ 48,747,166

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

LANCASTER COUNTY, NEBRASKA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ (5,166,172)
Amounts reported in the governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in the fund financial statements. However, they are presented as assets in the statement of activities and depreciated over their estimated economic lives:	
Capital outlays	6,439,067
Loss on sale of capital assets	(364,014)
Current year depreciation expense for total capital assets	(4,057,995)
Governmental funds recognize property tax revenues as revenues when received within 60 days of the end of the fiscal year. However, in the statement of activities, property tax revenues are recognized based on the total taxes levied. This amount of property tax revenues is due to the County but not collected within 60 days of the fiscal year.	
	(14,469)
Debt payments are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:	
Bond payments	610,000
Capital lease payments	14,823
Governmental funds report the effect on issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
	(7,127)
Certain items reported in the statements of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Accrued compensated absences	(657,836)
Accrued interest expense	4,259
Internal service funds are used by the County to charge the costs of certain activities to individual funds. The activities of the internal service funds are included in the governmental activities in the statement of activities, net of depreciation expense and bond payments which are included above.	
	(741,709)
Change in Net Assets - Governmental Funds	<u>\$ (3,941,173)</u>

LANCASTER COUNTY, NEBRASKA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

ASSETS	Total Internal Service Funds
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 5,928,869
Certificates of Deposit	149,171
Investments	198,894
Interest Receivable	2,703
Total Current Assets	6,279,637
	\$ 6,279,637
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 31,989
Claims Liability	1,096,437
Accrued Salaries	7,095
Total Current Liabilities	1,135,521
LONG-TERM LIABILITIES	
Accrued Compensated Absences	33,007
Total Long-Term Liabilities	33,007
Total Liabilities	1,168,528
COMMITMENTS AND CONTINGENCIES	
NET ASSETS	
Unrestricted	5,111,109
Total Net Assets	5,111,109
	\$ 6,279,637

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

LANCASTER COUNTY, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2010

	<u>Total Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 11,529,329
Other	92,032
Total Operating Revenues	<u>11,621,361</u>
OPERATING EXPENSES	
Insurance	11,119,399
Contractual	1,054,912
Wages and Benefits	129,345
Other	67,450
Rental	4,382
Supplies	1,307
Total Operating Expenses	<u>12,376,795</u>
Operating Loss	(755,434)
NON-OPERATING REVENUES	
Interest on Investments	13,725
Total Non-Operating Revenues	<u>13,725</u>
CHANGE IN NET ASSETS	(741,709)
NET ASSETS - BEGINNING OF YEAR	<u>5,852,818</u>
NET ASSETS - END OF YEAR	<u><u>\$ 5,111,109</u></u>

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

LANCASTER COUNTY, NEBRASKA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2010

	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from User Charges	\$ 12,105,537
Payments for Employee Indemnity	(1,248,856)
Payments for Claims/Insurance	(10,975,451)
Net Cash Used In Operating Activities	<u>(118,770)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of Investments	1,502,000
Purchase of Investments	(348,065)
Interest Received	25,032
Net Cash Provided By Investing Activities	<u>1,178,967</u>
Increase In Cash And Cash Equivalents	1,060,197
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,868,672</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,928,869</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	\$ (755,434)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Decrease In Current Assets:	
Due From Other Governmental Agencies	944,890
Increase (Decrease) In Current Liabilities:	
Accounts Payable	3,547
Claims Liability	(320,313)
Accrued Salaries	3,806
Accrued Compensated Absences	4,734
Net Cash Used in Operating Activities	<u>\$ (118,770)</u>

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

LANCASTER COUNTY, NEBRASKA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
June 30, 2010

ASSETS	Pension Trust Fund	Agency Funds
Investments	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to Governmental Agencies	\$ -	\$ -
NET ASSETS		
Held In Trust For Pension Benefits	5,504,110	-
	<u>\$ 5,504,110</u>	<u>\$ -</u>

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

LANCASTER COUNTY, NEBRASKA
STATEMENT OF CHANGE IN NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2010

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 3,054,753
Employee	2,484,908
Forfeitures	672,613
Rollover	353,428
Military Catch-Up	22,140
	6,587,842
Investment Earnings:	
Net Increase in Fair Value of Investments	6,385,955
Dividends	688,377
Total Additions	13,662,174
DEDUCTIONS	
Benefit payments	7,672,151
Forfeitures	485,073
Plan expenses	840
Total Deductions	8,158,064
CHANGE IN NET ASSETS	5,504,110
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - BEGINNING OF YEAR	76,319,484
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - END OF YEAR	\$ 81,823,594

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

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the significant accounting policies of Lancaster County, Nebraska (the County), is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of the County's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization and Principal Activity

The County is a governmental entity established by the laws of the State of Nebraska. The County is a political subdivision of the State of Nebraska and is governed by a five member Board of Commissioners elected by the citizens of Lancaster County, Nebraska. The County's responsibilities include general social welfare; operation of a County health center; corrections; youth center; maintenance of streets and highways not within any incorporated city, village, or sanitary and improvement district; legal court-related activities; licensing, recording, and assessment of real property; tax collection for all Nebraska public entities within the County; conducting elections; and law enforcement.

Reporting Entity

The County follows the standards promulgated by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, that define the financial reporting entity as the one consisting of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements include the transactions of the County's primary government, component units, and blended component units, as discussed below.

Primary Government

The primary government has a separately elected governing body, is legally separate, and is fiscally independent of other governments. The primary government of the County consists of all the organizations that comprise the legal entity.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Component Units

Component units are legally separate organizations for which the County is financially accountable and/or for which the nature and significance of their relationship with the County are such that exclusion would cause the financial statements to be misleading or incomplete. The County is considered to be financially accountable for an organization when either:

1. The County appoints a voting majority of the organization governing body and can impose its will on that organization, or
2. There is a potential for the organization to provide specific financial benefit to, or impose specific financial burden on the County.

Blended Component Unit

Despite being legally separate, component units that are so intertwined with the primary government that they are, in substance, the same as the primary government are reported as part of the primary government. The criteria for this determination are:

1. The component unit's governing body is substantially the same as the governing body of the primary government, and
2. The component unit provides services entirely or almost entirely to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government by providing services that the primary government would have provided if they were not provided by the component unit.

Based on the criteria above, the County has not identified any component units.

Joint Ventures

The County has entered into three (3) multi-governmental arrangements creating three (3) entities that are governed by representatives from each of the participating governments. These entities are considered to be joint ventures. The County does not have an ongoing financial interest (equity interest); therefore, these joint ventures are not included in the financial statements of the County.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Ventures (Continued)

Lincoln-Lancaster County Public Building Commission

In 1990, the City of Lincoln, Nebraska (the City) and the County, pursuant to State Statute, activated a separate governmental entity designated as the Lincoln-Lancaster County Public Building Commission (the Commission). The purpose of this joint venture is to design, acquire, construct, maintain, operate, improve, remodel, remove and reconstruct, so long as its corporate existence continues, public buildings, structures, or facilities for use jointly by the City and the County. The City and the County each appoint two members to the five-member Commission, with the fifth member being appointed by the other four members. All property held or acquired by the Commission is held or acquired in the name of the City and the County for use by the Commission in its corporate capacity. The Commission's costs of operation and debt service are funded through rental payments made by the City and the County based upon their proportionate occupancy of such buildings to the extent not covered by a maximum property tax levy of 1.7 cents for each \$100 of actual valuation of taxable property in the County.

As of June 30, 2010, the Commission had bonds outstanding of \$44,110,664 attributable to several bond issues. Proceeds from the bonds have been utilized by the Commission to acquire, construct, and/or renovate certain buildings occupied by the City and the County. The County's proportionate share of such buildings is recorded as capital assets on the books of the County.

Separate audited financial statements of the Commission may be obtained at the Lincoln-Lancaster County Public Building Commission, 920 "O" Street, Room 203, Lincoln, Nebraska 68508.

Lancaster County Fairgrounds Joint Public Agency

The Lancaster County Fairgrounds Joint Public Agency (the Agency) was established to acquire land and construct capital improvements thereon for the establishment and expansion of the Lancaster County Fairgrounds. The Agency is not accumulating significant financial resources and is not experiencing fiscal stress that could cause an additional financial benefit or burden to the County. The Board consists of five representatives, of whom the Lancaster County Agricultural Society (the Society) appoints three and the County appoints two.

Separate audited financial statements of the Agency, which include the financial statements of the Agency, may be obtained from the Lancaster County Agricultural Society, 4100 North 84th Street, Lincoln, Nebraska 68508.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Ventures (Continued)

Lancaster County Correctional Facility Joint Public Agency

The Lancaster County Correctional Facility Joint Public Agency (the JPA) was created pursuant to the Joint Public Agency Act and a Joint Public Agency Agreement dated September 9, 2008 between the County and the City. The purpose of this joint venture is to finance the construction, equip and furnish new correctional facilities on land owned by the County and leased to the JPA pursuant to a Site Lease dated February 5, 2009 between the JPA and the County. The JPA will own the correctional facilities until the bonds are no longer outstanding, at which time the JPA will transfer ownership to the County. The JPA is governed by a four-member board consisting of the Chair and Vice Chair of the Lancaster County Board of Commissioners, the Mayor of Lincoln, and the Chair of the Lincoln City Council.

The JPA has two property tax levies. One levied on the assessed value of the County and the other levied on the assessed value of the City. The levy for the county portion was \$.0107 per \$100 of valuation and the levy for the city portion was \$.0194 for a combined levy of \$.0301. As of June 30, 2010, the JPA had bonds outstanding of \$62,992,964 attributable to one bond issuance.

Separate audited financial statements of the JPA may be obtained from the Lancaster County Budget Office, 555 South 10th Street, Suite 110, Lincoln, NE 68508.

Basis of Presentation

Basic Financial Statements

The basic financial statements of the County include the government-wide and the fund financial statements. Prior to implementation of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the financial statements emphasized fund types and account groups. In the GASB Statement No. 34 reporting model, the focus is on the County as a whole in the government-wide financial statements, while reporting additional and detailed information about the County's major governmental funds in the fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements (the statement of net assets and statement of activities) report information on all the non-fiduciary activities of the primary government and its component unit. Governmental activities are normally supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from the County for which the primary government is financially accountable.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

An emphasis is placed on major funds within the governmental and proprietary categories. The County considers its primary operating fund to be a major fund as well as those governmental funds that meet the following criteria: total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds combined. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

Major fund reporting requirements do not apply to internal service funds. The combined totals for all internal service funds are reported separately in a single column on the face of the proprietary fund financial statements.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is used to account for all activities of the County not included in other specified funds. The General Fund accounts for the normal recurring activities of the County (general government, health services, community services, etc.). These activities are funded primarily by tax revenues.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of the specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the County.

Proprietary Funds

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governmental units on a cost-reimbursement basis.

Fiduciary Fund Types

Pension Trust Funds

Pension Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined contribution plans.

Agency Funds

Agency Funds are used to report resources held by the County in a purely custodial capacity. Agency Funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

The County reports the following major governmental funds:

General Fund – The General Fund is the County's main operating fund. It accounts for all governmental financial resources, except those required to be accounted for in another fund.

Bridge and Special Road Fund – The Bridge and Special Road Fund houses the County's engineering department and is responsible for the accounting and oversight of infrastructure repairs.

Lancaster Manor Fund – The Lancaster Manor Fund is the County's retirement home.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this period, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures, such as principal and interest on general long-term debt, and claims and judgments, are recognized under the modified accrual basis of accounting when the related liability is due.

The proprietary fund financial statements are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

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 governmental agencies for services.

Principal operating expenses are the costs of services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments with original maturities of three months or less, are considered cash equivalents.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are recorded at fair value. The County's investment policy allows investment in U.S. government obligations and short-term interest bearing investments consisting of certificates of deposit and other income producing securities. It is also the County's policy to report interest earned but not received in a separate account from the principal.

Taxes Receivable

Taxes receivable are all considered collectible by management. Based on prior experience with receipt of taxes, no allowance for doubtful accounts has been provided related to taxes receivable. Tax amounts not received within sixty days are considered deferred revenue in the governmental fund financial statements.

Capital Assets and Depreciation

Capital assets are those assets which have been acquired for general government purposes. Capital assets are recorded at historical cost or replacement cost if actual historical cost is not known. Contributed assets, including those from the federal government, are recorded at estimated fair value on the date received. The County's capitalization threshold for equipment, buildings, and infrastructure is \$5,000. Infrastructure assets include roads, bridges, and culverts. Depreciation is calculated using the straight-line method with a mid-month convention.

The estimated useful lives for capital assets are as follows:

	<u>Years</u>
Land improvements	20 - 50
Buildings	25 - 50
Machinery and equipment	5 - 20
Vehicles	8
Infrastructure	20 - 50

The County determined historical infrastructure costs by reference to historical records or by appraisal. Current cost is adjusted for the price change from the date of construction or acquisition to the current date.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

It is the County's policy to permit employees to earn annual vacation and sick leave at various rates during their periods of employment. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum carryover of 240 hours. Employees do not receive payment of unused sick leave upon termination of employment except for retirement, death, or if the employee has 15 years of service and has in excess of 1,000 hours of extended sick leave.

Net Assets

Invested in capital assets, net of related debt – This component of net assets consists of capital assets net of accumulated depreciation and net of outstanding balances of any debts used to finance those assets.

Restricted net assets – This component of net assets may be used only to finance specific types of transactions. Restricted net assets represent the balance of restricted assets less the outstanding balances of any liabilities that will be settled using the restricted assets. The County's restricted net assets amounted to \$2,962,967 at June 30, 2010.

Unrestricted net assets – This component of net assets does not meet the definition of either net assets invested in capital assets, net of related debt or restricted net assets.

Fund Balance

Governmental fund equity is classified as fund balance. Fund balances can be reserved, unreserved-designated, and unreserved-undesignated. The portion of the fund balance that has been committed for identified purposes is reserved fund balance.

Property Taxes

Based on the valuation as of January 1, property taxes are levied by the County Board on or before October 15 of each year for all political subdivisions in the County. Real estate and personal property taxes are due December 31 of the year in which the property is appraised. One-half of the taxes become delinquent April 1 and August 1 of the following year.

The County collects its own property taxes and those of certain other taxing entities. Collections of taxes for others, pending distribution, are accounted for in agency funds.

Counties are permitted by the State Constitution to levy a tax up to \$0.50 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on bonded debt. They may levy taxes in addition to the \$0.50 limitation upon a vote of the people. The tax levy remained below the \$0.50 limitation for 2010.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

Also, \$0.05 of the \$0.50 limit may only be levied to provide services offered jointly with another government under an interlocal agreement. The County may share \$0.15 of its levy authority with rural fire districts and other political subdivisions no longer having any levy authority.

Additionally, the legislature, as part of a property tax relief package, prohibited counties from adopting a budget containing "restricted funds" which are greater than 2.5% of the prior year budgeted restricted funds, plus the percentage change in valuation increase attributable to new construction and additions to buildings in excess of 2.5%. Restricted funds include property taxes, payments in-lieu-of taxes, and state aid less amounts budgeted for capital improvements and bonded indebtedness.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental fund types.

At the end of each budget period, unencumbered, unexpended appropriations lapse. Appropriations in the governmental fund types are charges for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, which serve as authorization for expenditures in the subsequent year. The reserve for encumbrances amounted to \$2,275,451 for the year ended June 30, 2010.

Income Taxes

The County qualifies as a tax-exempt organization under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

Budgets and Budgetary Accounting

The County follows the procedures described below in establishing the budgetary data reflected in the County's financial statements in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1, the County Board of Commissioners prepares and transmits a budget for the County showing the projected requirements, outstanding warrants, operating reserve, cash on hand at the close of the preceding fiscal year, projected revenue collected from sources other than property tax and amounts to be raised by property taxation.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The budget is prepared on the cash basis of accounting. Encumbrances are also reflected as expenditures for budgetary purposes. At least one public hearing must be held by the County Board of Commissioners.

On or before September 20 each year, the County Board of Commissioners, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

Internal Activities

When internal service funds are reported in the government-wide statements of activities, only their residual balances are reported. Eliminations are made in the statement of activities to remove the "doubling-up" effect on internal service fund activity. However, there are situations in which an internal service fund may have revenues and expenses that should not be considered internal. It happens when an internal service fund, for example, has transactions with organizations outside the primary government. Accordingly, these are not eliminated in the statement of activities. Rather, the revenues and expenses are reported in the general administrative function of the government. The County's internal service funds have transactions that are primarily with outside organizations and therefore, no eliminations are required.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Transfers between governmental funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates employed.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through January 26, 2011, which is the date the financial statements were available to be issued.

NOTE B - CONCENTRATION OF CREDIT RISK

Deposits

As of June 30, 2010, the carrying amount, which approximates fair value, of the County's investments was \$3,840,901. The investments consisted of Federal Home Loan Bank Notes. These securities are held in the County's name.

The Public Funds Deposit Security Act, State Statute Sections 77-2386 to 77-23,106, require banks either to give bonds or to pledge government securities (types of which are specifically identified in the Statutes) to the County Treasurer in the amount of the County's deposits.

The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The County has pooled the cash resources of the various funds for investment purposes. Each fund's portion of total cash and investments is summarized by fund type on the combining balance sheets. Interest earned on pooled funds, except for interest earned on the pension trust, is credited to the County General Fund in accordance with Nebraska State Statute Section 77-2315, R.R.S. 1943.

At June 30, 2010, the County's cash deposits or certificates of deposit, in excess of the \$250,000 FDIC limits, are covered by collateral held in a Federal Reserve pledge account or by an agent for the County and thus no custodial risk exists.

Cash and investments consisted of the following as of June 30, 2010:

<u>Cash and Investments</u>	<u>Carrying</u>	<u>Fair Value</u>
Cash and investments owned by the County	\$ 39,413,451	\$ 39,413,451
Cash and investments held as agency funds by the County	81,823,594	81,823,594
Total cash and investments owned and held in trust by the County	<u>\$ 121,237,045</u>	<u>\$ 121,237,045</u>

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE B - CONCENTRATION OF CREDIT RISK (Continued)

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment securities that are in the possession of an outside party. None of the underlying securities for the County's investments at June 30, 2010 are subject to custodial credit risk, as they are held in an account in the County's name, and by an agent who is not the counterparty to the investment transactions.

Nebraska State Statute Section 77-2315 authorizes the County Treasurer, with the consent of the County Board, to invest in U.S. Government bonds, bonds and debentures issued either singularly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration, United States Treasury notes, bills or certificates of indebtedness maturing within two years from the date of purchase, or in certificates of deposit.

The County's allocation of cash and investments is as follows:

Investment Type	Maturities	Fair Value
Cash and Cash Equivalents	N/A	\$ 25,176,218
Certificates of Deposit	10/21/09 – 6/18/11	10,396,331
Federal Loan Discount Notes	8/24/09 – 2/24/12	3,840,901
Total		<u>\$ 39,413,450</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with State law and its investment policy, the County manages its exposure to declines in fair values by changes in interest rates by limiting all investments to maturities of two years or less. The current weighted average maturity of the County's investment portfolio is less than three months.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County policy addresses credit risk by requiring ownership in federal securities for all investments greater than the \$250,000 FDIC insured amount. The external investment funds are comprised of Nebraska Public Agency Trust (NPAIT) and Short-Term Federal Investment Trust (STFIT). NPAIT and STFIT invest in only the highest quality securities, including U.S. Government sponsored agencies, and guaranteed student loans.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE B - CONCENTRATION OF CREDIT RISK (Continued)

Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy places no limits on the amount the County may invest in any one user. Concentration of credit risk is not an issue since all investments are covered by issuer's assets held in the name of the County.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Pension Trust Fund

The pension program operates in compliance with all state and federal statutes, particularly Nebraska State Statute 30-3209. County pension funds are invested according to a plan developed and reviewed annually by the County. The plan defines the purposes of the assets, identifies the parties responsible for managing the investment process, establishes both broad and specific written guidelines for the investment of the fund's assets, and establishes criteria to monitor and evaluate the performance of the investment managers. The plan authorizes investments in common and preferred stocks, corporate bonds, cash-equivalent securities, certificates of deposits of insured institutions, money market funds, and government bonds. They can be in mutual funds or privately managed accounts.

There are fixed income securities guidelines: maximum of 2% of any single corporate issuer and 5% for other issuers; no limit on fixed income treasury or agency issues of the U.S. government. Investments in the employees' retirement system are valued at the carried amount, which approximates fair value. The County's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due.

At June 30, 2010, the balances of investments in the employees' retirement system were \$81,823,594. The County's allocation of investments is as follows:

Investment Type	Fair Value	Concentration
Guaranteed contracts and fixed income	\$ 40,352,102	49.31%
Mutual funds – domestic equities	31,449,546	38.44%
Mutual funds – international equities	10,021,946	12.25%
Total	<u>\$ 81,823,594</u>	<u>100.00%</u>

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE C - FAIR VALUE MEASUREMENTS

The Fair Value Measurements Topic (Topic 820) of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2010.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the plan at year end.

Guaranteed investment contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the County's assets at fair value as of June 30, 2010.

	Assets at Fair Value as of June 30, 2010			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Federal Loan Discount Notes	\$ 198,894	\$ -	\$ -	\$ 198,894
Total assets at fair value	<u>\$ 198,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,894</u>

The following table sets forth by level, within the fair value hierarchy, the internal services funds of the County's assets at fair value in the pension trust fund as of June 30, 2010.

	Assets at Fair Value as of June 30, 2010			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Guaranteed contracts and fixed income	\$ 40,352,102	\$ -	\$ -	\$40,352,102
Mutual funds - domestic equities	31,449,546	-	-	31,449,546
Mutual funds - international equities	10,021,946	-	-	10,021,946
Total assets at fair value	<u>\$ 81,823,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$81,823,594</u>

NOTE D - DUE FROM/TO OTHER GOVERNMENTAL AGENCIES

Due From Other Governmental Agencies

Due from other governmental agencies are all considered collectible by management except for patient receivables of the County's Community Mental Health Center. All patient and insurance receivables are shown net of an allowance for doubtful accounts. Patient and insurance receivables in excess of 30 days totaling \$201,377 comprise the allowance for doubtful accounts.

Due To Other Governmental Agencies

Due to other governmental agencies consisted of amounts due to the Commission amounting to \$125,000 at June 30, 2010.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE E - CAPITAL ASSETS

The changes in capital assets designated for the operation of the County for the year ended June 30, 2010, are as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Non-depreciable capital assets				
Land	\$ 10,122,140	\$ 193,970	\$ -	\$ 10,316,110
Depreciable capital assets				
Land improvements	2,557,377	-	-	2,557,377
Buildings	75,530,152	1,795,287	-	77,325,439
Machinery and equipment	9,734,554	552,811	(29,531)	10,257,834
Vehicles	8,886,088	600,819	(487,662)	8,999,245
Infrastructure	61,944,636	3,296,180	(641,066)	64,599,750
	158,652,807	6,245,097	(1,158,259)	163,739,645
Accumulated depreciation	(57,602,889)	(4,057,995)	794,245	(60,866,639)
	101,049,918	2,187,102	(364,014)	102,873,006
	<u>\$ 111,172,058</u>	<u>\$ 2,381,072</u>	<u>\$ (364,014)</u>	<u>\$ 113,189,116</u>

The following is a reconciliation of invested in capital assets, net of related debt:

Capital assets net of accumulated depreciation	\$ 113,189,116
Related debt	(1,747,244)
Invested in capital assets, net of related debt	<u>\$ 111,441,872</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General Government	\$ 2,050,668
Public Works	1,687,045
Public Health and Human Services	320,282
Total Depreciation Expense	<u>\$ 4,057,995</u>

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE F - LONG-TERM LIABILITIES

Capital Lease Obligations

The County has entered into a capital lease agreement for equipment with monthly installments of \$1,315 and an interest rate of 3.4%. The asset under the capital lease totaled \$100,000 with related accumulated depreciation of \$71,373 at June 30, 2010.

Bonds Payable

Bonds payable as of June 30, 2010, are summarized as follows:

\$4,640,000 Limited Tax Building Bonds, Series 2004, issued June 30, 2004, payable in scheduled semiannual installments including principal amounts ranging from \$320,000 to \$610,000 plus interest, due on May 1 and November 1, commencing November 1, 2005, with interest ranging from 3.20% to 4.00%, final payment due November 1, 2014.	<u>\$ 1,720,000</u>
Total bonds payable	1,720,000
Less current portion	(320,000)
	<u><u>\$ 1,400,000</u></u>

Change in long-term obligations for the year ended June 30, 2010 was as follows:

<u>Governmental-type Activity:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital Lease Agreement	\$ 46,011	\$ -	\$ (14,823)	\$ 31,188	\$ 15,331
Bonds Payable	2,330,000	-	(610,000)	1,720,000	320,000
Less deferred amounts for issuance discounts	(4,853)	-	909	(3,944)	-
Total Long-Term Debt	2,371,158	-	(623,914)	1,747,244	335,331
Compensated Absences	6,313,085	662,570	-	6,975,655	-
Governmental-type Activity Long-Term Liabilities	<u>\$ 8,684,243</u>	<u>\$ 662,570</u>	<u>\$ (623,914)</u>	<u>\$ 8,722,899</u>	<u>\$ 335,331</u>

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE F - LONG-TERM LIABILITIES (Continued)

Principal and interest requirements to maturity on capital lease obligations and on bonds outstanding prior to the effects of the unamortized discounts at June 30, 2010 are as follows:

Year ending June 30,	Principal payments	Interest payments
2011	\$ 335,331	\$ 60,187
2012	345,856	48,281
2013	345,000	35,469
2014	725,000	29,300
Total	<u>\$ 1,751,187</u>	<u>\$ 173,237</u>

NOTE G - INTERFUND TRANSFERS

Transfers are related to funding for capital projects, lease payments, debt service, or reallocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

		Transfers In				
		General Fund	Bridge & Special Road Fund	Lancaster Manor Fund	Other Governmental Funds	Total
Transfers	General Fund	\$ -	\$6,027,559	\$ 500,000	\$ 391,714	\$ 6,919,273
	Other Governmental Funds	41,278	-	-	-	41,278
		<u>\$ 41,278</u>	<u>\$6,027,559</u>	<u>\$ 500,000</u>	<u>\$ 391,714</u>	<u>\$ 6,960,551</u>

NOTE H - LEASES

Operating Leases

The County leases the County/City Building, the 233 Building, the K Street Power Plant, the Justice and Law Enforcement Building, the 9th and J Building, Downtown Senior Center, Health Department Building, Courthouse Plaza, Northeast Senior Center, 27th Street Police Building and parking spaces at no cost to the Commission. The Commission uses the premises for the purpose of providing space to the City and County departments, agencies, and functions.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE H - LEASES (Continued)

Operating Leases (Continued)

The Commission is responsible for furnishing services, including heat, water, electricity, air conditioning, elevator service, cleaning services and maintenance, and repair to the City and County departments inhabiting the space.

The costs to the Commission are funded through charges to the inhabitants based upon the number of square feet of space allocated annually. The amount charged to the inhabitants is based on total expenditures incurred in the previous year. These charges are then allocated based on square footage held by the inhabitant. This is done each year. The County paid rent reimbursement of \$3,185,292 to the Commission for the year ended June 30, 2010. The leases for the County/City Building, the 233 Building and parking space continue until all of the bonds have been fully paid and are no longer outstanding. The lease for the K Street Power Plant expires on October 15, 2014.

The Community Mental Health Center (a special revenue fund of the County) maintains month-to-month operating leases for various apartments used to house the mentally ill, as well as office space used for operations. Lease expenditures paid were approximately \$316,713 for the year ended June 30, 2010.

NOTE I - POST-EMPLOYMENT BENEFITS

Plan Description – Post-Employment Health Plan

All eligible employees of Lancaster County are covered under the County's retirement plans, Lancaster County Nebraska CB PEHP and Lancaster County Nebraska Non-CB PEHP, as administered by Nationwide. Separate actuarial valuation of the plans' assets is not performed for the individual participating entities. The Board of Commissioners has adopted the provisions of Section 23-1118, R.R.S. 1943, a Nebraska State Statute, which provides any county having a population of more than 100,000 inhabitants the authority to provide retirement benefits to its employees and establish a defined contribution retirement plan. The County sets aside \$25 per pay period for each eligible employee. Employees are not required to contribute to this plan. Contributions to this retirement plan by the County on behalf of the participating employees amounted to \$835,243 for the year ended June 30, 2010.

Plan Description - Retirement Plan

The pension program operates in compliance with all state and federal statutes, particularly Nebraska State Statute 30-3209. The County's pension funds are invested according to a plan developed and reviewed annually by the County. The Plan is titled Lancaster County, Nebraska Employees Retirement Plan and is administered by Prudential.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE I - POST-EMPLOYMENT BENEFITS (Continued)

Plan Description - Retirement Plan (Continued)

The plan defines the purposes of the assets, identifies the parties responsible for managing the investment process, establishes both broad and specific written guidelines for the investment of the fund's assets, and establishes criteria to monitor and evaluate the performance of the investment managers.

The plan authorizes investments in common and preferred stocks, corporate bonds, cash-equivalent securities, certificates of deposits of insured institutions, money market funds, and government bonds. They can be in mutual funds or privately managed accounts.

The plan automatically covers substantially all permanent employees who have attained age 25 and completed one year of continuous service. Upon attaining age 21 and after completing six months of continuous service, employees may voluntarily enter the plan. The employee has the choice of whether or not to participate in the plan if the employee has attained age 55 prior to the date of employment.

The County is required to contribute 150% of each participant's mandatory contribution. The participant's mandatory contribution is 5.2% of the participant's salary. The combined contributions cannot exceed 13% of earned income.

The employees' and employer's contributions are maintained in separate accounts. The employee account is always fully vested. The employer account vests at 20% per year for year three through seven in the plans. Total payroll for the year ended June 30, 2010 amounted to \$53,631,052.

Several different payment options, based upon the full accumulated value of participant contributions and the vested portion of employer contributions, are available to the participant upon death, disability, early retirement at age 50, or normal retirement at age 55, with ten consecutive years of participation in the plans.

The plan has fixed income securities guidelines: a maximum of 2% of any single corporate issuer and 5% for other issuers; no limit on fixed income treasury or agency issues of the U.S. government. Investments in the employees' retirement system are valued at the carried amount, which approximates fair value. The County's financial statements are prepared using the accrual basis of accounting.

Employer and plan member contributions are recognized in the period that the contributions are due. For the County, total employer contributions were \$3,054,753 and total employee contributions were \$2,484,908. Additionally, military catch-up contributions were \$22,140.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE I - POST-EMPLOYMENT BENEFITS (Continued)

Plan Description - Retirement Plan (Continued)

At June 30, 2010, the balances of investments in the employees' retirement system were \$81,823,594. The County's allocation of investments is as follows:

Investment Type	Fair Value	Concentration
Stable Value	\$ 33,767,325	41.27%
Large Cap Stock	18,813,294	22.99%
Mid-Cap Stock	7,095,348	8.67%
Global Stock	5,292,787	6.47%
International Stock	4,729,159	5.78%
Small Cap Stock	4,490,364	5.49%
Fixed Income	4,389,520	5.36%
Balanced	2,195,257	2.68%
Retirement Income	1,050,540	1.28%
Total	<u>\$ 81,823,594</u>	<u>100.00%</u>

Method Used to Value Investments

The plans' investments, as reported in the County's fiduciary funds in the financial statements, are reported at fair value.

NOTE J - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees, and natural disasters. These risks of loss are covered by various commercial insurance policies (with various deductibles) with the exception of workers' compensation and general liability. The County has established the Workers' Compensation Loss Fund Other and Self-Insurance Loss Funds (proprietary funds) to account for and finance a portion of its uninsured risks of loss. The County is self-insured up to \$900,000 per occurrence for workers' compensation risks and up to \$250,000 per occurrence for general liability risks. The self-insurance programs are administered by the Workers' Compensation and Risk Management Manager. Settled claims have not exceeded commercial coverage in any of the last three years. Commercial insurance covers the excess of the self-insured amount to a maximum of \$1,000,000 for employers' liability and \$4,750,000 for general liability.

The County utilizes the services of an actuary to prepare an analysis of the self-insured workers' compensation and general liability risks. The analysis is used to assist the County with its financial planning, budgeting, and management of the self-insurance programs.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE J - RISK MANAGEMENT (Continued)

The programs are funded on a cash basis with annual premiums charged to all governmental fund types, except Lancaster Manor Fund, based on past experience of incurred losses and remitted to the Workers' Compensation Loss and Self-Insurance Proprietary Funds. Settled claims have not exceeded commercial coverage for the last three years.

FASB ASC 450, *Accounting for Contingencies* requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County has not purchased annuity contracts from commercial insurers to satisfy certain liabilities under workers' compensation or general liability claims. The estimated liability for claims is \$1,096,437 at June 30, 2010. For some of the claims deemed probable or certain, no liability could be estimated.

NOTE K - COMMITMENTS AND CONTINGENT LIABILITIES

Several claims were filed against the County relating to several wrongful death lawsuits, injuries, and medical expenses. In management's opinion, it is premature at this time to determine the likelihood of an unfavorable outcome or the range of potential loss on these claims.

There were two political subdivision tort claims filed against the County, in the amount of \$300,000 each for medical expenses, mental, pain and suffering, and lost wages and benefits as a result of discrimination and harassment endured by two individuals while employed by the Lancaster County Mental Health Center. The County Board of Commissioners has yet to take action on the claim and the matter is currently under investigation by the Nebraska Equal Opportunity Commission. A political subdivision tort claim was filed against the County, in the amount of \$1,000,000 in damages related to an accident that could have allegedly been prevented by the installation of rumble strips at an intersection. The County Board of Commissioners took no action on the claim and the claim was withdrawn and a lawsuit was filed. There was a political subdivision tort claim filed against the County, in the amount of \$1,000,000 for alleged negligence and failure to have a stop sign or other traffic control device to control traffic in an intersection. The County Board of Commissioners has formally denied the claim and a complaint was filed on August 24, 2010 in Lancaster County District Court. Related to the aforementioned claim, the insurance company of the claimant, has filed a tort claim seeking \$1,000,000 in damages for personal injuries and damages of those making claims against the insurer of the claimant. The County Board of Commissioners has not formally denied the claim. A complaint was filed on August 24, 2010 in Lancaster County District Court. Additionally, another claim was filed related to the aforementioned claims, seeking \$155,671 in damages for workers' compensation claims, repair of school bus and student medical claims. The Lancaster County Board of Commissioners has not formally denied the claim. A complaint was filed on August 24, 2010 in Lancaster County District Court. Additionally, a political subdivision tort claim was filed against Lancaster County for an unspecified amount related to an injury that occurred at the Lancaster County Jail. The Lancaster County Board of Commissioners has not formally denied the claim.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE K - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

The Lancaster Manor (a special revenue fund of the County) is not part of the Workers' Compensation Loss Fund and pays its claims on a cash basis. The County was liable for all claims incurred through December 31, 2009. When Lancaster Manor Rehabilitation Center, LLC assumed operation of the Lancaster Manor on January 1, 2010, they became responsible for any claims filed from that date forward. As of December 31, 2009, the Lancaster Manor had no liability related to contingent liabilities. The County has not set aside funds to cover this estimated liability and will pay any claims as they come due. For claims deemed probable or certain, no liability could be estimated.

NOTE L - CONDUIT DEBT

The County has participated in the following conduit debt arrangements:

Hospital Authority #1-Lincoln Medical Education Foundation Inc. -Wells Fargo

Lancaster County has issued Industrial Development Revenue Bonds, for \$4,250,000 to finance a portion of the costs of the acquisition, construction, equipping and installing health care and related facilities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010 the aggregate principal amount payable was \$645,000.

Hospital Authority #1-Lincoln/Lancaster Drug Projects -Wells Fargo

Lancaster County has issued Industrial Development Revenue Bonds, for \$1,515,000 to acquire and renovate a facility to be occupied by Centerpointe, a substance abuse center. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,115,000.

Lincoln Action Program (Series 1999)-Wells Fargo

Lancaster County has issued Industrial Development Revenue Bonds, for \$2,500,000 to finance the construction of the new facility for lease to the Lincoln Action Program. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,995,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Goodwill Industries (Series 1999)-Wells Fargo

Lancaster County has issued Industrial Development Revenue Bonds, for \$500,000 to acquire and construct an industrial warehouse facility and remodel office space and related improvements. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$174,240.

Garner Industries (Series 2000 A & B)-Wells Fargo

Lancaster County has issued Industrial Development Revenue Bonds, for \$6,500,000 for the acquisition, construction, installation and completion of land and depreciable property for a manufacturing project for Garner Industries, Inc. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$3,920,000.

Hospital Authority #1-Immanuel Retirement Communities (Series 2000A)-Wells Fargo

Lancaster County has issued Variable Rate Health Facility Revenue Bonds, for \$37,000,000 to finance the cost of purchasing, constructing, acquiring, and improving a health care and residential facility for the elderly owned by Immanuel Retirement Communities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount was paid in full.

Hospital Authority #1-Bryan LGH (Series 2001A)-Union Bank

Lancaster County has issued Hospital Revenue Bonds, for \$78,380,000 to be used for the Bryan LGH Medical Center Project. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$73,915,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-Developmental Services of Nebraska (Series 2001)-Wells Fargo

Lancaster County has issued Industrial Development Revenue bonds, for \$1,400,000, to finance health care facilities to be located at 8125 Joshua Drive, 1720 Timber Ridge Road, and 5001 North 57th Street. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount was paid in full.

Tabitha Inc. (Series 2001)

Lancaster County has issued Industrial Development Revenue Bonds, for \$1,389,000, to be used for the acquisition, construction, and equipping of improvements and additions to health care facilities owned and operated by Tabitha Inc. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal was paid in full.

Hospital Authority #1-Tabitha Inc. Project (Series 2003)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$4,000,000, to acquire, construct and equip improvements and additions to health care facilities owned and operated by Tabitha Inc. for facilities located at 4720 Randolph Street in Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount was paid in full.

Hospital Authority #1-Madonna Rehabilitation Project (Series 2003 A, B & C)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$10,000,000, for the purpose of providing financing for the acquisition and installation of equipment and related remodeling for use by Madonna at its rehabilitation hospital facilities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$3,085,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-Grand Lodge Project (Series 2003)

Lancaster County has issued Industrial Development Revenue Bonds, for \$9,700,000, for the Grand Lodge Project, Grand Lodge Retirement Community Inc., an ancillary care facility. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$8,512,995.

Hospital Authority #1-Child Guidance Project (Series 2003)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$1,300,000, for the purpose of providing financing for the Lincoln/Lancaster County Child Guidance Center Inc. Project. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$661,491.

Hospital Authority #1-Cornhusker Place Project (Series 2004)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$2,200,000, to refinance existing debt and to make improvements to the facility located at 721 'K' Street, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,083,772.

Hospital Authority #1-Eastmont Towers Project (Series 2004)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$4,255,000, to refund the Series 1999 Revenue Bonds (Eastmont Towers Project) both the project and facilities located at 6315 'O' Street, Lincoln, NE. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$3,490,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-Centerpointe Project (Series 2004)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$2,300,000, to finance the cost of acquiring certain real property and paying the costs of construction, installation, equipping and furnishing a building on such real property for the Centerpointe project. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,953,672.

Hospital Authority #1-Cornhusker Place (Series 2005)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$450,000, to finance the extension of the bonds issued to refinance existing debt and to make improvements to the facility located at 721 'K' Street, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount was paid in full.

Hospital Authority #1-Clark Jeary Home Project (Series 2005)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$7,000,000, to finance a portion of the costs of acquiring, construction, equipping, and furnishing an assisted living facility owned and operated by Clark Jeary at 8401 South 33rd Street, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$6,172,045.

Hospital Authority #1-Grand Lodge Project (Series 2005)

Lancaster County has issued Industrial Development Revenue Bonds, for \$13,050,000, for the Grand Lodge Project, Grand Lodge Retirement Community Inc., an ancillary care facility. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$12,360,750.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-Eastmont Towers (Series 2006)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$2,800,000, to enable the Authority to finance renovations and additions to the facilities of Christian Retirement Homes a/k/a Eastmont Towers, and to reimburse CRH for costs previously incurred for such activities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$2,500,000.

Hospital Authority #1-St. Monica's Home (Series 2006)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$2,000,000, to finance or refinance the costs of acquiring, renovating, remodeling, equipping and furnishing certain healthcare facilities to be owned and operated by St. Monica's Home located at 120 Wedgewood Drive, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,423,492.

Hospital Authority #1-BryanLGH Medical Center Project (Series 2006)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$59,465,000, for the benefit of BryanLGH Medical Center. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$53,140,000.

Hospital Authority #1-Community Blood Bank Lancaster County Medical Society (Series 2006)

Lancaster County has issued Revenue Bonds, for \$1,800,000 for the Community Blood Bank of Lancaster County Medical Society project, the medical services facilities to be located at 2700 Fletcher Avenue. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$845,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-Clark Jeary Home Project (Series 2007)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$1,000,000, to finance a portion of the costs of acquiring, construction, equipping, and furnishing an assisted living facility owned and operated by Clark Jeary at 8401 S. 33rd Street, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$846,433.

Hospital Authority #1-Houses of Hope of Nebraska (Series 2007)

Lancaster County has issued Industrial Development Revenue & Refunding Bonds, not to exceed \$2,000,000, to finance a portion of the costs of acquiring, construction, equipping, and furnishing three two-story, 14-bed transitional residential substance abuse treatment facilities located at 1140 North Cotner Boulevard, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,860,455.

Hospital Authority #1-Community Blood Bank Lancaster County Medical Society (Series 2007)

Lancaster County has issued Revenue Bonds, for \$1,950,000 for the Community Blood Bank of Lancaster County Medical Society project, the medical services facilities to be located at 100 N 84th Street. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,720,596.

Plastic Companies Enterprises Inc. (Series 2008)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$2,100,000, to acquire, install, furnish, and complete on certain real estate certain items of equipment and personal property located in Lancaster County, Nebraska and to be operated by Plastic Companies Enterprises, Inc., a Texas corporation. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,766,194.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-BryanLGH Medical Center Project (Series 2008A)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$40,000,000, for the redemption of Series 2002 (BryanLGH Medical Center Project) being the acquisition and installation of equipment and related remodeling for use by BryanLGH at its acute care hospital facilities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$26,840,000.

Hospital Authority #1-BryanLGH Medical Center Project (Series 2008B1)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$90,000,000, for the redemption of Series 2007A-1 and Series A-2 issued to refinance the costs of a three story addition to existing hospital facilities, renovations of Women's Center, addition to the School of Nursing, additional parking facilities and certain other improvements to the facilities located at 1600 South 48th Street, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$40,055,000.

Hospital Authority #1-BryanLGH Medical Center Project (Series 2008B2)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$90,000,000, for the redemption of Series 2007A-1 and Series A-2 issued to refinance the costs of a three story addition to existing hospital facilities, renovations of Women's Center, addition to the School of Nursing, additional parking facilities and certain other improvements to the facilities located at 1600 South 48th Street, Lincoln, Nebraska. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$40,065,000.

Hospital Authority #1-Tabitha (Series 2009A)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$4,600,000, for constructing, equipping and furnishing an approximately 17,500 square foot addition to existing structures. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$4,325,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE L - CONDUIT DEBT (Continued)

Hospital Authority #1-Tabitha (Series 2009B)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$3,300,000, to pay off 2001 and 2003 Series bond issues for acquisition, construction and equipping additions to existing health care facilities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$3,630,000.

Hospital Authority #1-Madonna (Series 2009)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$7,200,000, for acquisition, construction and equipping a clinically integrated health center building and related facilities. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$6,272,918.

Plastic Companies Enterprises Inc. (Series 2009)

Lancaster County has issued Industrial Development Revenue Bonds, not to exceed \$2,000,000, for acquisition and installation of certain manufacturing machinery and equipment for a manufacturing and industrial facility located in Lancaster County, Nebraska and to be operated by Plastic Companies Enterprises, Inc., a Texas corporation. Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$1,589,640.

Hospital Authority #1-Immanuel Retirement Communities (Series 2010)

Lancaster County has issued Variable Rate Health Facility Revenue Bonds, for \$40,000,000 to pay or reimburse for the cost of capital expenditures for infrastructure, common facilities and living unit renovation at a facility known as The Landing at Williamsburg located at 3500 Faulkner Drive, Lincoln, Nebraska and refinance and refund the outstanding portion of the \$35,035,000 original aggregate principal amount of Series 200A Revenue Bonds (Immanuel Health Systems – Williamsburg Project). Neither Lancaster County nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, the aggregate principal amount payable was \$39,355,000.

LANCASTER COUNTY, NEBRASKA
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended June 30, 2010

NOTE M - SUBSEQUENT EVENTS

Lancaster Manor Asset Purchase Agreement

During fiscal year 2009, Lancaster Manor Real Estate, LLC entered into an Asset Purchase Agreement with the County, under which the County shall sell and Lancaster Manor Real Estate, LLC shall purchase the land, the improvements and the furniture, fixtures and equipment of the skilled nursing home located at 1001 South Street, Lincoln Nebraska commonly known as Lancaster Manor. Prior to the closing under the purchase agreement, Lancaster Manor Real Estate, LLC, entered into a lease which commenced on December 31, 2009 whereupon the lessee would pay the County \$10,000 per month rent to Lancaster Manor and would be responsible for all costs associated with the building. Additionally, an operations transfer agreement was entered into on December 7, 2009 by and between the County and Lancaster Manor Rehabilitation Center, LLC, in which Lancaster Manor Rehabilitation Center, LLC assumed operations and associated costs until a time exists when Lancaster Manor can officially be closed upon.

Subsequent to June 30, 2010, Lancaster Manor was formally sold. The purchase price payable for the property was \$9,500,000 less an Operational Performance Credit in the amount of \$1,450,000 received by the Purchaser. The seller deposited \$1,000,000 upon closing to provide reimbursement to the purchaser for capital improvements to the Facility. At closing, Lancaster County made a payment to the Nebraska Department of Health and Human Services for recapture of depreciation in the amount of \$4,312,975 based upon the purchaser's Medicaid asset cost basis and the allocation of the sale price for Nebraska Medicaid purposes.

NOTE N - PRIOR PERIOD ADJUSTMENT

Deferred Tax Revenue at July 1, 2009 has been restated to correct reporting classifications in the previously issued financial statements of the County. The cumulative effect in the Government-Wide Financial Statements for the year ended June 30, 2009 resulted in an overstatement of Deferred Tax Revenue and an understatement of revenue totaling \$1,772,402. The cumulative effect in the Governmental Fund Financial Statements for the year ended June 30, 2009 resulted in an understatement of Deferred Tax Revenue and an overstatement of revenue totaling \$1,772,402.

	Beginning balance (As previously reported)	Prior period adjustment	Beginning balance (as restated)
Government-Wide Financial Statements			
Deferred Tax Revenue	\$ (1,772,402)	\$ 1,772,402	\$ -
 Governmental Fund Financial Statements			
Deferred Tax Revenue	\$ -	\$ (1,772,402)	\$ (1,772,402)

REQUIRED SUPPLEMENTAL INFORMATION

LANCASTER COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2010

	General Fund (011)			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes	\$ 55,573,177	\$ 55,249,052	\$ 57,219,883	\$ 1,970,831
Charges for Services	15,761,008	15,761,008	12,411,865	(3,349,143)
Federal Receipts	1,962,246	1,962,246	2,084,941	122,695
State Revenues	2,253,456	2,253,456	2,675,840	422,384
License, Fees and Rental Income	59,700	59,700	64,111	4,411
Interest on Investments	1,000,425	1,000,425	681,930	(318,495)
Intergovernmental	1,964,025	1,899,825	599,056	(1,300,769)
Other Receipts	414,771	441,871	1,843,949	1,402,078
Total Revenues	<u>78,988,808</u>	<u>78,627,583</u>	<u>77,581,575</u>	<u>(1,046,007)</u>
EXPENDITURES				
Wages and Benefits	46,060,892	45,907,317	45,919,366	(12,049)
City/County Shared	3,903,968	3,903,968	3,905,461	(1,493)
Contractual	14,263,318	14,104,646	12,613,440	1,491,206
Supplies	2,079,628	2,069,168	1,950,654	118,514
Travel	181,559	178,059	134,960	43,099
Utilities	922,743	922,743	849,328	73,415
Advertising	378,078	378,078	256,606	121,472
Insurance	276,514	276,514	236,937	39,577
Rental	3,781,067	3,781,067	3,803,112	(22,045)
Repairs and Maintenance	439,666	439,666	712,269	(272,603)
Capital Outlays	1,151,686	1,147,686	2,480,673	(1,332,987)
Interest	-	-	-	-
Other	5,102,656	5,087,829	2,613,918	2,473,911
Total Expenditures	<u>78,541,775</u>	<u>78,196,741</u>	<u>75,476,724</u>	<u>2,720,015</u>
EXCESS OF REVENUES OVER EXPENDITURES - BUDGETARY BASIS	447,033	430,842	2,104,851	(1,674,009)
OTHER FINANCING SOURCES (USES)				
Debt Proceeds (Payments)	(146,269)	(146,269)	(14,823)	-
Gain on Sale of Capital Assets	2,500	2,500	60	(2,440)
Operating Transfers In	52,099	52,099	41,278	(10,821)
Operating Transfers Out	(7,617,952)	(7,601,760)	(6,918,564)	683,196
Transfers In - Public Building Commission	-	-	1,803,738	1,803,738
Total Other Financing Sources (Uses)	<u>(7,709,622)</u>	<u>(7,693,430)</u>	<u>(5,088,311)</u>	<u>2,473,673</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES (BUDGETARY BASIS) OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (7,262,589)</u>	<u>\$ (7,262,588)</u>	<u>(2,983,460)</u>	<u>\$ 799,664</u>
ADJUSTMENTS REQUIRED UNDER ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA				
To adjust revenues for accruals			1,359,545	
To adjust expenditures for accruals			<u>(1,482,837)</u>	
DEFICIENCY OF REVENUES (MODIFIED ACCRUAL BASIS) OVER EXPENDITURES			(3,106,752)	
FUND BALANCE - BEGINNING OF YEAR			32,902,407	
FUND BALANCE - END OF YEAR			<u>\$ 29,795,655</u>	

The accompanying notes to Budgetary Comparison Schedule
are an integral part of this schedule

LANCASTER COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2010

	Bridge and Special Road Fund (021)			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for Services	\$ -	\$ -	\$ 776,279	\$ 776,279
Federal Receipts	-	-	-	-
Other Service Revenues and Reimbursement	855,000	855,000	1,830	(853,170)
Other Receipts	60,000	60,000	42,351	(17,649)
Total Revenues	<u>915,000</u>	<u>915,000</u>	<u>820,460</u>	<u>(94,540)</u>
EXPENDITURES				
Wages and Benefits	2,153,933	2,153,933	2,247,480	(93,547)
Contractual	-	-	-	-
Supplies	1,184,750	1,184,750	431,185	753,565
Travel	-	-	-	-
Utilities	57,800	57,800	53,227	4,573
Advertising	-	-	-	-
Insurance	-	-	-	-
Rental	20,000	20,000	27,799	(7,799)
Repairs and Maintenance	76,200	76,200	536,944	(460,744)
Capital Outlays	4,391,056	4,374,865	3,333,393	1,041,472
Other	9,500	9,500	8,970	530
Total Expenditures	<u>7,893,239</u>	<u>7,877,048</u>	<u>6,638,998</u>	<u>1,238,050</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES - BUDGETARY BASIS	(6,978,239)	(6,962,048)	(5,818,538)	(1,143,510)
OTHER FINANCING SOURCES				
Operating Transfers In	5,954,269	5,938,078	6,027,559	89,481
Total Other Financing Sources	<u>5,954,269</u>	<u>5,938,078</u>	<u>6,027,559</u>	<u>89,481</u>
(DEFICIENCY) EXCESS OF REVENUES AND OTHER FINANCING SOURCES (BUDGETARY BASIS) OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (1,023,970)</u>	<u>\$ (1,023,970)</u>	209,021	<u>\$ (1,054,029)</u>
ADJUSTMENTS REQUIRED UNDER ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA				
To adjust revenues for accruals			43,639	
To adjust expenditures for accruals			(45,460)	
EXCESS OF REVENUES (MODIFIED ACCRUAL BASIS) OVER EXPENDITURES			207,200	
FUND BALANCE - BEGINNING OF YEAR			<u>3,660,302</u>	
FUND BALANCE - END OF YEAR			<u>\$ 3,867,502</u>	

The accompanying notes to Budgetary Comparison Schedule
are an integral part of this schedule

LANCASTER COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2010

	Lancaster Manor Fund (061)			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for Services	\$ 4,927,629	\$ 4,927,629	\$ 1,393,113	\$ (3,534,516)
Federal Receipts	13,436,701	13,436,701	-	(13,436,701)
Medicaid/Medicare/MRO Reimbursements	-	-	12,629,582	12,629,582
Other Receipts	-	-	67,500	67,500
Total Revenues	<u>18,364,330</u>	<u>18,364,330</u>	<u>14,090,195</u>	<u>(4,274,135)</u>
EXPENDITURES				
Wages and Benefits	16,329,969	16,329,969	8,690,642	7,639,327
Contractual	1,548,979	1,548,979	769,281	779,698
Supplies	1,399,665	1,399,665	765,920	633,745
Travel	28,188	28,188	11,965	16,223
Utilities	380,000	380,000	169,709	210,291
Advertising	11,800	11,800	5,149	6,651
Insurance	39,333	39,333	15,430	23,903
Rental	21,175	21,175	7,472	13,703
Repairs and Maintenance	98,360	98,360	57,264	41,096
Capital Outlays	1,436,982	1,436,982	-	1,436,982
Other	129,252	129,252	5,275,980	(5,146,708)
Total Expenditures	<u>21,423,703</u>	<u>21,423,703</u>	<u>15,768,792</u>	<u>5,654,911</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES - BUDGETARY BASIS	(3,059,373)	(3,059,373)	(1,678,597)	(1,380,776)
OTHER FINANCING SOURCES				
Operating Transfers In	1,404,623	1,404,623	500,000	(904,623)
Total Other Financing Sources	<u>1,404,623</u>	<u>1,404,623</u>	<u>500,000</u>	<u>(904,623)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES (BUDGETARY BASIS) OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (1,654,750)</u>	<u>\$ (1,654,750)</u>	<u>(1,178,597)</u>	<u>\$ (2,285,399)</u>
ADJUSTMENTS REQUIRED UNDER ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA				
To adjust revenues for accruals				
To adjust expenditures for accruals			(92,939)	
DEFICIENCY OF REVENUES (MODIFIED ACCRUAL BASIS) OVER EXPENDITURES			(1,271,536)	
FUND BALANCE - BEGINNING OF YEAR			1,934,212	
FUND BALANCE - END OF YEAR			<u>\$ 662,676</u>	

The accompanying notes to Budgetary Comparison Schedule
are an integral part of this schedule

LANCASTER COUNTY, NEBRASKA
NOTES TO BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2010

NOTE A - BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary data reflected in the required supplemental information in accordance with the statutory requirements of the Nebraska Budget Act:

On or before August 1, the County Board of Commissioners prepares and transmits a budget for each County fund showing the projected requirements, outstanding warrants, operating reserve, cash on hand at the close of the preceding fiscal year, projected revenue collected from sources other than property tax and amount to be raised by property taxation. The budget is prepared on the cash basis of accounting. Encumbrances are also reflected as expenditures for budgetary purposes. At least one public hearing must be held by the County Board.

On or before September 20, the County Board of Commissioners, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held.

NOTE B - BASIS OF ACCOUNTING

Revenues and expenditures presented on a non-GAAP budget basis of accounting differ from the revenues and expenditures presented in accordance with GAAP because of the different treatment of encumbrances and accruals (revenue recognition). All unexpended appropriations will lapse at the end of the budget year. However, some appropriations may be encumbered at year end and disbursed in the following year due to the nature of the project.

NOTE C - BUDGET LAW

The County is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LANCASTER COUNTY, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Food Distribution Program		
Detention Center	10.550	\$ 208
Passed-through Nebraska Department of Education		
National School Lunch Program		
Detention Center	10.555	91,973
Community Mental Health Center	10.555	30,686
		<hr/>
Total U.S. Department of Agriculture		122,867
<u>U.S. Department of Justice</u>		
Passed-through State Commission on Law Enforcement and Criminal Justice		
Comprehensive Approaches to Sex Offender Management	16.203	98,602
Juvenile Accountability Incentive Block Grants	16.523	68,951
Juvenile Justice and Delinquency Prevention:		
Title II - H2O, Risk/Needs, Talented Tenth	16.540	140,708
County Attorney - Byrne Formula Grant Program	16.579	12,768
County Sheriff - Byrne Formula Grant Program	16.579	18,132
Violence Against Women Formula Grants	16.588	189,394
Violence Against Women Formula Grants -		
American Recovery and Reinvestment Act	16.588	93,007
VAWA Grants to Encourage Arrest Policies and		
Enforce Protection Orders	16.590	197,857
State Criminal Alien Assistance Program (SCAAP)	16.606	90,851
Mental Health Collaboration Grant	16.745	46,000
		<hr/>
Total U.S. Department of Justice		956,270
<u>U.S. Department of Transportation</u>		
Federal Highway Administration		
Passed-through Nebraska Department of Roads		
Highway Planning and Construction	20.205	51,180
SAAC Conference on Alcohol Prevention	20.600	2,500
State and Community Highway Safety	20.600	9,582
		<hr/>
Total U.S. Department of Transportation		63,262
<u>U.S. Department of Homeland Security</u>		
Passed-through Nebraska Emergency Management Agency		
Disaster Grants - Public Assistance	97.036	55,611
Emergency Management Performance Grant	97.042	102,414
State Homeland Security Program	97.067	357,623
Metropolitan Medical Response System training	97.071	2,287
		<hr/>
Total U.S. Department of Homeland Security		517,935

The accompanying notes to Schedule of Expenditures of Federal Awards
are an integral part of this schedule

LANCASTER COUNTY, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services		
Passed-through Nebraska Department of Health and Human Services		
Mental Health Planning and Demonstration Project		
Project Homeless Grant, Mental Health Care	93.150	\$ 32,500
Alcohol, Drug Abuse and Mental Health Services-		
Block Grant, Mental Health Center	93.958	19,456
Substance Abuse and Mental Health Services Administration -		
Projects of Regional and National Significance		
Strategic Prevention Framework State Incentive Grant	93.243	160,000
Drug-Free Community Support Program Grants	93.276	115,600
Refugee and Entrant Assistance - Discretionary Grants	93.576	49,000
Passed-through Nebraska Department of Social Services		
Child Support Enforcement, County Attorney	(1) 93.563	1,061,529
Child Support Enforcement, Clerk of District Court	(1) 93.563	261,140
Child Support Enforcement, Bailiff District Court	(1) 93.563	206,442
Passed-through University of Nebraska-Lincoln		
Decision Science in Rehabilitation	93.242	9,000
Office of Minority Health and Health Equity		
Passed-through Nebraska DHHS, Office of Health Disparities		
State Partnership Grant Program - Health Disparities	93.006	500
State Partnership Grant Program - Lunch & Learns	93.006	2,001
		<hr/>
Total U.S. Department of Health and Human Services		1,917,168
Other Federal Assistance		
Social Security Administration		
Social Security Disability Insurance	96.001	28,600
U.S. Entitlement Lands	15.226	17,837
		<hr/>
Total Other Federal Assistance		46,437
		<hr/>
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 3,623,939

(1) Determined to be a major program.

The accompanying notes to Schedule of Expenditures of Federal Awards
are an integral part of this schedule

LANCASTER COUNTY, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lancaster County, Nebraska (the County), and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the cash basis of accounting. Total grant expenditures presented in the schedule do not include expenditures funded through matching contributions and other miscellaneous revenue.

NOTE C - SUB-RECIPIENTS

There are no sub-recipients of federal expenditures presented in the schedule.

NOTE D - PASS-THROUGH GRANTOR NUMBERS

The identifying numbers assigned by the pass-through entities to the pass-through federal funds were not available.

COMBINING STATEMENTS

LANCASTER COUNTY, NEBRASKA
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

ASSETS	Total (Memorandum Only)	General Fund (011)	Visitors Improvement Fund (018)	Visitors Promotion Fund (019)	County Rural Library Fund (020)	Bridge & Special Road Fund (021)
Cash and Cash Equivalents	\$ 19,247,349	\$ 2,310,170	\$ 2,373,888	\$ 427,434	\$ 25,459	\$ 2,787,853
Certificates of Deposit	10,247,180	8,580,353	-	-	-	1,543,750
Investments	3,642,007	3,139,597	-	-	-	338,334
Due From Other Governmental Agencies	3,302,932	1,627,147	61,474	285,831	1,987	44,443
Interest Receivable	43,179	34,154	-	-	-	6,879
Patent and Insurance Receivables, Net of Allowance for Doubtful Accounts of \$201,377	111,638	-	-	-	-	-
Taxes Receivable	21,347,743	19,592,310	-	-	243,548	-
	<u>\$ 57,942,008</u>	<u>\$ 35,283,731</u>	<u>\$ 2,435,362</u>	<u>\$ 713,265</u>	<u>\$ 270,994</u>	<u>\$ 4,721,059</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 5,251,842	\$ 2,358,010	\$ 8,000	\$ 161,542	\$ -	\$ 778,867
Accrued Salaries	2,060,966	1,520,896	-	-	-	74,690
Due To Other Governmental Agencies	125,000	-	-	-	-	-
Deferred Revenue	1,757,934	1,609,170	-	-	24,540	-
Total Liabilities	<u>9,194,842</u>	<u>5,488,076</u>	<u>8,000</u>	<u>161,542</u>	<u>24,540</u>	<u>853,557</u>
COMMITMENTS AND CONTINGENCIES						
FUND BALANCE						
Reserved for Debt Service	2,962,967	-	-	-	-	-
Reserved for Encumbrances	2,275,451	268,020	-	-	-	1,762,712
Unreserved	43,508,748	29,527,635	2,427,362	551,723	246,454	2,104,790
Total Fund Balance	<u>48,747,166</u>	<u>29,795,655</u>	<u>2,427,362</u>	<u>551,723</u>	<u>246,454</u>	<u>3,867,502</u>
	<u>\$ 57,942,008</u>	<u>\$ 35,283,731</u>	<u>\$ 2,435,362</u>	<u>\$ 713,265</u>	<u>\$ 270,994</u>	<u>\$ 4,721,059</u>

(Continued)

LANCASTER COUNTY, NEBRASKA
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	Highway Fund (022)	Veterans Aid Fund (026)	Federal Grants Fund (027)	Keno Fund (028)	Economic Development Fund (039)	Debt Service Fund (041)	Building Fund (051)
ASSETS							
Cash and Cash Equivalents	\$ 442,742	\$ 15,325	\$ 1,001,860	\$ 2,128,745	\$ 354,759	\$ 2,702,694	\$ 135,722
Certificates of Deposit	85,488	-	-	-	49,579	-	-
Investments	87,317	-	-	-	66,106	-	-
Due From Other Governmental Agencies	557,412	-	88,719	-	2,976	57,108	864
Interest Receivable	1,103	-	-	-	895	-	-
Patent and Insurance Receivables, Net of Allowance for Doubtful Accounts of \$201,377	-	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	221,359	86,330
	<u>\$ 1,184,062</u>	<u>\$ 15,325</u>	<u>\$ 1,088,579</u>	<u>\$ 2,128,745</u>	<u>\$ 474,315</u>	<u>\$ 2,981,161</u>	<u>\$ 222,916</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ 252,310	\$ -	\$ 497,120	\$ 54,432	\$ 3,571	\$ -	\$ 7,169
Accrued Salaries	78,031	-	-	-	-	-	-
Due To Other Governmental Agencies	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	18,194	7,105
Total Liabilities	<u>330,341</u>	<u>-</u>	<u>497,120</u>	<u>54,432</u>	<u>3,571</u>	<u>18,194</u>	<u>14,274</u>
COMMITMENTS AND CONTINGENCIES							
FUND BALANCE							
Reserved for Debt Service	-	-	-	-	-	2,962,957	-
Reserved for Encumbrances	220,334	-	24,385	-	-	-	-
Unreserved	603,387	15,325	567,074	2,074,313	470,744	-	208,642
Total Fund Balance	<u>823,721</u>	<u>15,325</u>	<u>591,459</u>	<u>2,074,313</u>	<u>470,744</u>	<u>2,962,957</u>	<u>208,642</u>
	<u>\$ 1,184,062</u>	<u>\$ 15,325</u>	<u>\$ 1,088,579</u>	<u>\$ 2,128,745</u>	<u>\$ 474,315</u>	<u>\$ 2,981,161</u>	<u>\$ 222,916</u>

(Continued)

LANCASTER COUNTY, NEBRASKA
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

ASSETS	Jail Savings Fund (052)	Lancaster Manor Fund (061)	Mental Health Fund (063)	Weed Control Fund (064)	County/City Property Management Fund (065)	County Property Management Fund (066)	City Building Maintenance Fund (067)
Cash and Cash Equivalents	\$ 1,969,189	\$ 1,488,617	\$ 277,591	\$ 89,365	\$ 219,859	\$ 133,301	\$ 373,156
Certificates of Deposit	7,990	-	-	-	-	-	-
Investments	10,653	-	-	-	-	-	-
Due From Other Governmental Agencies	-	-	501,243	-	75,728	-	-
Interest Receivable	148	-	-	-	-	-	-
Patient and Insurance Receivables, Net of Allowance for Doubtful Accounts of \$201,377	-	-	111,638	-	-	-	-
Taxes Receivable	-	-	1,204,186	-	-	-	-
	<u>\$ 1,977,980</u>	<u>\$ 1,488,617</u>	<u>\$ 2,094,666</u>	<u>\$ 89,385</u>	<u>\$ 295,387</u>	<u>\$ 133,301</u>	<u>\$ 373,156</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ 825,941	\$ 156,257	\$ 14,120	\$ 28,038	\$ 87,716	\$ 18,749
Accrued Salaries	-	-	268,132	10,739	97,308	12,270	-
Due To Other Governmental Agencies	-	-	-	-	125,000	-	-
Deferred Revenue	-	-	98,925	-	-	-	-
Total Liabilities	-	825,941	521,314	24,859	250,346	99,986	18,749
COMMITMENTS AND CONTINGENCIES							
FUND BALANCE							
Reserved for Debt Service	-	-	-	-	-	-	-
Reserved for Encumbrances	-	-	-	-	-	-	-
Unreserved	1,977,980	662,676	1,573,354	64,526	45,041	33,315	354,407
Total Fund Balance	<u>1,977,980</u>	<u>662,676</u>	<u>1,573,354</u>	<u>64,526</u>	<u>45,041</u>	<u>33,315</u>	<u>354,407</u>
	<u>\$ 1,977,980</u>	<u>\$ 1,488,617</u>	<u>\$ 2,094,666</u>	<u>\$ 89,385</u>	<u>\$ 295,387</u>	<u>\$ 133,301</u>	<u>\$ 373,156</u>

LANCASTER COUNTY, NEBRASKA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE (DEFICIT)
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2018

	Total (Memorandum Only)	General Fund (011)	Visitors Improvement Fund (018)	Visitors Promotion Fund (019)	County Rural Library Fund (020)	Bridge & Special Road Fund (021)
REVENUES						
Taxes	\$ 64,010,590	\$ 57,873,703	\$ 877,740	\$ 1,102,098	\$ 578,046	\$ 1,829
Charges for Services	19,657,886	13,058,839	-	-	-	820,722
Federal Receipts	4,381,331	2,546,655	-	-	-	-
State Revenues	12,358,930	2,675,840	-	-	24,919	-
Medicaid/Medicare/MRO Reimbursements	15,409,330	-	-	-	-	-
License, Fees and Rental Income	1,569,781	64,111	-	-	-	-
Interest Income	719,107	815,214	-	-	-	33,602
Intergovernmental	928,479	754,162	-	-	(70)	1
Other Income	2,295,017	1,362,798	-	-	-	7,945
Total Revenues	121,330,451	76,941,120	877,740	1,102,098	602,895	864,089
EXPENDITURES						
Wages and Benefits	71,438,722	46,366,680	-	-	-	2,262,979
City/County Shared	4,964,382	3,906,461	-	-	617,183	-
Contractual	19,766,792	13,393,127	532,207	1,050,021	-	-
Supplies	4,582,002	2,008,087	-	-	-	436,181
Travel	253,137	134,950	-	-	-	-
Utilities	1,631,292	888,260	-	-	-	54,040
Advertising	301,342	282,290	-	-	-	-
Insurance	328,117	236,937	-	-	-	-
Rental	4,354,053	3,875,127	-	-	-	27,799
Repairs and Maintenance	4,596,414	758,826	-	-	-	537,609
Capital Outlays	6,439,057	2,487,527	-	-	-	3,356,880
Interest	74,457	-	-	-	-	-
Other	8,468,715	2,662,269	(10,000)	-	257	8,970
Total Expenditures	127,168,492	78,959,561	522,207	1,050,021	617,420	6,684,458
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(5,838,041)	1,981,558	355,533	52,077	(14,525)	(5,820,359)
OTHER FINANCING SOURCES (USES)						
Debt Payments	(624,823)	(14,823)	-	-	-	-
Gain on Sale of Capital Assets	80	80	-	-	-	-
Operating Transfers In	8,860,550	-	-	-	-	6,027,559
Operating Transfers Out	(8,860,550)	(6,818,584)	-	-	-	-
Transfers In - Public Building Commission	1,803,738	1,803,738	-	-	-	-
Transfers Out - City of Lincoln	(507,107)	-	-	-	-	-
Total Other Financing Sources (Uses)	671,868	(5,088,311)	-	-	-	6,027,559
CHANGE IN FUND BALANCE (DEFICIT)	(5,166,172)	(3,106,752)	355,533	52,077	(14,525)	207,200
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR, AS PREVIOUSLY STATED	55,685,740	34,518,815	2,071,829	489,647	286,087	3,660,302
PRIOR PERIOD ADJUSTMENT	(1,772,402)	(1,618,408)	-	-	(25,108)	-
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR, AS RESTATED	53,913,338	32,900,407	2,071,829	489,647	280,979	3,660,302
FUND BALANCE - END OF THE YEAR	\$ 48,747,166	\$ 29,795,655	\$ 2,427,362	\$ 551,723	\$ 246,454	\$ 3,867,502

LANCASTER COUNTY, NEBRASKA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE (DEFICIT)
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

(Continued)

	Highway Fund (022)	Veterans Aid Fund (026)	Federal Grants Fund (027)	Keno Fund (028)	Economic Development Fund (030)	Debt Service Fund (041)	Building Fund (051)
REVENUES							
Taxes	\$ -	\$ -	\$ 1,122	\$ -	\$ -	\$ 545,985	\$ 204,277
Charges for Services	203,883	-	102,513	-	-	629,195	-
Federal Receipts	-	-	1,620,025	-	-	-	-
State Revenues	5,425,907	-	406,200	-	-	21,099	8,202
Medicaid/Medicare/MRO Reimbursements	-	-	-	-	-	-	-
License, Fees and Rental Income	3,085	-	-	-	-	50,400	-
Interest Income	15,333	-	11,253	-	9,203	3,569	-
Intergovernmental	-	-	-	-	-	(85)	(16)
Other Income	32,952	6,129	19,491	873,035	38,590	-	-
Total Revenues	5,681,170	6,129	2,160,604	873,035	47,893	1,250,163	212,463
EXPENDITURES							
Wages and Benefits	2,500,336	-	-	-	-	-	-
City/County Shared	-	-	-	436,813	-	-	-
Contractual	3,523	-	1,702,871	257,187	25,000	-	14,881
Supplies	844,609	-	347,694	-	-	-	-
Travel	-	-	83,517	-	-	-	-
Utilities	38,736	-	2,765	-	-	-	-
Advertising	466	-	9,172	-	-	-	-
Insurance	-	-	-	-	-	-	-
Rental	9,035	-	420	-	-	-	-
Repairs and Maintenance	2,894,043	-	14,200	-	-	-	188,305
Capital Outlays	594,660	-	-	-	-	-	-
Interest	-	-	-	-	-	74,457	-
Other	3,442	4,065	150,178	(19,636)	17,143	267	32,780
Total Expenditures	6,868,850	4,065	2,310,837	674,364	42,143	74,724	245,966
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(1,207,680)	2,064	(150,233)	(1,329)	5,750	1,175,439	(33,503)
OTHER FINANCING SOURCES (USES)							
Debt Payments	-	-	-	-	-	(610,000)	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-
Operating Transfers In	-	5,000	45,708	-	-	129,446	-
Operating Transfers Out	-	-	(41,986)	-	-	-	-
Transfers In - Public Building Commission	-	-	-	-	-	-	-
Transfers Out - City of Lincoln	-	-	-	-	-	(507,107)	-
Total Other Financing Sources (Uses)	-	5,000	3,722	-	-	(987,661)	-
CHANGE IN FUND BALANCE (DEFICIT)	(1,207,680)	7,064	(146,511)	(1,329)	5,750	187,778	(33,503)
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR, AS PREVIOUSLY STATED	2,031,401	8,261	737,970	2,075,642	464,994	2,817,375	249,242
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	(42,186)	(7,097)
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR, AS RESTATED	2,031,401	8,261	737,970	2,075,642	464,994	2,775,189	242,145
FUND BALANCE - END OF THE YEAR	\$ 823,721	\$ 15,325	\$ 591,459	\$ 2,074,313	\$ 470,744	\$ 2,962,967	\$ 208,642

LANCASTER COUNTY, NEBRASKA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE (DEFICIT)
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

(Continued)

	Jail Savings Fund (052)	Lancaster Manor Fund (061)	Mental Health Fund (063)	Weed Control Fund (064)	County/City Property Management Fund (065)	County Property Management Fund (066)	City Building Maintenance Fund (067)
REVENUES							
Taxes	\$ 1,018	\$ -	\$ 2,824,281	\$ 101	\$ 410	\$ -	\$ -
Charges for Services	-	1,393,113	403,952	27,301	2,705,405	6,326	306,837
Federal Receipts	-	-	214,651	-	-	-	-
State Revenues	-	-	3,798,793	-	-	-	-
Medicaid/Medicare/MRO Reimbursements	-	12,629,582	2,779,748	-	-	-	-
License, Fees and Rental Income	-	67,500	-	-	-	1,384,685	-
Interest Income	30,710	-	-	-	224	-	-
Intergovernmental	-	-	38,420	138,055	-	-	-
Other Income	1	-	130,220	34,899	248	(1,416)	17
Total Revenues	31,729	14,090,195	10,185,015	200,368	2,706,267	1,389,595	306,854
EXPENDITURES							
Wages and Benefits	-	8,761,147	7,836,771	224,393	2,944,841	542,575	-
City/County Shared	-	-	-	-	-	2,566	2,379
Contractual	-	769,281	1,482,070	42,142	-	272,133	222,349
Supplies	-	766,920	104,388	11,004	-	36,200	7,829
Travel	-	11,965	18,066	3,295	-	314	-
Utilities	-	169,709	84,776	5,847	-	381,122	26,017
Advertising	-	5,149	20,378	3,887	-	-	-
Insurance	-	15,430	53,820	2,850	6,184	12,896	-
Rental	-	7,472	410,723	-	-	2,007	21,470
Repairs and Maintenance	-	57,264	20,648	1,765	-	94,838	8,917
Capital Outlays	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	5,298,394	286,700	34,549	-	(663)	-
Total Expenditures	-	15,891,731	10,318,361	329,722	2,951,025	1,344,076	288,961
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	31,729	(1,771,536)	(132,346)	(129,354)	(244,738)	45,519	17,893
OTHER FINANCING SOURCES (USES)							
Debt Payments	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-
Operating Transfers In	-	500,000	(0)	138,067	-	73,493	-
Operating Transfers Out	-	-	-	-	-	-	-
Transfers In - Public Building Commission	-	-	-	-	-	-	-
Transfers Out - City of Lincoln	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	500,000	(0)	138,067	-	73,493	-
CHANGE IN FUND BALANCE (DEFICIT)	31,729	(1,271,536)	(132,346)	8,713	(244,738)	119,012	17,893
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR, AS PREVIOUSLY STATED	1,946,251	1,934,212	1,787,303	55,813	289,779	(85,697)	336,514
PRIOR PERIOD ADJUSTMENT	-	-	(81,693)	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING OF THE YEAR, AS RESTATED	1,946,251	1,934,212	1,705,700	55,813	289,779	(85,697)	336,514
FUND BALANCE - END OF THE YEAR	\$ 1,977,980	\$ 662,676	\$ 1,573,354	\$ 64,526	\$ 45,041	\$ 33,315	\$ 354,407

LANCASTER COUNTY, NEBRASKA
 COMBINING STATEMENT OF NET ASSETS (DEFICIT)
 PROPRIETARY FUNDS
 June 30, 2010

ASSETS	Total (Memorandum Only)	INTERNAL SERVICE FUNDS		
		Workers' Compensation Loss Fund (012)	Other Self-Insurance Fund (013)	Group Insurance Fund (014)
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 5,928,869	\$ 968,880	\$ 206,289	\$ 4,753,700
Certificates of Deposit	149,171	131,974	17,197	-
Investments	198,894	175,965	22,929	-
Due From Other Governmental Agencies	-	-	-	-
Interest Receivable	2,703	2,321	382	-
Total Current Assets	<u>6,279,637</u>	<u>1,279,140</u>	<u>246,797</u>	<u>4,753,700</u>
	<u>\$ 6,279,637</u>	<u>\$ 1,279,140</u>	<u>\$ 246,797</u>	<u>\$ 4,753,700</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
CURRENT LIABILITIES				
Accounts Payable	\$ 31,989	\$ 25,562	\$ 2,560	\$ 3,867
Claims Liability	1,096,437	539,287	557,150	-
Accrued Salaries	7,095	7,095	-	-
Total Current Liabilities	<u>1,135,521</u>	<u>571,944</u>	<u>559,710</u>	<u>3,867</u>
LONG-TERM LIABILITIES				
Accrued Compensated Absences	33,007	33,007	-	-
Total Long-Term Liabilities	<u>33,007</u>	<u>33,007</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,168,528</u>	<u>604,951</u>	<u>559,710</u>	<u>3,867</u>
COMMITMENTS AND CONTINGENCIES				
NET ASSETS (DEFICIT)				
Unreserved	5,111,109	674,189	(312,913)	4,749,833
Total Net Assets (Deficit)	<u>5,111,109</u>	<u>674,189</u>	<u>(312,913)</u>	<u>4,749,833</u>
	<u>\$ 6,279,637</u>	<u>\$ 1,279,140</u>	<u>\$ 246,797</u>	<u>\$ 4,753,700</u>

LANCASTER COUNTY, NEBRASKA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
Year Ended June 30, 2010

	INTERNAL SERVICE FUNDS			
	Total (Memorandum Only)	Workers' Compensation Loss Fund (012)	Other Self-Insurance Loss Fund (013)	Group Insurance Fund (014)
OPERATING REVENUES				
Charges for Services	\$ 11,529,329	\$ 810,470	\$ 90,732	\$ 10,628,127
Other	92,032	-	-	92,032
Total Operating Revenues	<u>11,621,361</u>	<u>810,470</u>	<u>90,732</u>	<u>10,720,159</u>
OPERATING EXPENSES				
Insurance	11,119,399	22,525	393,324	10,703,550
Contractual	1,054,912	43,590	37,280	974,042
Wages and Benefits	129,345	129,345	-	-
Other	67,450	67,450	-	-
Rental	4,382	4,382	-	-
Supplies	1,307	1,307	-	-
Total Operating Expenses	<u>12,376,795</u>	<u>268,599</u>	<u>430,604</u>	<u>11,677,592</u>
Operating Income (Loss)	(755,434)	541,871	(339,872)	(957,433)
NON-OPERATING REVENUES				
Interest on Investments	13,725	7,535	6,190	-
Total Non-operating Revenues	<u>13,725</u>	<u>7,535</u>	<u>6,190</u>	<u>-</u>
CHANGE IN NET ASSETS	(741,709)	549,406	(333,682)	(957,433)
NET ASSETS - BEGINNING OF YEAR	<u>5,852,818</u>	<u>124,783</u>	<u>20,769</u>	<u>5,707,266</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 5,111,109</u>	<u>\$ 674,189</u>	<u>\$ (312,913)</u>	<u>\$ 4,749,833</u>

LANCASTER COUNTY, NEBRASKA
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended June 30, 2010

	INTERNAL SERVICE FUNDS			
	Total (Memorandum Only)	Workers' Compensation Loss Fund (012)	Other Self- Insurance Loss Fund (013)	Group Insurance Fund (014)
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from User Charges	\$ 12,105,537	\$ 349,757	\$ 90,732	\$ 11,665,048
Payments for Employee Indemnity	(1,248,856)	(237,534)	(37,280)	(974,042)
Payments for Claims/Insurance	(10,975,451)	(19,878)	(250,729)	(10,704,844)
Net Cash (Used In) Provided By Operating Activities	(118,770)	92,345	(197,277)	(13,838)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Investments	1,502,000	1,100,000	402,000	-
Purchase of Investments	(348,065)	(307,939)	(40,126)	-
Interest Received	25,032	18,083	6,969	-
Net Cash Provided By Investing Activities	1,178,967	810,124	368,843	-
Increase (Decrease) in Cash And Cash Equivalents	1,060,197	902,469	171,566	(13,838)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,868,672	66,411	34,723	4,767,538
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,928,869	\$ 988,880	\$ 206,289	\$ 4,753,700
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (755,434)	\$ 541,871	\$ (339,872)	\$ (957,433)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used In) Provided by Operating Activities:				
Decrease In Current Assets:				
Due From Other Governmental Agencies	944,890	-	-	944,890
Increase (Decrease) In Current Liabilities:				
Accounts Payable	3,547	2,647	2,195	(1,295)
Claims Liability	(320,313)	(460,713)	140,400	-
Accrued Salaries	3,806	3,806	-	-
Accrued Compensated Absences	4,734	4,734	-	-
Net Cash (Used In) Provided By Operating Activities	\$ (118,770)	\$ 92,345	\$ (197,277)	\$ (13,838)

STATEMENTS OF ACCOUNTABILITY

**LANCASTER COUNTY, NEBRASKA
COUNTY CLERK
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year \$ 50

RECEIPTS

Recording and Miscellaneous Fees	19,798
Occupation Tax	13,250
Marriage License Fees	31,785
Liquor Licenses	6,325
Total Receipts	71,158

DISBURSEMENTS

Paid to County Treasurer	
Recording and Miscellaneous Fees	19,798
Occupation Tax	13,250
Marriage License Fees	31,785
Liquor Licenses	6,325
Total Disbursements	71,158

BALANCE ON HAND - end of year \$ 50

SUMMARY OF BALANCE ON HAND - end of year

Cash on Hand	\$ 50
Total Balance on Hand	\$ 50

**LANCASTER COUNTY, NEBRASKA
COUNTY REGISTER OF DEEDS
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year \$ 187,159

RECEIPTS

Charges for Services	3,122,654
Total Receipts	3,122,654

DISBURSEMENTS

Paid to County Treasurer	
Documentary Stamp Tax	464,918
Recording Fees	1,021,040
Non-Filing Fees	4,485
Paid to State	
Documentary Stamp Tax	1,586,970
Refunds	8,250
Total Disbursements	3,085,663

BALANCE ON HAND - end of year **\$ 224,150**

SUMMARY OF BALANCE ON HAND - end of year

Cash on Hand	\$ 13,693
Cash at Treasurer	210,457
Total Balance on Hand	\$ 224,150

LANCASTER COUNTY, NEBRASKA
CLERK OF THE DISTRICT COURT
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010

BALANCE ON HAND - beginning of year	\$ 2,288,658
RECEIPTS, TRUST FUNDS	
(including alimony, child support and fees)	7,577,691
DISBURSEMENTS, TRUST FUNDS	
(including alimony, child support and fees)	<u>7,969,220</u>
BALANCE ON HAND - end of year	<u><u>\$ 1,897,129</u></u>
 SUMMARY OF BALANCE ON HAND - end of year	
Cash on Hand	\$ 300
Cash in Bank	1,333,006
Investments	<u>563,823</u>
Total Balance on Hand	<u><u>\$ 1,897,129</u></u>

**LANCASTER COUNTY, NEBRASKA
COUNTY SHERIFF
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year **\$ 377,001**

RECEIPTS

Tax Account	229,407
Fee Account	813,298
Attorneys' Trust	219,699
Vehicle Inspection Fees	138,470
Contracts, Grants and Other	<u>1,420,581</u>
Total Receipts	<u>2,821,455</u>

DISBURSEMENTS

Tax Account	534,588
Fee Account	819,162
Attorneys' Trust	212,172
Vehicle Inspection Fees	138,470
Contracts, Grants and Other	<u>1,420,581</u>
Total Disbursements	<u>3,124,973</u>

BALANCE ON HAND - end of year **\$ 73,483**

SUMMARY OF BALANCE ON HAND - end of year

Cash in Bank	<u>\$ 73,483</u>
Total Balance on Hand	<u><u>\$ 73,483</u></u>

**LANCASTER COUNTY, NEBRASKA
COUNTY ATTORNEY
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year **\$ 81,563**

RECEIPTS

Receipts on Bad Checks	475,429
Collection Fees	20,830
Unclaimed Property Receipts	20,241
Interest	20
Total Receipts	516,520

DISBURSEMENTS

Payments on Bad Checks Collected	475,063
Collection fees remitted to County Treasurer	20,830
Interest	20
Total Disbursements	495,913

BALANCE ON HAND - end of year **\$ 102,170**

SUMMARY OF BALANCE ON HAND - end of year

Cash in Bank	\$ 63,447
Certificate of Deposit	10,000
Cash at County Treasurer	28,723
Total Balance on Hand	\$ 102,170

**LANCASTER COUNTY, NEBRASKA
WEED CONTROL
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year	\$ 18,927
RECEIPTS	74,203
DISBURSEMENTS	<u>61,881</u>
BALANCE ON HAND - end of year	<u>\$ 31,249</u>
SUMMARY OF BALANCE ON HAND - end of year	
Accounts Receivable	\$ 31,249
Total Balance on Hand	<u>\$ 31,249</u>

**LANCASTER COUNTY, NEBRASKA
CORRECTIONS DEPARTMENT
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year \$ 29,699

RECEIPTS

Room and Board	16,784
State Prisoner Reimbursement	743,467
Inmate Fund	2,482,196
Commissary Funds	183,712
Telephone Commissions	159,775
Vending Machine Commissions	43,228
Work Release Meals	94,138
Workers Commissary/Indigent Postage Reimbursement	43,535
Department of Justice	90,851
Social Security Reimbursements	28,600
Miscellaneous	9,363
Total Receipts	3,895,649

DISBURSEMENTS

County Treasurer	1,229,741
Inmate Funds	2,482,979
Commissary Vendors	186,951
Total Disbursements	3,899,671

BALANCE ON HAND - end of year \$ 25,677

SUMMARY OF BALANCE ON HAND - end of year

Petty Cash	\$ 100
Cash in Bank	25,577
Total Balance on Hand	<u><u>\$ 25,677</u></u>

**LANCASTER COUNTY, NEBRASKA
ENGINEER
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year	\$ -
RECEIPTS	
General Fund	25
Bridge Fund	435,709
Highway Fund	100,754
Total Receipts	<u>536,488</u>
DISBURSEMENTS	
General Fund	25
Bridge Fund	435,709
Highway Fund	100,754
Total Disbursements	<u>536,488</u>
BALANCE ON HAND - end of year	<u><u>\$ -</u></u>

**LANCASTER COUNTY, NEBRASKA
EXTENSION BOARD
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

BALANCE ON HAND - beginning of year \$ 180,822

RECEIPTS

4-H Programs	10,715
Miscellaneous	18,456
Room Rentals	6,450
Family Resources	4,746
Agricultural Programs	11,096
General Resale	3,715
4-H Resale	5,411
Horticulture and Forestry	60
Total Receipts	60,649

DISBURSEMENTS

4-H Programs	12,517
Miscellaneous	21,567
Room Rentals	4,871
Family Resources	3,562
Agricultural Programs	8,564
General Resale	5,264
4-H Resale	6,764
Horticulture and Forestry	1,379
Total Disbursements	64,488

BALANCE ON HAND - end of year **\$ 176,983**

SUMMARY OF BALANCE ON HAND - end of year

Cash at County Treasurer	\$ 176,983
Total Balance on Hand	\$ 176,983

**LANCASTER COUNTY, NEBRASKA
YOUTH SERVICES CENTER
STATEMENT OF ACCOUNTABILITY
Year Ended June 30, 2010**

(DEFICIT) BALANCE ON HAND - beginning of year \$ (256)

RECEIPTS

Petty Cash	277
Resident Trust	20,133
Total Receipts	20,410

DISBURSEMENTS

Petty Cash	258
Resident Trust	20,184
Total Disbursements	20,442

(DEFICIT) BALANCE ON HAND - end of year **\$ (288)**

SUMMARY OF (DEFICIT) BALANCE ON HAND - end of year

Petty Cash	\$ 35
Cash in Bank	(323)
Total (Deficit) Balance on Hand	<u>\$ (288)</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

INDEPENDENT AUDITORS' 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

Lancaster County Board of Commissioners
Lincoln, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lancaster County, Nebraska (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's financial statements and have issued our report thereon dated January 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 2008-2 and 2010-1 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency or 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.

INDEPENDENT AUDITORS' 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 (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the County in a separate letter dated January 26, 2011.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners and management of the County and the State of Nebraska and this report is not intended to be and should not be used by anyone other than these specified parties

BLAND & ASSOCIATES, P.C.

Omaha, Nebraska
January 26, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Lancaster County, Nebraska

Compliance

We have audited Lancaster County, Nebraska's (the County) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal controls over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Commissioners and management of the County's federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BLAND + ASSOCIATES, P.C.

Omaha, Nebraska
January 26, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**LANCASTER COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010**

A. SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENT AUDIT

Type of auditor's report issued:		Unqualified
Internal control over financial reporting:		
Material weakness(es) identified:	Yes _____	No <u> X </u>
Significant deficiency(ies) identified that are not considered to be a material weakness(es):	Yes <u> X </u>	No _____
Noncompliance material to the financial statements noted:	Yes _____	No <u> X </u>

MAJOR FEDERAL AWARD PROGRAM AUDIT

Internal control over major programs:		
Material weakness(es) identified:	Yes _____	No <u> X </u>
Significant deficiency(ies) identified that are not considered to be a material weakness(es):	Yes _____	No <u> X </u>
Type of auditor's report issued on compliance for major programs:		Unqualified
Audit findings disclosed that are required to be reported in accordance with 510(a) OMB Circular A-133:	Yes _____	No <u> X </u>

LANCASTER COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2010

A. SUMMARY OF AUDIT FINDINGS (Continued)

MAJOR FEDERAL AWARD PROGRAM AUDIT (Continued)

The only program tested for compliance was the Child Support Enforcement Program (CFDA No. 93.563) which is funded by grant disbursements passed-through the Nebraska Department of Social Services as an agency of the U.S. Department of Health and Human Services.

Threshold used for distinguishing between Type A and B programs: \$300,000

Is Lancaster County considered to be a low-risk auditee: Yes X No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2008-2 Condition: The responsibility for the preparation of financial statements resides with the management of the County. Management is fully capable of preparing its financial statements but faced time constraints during the current fiscal year which precluded the preparation of the financial statements.

Criteria: *Statement on Auditing Standards Number 112* suggests that management prepare its financial statements in order to prevent or detect material misstatements, including footnote disclosures.

Effect: Material disclosures and classification misstatements may not be detected.

Recommendation: Management of the County should prepare the financial statements in the future.

Response: The County understands the responsibility for the preparation of financial statements resides with them. The main obstacle is the limited number of staff in the Budget and Fiscal Office. Lancaster County will have discussions to determine what options are available and possible.

2010-1 Condition: It was determined that the County did not reconcile transfers between related entities during the fiscal year. Additionally, the County did not capitalize a transfer-in of capital outlay incurred by the Lancaster County Public Building Commission and required to be transferred at 50% to the County.

Criteria: Transfers in and out between related entities should be recorded and reconciled and the capital assets listing should be reviewed and reconciled to the general ledger on a regular basis.

LANCASTER COUNTY, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENT AUDIT (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

Effect: Significant transactions may not be captured if transfers in and out are not reconciled on a regular basis and capital assets that have been transferred in may not be properly recorded or recorded at all.

Recommendation: We recommend the County reconcile transfers between related entities on a regular basis, preferably monthly. Additionally, the County should reconcile and capitalize capital outlays transferred from the Lancaster County Public Building Commission. Finally, they should review the capital outlay accounts for the Building Commission and reclassify any items not meeting the criteria for capitalization to a repairs and maintenance account. Subsequent to this issue being identified, the County has worked towards capitalizing the transferred in capital outlay.

Response: The County agrees with the recommendation and will reconcile and capitalize this transfer in the future.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD

None

**LANCASTER COUNTY, NEBRASKA
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2010**

FINANCIAL STATEMENT AUDIT

WEAKNESS NOTED

CURRENT STATUS

- | | |
|---|--|
| 1. The responsibility for the preparation of financial statements resides with the management of the County. | 1. The finding remains as of June 30, 2010. |
| 2. The County did not reconcile the capital assets listing to the general ledger during the fiscal year resulting in numerous adjustments. | 2. The finding is closed. |
| 3. It was determined that the County did not reconcile transfers between related entities. | 3. The finding has been combined with the significant deficiency identified as 2010-1. |
| 4. The computer system in place is lacking the capability to determine what comprises cash and investments belonging to the County by fund. | 4. The finding is closed. |
| 5. The County did not capitalize a transfer-in of capital outlay incurred by the Lancaster County Public Building Commission and required to be transferred at 50% to the County. | 5. The finding remains as of June 30, 2010. |



Kerry P. Eagan

From: Sue L. Eckley
Sent: Wednesday, March 23, 2011 10:25 AM
To: Kerry P. Eagan
Cc: Dean B. Settle; Judi Tannahill; Sue L. Eckley
Subject: KMBT25020110323101105.pdf
Attachments: KMBT25020110323101105.pdf

Hi Kerry -

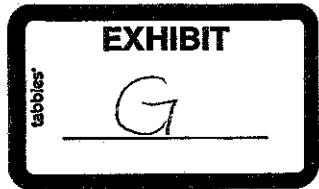
I just received this form from State Farm. This vehicle belongs to Community Mental Health. There is an estimate of repairs to Miracle Workers in the amount of \$1,897.63. Interestingly enough, State Farm's adjuster said the vehicle is a total loss and they are paying us \$2,475.00 for the vehicle. Community Mental Health can get this repaired and have money left over so State Farm will send us a check for \$2,475.00 and we retain the vehicle.

Could you please have Deb sign this form and I can fax it back to State Farm and they will issue and send us the check. They said the vehicle was a total loss due to high miles (158,783)

Thanks, Kerry

Sue

58.5¢ 55¢ 50¢
 55¢ 50¢ 51¢
 6/30/2010 2/28/2011



06/30/2009 #####

BU

6020	Mileage	271.43	80.05	51.00
6030	Mileage	1,422.93	991.80	702.26
6050	Mileage	222.95	781.00	355.00
6070	Mileage	12,450.77	5,386.38	4,586.15
6102	Mileage	68.75	-	-
6130	Mileage	359.34	313.00	171.56
6150	Mileage	582.10	1,121.74	126.08
6160	Mileage	-	52.00	-
6180	Mileage	-	-	25.00
6210	Mileage	428.28	309.20	178.00
6220	Mileage	44.95	-	-
6230	Mileage	153.86	73.36	-
6250	Mileage	417.00	672.70	236.00
6251	Mileage	4,020.24	2,971.00	2,011.92
6252	Mileage	762.42	476.50	-
6253	Mileage	438.50	647.18	149.50
6270	Mileage	341.97	33.80	112.13
6450	Mileage	990.97	987.85	578.20
6451	Mileage	3,488.36	3,527.45	3,403.53
6454	Mileage	865.14	229.25	106.50
6455	Mileage	2,220.44	2,966.83	986.53
6456	Mileage	38.89	33.00	50.00
6480	Mileage	81.73	72.60	-
6494	Mileage	152.10	158.40	158.00
6520	Mileage	4,671.32	3,524.27	1,319.62
6530	Mileage	-	521.00	70.00
6640	Mileage	-	-	153.00
6710	Mileage	1,214.17	557.00	89.60
6760	Mileage	71.50	121.00	-
6780	Mileage	145.93	66.00	-
6940	Mileage	-	258.50	-
6943	Mileage	908.80	-	-
6945	Mileage	1,799.52	1,119.24	-
6946	Mileage	-	205.50	1,612.80
6951	Mileage	-	-	1,866.00
7030	Mileage	2,268.24	1,881.50	260.10
7330	Mileage	1,767.57	2,508.95	831.98
7510	Mileage	1,509.68	948.61	1,018.00
7550	Mileage	713.54	-	-
7551	Mileage	29.25	-	-
7552	Mileage	54.87	226.61	-
7554	Mileage	103.30	236.23	-
7561	Mileage	-	58.30	-
7562	Mileage	330.00	-	-

Mileage Reimburse.
 6/30/2009 - \$64,863.46
 6/30/2010 - \$51,179.69

7571	Mileage	-	29.98	-
7840	Mileage	1,322.28	1,382.49	1,458.00
7841	Mileage	417.50	261.63	355.85
7843	Mileage	68.20	-	-
7845	Mileage	124.84	-	-
7847	Mileage	5,327.66	4,454.97	2,246.41
7850	Mileage	69.46	420.76	-
7851	Mileage	188.04	269.17	294.87
7852	Mileage	799.01	221.90	24.00
7857	Mileage	246.40	29.15	-
7858	Mileage	370.67	171.75	138.37
7864	Mileage	1,859.65	605.28	11.50
7866	Mileage	7,501.87	6,962.50	5,307.98
8030	Mileage	515.64	672.00	470.00
8370	Mileage	641.43	469.41	264.50
8427	Mileage	-	640.20	55.00
8430	Mileage	-	117.00	-
8455	Mileage	-	210.50	-
9031	Mileage	-	83.20	-
9132	Mileage	-	30.00	272.00
9135	Mileage	-	30.00	-
9140	Mileage	-	-	225.00

History of Mileage Reimbursement Rates

Effective Date	Rate
01-01-2002	\$0.365
01-01-2003	\$0.360
01-01-2004	\$0.375
01-01-2005	\$0.405
09-01-2005	\$0.485
01-01-2006	\$0.445
01-01-2007	\$0.485
01-01-2008	\$0.505
07-01-2008	\$0.585
01-01-2009	\$0.550
01-01-2010	\$0.500
01-01-2011	\$0.510

LANCASTER COUNTY

**Vehicle Cost by Policy Term
2006-2011**

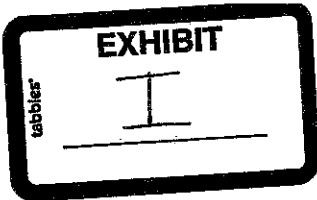
2010-2011	Department	# of Units	Annual Premium	Average Vehicle Cost
	All Others	299	67,730	227
	Sheriff	73	52,822	724
		372	\$120,552	* \$324
2009-2010	Department	# of Units	Annual Premium	Average Vehicle Cost
	All Others	290	65,829	227
	Sheriff	72	48,938	680
		362	\$114,767	* \$317
2008-2009	Department	# of Units	Annual Premium	Average Vehicle Cost
	All Others	285	62,324	219
	Sheriff	70	48,490	693
		355	\$110,814	* \$312
2007-2008	Department	# of Units	Annual Premium	Average Vehicle Cost
	All Others	254	61,008	240
	Sheriff	67	49,582	740
		321	\$110,590	* \$345
2006-2007	Department	# of Units	Annual Premium	Average Vehicle Cost
	All Others	244	62,127	255
	Sheriff	66	51,422	779
		310	\$113,549	* \$366

* Average annual vehicle cost - all units



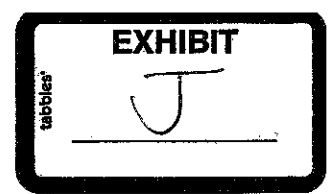
UNICO Group, Inc.

03/15/2011



County Vehicles - Yearly Insurance Coverage

	<u>Vehicle Type</u>	<u>Number</u>
		2
Private Passenger	01	107
Trailers	02	40
Non-Licensed	03	70
Heavy Trucks	04	32
Tractors	05	19
Sheriff	06	55
Pickups	07	69
Vans/Bus	08	29
Plows	09	22
Boat	BT	1
		446



EVALUATION OF LANCASTER COUNTY EARLY ASSESSMENT PROCESS



Juvenile Justice Institute
University of Nebraska at Omaha
Nebraska Hall 521.2
Omaha, NE 68182
(402) 472-4234

October 2010

Principal Investigator: Anne M. Hobbs
Graduate Assistant: Myungwoo Kim
Juvenile Justice Institute, School of Criminology and Criminal Justice
College of Public Affairs and Community Service

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Executive Summary

In January 2009, Lancaster County implemented an early screening and assessment process. The goal of this pilot project was to ensure consistent processing of juvenile offenses, especially for very young offenders, and to ensure that youth were matched to the most appropriate early intervention. The Juvenile Justice Institute was invited to evaluate the effectiveness of this early intervention. Little is known about the effect this project has had on official juvenile court processing of youth, so another important question is how this early process has impacted the overall number of youth entering the Lancaster County juvenile justice system. To evaluate the overall effect of the early screening process, we examined: 1) the process itself, 2) data on youth referred to the early screening process, and 3) trends in Lancaster County's juvenile justice system.

We analyzed three aspects of the process itself including: how long it takes a case to progress through the early assessment program, the assessment instrument utilized, and legal aspects related to this intervention. One important finding is that this early intervention is not available to all Lancaster County youth. Another key finding is that often the prosecuting attorney's decision did not coincide with the Assessment Specialist's recommendation. Most importantly, we found that this early intervention did not increase the number of youth entering the juvenile justice system in Lancaster County; nor did it increase the number of younger children being brought into the system. Trend data indicate that as Lancaster County becomes more reliant on alternative programs like the early assessment program, the number of youth officially processed through the courts has declined. This trend has not been consistently downward, and has fluctuated from year to year, so Lancaster County should remain vigilant and reexamine this baseline data in a few years.

The Impact of Juvenile Justice Processing

Recent research on the juvenile justice system indicates that official processing of a juvenile law violation may be the least effective means of rehabilitating juvenile offenders. The Campbell Collaboration, an international research network, recently completed a meta-analysis of 29 juvenile justice studies. In this study they set out to compare outcomes for youth who were “officially processed” through juvenile court, versus those who were diverted from the system to other services or were released without any requirements (Campbell 2010). Official processing includes “charging” the case in juvenile court, adjudication and formal probation. The research question the Campbell Initiative sought to answer was whether formal processing of juvenile offenses reduces subsequent acts of delinquency. This massive research project examined 7,304 juvenile records and 29 different studies over a 35 year period. Although the results were not uniform across each of the 29 studies, the findings are startling: processing a juvenile through formal juvenile court proceedings appears to result in later acts of delinquency. “Rather than providing a public safety benefit, processing a juvenile through the system appears to have a negative or backfire effect” (Campbell 2010, pg 38).

In addition to research regarding effectiveness, alternatives to the formal juvenile justice system are almost always preferred for economic reasons, as long as community safety is maintained. While the Campbell Review supported alternatives to formal processing, it did not support a policy of diverting youth who would not otherwise have been processed. In other words, these researchers were not in favor of diverting *all* youth, but only youth who needed intervention. A critical question that must be addressed when evaluating a new diversionary technique must be whether juveniles are being brought into the system unnecessarily. According to the Annie E. Casey Foundation, “behavioral research has proven that children and adolescents

are far less able than adults to gauge risks and consequences, control impulses, handle stress, and resist peer pressure” (Annie Casey Foundation website). Developmental experts agree that most young offenders will cease any lawbreaking tendency as part of the normal maturation process. It is important therefore to clearly establish which youth require an intervention rather than intervening every time a youth acts out. The later approach ends up drawing youth into the system who might not have ever been filed on; a practical problem known as “net widening.” In light of limited resources and demonstrated research regarding negative outcomes, we start this report with the assumption that unnecessary formal processing of juveniles should be avoided at all cost.

Section I: Lancaster County’s Early Assessment Process

In January 2009, Lancaster County adopted a pre-diversion, early-assessment process designed to screen out low-risk, misdemeanor juvenile law offenders. Collaborative planning for this project included representatives from Juvenile Diversion, Juvenile Probation, the Public Defender’s Office, the City and County Attorneys’ Offices, private and non-profit providers and the Juvenile Detention facility. The goal of this collaborative undertaking was to identify, very early in the juvenile process, which youth require further intervention and which youth have sufficient community supports to be diverted away from official processing without further intervention. A unique aspect of this project is that it is a creative solution that required relatively few resources to implement. The project involves two staff who work closely with the prosecuting attorney to assess youth with minor law violations. One staff member collects information on the youth’s current offense and conducts a background check for prior offenses. The case is then sent to an Assessment Specialist who attempts to complete an interview with the youth and family. The Specialist interviews the family seeking more detailed information about

the stability of the youth and family in order to gauge his or her ability to refrain from future delinquent acts. Prior to examining data on youth that are diverted using this pre-diversion process, we address three important factors related to the process itself: 1) case processing time; 2) the assessment instrument utilized; and 3) legal issues related to this intervention.

Case Processing Time

In Lincoln/ Lancaster County, when a youth commits a law violation, data regarding that offense is entered into the Lincoln Police Department's data system by the Family Crimes Department. This process may take 3 days to 3 weeks because it is reliant on one individual. If that person takes a day off, the process is postponed. On average, a case is entered within ten days of the date the offense was committed. The case is then photocopied and sent to the County Attorney's office to be entered into their data system and so that a determination may be made on whether the youth is eligible for diversion. If the youth appears to be eligible, the case is then referred to the Assessment Specialist, who attempts to contact the family by calling the phone number listed on the packet of information or citation. The original planning documents for this early assessment process indicate that the Assessment Specialist should "pick-up tickets from the Justice Center and conduct the YLS Shortened Assessment on all non-lodged tickets for youth ages 12-17 within 24 hours or less, if possible" (assessment meeting notes). This quick of a response time has not been implemented as envisioned. On average, the Assessment Specialist currently makes first contact with the family 38.4 days from the date the youth committed the offense. Much of this delay occurs in the processing of the physical paperwork and police report.

A number of researchers have documented that timely processing of juvenile offenses is an important aspect of juvenile accountability. If weeks go by from the time a report by law enforcement is made, often the youth and family believe that the system has forgotten about the event, or that it is a minor offense that the community is not concerned about. Boyd, Huss and Myers (2008) found that lengthy case processing abates the degree to which a youth feels responsible for his or her behavior. Other researchers point out cognitive development as an explanation for why timely processing is so critical: "Juveniles are typically short sighted and do not make clear connections between actions at one particular point in time and consequences at another" (Schmidt, Reppucci & Woolard 2003). Despite technological advances, communication with the youth and family about a juvenile offense continues to take weeks or months to occur. The days when law enforcement would escort a child home to receive consequences within hours may no longer be feasible, but research indicates that a prompt response is an important part of juvenile accountability.

The Nebraska Youth Screen (NYS)

Another important aspect of this process is ensuring that the instrument used to screen youth is valid and reliable. The Assessment Specialist currently screens youth using the Nebraska Youth Screening (NYS) tool. This instrument is an adaptation of the Youth Level of Service (YLS) that was developed by Dr. Brad Bogue of Justice Systems Assessment and Training (J-SAT). The NYS is a shorter pre-screening tool used by agencies to quickly distinguish low-risk youth from high-risk youth; it is used in lieu of the full YLS assessment. This tool appears to be effective for quickly capturing a youth's potential score on the full YLS. Researchers have demonstrated that youth who score between zero to six (low risk) in the NYS will most likely also score low in the YLS assessment (Bogue, Woodward & Joplin, 2005).

Although the YLS/CMI is fairly well established, comparatively little research has been conducted on the NYS to determine whether it is an effective tool for predicting future delinquency. Consequently, we examined the tool that it was adapted from to assess its validity. The NYS was adapted from the Youth Level of Service/Case Management Inventory (YLS/CMI), an assessment tool that gauges juvenile offenders' risks and needs and predicts the likelihood of their future delinquency. The YLS derived from the Level of Service Inventory Revised (LSI-R), a standardized risk assessment for adult offenders created by Andrews and Bonta (Thompson & Pope, 2005; Bechtel, Lowenkamp & Latessa, 2008). There are a handful of studies that demonstrate the predictive validity of the YLS/CMI. Bechtel, Lowenkamp and Latessa (2007) examined the relationship between recidivism and YLS/CMI scores by assessing 4,482 cases where juveniles were serving both community-based and institutional sentences. They chose these divergent settings to determine whether the tool was truly effective in identifying different risk levels. Their findings indicate that the YLS/CMI is effective at predicting juvenile recidivism for youth in both community settings and institutional settings.

A smaller study conducted in England also demonstrated the predictive validity of the YLS/CMI. Rennie and Dolan (2010) assessed a sample of 135 detained male juveniles with behavioral problems. They followed them for one year after their release. They found that the juveniles that scored high on the YLS were ten times more likely to recidivate, and that ninety four percent of the high-scoring youth re-offended within the first year of release. Several other studies also showed predictive validity and usefulness of identifying offenders' needs but the level of predictive validity was relatively moderate compared to the aforementioned studies (Onifade, Davidson, Livsey, Turke, Horton & Malinowsk et al., 2008; Onifade, Davidson &

Campbell, 2009). In sum, the NYS is likely a reliable predictor of future delinquency, but Lancaster County may wish to conduct future confirmatory research in this area.

Legal Aspects of the Process

In addition to the timing and the tool utilized, it is also important that an individual's legal rights are respected. For instance, if this program allows youth the opportunity to avoid formal processing, that opportunity should be afforded to all eligible youth within the jurisdiction. Conversely, if pre-screening increasing the likelihood that youth will be pulled into the juvenile justice system, we must be aware of that impact as well.

There are at least two groups of youth who do not appear to be part of the current assessment process: 1) youth whose citations go through the City Attorney and 2) youth who are state wards. This comparison group allows us to conduct at least an initial assessment of whether the process increases the likelihood that a juvenile will have charges filed in court. However, we first turn our attention to the process itself and the question of why some youth are not included in this early assessment process.

Youth who violate a municipal ordinance and are age 16 or older generally have their case handled by the Lincoln City Attorney. Although the City Attorney was involved in some of the planning meetings, at present their office does not utilize the early assessment process. The City Attorney's office makes the determination to 1) file; 2) dismiss or 3) refer a youth to diversion based upon the juvenile's current offense, type of violation, and prior history. One potential concern is that youth processed through the City Attorney are not afforded the same opportunity to informally address the law violation without using their opportunity to complete diversion. Since the early assessment has been in existence, 590 youth have been referred to juvenile diversion from the Lincoln City Attorney, so 590 youth were not allowed the

opportunity to go through this screening process. Although those youth were offered diversion, the juvenile justice community should consider whether the differential process is equitable. As discussed in Section III of this report, the City Attorney has also experienced an increase in referrals to juvenile diversion while the County Attorney has experienced dramatic decreases. One of the reasons for the decline in County Attorney referrals may be the use of the early assessment process.

Another group of youth excluded from the process includes youth who are state wards. Data collected by the Assessment Specialist indicates that in 4.3% of the cases referred to the early assessment program, or 54 cases, the youth who committed the offense was identified as a state ward. In each of those cases, assessments were not offered or conducted due to the youth's legal status of state ward. As we will see a little later in this report, data collected on the outcome of the case further indicates that those youth are more likely to have charges filed on the offense than other youth. When state wards are compared to non-state wards that did not complete the assessment process, state wards appear to be at least twice as likely to have the charge(s) filed in court. Although there are a number of factors influencing the determination of whether or not to file charges, the juvenile justice community may want to discuss the policy of excluding state wards, and decide whether early assessment should be available to all youth or whether it would be duplicative of services state wards already receive. Communication with youth who are state wards may require a policy change that the County Attorney acting alone cannot make, and may only be feasible if the Department of Health and Human Services agrees to such communication. In a very few cases, an assessment could not be completed because the Assessment Specialist could not determine what language was spoken in the home in order to obtain a translator. In three cases an assessment was not completed due to a language barrier.

These limited situations should be discussed to determine if there are other solutions, so that juveniles are never excluded from the process due to language.

This leads us to a final consideration and question regarding legal consequences. Is it in the best interests of the juvenile for prosecutors to have additional information prior to making the decision to charge the case? If the prosecuting attorney learns extra legal information, that is information outside the legal process; does it increase the odds that that offense will be filed in court? Does it draw youth further into the juvenile justice system? One perception is that it does. In some cases, members of the legal community appear to be advising parents against engaging in this process. One parent stated that he had "an attorney and was advised not to answer any questions or give any information." Another lawyer indicated that "he would not allow contact with family or youth" (Screening notes). Consequently, the Assessment Specialist did not complete an interview and did not make recommendations. Another family would only allow the youth to complete an interview under the supervision of their lawyer. In yet another instance, the "father expressed hesitancy to answer questions partway through the interview but continued because he thought it would help his son." According to the Specialist's notes, the parent "asked where the information went (to county attorney, diversion, or probation)."

Naturally, many parents are protective of their children and unsure of the legal implications of speaking with the Assessment Specialist. Some express concern over the placement of the Specialist, who is not an official employee of the county. One parent declined participation because the caller ID did not indicate it was a call from the county attorney. He expressed concern over whether the call was legitimate, but also echoed the concerns mentioned above about over getting his child into "more trouble" by sharing information. These are questions that have important legal implications for juveniles involved in the program. After addressing the

question of whether this process increases the likelihood that a case will be charged, we will address possible policy solutions under final recommendations.

Section II: Youth Referred for Early Assessment

The next section of this report contains an analysis of data collected by the Assessment Specialist during the first eighteen months of the program. In the first quarter of this project (January 15, 2009 to March 31, 2009), some data fields were not collected. Incomplete or missing data is noted in each section. Basic demographic data is available in each of the 1,254 cases referred during the first eighteen months of this project. This includes: the offense referred, the age of the youth, the gender, race and languages spoken at home. The Assessment Specialist also documented her attempts to contact the youth and family, the NYS score, the decision of the prosecuting attorney and other notes regarding the case.

Referrals Compared to Assessments Conducted

A total of 1,254 youth were referred to this program from January 15, 2009 to June 30, 2010. The NYS was completed on 906 of the youth referred, or 72% of the total cases. An assessment was not completed in 343 instances, or 27% of the time. The primary reason that an assessment is not completed is because the Assessment Specialist was unable to make contact with the youth and family. The most common reasons a youth was not contacted was due to inaccurate phone or contact information; the second most common reason was due to the youth/family not returning calls, despite multiple attempts by the Assessment Specialist. If a youth does not complete this process, does it count against them? Generally, the lack of assessment did not increase the likelihood that a petition would be filed: only 16% of the cases where no contact was made resulted in charges being filed by the County Attorney (n=55). Although it occurs in

only a small number of cases (n=5), when the County Attorney requests a case be returned to their office, charges were much more likely to be filed (charges were filed 80% of the time).

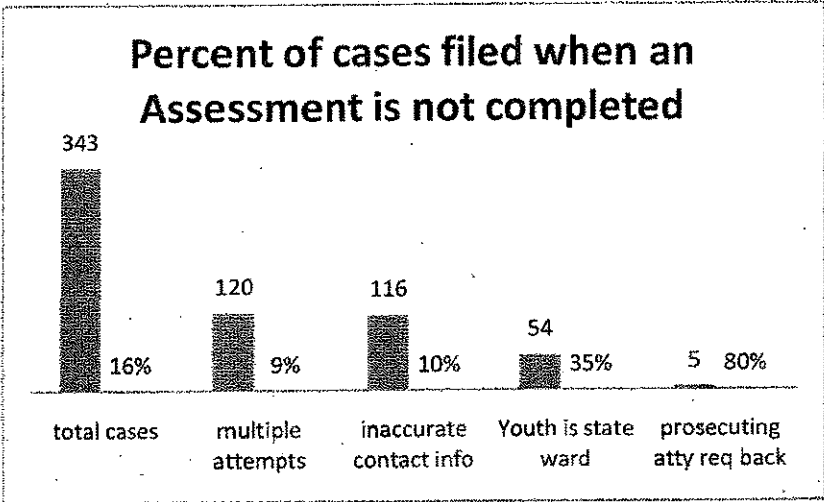


Table 1: Cases and Percent Filed

Demographics of Youth Served by this Program

While planning documents indicate that the program may have originally been intended for young offenders, the ages of youth referred to this program range from 7 to 18. The average age of youth referred to this program is 13.5. Prior to the implementation of this program, the Lincoln Police Department’s Youth Aid (YA) generally handled cases of youth ages 7-11 who had misdemeanor citations. The practice was to lecture and release. During early planning meetings, some felt that the lecture and release approach may not have a significant impact on deterring youth from future illegal endeavors, and there were concerns about consistency: “one officer may lecture and release while another one may chose to cite the youth” (8-15-08 planning notes). In addition to improving consistency, another goal of the assessment process was to identify youth who could benefit from early intervention that might help them avoid later delinquency.

Age

An important concern that juvenile justice researchers have with early identification is the unintended consequences. Beyond net-widening, some fear that early assessment will bring younger children into the formal system. Data collected during the first eighteen months of implementation indicates that this does not appear to be occurring in Lancaster County. In 2008, Youth Aid officials estimated that there were roughly twelve youth a month (under the age of 12) who could benefit from the early assessment process. Since the early assessment process began, 193 youth under the age of 12 have been referred to this program. Because this averages to roughly 11 youth per month, it does not appear that youth are being referred at younger ages. An important related question, however, is whether early assessment pushes youth deeper into the system by identifying them as "high risk." Of the 193 youth under the age of twelve, 72%, or 139 youth, completed the NYS with scores ranging from 0 to 21. Youth in this age range had an average score of 5.2.

This is a relatively high score and significant when examined against scores of youth in the oldest age groups. NYS scores appear highest among the youngest offenders coming into the system, and diminish with increases in age. For example, a total of 483 youth ages 12 to 14 were referred through the early assessment process. Of the youth ages 12 to 14, 77%, or 370 youth, completed the NYS with scores ranging from 0 to 20, and an average score of 4.5. These scores are significantly higher than youth in the fifteen and older age group. A total of 229 youth older than 15 were referred to the Assessment Specialist. However, we must keep in mind that older youth are often processed through the City Attorney so this data may not accurately reflect citations for this age group. Of youth older than 15, 65%, or 148 completed the NYS, with scores ranging from 0 to 14, and an average score of 2.8. The available data informs us that

younger offenders are indeed being identified by the NYS as "higher risk." The data thus far also indicate that fewer youth are coming into this system than before the start of the early assessment process. It appears therefore that the program is identifying younger age offenders in need of services, without increasing the number of youth ages 7 to 11 being brought into the system. The number and percent of cases charged for youth under 12 years of age will be addressed in more detail in Section III of this report.

Gender

Overall, male youth are slightly over-represented in the referrals to this program when compared to the population of Lancaster County youth (51% male), accounting for 63% of the youth referred, as well as 63% the youth assessed. Female youth account for 37% of referrals (and 37% assessments completed), compared to 49% of the juvenile population. Average scores on the NYS are also very similar for male and female youth, with males averaging 4.2 and females averaging 4.4 on the NYS. Youth who scored higher than a "10" on the NYS Assessment followed a similar gender breakdown: 59% are male compared to 41% female. Gender differences do appear, however, when younger offenders are examined: for instance, 80% of referrals for youth under age 12 are for males (n=154), and the percentages steadily climbs to 100% of all referrals for ages 8 and younger (n=7).

There are also some minor differences in scores when data is examined by race: 72% of youth who scored a "3" or lower on the YLS/CMI were white youth. This drops to 62% for youth who score between "4 and 10," and remains at 62% for youth who score higher than a "10" on the NYS. Over all the types of offenses vary significantly and are not highly correlated to elevated NYS scores.

Youth Assessed vs. Prosecutorial Discretion

Once the Assessment Specialist makes a recommendation, the County Attorney reviews the information and makes a determination based upon all of the information available. We analyzed the recommendation of the Assessment Specialist and compared it to the decision rendered by the prosecuting attorney. Because the Specialist may recommend items that the prosecutor cannot feasibly implement, we compiled those recommendations to match the choices the prosecutor does have: 1) to "no charge" the case/ "no charge" with warning letter, 2) to refer the case to diversion, or 3) to "charge" the case. Of the 906 cases where an assessment was conducted, the prosecuting attorney had not issued a decision in 21 of the cases, and data was missing in 97 additional cases. Of the remaining 788 cases, the County Attorney's final decision coincided with the Assessment Specialist's recommendation in 281 of the 788 cases. In other words, the recommendation was followed only 35.7 % of the time.

The reasons for the discord between recommendation and decision are unclear, but likely relate to prosecutorial discretion. All cases filter through one County Attorney, so the difference cannot be an artifact of a splintered decision process or multi decision makers. Since April 2010, the County Attorney has been tracking whether the additional information gathered impacts her decision on whether to file charges, dismiss the case or refer it to Juvenile Diversion. As of June 2010, too few cases have been tracked to conduct a meaningful analysis, but this will be important data for future analysis. Although prosecutorial discretion is generally sacrosanct and not often disturbed territory, it is important to know whether the early assessment process increased or decreased the prosecutor's decision to file charges in the case. While one certainly would not expect for the recommendation and decision to coincide in every instance, another important question is left unanswered. If data is collected and not utilized, one might wonder about the purpose of requesting youth and families participate in the early screening process. If it

is simply to have a timely response to the juvenile law violation, the older model of lecture and release may be just as effective.

Does Assessment Impact Case Determination

Although the extent to which the prosecuting attorney relies on the early assessment recommendation is unclear, data is available regarding charge determinations. Consequently, we were able to determine whether information gathered through the assessment increases the likelihood of charges being filed and compare it to how often charges are filed in cases where no assessment is conducted. As Table 3 illustrates, approximately 7.5% of youth who have an assessment completed have charges filed in court, compared to 16% of cases where no assessment was conducted. It appears that submitting to an assessment reduced the likelihood that charges would be filed. However, this does not hold true for youth who are wards of the state and who did not have an assessment completed. As discussed above, state wards were generally not contacted for an assessment. According to the Lancaster County Attorney's office contact with state wards would require a change in policy. Although state wards are more likely to have charges filed, the reasons for this are varied and may not relate directly to the fact that they are not completing the early assessment process. Table 3 indicates the number of youth who did not complete an assessment and are not state wards, as well as the outcome of those cases.

906	100%	assessment completed	343	100%	no assessment completed
118	13.02%	data not available	60	17.49%	data not available
68	7.51%	charges filed	55	16.03%	charges filed
339	37.42%	referred to diversion	114	33.24%	referred to JDS
371	40.95%	No charge	111	32.36%	No charge
10	1.10%	Child Guidance	3	0.87%	Child Guidance

Table 2: Case Outcome by Assessment

289	100%	<i>no assessment/ non state ward</i>
49	16.96%	data not available
36	12.46%	charges filed
109	37.72%	referred to diversion
92	31.83%	No charge
3	0.87%	Child Guidance

Table 3: Case Outcome When No Assessment is Conducted (non state ward youth)

Data (excluding state wards) indicate that youth who complete an assessment appear to be less likely to have charges filed in court. Only 68 of the 906 youth assessed had their charges officially processed, the majority were no charged (41%) or referred to juvenile diversion (37%). Although this does not reflect the ultimate outcome of a case, and a youth could be sent to diversion, fail to complete the program and ultimately have charges filed, it reflects the initial decision of the prosecuting attorney. This initial data indicates that the assessment process does not appear to be increasing the number of cases where charges are filed.

Referral for Services

Another evaluation question posed by Lancaster County is whether the early assessment process increases the likelihood that a youth will fail and end up in the formal system by increasing expectations and requirements for youth and families that are already struggling with day-to-day expectations. In the original planning process, community stakeholders anticipated a need for mental health services and sought funding for a set number of services. While this would explain the number of cases ultimately referred for mental health services, it should not impact the rate at which the Assessment Specialist recommends the service.

Of the youth 906 assessed, only 32, or 3.5%, received a recommendation for counseling through the Child Guidance Center (CGC). Each of these youth scored higher than 1 on the NYS with a range of 1- 21. Seventy-eight percent of the youth recommended to CGC scored above a

“5,” indicating that youth recommended for services at CGC demonstrated at least a mid-level need for mental health counseling. Of the 32 recommended, only ten were actually referred to Child Guidance for services according to the Specialist’s records. However, those records may not accurately capture all of the youth actually referred to Child Guidance. For instance, the Specialist’s records indicate a total of thirteen youth were referred to the Child Guidance Center between April 2009 and June 2010. The County Attorney’s records indicate that ten youth were referred from January to June 2010 alone.

The Assessment Specialist’s recommendations include a wide range of services beyond Child Guidance. The recommendation is very individualized and often includes a variety and combination of community-based services. In 20% of the cases, the specialist recommended that the juvenile not be charged but be required to complete an apology letter, restitution, mediation, therapy or some other service. The only official mechanism the prosecutor has to ensure a youth completes these recommendations is via juvenile diversion. The County Attorney’s system allows the prosecutor only four options: 1) not charging the case; 2) not charging the case, but sending a warning letter, 3) referring the case to juvenile diversion, or 4) filing the case in court. The juvenile diversion program generally receives the recommendation made during the early assessment process and includes the requirement in the diversion plan. However, for the 390 youth who were not referred to diversion, it does not appear that the family is informed of the recommendations by any other method.

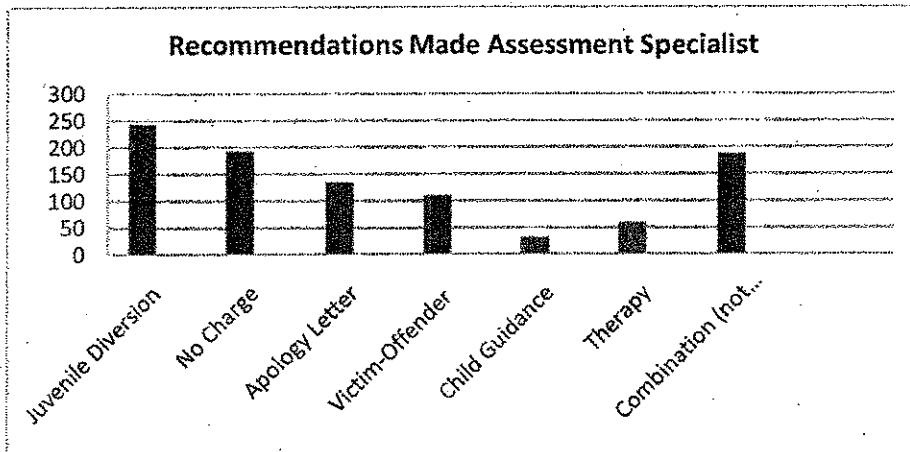


Table 4: Assessment Specialist Recommendations on Cases

Section III: Trends in Lancaster County's Juvenile Justice System

Two final considerations in evaluating a new program are: 1) the environment in which the new program is implemented and 2) how it impacts the community once it is implemented. Changes in trends can account for rising overall numbers or influxes in certain demographics. If for example, there is a spike in young offenders, it could be that the new program has created an awareness of an actual problem and more referrals are made. It could also be that there has been an actual increase in young people breaking the law. It could equally relate to a combination of both. In order to see the impact this program may have had, a brief overview of the trends in juvenile justice in Lancaster County is considered in this final section. Data was collected on key juvenile justice points including the following:

- Lincoln Police Department (School-based calls)
- Lincoln Police Department Unit Statistics from Family Crimes (Annual Report)
- CEDARS Juvenile Diversion Services (Diversion Referral and Enrollment); and
- Lancaster County Attorney (Juvenile Processing data).

Lincoln Police Department data reflects calls made to schools within Lincoln/Lancaster County. The 2009/2010 data indicate a 12% decrease in school-related calls compared to 2005. However, 2005 was the highest point in a decade, so the decrease does not reflect the broader trend that occurred from 2000 to 2010. In 2005 over 550 citations were issued to youth in public and private schools. The number of juvenile contacts/ citations has remained at about 500 annually since 2005.

Data on youth referred to the Lancaster County Juvenile Diversion program indicates that 26% fewer cases are referred to juvenile diversion from the County Attorney than in FY 2005/06. This reflects a fairly consistent trend downward since 2005. In addition, fewer youth under the age of 10 are being referred through diversion. In fiscal year 2007/08, 16 youth ages 10 or younger were sent to diversion. In F2008/09, only 2 youth under ten were referred to diversion. In 2009/10, six youth ten or younger were referred to diversion. The diversion failure rate for youth under the age of ten ranges from 16% to 50%. Although the small numbers of youth referred in this age group skew the numbers, this may be an indication that younger age children are best served in a service other than diversion. It appears that the early assessment process may be meeting this need. Referrals from the City Attorney during the past five years have seen a 6% increase, although numbers have fluctuated from year to year.

The number of juvenile petitions filed in Lancaster County provides an additional picture of how the juvenile justice system may be operating, and how the early assessment process may be impacting juvenile justice as a whole. Petition data was provided by the Lancaster County Attorney's Office and includes cases filed in the Separate Juvenile Court of Lancaster County as well as the number of juvenile offense(s) that were "no charged." Although the data does not represent a one-to-one relationship with offenses committed, it does provide us with an overall

trend of case processing. Lancaster County experienced a 40% decrease in cases filed in Lancaster County's Juvenile Court from 2005 to 2010. While fewer cases were "no charged" in 2010 than in 2005, this reflects the overall trend of fewer juvenile offenses and fewer filings in 2010 than 2005. Data reported by the Lincoln Police Department shows that overall juvenile crime is down which may account for lower numbers throughout the system. Overall, the data indicate that the more the system relies on alternatives, the less it relies on official processing of a juvenile law violation. While this seems to be a straight forward concept, in some jurisdictions, alternatives are created and the "net widens" and more youth are caught in it and the numbers go up.

Trends in Juvenile Case Processing

	2005-06	2006-07	2007-08	2008-09	2009-10	Change
LPD arrest for juveniles under 15 (felony)*	144	127	142	105	-	-27%
LPD arrest for juveniles under 15 (misdemeanor)*	1,951	1,951	1,838	1,794	-	-8%
Number of juvenile charges where youth cited within a local school	562	461	479	496	497	-12%
Cases referred to juvenile diversion by the county attorney	715	654	629	530	452	-26%
Cases referred to juvenile diversion by city attorney	389	381	424	393	415	+6%
Number of youth sent through the early assessment process	-	-	-	483	765	+58%
Number of youth placed in detention alternatives	179	117	189	304	209	+17%
Offense(s) filed by county attorney	1040	978	915	701	639	-39%
Charges filed on youth 12 or younger (percent of total petitions)	105 (10%)	148 (15%)	116 (13%)	88 (13%)	53 (8.3%)	-49.5%
Offense(s) no charged by county attorney (insufficient evidence)	65	33	34	46	27	-58%

Offense(s) no charged by county attorney (warning letter)	321	390	304	364	348	+8%
Offense(s) no charged by county attorney	219	129	60	144	83	-62%
Total cases no charged by county attorney	605	552	398	554	458	-24%
"no charge" incidents (on youth under 12)	115	138	126	176	92	-20%

Table 5: Trends in Lancaster County Juvenile Justice Processing

Conclusion and Recommendations

The early assessment process implemented in Lancaster County appears to be identifying younger age offenders in need of services, without increasing the number of youth being brought into the system. This is an important finding, but should be interpreted with some caveats. From 2005 to 2009, it appears that juvenile offenses declined by roughly 8%, but 2010 data is necessary to complete this picture. Assuming a continued decrease in juvenile crime, the data informs us that the decline in cases filed cannot be accounted for entirely for by a decrease in juvenile crime. Why? Juvenile Crime appears to be down roughly 30%, but juvenile petitions have decreased by almost 40%. Lancaster County appears to be utilizing alternatives, including the early assessment process, in lieu of formal court processing, which is creating a more rapid decline in court filings.

Although the program appears to be working as intended, procedural aspects of the process that Lancaster County may want to consider to further improve the program include:

1. Shortening the case processing time to make contact with the youth and family within two weeks (at most) of the law violation. Ideally, contact would be attempted almost immediately. A number of approaches could be taken to achieve this, or a combination thereof. Currently, sending reports and paperwork between offices is the most time-

consuming part of the process. Electronic record management and real-time data sharing between the Lincoln Police Department, the County Attorney and the Assessment Specialist would significantly reduce processing time. If feasible, cross-training staff would also assist with reducing case processing time, as two of these agencies are reliant on individually staffed positions.

2. Prosecuting attorneys who utilize this process should promulgate policy that indicates that the additional information will not be utilized to bring the youth deeper into the system. A short statement could be read to the family/ youth at the beginning of the assessment process, indicating that the assessment data could not be used in court. Although this may already be clear to attorneys who practice in juvenile court, it may not be clear to parents and guardians.
3. All juveniles within Lincoln/ Lancaster County should receive similar treatment by going through the early assessment process prior to referral to juvenile diversion. Although policies may need to be revised with regard to state wards, or youth cited under municipal code, if the assessment process deflects youth out of the system then this advantage should be available to all youth in Lincoln/ Lancaster County.
4. A longitudinal study should be conducted examining long term impact of this program comparing youth and families who completed an assessment to youth who do not.

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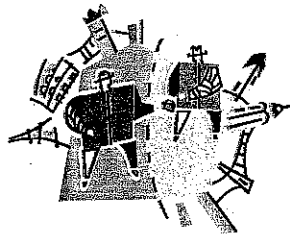
VOLUME 1 ISSUE 2

The Assessment Process by Michelle Schindler

In 1998, many Lancaster County officials and staff as well as representatives from many other public and private organizations throughout the community participated in the Lancaster County Juvenile Justice Needs Assessment facilitated and led by Karen Chinn, INC. in association with SINCLAIR HILLE & ASSOCIATES, INC. Through the interviews conducted with these persons and the documentary materials they provided, the Project Team was able to gain valuable insight into the nature and operation of juvenile services in Lancaster County. Recommendation 1 of the Study was to develop an Assessment Center.

At that time, when law enforcement officers picked up juveniles, they had to drive around trying to determine the appropriate means of dealing with the offender. To maximize the effectiveness of the juvenile justice system and ensure that appropriate decisions are made, an Assessment Center was recommended. The theory was that this would ensure that children are handled appropriately and reduce down-time for officers. A critical recommendation was that a diagnostic assessment was crucial due to the wide range of individual situations and social/psychological factors which contribute to a youth's well-being. Moreover, such a process was believed to be a basis for the initial placement decision.

The theory behind the assessment process was that most systems of treatment have multiple and decentralized points of entry. This approach leads to fragmentation of services and intensifies the dilemmas inherent in implementing a comprehensive case management system. Too



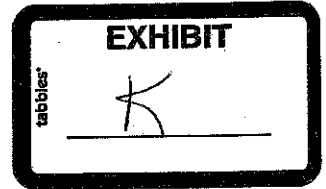
often, youth enter the same system repeatedly, but through different "doors". In this situation, it may take months, if at all, for service providers to realize that one youth is receiving similar or the same services from two or more providers. In some cases, however, it may not be feasible for a system's single point of entry to be an actual "physical" point of entry. Rather, a "virtual" option could be employed in which information gathered at one location, could be shared with other service providers, via a system wide multi-agency management information system. An assessment center could be the coordination point for youth involved with the juvenile justice and other treatment providers in the community.

It was believed that a juvenile justice system equipped with the resources and knowledge to match

juveniles with appropriate treatment programs while holding them accountable can have a positive and lasting impact on the reduction of delinquency. Identifying and providing community-based alternatives to confinement is often preferable and cost-effective. Developing effective case management and management information systems (MIS) would be integral to this effort.

Some critics said, and some may still believe, that assessment centers, through a net widening effect, may lead to an overwhelming burden on the juvenile justice system, especially if the assessment center is considered by law enforcement to be a "quick drop-off point" or a less stigmatizing way of bringing a youth into the juvenile justice system or treatment realm. Procedures for use of the assessment center must be clearly established at the outset to ensure that a "net widening" effect does not occur.

On February 7, 2002, Lancaster County's first Assessment Center opened. Through the years, components of the process have been tried. Some successful, some not. Different Leadership has occurred over the years. One thing has always held true for the Assessment Center. The goal is to work collaboratively, efficiently and effectively for the youth and families of our community.



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Early Assessment Process by Sara Kliewer and Vicky Thompson

The Centralized Risk/Needs Assessment Project was fully implemented in Lancaster County on January 1, 2009. One of the most critical first steps is to systematically assess the needs of youth who come in contact with the Juvenile Justice System at the earliest point of contact with the system. This project is designed to provide this targeted information on key factors to the County Attorney.

The process of the Centralized Risk/Needs Assessment Project is as follows: (a) the CEDARS Assessment Specialist receives citations from the County Attorney's office; (b) once a citation is received, the Assessment Specialist then attempts to contact the youth and a parent/guardian via telephone; (c) once contacted, the Nebraska Youth Screen (NYS) interview is conducted with both the parent/guardian and the youth (if age 12 or older); (d) the Assessment Specialist then reviews the information gathered and provides feedback to the County Attorneys. This feedback consists of a summary of the interview, NYS scores, and intervention recommendations. These recommendations can include but are not limited to: dismissal of charges; writing a letter of apology to the victim; Victim-Offender Mediation; participation in an educational group such as Developmental Assets offered through CEDARS Juvenile Diversion Services (JDS), Survival Skills offered through the YWCA; individual or family counseling; and in/outpatient drug/alcohol treatment.

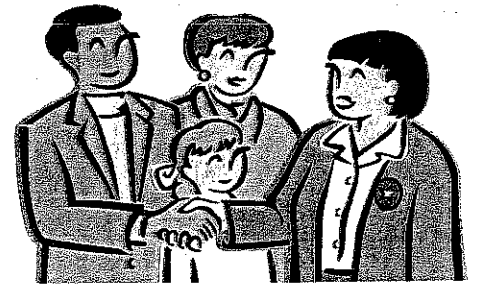
Currently, the County Attorney is proceeding in one of four ways: (a) no charge, (b) referral to JDS, (c) referral of younger offenders to

Child Guidance, and/or (d) filing of the citation in Juvenile Court. If the citation is sent to JDS, staff review the recommendations made by the Assessment Specialist and do their best to support and guide the youth and family in following through with services. A more in-depth assessment is completed by JDS using the Youth Level of Service/Case Management Inventory (YLS/CMI). This assessment guides the development of a service plan to address a youth's needs based upon the level of risk for re-offending. The service plan incorporates the strengths of the youth and family. If a juvenile offender progresses further into the Juvenile Justice System in Lancaster County, Juvenile Diversion and Probation staff collaborate to share assessment information regarding needs, services, and progress made by a juvenile while receiving services. This helps guide the development of any further service needs for a youth and family. Overall, the Centralized Risk/Needs Assessment Project will identify services already available in the community to respond to the needs of youth and families, and eventually may help identify gaps or services needed that do not currently exist in our community to help address the needs of juvenile offenders.

Many of the parents/guardians interviewed with the NYS have expressed gratitude and relief for having had the opportunity to talk with the CEDARS Assessment Specialist. They report multiple attempts and approaches to helping their child, but are somewhat discouraged because they feel they have run out of options. The Assessment Specialist is able to provide resource referrals

and give suggestions for services parents may not have been aware of or have accessed. Parents/guardians also report this project has helped ease apprehension about the unfamiliarity of the Juvenile Justice process. Parents/guardians feel encouraged to provide suggestions and recommendations regarding the needs of their child. Feedback from parents/guardians is most often if not always included in the Recommendation Form sent to the County Attorney. Accommodations are also made for non-English speaking youth and their families to help provide them with adequate services while engaging them in the process.

Most importantly, the youth being interviewed have expressed gratitude to the Assessment Specialist – they understand they may need help with certain aspects of their lives but have been unsure of where to go, who to ask, and/or how to ask. In some ways, the Assessment Specialist serves as a voice or advocate on behalf of the child. Implementing this project continues to be beneficial not only for the County Attorneys by giving them more information to help make a decision, but for the families as well.



Young Child Assessments by Cheryl Turner

Child Guidance Center in collaboration with the Lancaster County Attorney and Region V systems has developed an assessment process to allow young juveniles ages 7 to 11; who have been charged with a criminal act; the opportunity to complete a comprehensive assessment process in lieu of court involvement. Juveniles are referred to CGC by the

county attorney after review of the Cedars Early Assessment Process information. The county attorney sends a letter of information and referral to the families providing them with contact information for this voluntary process. Families have five business days with which to contact CGC and arrange an appointment. Once the assessment has been

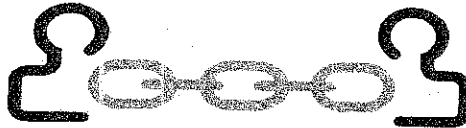
completed the families are often referred to outpatient services, community services, or the prevention professional partner wrap-around program. Families that are successful in this program will find that their young children will avoid the court processes.

LINCS by Kristin Nelson

In January 2007, LB 157 (Safe Haven) was introduced into the Nebraska Legislature. An amended version was signed into law on February 13, 2008. The intent of the legislation was to protect helpless children who are in immediate danger and provide a safe place for a child to be dropped off. It did not specify an age limit and, as a result, from September 13, 2008 to November 22, 2008, 36 children were dropped off at local community hospitals by caregivers in need of help. The average age of the children was 13. On November 21, 2008, was signed into law amending the original Safe Haven law by changing the age limit to 30 days of age.

Neither legislation was intended for parents who were having a difficult time parenting defiant, unruly children or for older youth with behavioral problems affecting their homes, schools and communities. However,

LB 157 highlighted that many families were struggling with their children and in need of additional support. In response to that need, LB 603 was introduced and signed into law on May 22, 2009. The legislation provided additional services, support and professional development resources directed towards helping Nebraska families dealing with children's behavioral health issues. Funds were appropriated to expand existing regional Professional Partner programs and support other services for children.



As a result, in July 2009, Region V Systems, in collaboration with key community stakeholders, including the County Attorney's

office, implemented LINCS (Linking Individuals/Families in Need of Community Supports). LINCS offers assessment, services and supports to families that have acknowledged a need for assistance with their children who are demonstrating difficulties in their homes, schools and communities. The voluntary program also responds to youth with serious/complex needs who are at risk of becoming state wards through application of the wraparound approach including primary prevention, intervention and coordination designed to address the behavioral health needs of youth and their families. The primary goal of LINCS is to reduce formal juvenile justice involvement while generating community support and service for the youth and their families.

Committee Meetings

Juvenile Substance Abuse Action Coalition
Disproportionate Minority Contact Committee
Truancy Run Response Committee

2nd Thursday of the Month from 9:30 to 11:00 a.m. at the Independence Center
2nd Thursday of the Month from 12:00 to 1:00 p.m. at the Lincoln Police Department
4th Wednesday of the Month from 12:00 to 1:00 p.m. at the Human Services Office

Juvenile Probation Office - Risk Assessment Process by Lori Griggs

Since 2006, the Juvenile Probation Office has been using the Youth Level of Service Inventory during the pre-disposition report process to incorporate the youth's risk and needs into the court report recommendations. A 2 to 3 hour interview with the youth and family is conducted to fully investigate risk factors in that youth's life and identify specific issues that need to be addressed in order to reduce the risk of further law violations.

This instrument contains eight domains with each domain compiling a score and then the youth is given an overall score of risk to re-offend. The eight domains are:

Prior Offenses	Substance Abuse
Family	Leisure/Recreation
Education	Personality
Peers	Attitudes

Within each domain, officers also search for strengths that could assist that youth with building a program or new approach to their life and thus, reduce their risk of recidivism. Probation Officers rely on the results of this

risk instrument to begin to identify the appropriate level of supervision and case planning.

If youth score in the high risk range and are also deemed appropriate for probation, the youth are assigned to supervision officers with lower caseload ratios (Community Based Intervention) and the probation case plan is driven by the risk factors identified in the Pre-Disposition Report. Officers work intensively with the youth and family to create a probation plan which adequately addresses the risks identified. Cognitive thinking groups and team meetings are utilized to maintain close supervision over the juvenile and ensure progress on their goals.

If youth score in the low risk range and are placed on probation, the youth are assigned to probation officers with higher caseloads (Community Based Resources) and these officers utilize community referrals to assist with the supervision of that youth.

The YLS instrument is also used by Juvenile

Diversion and the Office of Juvenile Services so all 3 levels of juvenile intervention programming (Diversion, Probation, OJS) are familiar with the various risks in each domain and the causes of youth scoring high or low. This is the first time all 3 agencies have used the same risk assessment tool. We are finding this to be extremely beneficial as youth transfer from one agency to the next.

If youth in the probation office are ordered to complete an OJS evaluation, the probation officer communicates with the OJS representative regarding the YLS risk assessment tool and work together to come to similar conclusions on appropriate recommendations. Since both state agencies have been formally trained on the YLS instrument, we are able to jointly score the instrument during those times that both OJS and Probation are making recommendations to the Court.

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WE'RE ON THE WEB!
WWW.LANCASTER.NE.GOV

The underlining mission of Lancaster County's Juvenile Justice System is:

"To provide individualized supervision, care, and treatment in a manner consistent with public safety to those youth under age 18 at the time of referral who violate the law. Further, the Juvenile Justice System shall recognize and encourage prevention efforts through the support of program and services designed to meet the needs of those youth who are identified as being at-risk or violating the law and those whose behavior is such that they endanger themselves or others".

Youth Services Center Screening by Michael Renn

The Youth Assessment Center provides a variety of screening and assessment services for Lancaster County Juvenile Justice and the community. Child Guidance Center has contracted with Lancaster County to provide licensed mental health practitioners and licensed drug and alcohol counselors at the Youth Assessment Center, to assess youth involved with the Juvenile Justice System. For more information regarding the described assessments, please contact Mike Renn, Mental Health Coordinator, at 441-5615.

Screening

This process is utilized for community referrals (i.e. parents/families, youth, school) and juvenile justice agencies (i.e. probation, county attorney). Upon completion of the "screening" interview, the Youth Assessment Center could develop intervention plans, make a referral to community services providers to access appropriate services and/or recommendations for further evaluation for the youth and family.

Process of determining the presence of suicidality, mental health, behavioral and/or substance abuse risk factors. This information may be obtained using *subjective* and *objective* measures.

Subjective: A brief clinical interview with the youth. This information will be documented in a progress note and does not include a "formal" report.

Objective: Using specific screening instruments to identify presence of risk factors.

- SSI (Simple Screening Instrument – Substance use)
- MAYSI-2 (Massachusetts Youth Screening Instrument)
- DPS (Diagnostic Predictive Scale)
- SRI (Suicide Risk Inventory)

Juvenile Justice Assessments

These assessments are completed with youth who are currently detained at the Youth Services Center and are involved with Juvenile Probation.

These assessments provide a "snap shot" look at juvenile's current behavioral, mental health, and/or social functioning.

Information gathered includes:

- running away
- law violations
- family environment
- peer relationships
- school
- treatment/therapy involvement
- medications
- drug/alcohol use (SSI)
- employment
- mental health concerns (MAYSI)
- risk of future violence (SAVRY)

Recommendations may include:

- level of supervision in community
- can the youth be managed in the community and what resources will be necessary.
- consultation with current treatment providers
- expeditor services/Graduated sanctions available
- community resources
- further evaluation (i.e. PTA, Drug/Alcohol evaluation, CCAA)

*JJA can provide information for the Detention Hearing or could be utilized as a general information gathering tool to provide updated information to Juvenile Court for the Adjudication Hearing.

*Can also identify potential barriers (i.e. parents' refusal for youth to return home, insurance/financial, high risk to community)

****JJA does not provide mental health/substance abuse diagnosis, treatment recommendations.**

Pre-Treatment Assessment (PTA)

Provides a *comprehensive* Biopsychosocial Assessment through clinical interview with youth/parents, review of collateral information, and clinical assessment utilizing MAYSI-2, SSI, SASSI (if needed) to identify appropriate methods of intervention and mental health/substance use needs.

Includes Mental Health/Substance Abuse Diagnosis and treatment needs.

Information includes:

- Presenting problem and Goals
- Social History
- Family Dynamics
- Mental Health history
- Academic and intellectual history
- Medical History
- Nutrition and Pain score
- Legal History
- Offender issues
- Trauma/Victim issues
- Substance Abuse history
- Personal assets and liabilities

****This does not include a Sex Offense Specific (SOS) Risk Assessment**

Drug/Alcohol Evaluation (D&A)

- This evaluation includes the same information as the PTA, with more in-depth assessment of substance abuse issues.
- The evaluations follow the standardized format, utilizing the CASI (Comprehensive Adolescent Severity Inventory).
- Typically, this evaluation is completed on youth who have law violations for substance use/possession or a reported substance use history as evidenced by self report, parent report, probation report, and/or positive UA.
- This evaluation will provide substance use/mental health diagnosis and treatment recommendations.