

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING  
ROOM 113 - BILL LUXFORD STUDIO  
THURSDAY, MARCH 19, 2015  
8:30 A.M.**

Commissioners Present: Roma Amundson, Chair  
Larry Hudkins, Vice Chair  
Deb Schorr  
Bill Avery  
Todd Wiltgen

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

*Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on March 18, 2015.*

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:32 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE MARCH 12, 2015 STAFF MEETING**

**MOTION:** Wiltgen moved and Schorr seconded approval of the minutes of the March 12, 2015 Staff Meeting. Avery, Schorr, Wiltgen and Amundson voted aye. Hudkins was absent from voting. Motion carried 4-0.

**2 ADDITIONS TO AGENDA**

None were stated.

Hudkins arrived at the meeting at 8:33 a.m.

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

Joe Kohout, Kissel/E&S Associates, presented a legislative update, legislative bills of interest report, and a final list of prioritizations, noting the following (Exhibits A-C):

- Senator Stinner filed an amendment to Legislative Bill (LB) 633 (Appropriate funds for state aid to municipalities and counties) on Tuesday and the Appropriations Committee held a hearing on the bill Wednesday. Kohout said the purpose of the amendment was to decide how funding would be distributed. He said it makes the linear feet of bridges in each county the determining factor and broadened use of the funds to other infrastructure needs.
- An amendment to LB 427 (Provide for payment of probation office costs by the state) was presented to Senator Groene, introducer of the bill, limiting the State's costs to rent.
- Gwen Thorpe, Deputy Chief Administrative Officer, testified before the Appropriations Committee at their hearing on the Nebraska Department of Health and Human Services (DHHS) budget and asked the Committee to appropriate \$250,000 to fund Counseling Affiliates, which provides community-based sex offender treatment.

In response to a question from Wiltgen, Thorpe said the Lincoln Regional Center (LRC) pays for community-based sex offender treatment for individuals being released from their facility. She said the main population the County is seeking to address are individuals with mental health board commitments or who are in sex offender treatment as a condition of parole, with no funds to pay for that treatment. Kelly added there is another important group that consists of convicted sex offenders who are not under court order, Parole or Probation and are trying to get into group therapy. Thorpe expressed concern that funding for the program ends on July 1, 2015 and approximately 30 individuals could be without treatment.

Eagan asked whether the appropriated funds would flow through Region V. Kohout said no, the recommendation is for the \$250,000 to be appropriated to DHHS, Division Behavioral Health. He added it is not unprecedented for the department to contract directly with a provider.

- LB 15 (Provide additional powers and duties for guardians ad litem) was amended and advanced to General File. Kohout said there is still a concern regarding the number of times that a guardian-at-litem is required to meet with the juvenile and said Joe Nigro, Public Defender has communicated that directly to Senator Krist, introducer of the bill.



- Measures to lower agricultural and horticultural land valuations remains a high priority for Governor Ricketts.

Avery inquired about the fiscal impact. Kohout said he will check and forward that information to Avery. He added that entities will have to raise their levies in order to offset that loss in revenue.

- Kohout said the Judiciary Committee will be working on an amendment to LB 605 (Change classification of penalties, punishments, probation and parole provisions, and provisions relating to criminal records and restitution and provide for a special legislative committee) and said he will forward a copy to the County Board's Office as soon as it is available.
- LB 606 (Adopt the Office of Inspector General of the Nebraska Correctional System Act, change provisions relating to the Public Counsel, and mandate a declaration by the Governor of a correctional system overcrowding emergency as prescribed) will be merged into LB 598 (Change and provide requirements regarding treatment and segregation of mentally ill inmates).

In response to a question from Wiltgen, Kohout said regional behavioral health authorities, providers, and representatives of Omaha Together One Community (OTOC), a multi-ethnic, ecumenical organization, testified about restoration of the \$5,000,000 for behavioral health services at the Appropriations Committee's hearing on the DHHS budget. He said it was also disclosed at the hearing that the Division of Behavioral Health is "sitting on" \$7,200,000. Regional behavioral health authorities estimate \$2,200,000 is "left on the table" because of contract amendments not coming through in a reasonable time to get them out to providers. Kohout said the Division of Behavioral Health at one time had indicated the number that would be "left on the table" was closer to \$3,600,000. He said Sandy Sostad, Program Analyst at the Legislative Fiscal Office, was then informed it was \$4,600,000. He said the Division was not asking that the funds be re-appropriated into the program, adding that is "unheard of." Kohout said Sostad later informed him she will be looking into how they get to the \$7,200,000 number because it far exceeds what would need to be encumbered by the Division to pay bills. Kohout said that figure is approximately 10% of the total annual General Fund appropriation that goes into Program 38 (behavioral health). Schorr said its likely that every single program has waiting lists. Kohout said a lot of those programs had to lay off staff because of that \$5,000,000 reduction in funding. He said when it was determined last year that \$4,200,000 was being "sat on" by the Department, Senators Nordquist and Mello demanded language to force them

to spend the monies. The contract amendments were to be effective July 1, 2014 but didn't come though until December, 2014 so providers couldn't get the funds or get staffed up in time. Kohout said it has led to a lapsing of funds again.

Avery asked whether there is a lack of commitment to these programs within the Department. Kohout said he believes there has been a change in views with the change in administration but said it is essential to continue to monitor those funds.

Sheli Schindler, Youth Services Center (YSC) Director, appeared and asked Kohout whether he has had a chance to talk to Senator Krist regarding LB 482 (Change provisions relating to juveniles). **NOTE:** Senator Krist introduced the legislation. Kohout said he has not but said he believes there will be an opportunity to get something on the record to address Schindler's concerns regarding the bill (see February 26<sup>th</sup> Staff Meeting minutes).

**4 INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2014 FOR THE 401(a) LANCASTER COUNTY EMPLOYEES RETIREMENT PLAN AND 457(b) DEFERRED COMPENSATION PROGRAM** - Robb Craddock, CFA, Vice President of Investment Strategy, Prudential Retirement; Robert Kerscher, Vice President of Key Accounts, Prudential Retirement; Crystal Vacura, Retirement Counselor, Prudential Retirement

Robb Craddock, CFA, Vice President of Investment Strategy, Prudential Retirement, presented Investment Review, Lancaster County, Nebraska EES Retirement Plan, Performance Results as of December 31, 2014, referencing the following (Exhibit D):

- Market Commentary (Page 3)
- Economic Review (Page 4)
- Financial Market Returns (Page 5)
- Domestic Equity Style Returns (Page 6)
- Standard & Poor's (S&P) 500 Sector Performance (Page 7)
- International Index Returns (Page 8)
- Fixed Income Returns (Page 9)
- U.S. Treasury Yield Curve (Page 10)
- Executive Summary (EES Retirement Plan) (Pages 15-16)

Craddock noted there are 19 different investments in the plans in addition to IncomeFlex (a retirement plan option that features a guaranteed minimum withdrawal benefit for plan participants who are at least 50 years of age). He said there is a wide array of investment types within the plans for participants to choose.

Craddock noted Prudential's performance criteria: a fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in their applicable peer group over the same time period. He said there are five funds in the plan that do not meet that criteria. Two of the funds will be replaced on March 23<sup>rd</sup> (Mid Cap Value/Systematic and Perkins Value T Funds) and the assets mapped to Vanguard Selected Value Investment Fund (Exhibit E).

It was also noted the County contracts with a third-party, Segal Rogerscasey, for a review of the investment and administrative services provided by Prudential for the Lancaster County 401(a) retirement plan and 457 deferred compensation program.

- Plan Summary (EEs Retirement Plan) (Pages 19-21)

Craddock noted Prudential's Investment Management decided December 15, 2014 to "fire" the Core Plus Bond/Pimco Fund (Intermediate Term Bond) on behalf of all their clients, noting there had been significant outflows from the fund over the past two years. The bond was replaced with the Prudential Investment Management (PIM) Fund (see Page 21).

Hudkins asked how many basis points are paid on the Gibraltar Guaranteed Fund (Stable Value Fund). Robert Kerscher, Vice President of Key Accounts, Prudential Retirement, said it is currently 66 but 14 of those basis points will go away. **NOTE:** The recordkeeping portion of the management fee has been waived with renegotiation of the contract.

- GoalMaker Performance (Pages 100-101)

Craddock noted GoalMaker (asset allocation tool) is used by over 50% of the plan participants (an average plan has high 30's% to low 40's% utilization). Participants indicate whether they are a conservative, moderate or aggressive investor and GoalMaker places them in a portfolio, based on their age and years to retirement. It uses the underlying funds in the plan and diversifies the assets for them. It also re-balances on a quarterly basis and as a participant ages, it migrates them to the next portfolio. Kerscher noted that the default investment for the 401(a) Lancaster County Employees Retirement Plan was changed from Gibraltar Guaranteed Fund to the GoalMaker (401K asset allocation service) Conservative Fund prospectively last year so usage will continue to grow.

Kerscher discussed the following for the documents related to the 401(a) Lancaster County Employees Retirement Plan:

- Plan Demographics (Page 114)
- Asset Allocation/Net Activity By Age (January 1, 2014 to December, 31, 2014) (Page 115)

- Assets by Asset Class and Age as of December 31, 2014 and Fund Utilization by Age as of December 31, 2014 (Page 116)
- GoalMaker Participation (Page 119)

Amundson expressed concern about the number of participants that are using the Gibraltar Guaranteed Fund as their sole investment (see Page 117). Crystal Vacura, Retirement Counselor, Prudential Retirement, said Prudential can pinpoint who those participants are and will work to educate them.

Wiltgen exited the meeting at 9:52 a.m.

Kerscher also discussed the following documents related to the 457 (b) Deferred Compensation Program:

- Plan Demographics (Page 130)
- Asset Allocation/Net Activity by Age (January 1, 2014 to December 31, 2014) (Page 131)
- Plan Participation and Transaction Summary (Page 136)

Wiltgen returned to the meeting at 9:56 a.m. and Avery exited the meeting.

Eagan noted the Board has received a legal opinion that the County can offer a match for the 457 (b) Deferred Compensation Program which would increase participation.

Avery returned to the meeting at 10:01 a.m.

## **5 NEBRASKA OPEN MEETINGS ACT OVERVIEW** - Brittany Behrens, Deputy County Attorney

Brittany Behrens, Deputy County Attorney, presented an outline of the Nebraska Open Meeting Law, as available on the Nebraska Attorney General's website, covering the following topics (Exhibit F):

- Basic Provision

The Nebraska Open Meetings Act is contained in Neb. Rev. Stat. §§84-1407 through 84-1414 (2008, Cum. Supp. 2012, Supp. 2013). The basic statement of state policy on public meetings is found at Neb. Rev. Stat. §84-1408: *It is hereby declared to be the policy of this state that the formation of public policy is public business and may not be conducted in secret. Every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies, except as otherwise provided by the Constitution of the State of Nebraska, federal statutes, and the Open Meetings Act.*

Behrens said the Open Meetings Laws are to be broadly and liberally construed in favor of openness to the public.

- Public Bodies Which are Covered

Behrens said language relating to political subdivisions of the State would cover the County Board of Commissioners. She said that, for purposes of the Open Meetings Law, advisory committees are an entity that is covered and would fall within the definition of a public body. Factors include whether there is a quorum and whether public policy formation is occurring. In most cases advisory committees, sans a quorum, "on their face" are not going to be subject to the Open Meetings Laws. It really depends on the function and makeup of the advisory committee.

Behrens said subcommittees are typically seen as non-quorum bodies and are typically not involved in the formation of public policy. They are not included in the definition of a public body and are not subject to the Open Meetings Laws.

Behrens said statutorily created boards and advisory committees, such as the Board of Health, Personnel Policy Board, Planning Commission and Railroad Transportation Safety Committee (RTSD), are public bodies and are subject to the Open Meetings Laws.

Behrens noted appointments to fill a vacancy on the County Board are made by the County Attorney, County Clerk and County Treasurer and said there is case law that those individuals, meeting as a group to make that appointment, are subject to the Open Meetings Laws. She said interviews for a public office vacancy are also subject to the Open Meetings Laws but a closed session may be appropriate for salary negotiation discussion. There is also a provision in the Open Meetings Laws that allows for a closed session to prevent needless injury to the reputation of a person, if they do not request an open session. Only that portion of the interview which would contain discussion of material on that person's reputation would be appropriate for closed session.

Behrens noted there is a delineation between judicial functions and functions of the Board. She said most of the boards that are "arms of the County" are not judicial in nature and are subject to the Open Meetings Laws.

- Meeting Defined

Behrens said a meeting is defined as *all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body*. She said social gatherings, training, and educational seminars are not meetings for purposes of application of the Open Meetings Laws.

- Public Meetings by Videoconferencing and Telephone Conference Call/Emergency Meetings

Behrens said the County Board is not listed as one of the entities that may conduct a meeting by means of teleconference or videoconference. Teleconferencing would only be allowed in an emergency situation and there are specific statutory requirements that must be met in order to declare it an emergency meeting. She said conducting meetings via any electronic method, such as email, would be a clear violation of the Open Meetings Laws.

- Public Meetings; Notice Required and Agenda

Behrens the public body must give reasonable advance publicized notice of the time and place of each meeting by a method designated by the body and recorded in the minutes. The notice must be transmitted to all members of the body and to the public. It must contain an agenda of subjects known at the time of publicized notice or a statement that an agenda, that is kept continually current, is available for inspection at the principal office of the public body during normal business hours. The agenda may not be modified within 24 hours of the meeting unless there is an item of an emergency nature. She said items that are not of a policy-making nature and that will not garner discussion can be added to the agenda.

- Public Meetings; Minutes and Voting Procedures

Behrens said every public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed. The minutes of all meetings, and evidence or documentation received or disclosed during open session, shall be public records and open to public inspection during normal business hours. Minutes shall be written and available for inspection within ten working days or prior to the next convened meeting.

- Public Meetings; Rights of the Public Attending

Behrens said public participation is not mandatory at every meeting. The Board has established guidelines for public participation and gives the public an opportunity to speak on specific agenda items, as well as a public comment session that allows the public to speak on items of county business which are not on the agenda, at the regular County Board of Commissioners Meetings. A copy of the Open Meetings Law must be also posted in the meeting room.

Behrens said the Board may not require individuals to identify themselves in order to attend a meeting but may require individuals wishing to speak at a meeting to identify themselves for the record.

- Closed Sessions of a Public Body

Behrens said a majority vote of the body is required to go into closed session. Closed session may only be held if it is clearly necessary to protect the public interest or for the prevention of needless injury to an individual who has not requested a public meeting. The reason and time must be stated as part of the motion. Examples of reasons for a closed session are enumerated in Neb. Rev. Stat. §84-1410(1). She cited the guiding principle with respect to closed sessions: *If a public body is uncertain about the type of session to be conducted, open or closed, bear in mind the policy of openness promoted by the Public Meetings Laws and opt for a meeting in the presence of the public.*

Behrens said closed session discussions are discoverable for purposes of litigation. She said that does not negate the attorney-client privilege. Minutes are not required.

- Circumvention of the Open Meetings Act

Behrens said emails are discoverable and those that deal with county business can be moved to TRIM (electronic records management system) so they are easily accessible if there is a discovery request.

- Criminal Sanctions

Behrens said enforcement of the Open Meetings Laws is handled by the Nebraska Attorney General's and County Attorney's Offices. The County Attorney's Office handles enforcement of local agencies within its jurisdiction but would not be able to prosecute and handle the enforcement action against an alleged violation by a Board member. She said a knowing violation of the Open Meetings Laws is a misdemeanor (Class IV for first offense and Class III for a second offense) and punishable as a crime.

Wiltgen said the Region V Governing Board is not providing Minette Genuchi, Administrative Assistant to the County Board, meeting notices with the agenda, claiming it contains confidential information. He said the meetings are open to the public. Behrens said agendas of public meetings are required to be posted in their entirety unless there are portions that fall within a closed session exception. Wiltgen said he has been forwarding a copy to the County Clerk's Office for them to maintain.

Avery noted John Spatz, Nebraska Association of School Boards (NASB) Executive Director, has prepared a handbook and conducts workshops on the public meetings laws.

## **ACTION ITEMS**

### **A. Grant Application to Office of Violence Prevention for Operation Tipping Point**

Sara Hoyle, Human Services Director, and Captain Martin Fehringer, Lincoln Police Department (LPD), appeared and gave an overview of the grant. Hoyle said in-kind match is required and will be covered by LPD officer time.

**MOTION:** Hudkins moved and Schorr seconded approval of the grant application, with signature by the Chair.

Wiltgen inquired about the funding source. Hoyle said these are state monies provided through the Nebraska Crime Commission.

**ROLL CALL:** Hudkins, Schorr, Avery and Amundson voted aye. Wiltgen abstained from voting. Motion carried 4-0, with one abstention.

### **6 AMENDED ELECTED OFFICIAL AND UNCLASSIFIED EMPLOYEE BENEFITS RESOLUTIONS - Kristy Bauer, Deputy County Attorney**

Kristy Bauer, Deputy County Attorney, said these are "clean-up" revisions. She said language will be added to the resolution adopting benefits for county elected officials to indicate they are 100% vested in the retirement plan, noting it has always been that way and is stipulated in the retirement plan. Bauer explained that part-time bailiffs were inadvertently omitted from the resolution adopting benefits for county employees in the unclassified service the last time the resolution was revised. She said the practice hasn't changed. A resolution adopting benefits for county elected officials (rescinding and replacing County Resolution No. R-02-0052) and a resolution adopting benefits for employees in the unclassified service (rescinding and replacing County Resolution No. R-14-0011) will be scheduled on the March 24, 2015 County Board of Commissioners Meeting agenda for action.

### **7 PENDING LITIGATION - Richard Grabow, Deputy County Attorney**

**MOTION:** Schorr moved and Hudkins seconded to enter Executive Session at 11:05 a.m. for the purpose of protecting the public interest with regards to pending litigation.

The Chair restated the motion for the record.

Wiltgen exited the meeting.

**ROLL CALL:** Schorr, Wiltgen, Avery, Hudkins and Amundson voted aye. Motion carried 5-0.



**MOTION:** Schorr moved and Hudkins seconded to exit Executive Session at 11:25 a.m. Avery, Hudkins, Schorr and Amundson voted aye. Wiltgen was absent from voting. Motion carried 4-0.

## **8 ACTION ITEMS**

- A. Grant Application to Office of Violence Prevention for Operation Tipping Point

Item was moved forward on the agenda.

## **9 CONSENT ITEMS**

There were no consent items.

## **10 ADMINISTRATIVE OFFICER REPORT**

- A. Recommendation from Benefits Consultant Request for Proposal (RFP) Committee

Eagan said the Committee reviewed the responses to the RFP and has recommended the County continue to contract with AON for benefit consulting services for insurance programs.

- B. Southeast Nebraska Development District (SENDDD)

Amundson said she met with Dave Taladay, Southeast Nebraska Development District (SENDDD) Executive Director, to discuss the organization's programs and services. She said Taladay will be giving a presentation at the Citizens' Institute on Rural Design (CIRD) Workshop on Friday on how SENDDD can assist communities. Amundson noted Lancaster County's communities have not been able to benefit from those services and programs because the County is not a member of the organization. Annual dues would be \$12,363.

Wiltgen returned to the meeting at 11:28 a.m.

Schorr asked whether the County could utilize economic development funds

Gwen Thorpe, Deputy Chief Administrative Officer, noted the County contracts with SENDDD for administration of the County's Community Development Block Grant (CDBG) program income funds. Schorr asked whether the County could utilize those funds to pay SENDDD membership dues. Eagan said he is not sure how much is left in the fund.

It was noted the County also pays the City \$25,000 annually for economic development services from Mike Lang, City Economic Development Coordinator.

#### C. Keno Human Services Advisory Board

Schorr recommended appointment of Colleen Ogden to fill a vacancy on the Keno Human Services Advisory Board (see Exhibit G for Ogden's resume).

It was noted that individuals seeking appointment to County advisory boards, commissions or task forces may find an application on the County Board's webpage: <http://lancaster.ne.gov/commiss/boardapp.pdf>. Schorr said she checked and there currently are no applications on file in the County Board of Commissioners' Office requesting appointment to this advisory board.

#### D. Retirement Investment Review by Segal Rogerscasey

Eagan said the Pension Review Committee (PRC) has recommended that the County seek to renew its contract with Segal Rogerscasey for an administrative and investment review of the Lancaster County 401(a) and 457 retirement programs.

#### E. Update on Severe Weather Exercise

Eagan said he attended an organizational meeting with Jim Davidsaver, Emergency Management Director; Don Killeen, County Property Manager; Bob Nemecek, Safety and Training Coordinator, City Risk Management; and Sue Eckley, County Risk Manager. Another meeting will be held Friday with the floor captains and a memorandum will be sent to the individuals that were appointed by county departments. He said they are still planning what the exercise will look like, adding it will be a limited response. The Chair stressed that she wants to see an actual drill take place at some point in the future.

### **11 PENDING**

There were no pending items.

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

#### A. Information Services Policy Committee (ISPC) - Wiltgen

Wiltgen said they were updated on several issues including the fund balance (\$840,000), systems development, jury management, the migration from Novell to Windows, and a pilot program to implement an automated vehicular location system.

B. Parks and Recreation Advisory Board - Hudkins

Meeting was cancelled.

C. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Wiltgen

Schorr, who attended the meeting in place of Wiltgen, said there was discussion regarding the proposed three-year 1/4 cent sales tax for safety projects, budget issues, and legislation. She said she was asked by LIBA to talk about the Railroad Transportation Safety District (RTSD) and provided each of the Committee members with the following documents: 1) Copies of prior budgets, the current budget and the draft budget for Fiscal Year (FY) 2015-2016; 2) 12-year Capital Improvement Program (CIP); and 3) Levy options.

D. General Assistance (GA) Monitoring Committee - Hudkins/Wiltgen

Eagan said there will be a pilot program involving the People's Health Center, Lincoln-Lancaster County Health Department (LLCHD), and General Assistance (GA) will look at combining a certain number of GA clients into a primary care/behavioral health format.

Wiltgen said Judy Halstead, LLCHD Director, gave an update on the health care exchanges.

E. Human Services Joint Budget Committee (JBC) - Amundson

Amundson said discussion focused on a variety of topics including: 1) Transition and relocation of the Veterans Service and General Assistance (GA) programs; 2) Keno Human Services Advisory Board appointments; 3) Updates for the United Way of Lincoln-Lancaster County; 4) Behavioral Health and Crisis Response Teams; and 5) "Stronger, Safer Neighborhoods" initiative.

F. Parks and Recreation Futures Committee - Hudkins

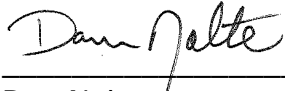
Hudkins said the Lincoln Children's Zoo needs more exhibit space and parking and said plans for its future direction will be revealed at an open house at the Parks and Recreation Administration Building on March 31<sup>st</sup>.

### **13 EMERGENCY ITEMS AND OTHER BUSINESS**

There were no emergency items or other business.

**14 ADJOURNMENT**

**MOTION:** Schorr moved and Wiltgen seconded to adjourn the meeting at 11:52 a.m. Wiltgen, Avery, Hudkins, Schorr and Amundson voted aye. Motion carried 5-0.



Dan Nolte  
Lancaster County Clerk





**KISSEL / E&S**  
ASSOCIATES

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**MEMORANDUM**

TO: Lancaster County Board of Commissioners

FROM: Gordon Kissel  
Joseph D. Kohout  
Jonathan G. Bradford

DATE: March 19, 2015

RE: Weekly Update on the 2015 Legislature

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Please accept this as the seventh of your weekly reports for the 2015 Legislative Session. Today is day 48. This week represents the last week where the Legislature will convene in the mornings – typically at 9am – and adjourn at noon for committee hearings. Tomorrow is the last day for committee hearings. Monday will be the first day for all-day debate. We have attached the final list of priorities that have been declared.

Below, please find legislation of particular note to Lancaster County

**2015 Lancaster County Legislative Priorities:**

1. **Property Tax Relief:** The Board has identified several potential options under this priority.

**RESTORE STATE AID TO COUNTIES:**

**LB 609 – Adopt the Nebraska Bridge Repair Act**  
**Introduced by Sen. Jim Smith of Papillion**  
**Hearing Date: March 9, 2015**  
**Transportation & Telecommunication**

LB 609 creates a mechanism for priority of bridge repairs in Nebraska which includes a process whereby projects are prioritized by a commission including

some county commissioners. Engineer Dingman has expressed a concern about the design-build as well as the level of bureaucracy that the bill will provide.

POSITION: OPPOSE. The hearing on this measure was March, 9, 2015 before the Transportation and Telecommunication Committee. Engineer Dingman testified in opposition to the bill. Senator Smith indicated that he plans to hold the bill for discussions in the interim.

**LB 610 – Change motor vehicle excise taxes.**

**Introduced by Sen. Jim Smith, Papillion**

**Hearing Date: March 6, 2015**

**Revenue**

Increases the gas tax by \$.015 over the course of a period of time to a total of \$.06.

POSITION: SUPPORT The hearing on this measure occurred Friday, March 6, 2015. There was a significant amount of support for the measure. Engineer Dingman testified on behalf of Lancaster County in support. The bill was advanced by the Revenue Committee and prioritized by Sen. Curt Friesen of Henderson.

**LB 626 – Create a fund and change motor vehicle fees and taxes and their distribution.**

**Introduced by Sen. Kathy Campbell, Lincoln**

**Hearing Date: March 9, 2015**

**Transportation & Telecommunication**

Is intended to increase the registration fee for vehicles and move an amount into a Bridge Bank which will be used to repair bridges throughout Nebraska.

POSITION: The hearing on this measure was on Monday before the Transportation and Telecommunication Committee. Similar to LB609, Senator Campbell offered the bill to the committee to have the committee potentially use the bill for a roads package.

**LB 633 – Appropriate funds for state aid to municipalities and counties.**

**Introduced by Sen. John Stinner, Gering**

**Hearing Date: March 18, 2015**

**Appropriations**

LB 633 appropriates \$20,000,000 to counties and \$20,000,000 to cities for infrastructure projects for one year.

POSITION: SUPPORT. The hearing on this measure occurred yesterday. A significant amount of support was registered before the committee including NACO, the City of Lincoln, the City of Omaha, and Pam Dingman on behalf of Lancaster County.

**OPPOSE ELIMINATION OF THE INHERITANCE TAX:**

No legislation was introduced this year that would eliminate the inheritance tax

**ELIMINATE UNFUNDED MANDATES:**

*I would note for each of the bills under this section, we are working with Senator Mello to identify the amount of money available to address these.*

**LB 105 - Change Provisions relating to payment of fees and costs associated with deaths of incarcerated persons and grand juries**

**Introduced by Sen. Dan Watermeier, Syracuse**

**Hearing Date: February 12, 2015**

**Government**

LB 105 would change provisions relating to the payment of fees and costs associated with the deaths of incarcerated persons and grand juries when it relates to the state. State of Nebraska would be responsible for payment of juror when the individual in question died by unlawful means while serving at a state facility. An autopsy done by the county coroner of that individual shall be charged back to the state.

POSITION: SUPPORT. The hearing on this bill was on Thursday February 12<sup>th</sup>, 2015. Mr. Eagan testified on behalf of Lancaster County. Those in support included NACO. No one appeared in opposition. The committee did advance the measure during an executive session this week.

**LB 427 – Provide for payment of probation office cost by the state**

**Introduced by Sen. Mike Groene, North Platte**

**Hearing Date: February 29, 2015**

**Government**

This bill allows for the state to pay the cost of probation offices and those facilities performing in their official capacity. Actual and necessary expenses shall be paid. As Prior to July 1, 2015, counties providing space for probation services, may negotiate lease arrangements. Upon the close of business of June 30, 2015, the county shall no longer provide office and facilities to probation

POSITION: SUPPORT. The hearing on this bill was on Thursday, January 29, 2015. Those appearing in support included Joe Hewgley from the Lincoln County Board of Commissioners, Larry Dix with NACO, Mike Kelley representing the Douglas County Board of Commissioners and Kerry Eagan representing this board. There was no opposition to the bill. An amendment prepared by NACO in consultation with Douglas and

Lancaster County to limit the legislation to only cover rent which will limit the fiscal impact to approximately \$4 million.

**LB 341 – Provide requirements relating to health benefit plan coverage for insureds in jail custody.**

**Introduced by Sen. Sara Howard, Omaha**

**Hearing Date: March 9, 2015**

**Banking**

**DOUGLAS COUNTY PRIORITY**

LB 341 states that an insurer may not cancel coverage or deny reimbursement for services covered by the plan for an individual in jail. LB 341 allows for reimbursement of a political subdivision by the insurer for services covered of an individual in custody. Coverage can be denied if the injuries occurred as a result of violation of law.

**POSITION: RECOMMEND SUPPORT**

**RAISE COUNTY FEES:**

**LB 88 – Raise marriage license fees**

**Introduced by Sen. Kathy Campbell, Lincoln**

**Hearing Date: 1/21/2015**

**Judiciary**

As introduced and advanced by the Committee, the bill would raise marriage license fees to \$50 from \$15 and certified copies from \$6 to \$16. An amendment was adopted on General File that capped the fee at \$25,

**POSITION: SUPPORT.** This bill was advanced on a near-unanimous vote by the Judiciary Committee including three Lancaster County Senators – Senators Coash, Morfeld & Pansing Brooks. Dan Nolte did a great job testifying on behalf of Lancaster County. Senator Chambers began to filibuster the bill. An amendment had been agreed to by Senators Campbell and Bill Kintner of Papillion that would change the language in the bill so that the county board can set the rate in a range between \$30 and \$50 and certified copies be \$16. However concerns were raised on this methodology due to consistency across the state. Senators Campbell and Chambers agreed to an amendment on LB88 that would raise fees to \$25. The amendment was adopted the bill advanced to Select File. The bill was debated last week on Select File. After conversations on the floor and after concerns were raised about continued debate and potential loss of votes, an agreement was reached to amend the bill to reflect a \$9.00 fee for certified copy. The bill advanced to final reading. The bill was presented to the Governor on March 6, 2015. The Governor signed the bill on March 12, 2015.



SUPPORT ADEQUATE APPROPRIATIONS FOR IMPLEMENTATION OF LB561:

We continue to monitor all efforts in this area.

2. Support Medicaid Expansion under the Affordable Care Act:

LB 472 – Adopt the Medicaid Redesign Act.  
Introduced by Sen. Kathy Campbell, Lincoln  
Hearing Date: 2/25/15  
Health and Human Services

LB 472 sets out to redesign Nebraska's Medicaid program with a specific plan. LB 472 creates the Medicaid Redesign Task force to review the Medicaid program and provide recommendations. LB 472 allows DHHS to work with the federal government to create a coverage plan. An estimated 1.8 billion in funds would be returned to Nebraska's economy from now until 2020. The Governor and DHHS would design and implement a Nebraska plan. The bill would ask that enrollees to contribute 2% of their income, unless active in a wellness program.

POSITION: SUPPORT. The hearing on this bill was on February 25, 2015. Commissioner Schorr testified in support on behalf of Lancaster County. The bill advanced to General File with a committee amendment that rewrites a section regarding composition of the Task Force.

3. Address Lancaster County Obligations under the 300,000 population threshold. As mentioned previously, this legislation was drafted at our request for potential introduction. Once the bill was drafted it became very clear that a significant number of sections were opened up. There was a concern raised about the diversity of sections that were being opened up as well as the fact that it may implicate some of Douglas County's thresholds. In discussion with staff, it was determined to take some time to go through the draft and spend some analyzing the multitude of sections opened up. Senator Hansen has requested interim study language to prepare the same in the coming weeks. We have worked with Sen. Hansen's office to prepare language for an interim study. That study is being drafted and we will provide a copy next week.
4. Eliminate the Responsibility of Counties to Pay HHS Rent: LB61 was heard before the Government, Military & Veterans Affairs Committee last Thursday. Mr. Eagan testified on behalf of Lancaster County. Those joining in support included Commissioner Mary Ann Borgeson on behalf of Douglas County, Dick Clark with the Platte Institute, Colby Mach with LIBA, Larry Dix with NACO and Fred Uhe with Sarpy County. Those opposed included Acting CEO of HHS Dr. Joseph Acierno. This bill, like the other unfunded mandate bills, are currently held in Government Committee.
5. Amend Mental Health Commitment Act / Funding for Community Based Sex Offender Treatment. After discussion regarding the size of this request as drafted - \$7.5 Million – it was determined that Lancaster County should make a request of the Appropriations Committee at their hearing. The thought is that the complete picture of

the LR424 task force recommendation – the prison review – are not complete and this could be a part of that broader conversation.

Deputy Administrator Gwen Thorpe testified on behalf of Lancaster County and asked the committee to appropriate \$250,000 to fund Counseling Affiliates. Also, the following bill is of note on this issue as well:

**LB 592 – Change provisions relating to corrections and parole and mentally ill offenders**

Introduced by Sen. Kate Bolz of Lincoln

Hearing Date: 2/20/15

Judiciary

LB 592 is one of six legislative bills introduced this session to address issues raised by the Interim Study report 424. LB 592 adds “personality disorder” to the definition of a mentally ill. The bill creates a clear separation of independence between the Department of Corrections and Pardons board when determining the treatment of inmates. Department of Corrections shall be responsible for an inmate while in confinement and Pardons board shall address the re-entry back to the general public. LB 592 adds a clean-up measure to the Sex Registry by adding “personality disorder” to the definition of mentally ill. The hearing on this bill was February 20, 2015.

6. Monitor Adult Corrections Reform. We will continue to monitor introductions for legislation that affects adult corrections reform. One bill has been set for hearing today on this issue as well:

**LB 119 – Change where certain sentences of imprisonment may be served**

Introduced by Senator Paul Schumacher of Columbus

Hearing Date: 2/12/15

Judiciary

The Nebraska Criminal Code at Neb. Rev. Stat §28-105 sets out penalties for the various classes of felonies which range from Class IV, with the least severe penalty, to Class I, with the most severe. Class IV and Class IIIA felonies have maximum penalties of 5 years imprisonment with no minimum sentences or fines. Section (2)(a) of §28-105 requires sentences of imprisonment of one year or more for convictions of Class IV and Class IIIa felonies be served in a State prison facility and sentences of less than one year be served in the county jail.

All sentences of imprisonment for classified felonies and sentences of more than 1 year and any lesser sentence shall be served concurrently or consecutively with such sentences. Sentence of 1 year or less may be served in a county jail.

Quoting from the fiscal note, “In the past 12 months Lancaster County has sent 268 felony 3,3A and 4 offenders to the Nebraska Department of Correctional Services. We are assuming the upper sentence level of these inmates is not

included in this impact statement. Knowing inmates are credited for time served in a pre-trial capacity, and accrue good time, we feel we would add 59 inmates per day to our average daily population. By using an average cost of \$94.00 per day the impact to our FY15, would be approximately \$2,000,000. With this potentially growing population, we would be concerned our bed capacity would be limited in the following years. The County would be hard pressed to find available bed space for pre-trial offenders.”

POSITION: OPPOSE. The hearing on this bill was on February 12<sup>th</sup>, 2015 before the Judiciary Committee. Mike Thurber testified in opposition on behalf of Lancaster Co. No one appeared in support.

7. Retirement Adjustment. LB126 signed by the governor on February 26, 2015.

**Other Legislation:**

1. LB 374 - Direct transfers from the State Recreation Road Fund  
Introduced by Senator Ken Haar of Malcom  
Hearing Date: 3/12/15  
Appropriations Committee  
Engineer Dingman Discussed at January 29, 2015 Meeting

The bill would cap the amount in the State Recreation Road Fund at \$15 Million and move the amount greater than that to Game and Parks State Park Improvement and Maintenance Fund.

POSITION: Engineer Dingman testified in support of this legislation last Thursday.

2. LB 398 – Exempt all tangible personal property from property tax  
Introduced by Sen. Burke Harr of Omaha  
Hearing Date: 3/5/15  
Revenue

This bill sets forth that beginning January 1, 2017, all tangible personal property shall be exempt from property tax. Property owned and used for agricultural and horticultural societies, educational, religious, etc.

3. LB 476 – Provide duties for county assessors and Property Tax Administrator relating to tax – exempt real property.  
Introduced by Sen. Al Davis of Hyannis  
Hearing Date: 3/5/15  
Revenue

On or before December 1 each year, the county assessor will compile a list of parcel of real property in the county exempt from the property tax, and determine the estimated

market value. The Property Tax Administrator shall prepare a report based off of the list. The report is due to the Clerk of Legislature before December 31, of each year.

POSITION: NO POSITION. Scott Gaines has raised a concern about this legislation as there may be a sizable cost associated with performing this responsibility.

4. **LB 542 – Provide a sales tax exemption for purchases by county agricultural societies**  
**Introduced by Sen. Burke Harr of**  
**Hearing Date: 3/6/15**  
**Revenue**

The purpose of Legislative Bill 542 is to provide a sale and use tax exemption outlined in state statute 77-2704.15 for a “county agricultural society”.

POSITION: SUPPORT. The hearing on this measure was on last Friday. Testifiers included Amy Dickerson, Steve Kruger, Alan Wood and Commissioner Amundson. The committee seems very open to the bill. The bill was advanced unanimously by the Revenue Committee yesterday.

5. **LB 13 – Change Community-based Juvenile Services Aid Program provisions**  
**Introduced by Sen. Bob Krist of Omaha**  
**Hearing Date: 2/26/15**  
**Judiciary**

LB 13 states 10% of the annual GF appropriation to the community-based Juvenile Services Aid Program shall be set aside for the development of a common data system at the University of Nebraska at Omaha, Juvenile Justice Institute, to assess the effectiveness of community-based Juvenile Services Aid program.

In conversations with Senator Krist, he has indicated that he intends this to be a one-time ear mark not an ongoing one. Further, the Appropriations Committee has included \$7.5 million in funding for 2015-16 and \$10 million in funding for 2016-17.

POSITION: NEUTRAL. The bill advanced with an amendment we provided with last week’s report which embodied changes suggested by multiple groups including Lancaster County.

6. **LB 15 – Provide additional powers and duties for guardians ad litem**  
**Introduced by Sen. Bob Krist of Omaha**  
**Hearing Date: 2/26/15**  
**Judiciary**

LB 15 states that a guardian ad-litem (GAL) is to receive required training required by the Nebraska Supreme Court. GAL is allowed to review and receive records/court plans prepared by the DHHS pertaining to the juvenile. GAL shall meet with the juvenile, upon the juvenile’s request. LB 15 was introduced as a response to the guardian ad-litem

contracting situation in Douglas County. The committee advanced the measure with an amendment which included (a) a requirement that the Supreme Court adapt a court rule on GALs; (b) to clarify how these contracts work/their transparency; (c) provisions that are currently contained in LB 265.

POSITION: NEUTRAL. The bill was advanced to General File with the amendments provided in last week's report. Joe Nigro testified in support on behalf of the county. The bill advanced to Select File this week after adoption of the committee amendment. Mr. Nigro has prepared a revised fiscal note that demonstrates little - if any - fiscal impact. He has communicated with Senator Krist directly regarding this bill.

7. **LB 309 – Appropriate additional funds to the Property Tax Credit Cash Fund**  
**Introduced by Sen. Al Davis of Hyannis**  
**Hearing Date: 2/27/15**  
**Appropriations**

In addition to other appropriations for FY2016-17 to the Property Tax Credit Cash Fund, the State Treasurer shall transfer \$25,000,000 from the General Fund to the Property Tax Credit Cash Fund

In addition to other appropriations for FY2015-16 to the Property Tax Credit Cash Fund, the State Treasurer shall transfer \$25,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2015, on such date as directed by the budget administrator of the budget division of the Department of Administrative December 15, 2016, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

8. **LB 364 – Provide for transfers to the Property Tax Credit Cash Fund and appropriations**  
**Introduced by Sen. Dan Watermeier of Syracuse**  
**Hearing Date: 2/27/15**  
**Appropriations**

FY2015-16 the State Treasurer shall transfer \$60,000,000 from the General Fund to the Property Tax Credit Cash Fund and (2) FY2016-17 the State Treasurer shall transfer \$60,000,000 from the General Fund to the Property Tax Credit Cash Fund. Appropriation of (1) \$60,000,000 for FY2015-16 and (2) \$60,000,000 for FY2016-17 from the Property Tax Credit Cash Fund to the Department of Revenue, Program 132, to carry out the purposes of the property tax credit program.

9. **LB 387 – Transfer funds from the Cash Reserve Fund to the Property Tax Credit Cash Fund**  
**Introduced by Sen. David Schnoor of Fremont**  
**Hearing Date: 2/27/15**  
**Appropriations**

The State Treasurer shall transfer sixty million dollars from the Cash Reserve Fund to the Property Tax Credit Cash Fund on or before December 15, 2015, on such date as

directed by the budget administrator of the budget division of the Department of Administrative Services.

10. LB 442 – Appropriate additional funds to the Property Tax Credit Cash Fund  
Introduced by Sen Kate Bolz of Lincoln  
Hearing Date: 2/27/15  
Appropriations

In addition to other appropriations for FY2016-17 to the Property Tax Credit Cash Fund, the State Treasurer shall transfer \$20,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2015.

In addition to other appropriations for FY2015-16 to the Property Tax Credit Cash Fund, the State Treasurer shall transfer \$20,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2015, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services December 15, 2016, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

11. LB 265 – Change provisions relating to juveniles and child welfare  
Introduced by Sen. Kathy Campbell of Lincoln  
Hearing Date: 2/27/15  
Judiciary

LB 265 states a guardian ad-litem(GAL) will make a reasonable effort to become familiar with the needs of a juvenile by consultation with juvenile in his or her respective placement within 2 weeks of appointment and every 3 (was 6) months thereafter. GAL shall provide a written report, not limited to number of visits and make recommendations. LB 265 states the Foster Care Review board may participate in proceedings of the juvenile. LB 265 defines Trial Home visits as from the placement from foster care to the home of the legal guardian. LB 265 establishes a pilot project to determine whether policy outcomes meet the well-being outcomes for a juvenile and child-welfare involved in out of home placement.

12. LB 391 – Change sales tax collection fees for motor vehicles  
Introduced by Sen. Sue Crawford of Bellevue  
Hearing Date: 2/27/15  
Revenue

LB 391 adds language in 77-2703(1)(I)(iii) to read:

The county treasurer shall deduct and withhold for the use of the county general fund, from all amounts required to be collected under this subsection, the collection fee permitted to be deducted by any retailer collecting the sales tax plus an additional one-half of one percent of all amounts in excess of three thousand dollars remitted each month.



POSITION: SUPPORT. This bill comes out of the unfunded mandate study of last interim. The hearing on this measure occurred on February 27, 2015. Joe provided the letter to the committee. Concerns were raised by Senator Smith at the hearing about the impact on roads funding.

13. **LB 564 – Change duties and obligations relating to the mowing of weeds along county roads**  
**Introduced by Sen. Brett Lindstrom of Omaha**  
**Hearing Date: 3/3/15**  
**Transportation and Telecommunications**

The bill would limit mowing to one side of the road.

POSITION: OPPOSE. The hearing on this measure occurred on March 3, 2015. The bill has not advanced from committee.

14. **LB 499 – Provide duties for the Department of Health and Human Services relating to behavioral and mental health services**  
**Introduced by Sen. Bob Krist of Omaha**  
**Hearing Date: 3/4/15**  
**Health and Human Services**

LB 499 states DHHS will reestablish the provision of behavioral and mental health services throughout Nebraska. Departments of Corrections, Probation Administration, and Juvenile Services will assist

POSITION: NO POSITION. This is a placeholder bill for legislation that may come from the LR434 recommendations. This measure was heard in committee on March 4, 2015.

*I would note that these measures remain a high priority for Governor Ricketts, and the administration continues to work this measure.*

15. **LB 293 - Change valuation of agricultural land and horticultural land**  
**Introduced by Sen. David Schnoor of Scribner**  
**Hearing Date: 2/19/15**  
**Revenue**

Lowers agricultural and horticultural land valuations from 75% to 65% of actual.

16. **LB 350 - Change valuation of agricultural land and horticultural land**  
**Introduced by Sen. Lydia Brasch of Bancroft**  
**Hearing Date: 2/19/15**  
**Revenue**

Lowers agricultural and horticultural land valuations from 75% to 65% of actual.

17. **LB 384 - Provide for reclassification of agricultural land and horticultural land**

Introduced by Sen. Brett Lindstrom of Omaha  
Hearing Date: 2/19/15  
Revenue

The bill would allow for a reclassification of up to 30 acres per quarter section of cropland as range or pasture for purposes of property taxes.

18. LB 605 – Change classification of penalties, punishments, probation and parole provisions, and provisions relating to criminal records and restitution and provide for a special legislative committee

Introduced by Sen. Heath Mello of Omaha  
Hearing Date: 2/20/15  
Judiciary

LB 605 is the first part of recommendations stemming from the CSG working group that was created at the end of last session. We were asked by Commissioner Hudkins to convey County Attorney Joe Kelly's concern to Senator Mello. That was done as requested. Questions were raised during the hearing regarding both the County Attorney's suggested amendments and additional county aid. Senator Mello in follow-up conversations, is committed to the county aid we discussed at the 2/19/15 meeting. It is our understanding that amendments addressing the concern of the County Attorneys and the county funding will be made public on Thursday/Friday.

19. LB 606 – Adopt the Office of Inspector General of the Nebraska Correctional System Act, change provisions relating to the Public Counsel, and mandate a declaration by the Governor of a correctional system overcrowding emergency as prescribed

Introduced by Sen. Heath Mello of Omaha  
Hearing Date: 2/20/15  
Judiciary

LB 606 would establish a full-time program of investigation and performance review to provide increased accountability and oversight of the Nebraska correctional system. The office of Inspector General of the Nebraska Correctional System is created within the office of the Public Counsel for the purpose of conducting investigations, audits, inspections and other reviews of corrections. LB 606 states that the Governor shall declare a correctional system overcrowding emergency when the population is determined to be over 140% of capacity by certification of the director. We understand that the provisions of LB606 have been amended into LB598, which is a Legislative Performance Audit Committee priority bill.

20. LB 273 – Authorize voters to decide partisan status of county offices

Introduced by Sen. Kate Sullivan of Cedar Rapids  
Hearing Date: 2/25/15  
Government, Military and Veterans Affairs

Bill is to authorize voters to vote regarding partisan or nonpartisan ballots for



nominations and election of county officers in certain counties. Summary of new language:

- (1) All county officers elected shall be nominated and elected on a partisan ballot.
- (2) County boards with a population of twenty thousand or fewer inhabitants may adopt a resolution requiring the submission of the question to the voters. Registered voters of a county with a population of ten thousand or fewer may file petition with county clerk requesting the question be put to the voters. The question shall be put to the voters at the first statewide general election after the adoption of the resolution.
- (3) If the vote on the question is in favor of the nomination and election of all officers elected on a nonpartisan ballot, shall be nominated and elected at all subsequent elections.

LB 273 removes language in several sections including at 32-325, that states that the county surveyor shall be elected on the partisan ballot and 32-326 that states that the county engineer shall be elected on the partisan ballot.

**21. LB188 - Change provisions relating to innocent third parties injured during a vehicular pursuit.**

**Introduced by Senator Dan Watermeier of Syracuse**

**Hearing Date: 1/23/2015**

**Judiciary**

This is Senator Watermeier's bill that states that a passenger in a fleeing vehicle shall not be considered to be an innocent third party if the passenger (a) enters with knowledge the driver is under the influence (b) fails to take steps to persuade the driver of the fleeing vehicle to stop the vehicle (c) promotes or provokes the driver to flee (d) are themselves subject to arrest or (e) is engaged in illegal activity that would itself give rise to arrest.

POSITION: SUPPORT. LB188 was heard by the Judiciary Committee on January 23, 2015 and was opposed by several groups including the Nebraska Association of Trial Attorneys. The bill was advanced to General File with an amendment that was included in last week's report.

**22. LB142 - Create the Aquatic Invasive Species Program and provide funding.**

**Introduced by Senator Ken Schilz of Ogallala**

**Hearing Date: 1/21/2015**

**Natural Resource**

To create the Nebraska Aquatic Invasive Species Program to be used by Game and Parks to prevent and mitigate damage caused by aquatic invasive species such as the zebra mussel, silver carp, and other such species. These species have proven destructive to the ecosystems and usability of surface waters in surrounding states, and steps must be taken to prevent their establishment in Nebraska. The Aquatic Invasive Species Program will be funded with a fee of between five and ten dollars, every three years that is paid with motorboat registration and/or renewal. Non-Nebraska boats shall be eligible

for a yearly stamp at a cost of between ten and fifteen dollars. These funds are to be allocated for use in monitoring, testing, decontamination, and mitigation of aquatic invasive species in Nebraska surface waters.

POSITION: Monitor. This bill advanced from the Natural Resources Committee with an amendment – AM45 which creates the Aquatic Invasive Species fund at the Department. The bill was approved by the Governor on March 5, 2015.

**23. LB66 - Require political subdivisions to make disclosures regarding bonds and provide for liability.**

**Introduced by Senator Paul Schumacher of Columbus**

**Heading Date: 1/21/2015**

As we read this bill, it would require the following disclosure on bond documents:

- (a) The amount of any unfunded pension obligations of the school district, city, village, or county
- (b) The actual amount of the valuation of the real estate subject to taxation in the school district, city, village, or county,
- (c) the actual amount of the valuation of the real estate in the school district, city, village, or county that will not be available for payment of the bonds because of tax increment financing, and
- (d) A statement substantially as follows: It is uncertain if the bonds being issued would have priority over the pension obligations of (insert name of school district, city, village, or county) if it declares bankruptcy.

It also provides for pretty stringent liabilities in the case of non-disclosure including the governing board members in their personal capacities.

POSITION: OPPOSE. The hearing on this bill was held on January 21, 2015 and bond counsel for the city of Lincoln testified and stated that Lancaster County opposed the bill in his testimony. There was significant opposition and no support for the measure other than the introducer.

**24. LB 132 – Change joint public agency bonding powers and procedures.**

**Introduced by Sen. Laura Ebke, Crete**

**Hearing Date: 1/29/15**

**Government**

LB 132 links Joint Public Agency bond issuance procedures to taxing powers. It requires Joint Public Agencies follow the bond issuance procedures a participating public agency would be required to follow to bond the particular revenue stream.

POSITION: OPPOSE. This bill was heard by the Government Committee on January 29, 2015. Mr. Eagan noted potential concerns with this bill that could affect the JPA. The supporters of the bill included LIBA and the Platte Institute. Those in opposition included bond counsel for the City of Lincoln and Lynn Rex representing the League. The bill was advanced to General File on March 6, 2015

with a committee amendment attached. We included a copy of the amendment with last week's report. The bill has been declared to be a Government Committee priority bill.

**OTHER LEGISLATION OF NOTE RAISED BY DEPARTMENT HEADS:**

**LB482 - Change provisions relating to juveniles**  
**Introduced by Sen. Bob Krist of Omaha**  
**Hearing Date: 2/25/15**  
**Judiciary**

Restraints shall not be used on a juvenile during a juvenile court proceeding and removed prior to the juvenile's appearance before the juvenile court. Unless there is cause to show the need of restraints in the court proceeding. If there is a determination that restraints are needed, juvenile court shall provide the juvenile, the juvenile's attorney, or the juvenile's parent or guardian an opportunity to be heard before ordering the use of restraints.

**POSITION: NO POSITION:** Sheli Schindler has raised an issue with this legislation. Senator Krist has indicated that he introduced this legislation to conform to best practices.

- 1. LB 266 – Change provisions relating to jurisdiction for municipalities to enforce ordinances**  
**Introduced by Sen. Sue Crawford, Bellevue**  
**Hearing Date: 2/3/15**  
**Urban Affairs**

Municipalities currently have the authority to regulate nuisances within their extraterritorial zoning jurisdiction. LB 266 amends various nuisance statutes to clarify this existing authority.

**POSITION: NO POSITION:** An amendment was worked out prior to the hearing to work out concerns raised by the League. An amendment was offered to the Committee during the hearing that would exempt out counties of greater than 100,000 – citing joint planning boards and commissions – and providing for a notice to County Boards of development in the ETJ of a city. The bill was sent to the Governor.

- 2. LB 543 – Provide for certification of community paramedics and reimbursement under Medicaid**  
**Introduced by Sen. Burke Harr of Omaha**  
**Hearing Date: February 6, 2015**  
**Health and Human Services**  
**PRIORITY FOR DOUGLAS COUNTY**

LB 543 establishes criteria and requirements for certification for community paramedics. To be eligible for certification, an individual must be a licensed paramedic and completed a paramedic education program from a board approved university or college.

POSITION: NO POSITION. This is a priority for Douglas County. There was significant opposition leveled at the hearing including most of the home-based healthcare organizations in the state.

3. LB 106 - Adopt the Livestock Operation Siting and Expansion Act and change powers of counties relating to zoning  
Introduced by Senator Dan Watermeier of Syracuse  
Hearing Date: February 12, 2015  
Government, Military & Veterans Affairs Committee  
NACO PRIORITY

This bill creates a mechanism for livestock operation siting and allows for certain officials to be on the board.

4. LB 98 - State intent regarding appropriations for tobacco use prevention control  
Introduced by Senator Kate Bolz of Lincoln  
Hearing Date:  
Appropriations Committee  
Judy Halstead Discussed at January 29, 2015 Meeting – Support with caveat around Health Care Cash funding levels

The bill would appropriate \$7 Million in both years of the biennium for tobacco use cessation.

5. LB 118 - Provide for licensure of cigar shops  
Introduced by Senator Tyson Larson of O'Neill  
Hearing Date: January 26, 2015  
General Affairs Committee  
Judy Halstead Discussed at January 29, 2015 Meeting – Oppose

The bill re-creates an exemption for cigar bars. The bill has passed and was signed by the Governor.

6. LB 148 - Provide for medical assistance program coverage for certain youth formerly in foster care  
Introduced by Senator Sue Crawford of Bellevue  
Hearing Date: January 30, 2015  
Health & Human Services Committee  
Judy Halstead Discussed at January 29, 2015 Meeting – Support

This bill carries former foster youth on Medicaid until the age of 26.

7. LB 332 - Appropriate funds for the statewide prescription drug disposal project

Introduced by Senator John Kuehn of Heartwell

Hearing Date:

Appropriations Committee

Judy Halstead Discussed at January 29, 2015 Meeting - Support

This bill appropriates \$600,000 in each year of the biennium to a drug disposal program.

**8. Appropriation for Public Health Aid – HHS Budget**

The Department of Health – along with others – is seeking a \$5.2 Million Appropriation. This would mean \$700,000 to Lincoln/Lancaster in both years of the biennium.

**9. LB 374 - Direct transfers from the State Recreation Road Fund**

Introduced by Senator Ken Haar of Malcom

Hearing Date: 3/12/15

Appropriations Committee

Engineer Dingman Discussed at January 29, 2015 Meeting

The bill would cap the amount in the State Recreation Road Fund at \$15 Million and move the amount greater than that to Game and Parks State Park Improvement and Maintenance Fund. The hearing on this measure was last Thursday and Engineer Dingman testified in support.

**10. LB 564 - Change duties and obligations relating to the mowing of weeds along county roads**

Introduced by Senator Brent Lindstrom of Omaha

Hearing Date: March 3, 2015

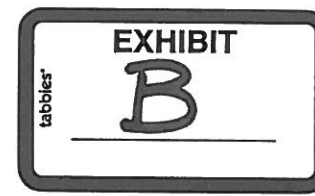
Transportation & Telecommunications Committee

Engineer Dingman Discussed at January 29, 2015 Meeting

The bill would limit mowing to one side of the road.

This concludes our report for this week. We would be happy to answer any questions you might have.

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC



3/18/2015 2:52 PM

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB13	Krist		Change Community-based Juvenile Services Aid Program provisions	Judiciary	2/26/2015	General File w/AM466	LB 13 states 100% of the annual GF appropriation to the community-based Juvenile Services Aid Program shall be set aside for the development of a common data system at the University of Nebraska at Omaha	Monitor	Monitor
LB15	Krist	Krist	Provide additional powers and duties for guardians ad litem	Judiciary	2/26/2015	General File w/AM514	LB 15 states that a guardian ad-litem (GAL) is to receive required training required by the Nebraska Supreme Court	[DC Priority]	Monitor
LB16	Krist		Adopt the Purchasing from Persons with Disabilities Act	Government, Military & Veterans Affairs	1/22/2015		LB 16 provides quality jobs to people with disabilities by implementing the Purchasing from Persons with Disabilities Act.		
LB25	Krist		Change court jurisdiction relating to 17 year olds and young adults	Judiciary	2/25/2015	General File w/AM605			Monitor
LB30	McCoy		Prohibit disclosure of any applicant or permit holder information regarding firearms registration, possession, sale, or use as prescribed	Judiciary	3/19/2015				

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

3/18/2015 2:52 PM

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB37	Krist		Adopt the Prescription Drug Safety Act and change and transfer pharmacy, prescription, and drug provisions	Health and Human Services	1/21/2015	General File w/AM140; AM140 Adopted; Select File w/ER41; Krist AM470 Filed; AM470 Adopted; Final Reading w/ST13; Passed on Final Reading 43-0-6			
LB43	Coash		Provide for standby guardians and recovery of assets under the Nebraska Probate Code	Judiciary	1/21/2015	General File w/AM72; AM72 Adopted; Select File 2/5; Final Reading 2/17; Passed on Final Reading 48-0-1; Approved			
LB53	Scheer		Provide for issuance of one license plate for passenger cars as prescribed	Transportation & Telecommunications	2/3/2015	General File 3/2; Scheer AM762 Filed;	LB 53 states as of January 1, 2017, a request for one license plate can be made for any passenger car. With a request for a single license plate and license decal, there is a one hundred dollar fee payable to the county treasurer		

Kissel/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB61	Bolz		Change funding for county offices relating to administration of public assistance programs	Government, Military & Veterans Affairs	1/29/2015		LB61 would seek to repeal a provision in statute that currently requires counties to pay for rental costs or provide space to the Department of Health and Human Services for services that were provided by counties prior to those responsibilities being transferred to the	[LC Priority] Support	Support
LB65	Schumacher		Change provisions relating to termination of township boards	Government, Military & Veterans Affairs	1/21/2015	General File; Select File w/ERS; Shumacher AM67 Filed; AM67 Adopted; Passed on Final Reading w/E-clause 49-0-0			Support



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB88	Campbell		Change fees relating to marriage licenses	Judiciary	1/21/2015	General File 1/27; Kintner AM110 Filed; Kintner AM131 Filed; Kintner AM155 Filed; AM155 Withdrawn; AM131 Withdrawn; Kintner AM185 Filed; AM185 Adopted; Select File 2/5; Bloomfield AM184 Filed; AM184 Withdrawn; Bloomfield FA13 Filed; FA13 Adopted; Passed on Final Reading 42-4-3; Approved		[LC Priority] Support	[NACO Priority]
LB94	Smith		Provide for issuance of printed motor vehicle certificate of title for nonresidents as prescribed	Transportation & Telecommunications	1/27/2015	General File 1/29; Select File 2/9; Final Reading 2/20; Passed on Final Reading 46-0-3; Approved			

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB98	Bolz		State intent regarding appropriations for tobacco use prevention control	Appropriations	3/16/2015		Include in the appropriation to Agency No. 25 and Program No 30, for FY 2015-16, \$7 million Cash Funds and for FY 2016-17, \$7 million Cash Funds use for tobacco use prevention control from the Nebraska Health Care Cash Fund	Support	[NACO Priority]
LB105	Watermeier		Change provisions relating to payment of fees and costs associated with deaths of incarcerated persons and grand juries	Government, Military & Veterans Affairs	2/12/2015	General File w/AM415	State of Nebraska would be responsible for payment of juror when the individual in question died by unlawful means while serving at a state facility. An autopsy done by the county coroner of that individual shall be charged back to the state	Support	[NACO Priority]
LB106	Watermeier	Watermeier	Adopt the Livestock Operation Siting and Expansion Act and change powers of counties relating to zoning	Government, Military & Veterans Affairs	2/12/2015	Watermeier AM698; Watermeier AM643 Filed; General File w/AM521	LB 106 creates the Livestock Operating Siting and Expansion Act and to be implemented by the creation of the Livestock Operation Siting Review Board		Neutral

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB111	Larson		Require identification to vote	Government, Military & Veterans Affairs	1/23/2015	Larson AM107 Filed; Larson AM268 Filed; Larson AM219 Filed; Murante AM273 Filed; Murante AM270 Filed; Larson AM269 Filed; Schilz AM267 Filed; Murante AM271 Filed; Larson AM272 Filed; Chambers MO30 Filed; Chambers MO32 Bracket until 6/5 Filed; MO32 Prevails			

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB113	Larson	Larson	Provide a co-payment for correctional inmates' health care services	Judiciary	2/18/2015	General File w/AM508	An inmate who request medical treatment will make a copayment of not less than \$10.00 when receiving non-emergency service. The visit shall be deducted from the inmate account as part of copayment. If the account has insufficient funds at the time of the non-emergency treatment, fifty percent of any future deposit shall be withheld until copayment amount owed is paid in full		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB118	Larson		Provide for licensure of cigar shops		1/26/2015	General File w/AM97; AM97 Adopted; Larson AM221 Filed; AM221 Adopted; Select File w/ER14; Schumacher AM343 Filed; AM221 Withdrawn; AM343 Adopted; Final Reading w/ST3; Passed on Final Reading w/E-clause 45-3-1; Approved		Oppose	
LB119	Schumacher		Change where certain sentences of imprisonment may be served	Judiciary	2/12/2015		All sentences of imprisonment for classified felonies and sentences of more than 1 year and any lesser sentence shall be served concurrently or consecutively with such sentences. Sentence of 1 year or less may be served in a county jail		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB120	Schumacher		Provide for seizure of license plates of certain uninsured motor vehicles or trailers as prescribed	Judiciary	1/28/2015		LB120 would authorize law enforcement to seize license plates from a vehicle if at the time the vehicle is pulled over and the driver is unable to produce proof of insurance. The citation issued would serve as a temporary plate for 10 days. If the vehicle was not insured at the time of the stop, in addition to other penalties and fees, the owner of the vehicle would pay \$50 to get the vehicle plates back. The result is that the vehicle remains conspicuous and more likely to be reticketed if it remains uninsured	[LC Priority] Support	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB122	Schumacher		Change provisions relating to operation of utility-type vehicles	Transportation & Telecommunications	1/27/2015	General File 1/29; Select File 2/9; Bloomfield AM407 Filed; AM407 Adopted; Final Reading 2/23; Passed on Final Reading 46-0-3; Approved			
LB126	Nordquist		Change a combined contribution retirement benefit rate as prescribed	Nebraska Retirement Systems	1/20/2015	General File w/AM12; AM12 Adopted; Select File w/ER1; Final Reading; Passed on Final Reading 49-0; Approved			

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB131	Craighead		Change provisions relating to annexation and prohibit sanitary and improvement districts from spending certain assets	Urban Affairs	1/27/2015	General File w/AM405	This bill provides financial guidance to Sanitary and Improvement Districts (SIDs) once the intent of their annexation by an adjacent qualifying city is made. This bill changes the restrictions on SIDs to enter into or extend contracts once they have been notified that a city is proposing the annex of the SID. After such, notification, the SID will need to seek the approval of the City before entering into any contracts.		Support
LB132	Ebke	Government, Military and Veterans Affairs	Change joint public agency bonding powers and procedures	Government, Military & Veterans Affairs	1/29/2015	General File w/AM582	links Joint Public Agency bond issuance procedures to taxing powers. It requires Joint Public Agencies follow the bond issuance procedures a participating public agency would be required to follow to bond the particular revenue stream	Oppose	
LB135	Johnson		Change provisions relating to termination of township boards	Government, Military & Veterans Affairs	1/21/2015			Monitor	



LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB139	Johnson	Banking Commerce & Insurance	Change and eliminate provisions relating to the Real Property Appraiser Act	Banking Commerce & Insurance	1/27/2015	General File			
LB142	Schilz		Create the Aquatic Invasive Species Program and provide funding	Natural Resources	1/21/2015	General File w/AM45; AM45 Adopted; Select File w/ER20; Schilz AM255 Filed; AM255 Adopted; Final Reading w/ST8; Passed on Final Reading w/E-Clause 46-1-2; Approved	To create the Nebraska Aquatic Invasive Species Program to be used by Game and Parks to prevent and mitigate damage caused by aquatic invasive species such as the zebra mussel, silver carp, and other such species	Monitor	
LB146	Crawford		Provide for disposition of unclaimed cremated remains in a veteran cemetery	Health and Human Services	1/29/2015	General File w/AM142; AM142 Adopted; Select File w/ER42; Final Reading 3/10; Passed on Final Reading 44-0-5;	LB 146 establishes a voluntary process for funeral homes to work with veteran service organizations to locate, identify and inter unclaimed cremated remains of veterans and their dependents for the purposes of burial in a veteran cemetery		Monitor

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB148	Crawford		Provide for medical assistance program coverage for certain youth formerly in foster care	Health and Human Services			Under Section 2004 of the Patient Protection and Affordable Care Act (PPACA), foster youth who age out of the foster care system in Nebraska without reunification with their families or adoption are eligible for Medicaid coverage until age 26. This mirrors the provision in the PPACA allowing young adults to stay on their parents' insurance plan until age 26	Monitor	Monitor
LB158	McCollister		Deny compensation under the Nebraska Workers' Compensation Act in situations of false representation	Business and Labor	3/2/2015		No compensation shall be allowed if, at the time of or in the course of entering into employment or at the time of receiving notice of the removal of conditions from a conditional offer of employment		Monitor
LB172	Chambers		Eliminate certain mandatory minimum penalties	Judiciary	2/11/2015			Support	Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB173	Chambers	Seiler	Change habitual criminal provisions	Judiciary	2/11/2015	General File w/AM472			Oppose
LB186	Bolz		Adopt the Property Tax Circuit Breaker Act	Revenue	1/29/2015		This bill allows for a resident or partial-year resident of Nebraska who owns or rents his primary residence to apply for a refundable income tax credit. The applicant must have resided at the property he or she is requesting for consideration for at least six months		
LB188	Watermeier		Change provisions relating to innocent third parties injured during a vehicular pursuit	Judiciary	1/23/2015	General File w/AM374	The bill states that a passenger in a fleeing vehicle shall not be considered to be an innocent third party if the passenger (a) enters with knowledge the driver is under the influence (b) fails to take steps to persuade the driver of the fleeing vehicle to stop the vehicle (c) promotes or provokes the driver to flee (d) are themselves subject to arrest or (e) is engaged in illegal activity that would itself give rise to arrest	Support	Oppose

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB202	Davis		Provide for partisan ballots for unaffiliated voters at primary elections	Government, Military & Veterans Affairs	2/26/2015				
LB209	Hilkemann		Adopt the Political Subdivisions Mandatory Mediation Act	Judiciary	1/23/2015	Indefinitely Postponed			
LB210	Ebke		Change provisions relating to housing agencies and taxation of mixed-use developments	Revenue	2/12/2015		<i>Relating to low income housing</i>		Monitor
LB212	Chambers		Prohibit use of restraints in juvenile courts as prescribed	Judiciary	2/25/2015		Restraints shall not be used on a juvenile during a juvenile court proceeding and removed prior to the juvenile's appearance before the juvenile court. Unless there is cause to show the need of restraints in the court proceeding		Oppose
LB213	Schumacher		Provide for withholding of insurance proceeds for demolition purposes	Banking Commerce & Insurance	2/17/2015	Indefinitely Postponed			
LB214	Schumacher		Provide for electronic signatures on initiative and referendum petitions	Government, Military & Veterans Affairs	2/18/2015				

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB224	Harr		Provide and change restrictions relating to electioneering	Government, Military & Veterans Affairs	2/4/2015		LB 224 would require the placement of flags on the day of any election to indicate the area within 200 feet of a polling place unless that area is across a public thoroughfare or private property. It would also require the designation of an approximately ten feet by five feet yard- sign zone within the 200 foot area which would allow for any person to display a campaign sign in the zone beginning at 7 a.m. and ending at 9 p.m. on the day of the election		
LB230	Mello		Change provisions relating to partition actions	Revenue	2/19/2015				[NACO Priority]
LB236	Coash		Change and eliminate provisions relating to collection of judgments and public retirement plans	Nebraska Retirement Systems	1/27/2015				
LB237	Coash		Appropriate funds for correctional facilities	Appropriations					

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB241	Stinner		Change provisions relating to conveyances of cemetery lots	General Affairs	1/26/2015	General File 1/29; Select File 2/9; Final Reading 2/19; Passed on Final Reading 47-0-2; Approved			
LB244	Pansing Brooks		Change provisions relating to motions for new trial based upon discovery of new evidence	Judiciary	1/30/2015				
LB245	Pansing Brooks		Change provisions relating to DNA testing of biological material	Judiciary	1/30/2015	General File w/AM197; AM197 Adopted; Select File w/ER46; Harr FA29 Filed; Harr AM827 Filed; FA29 withdrawn; Harr AM843 Filed; AM843 Adopted;	This bill allows the court to order DNA testing, pursuant to a motion filed, that the biological material was not previously tested; material was tested, but current technology may provide more accurate findings		
LB250	Larson		Eliminate time restrictions on keno	General Affairs	1/26/2015				Monitor
LB253	Morfeld	Craighead	Change acknowledgment requirements relating to homesteads	Judiciary	2/6/2015	General File w/AM278			
LB256	Bloomfield		Change the sales tax rate and the distribution of sales tax revenue	Revenue	2/20/2015		LB 256 would raise the state sales and use tax from the current five and one-half percent to six percent as of October 1, 2015.		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB259	Gloor	Revenue	Adopt the Personal Property Tax Relief Act	Revenue	1/29/2015	General File w/AM824	To exempt the first \$25,000 worth of personal property value for each personal property tax return filed with a county assessor		Monitor
LB260	Gloor		Authorize the Property Tax Administrator to correct certain errors	Revenue	1/23/2015	General File 1/29; Select File 2/9; Final Reading 2/19; Passed on Final Reading w/E-clause 46-0-3; Approved	To expand the time frame to three years from date of certified valuation for errors regarding valuation to be corrected by the Property Tax Administrator or to recertify said valuation within three years of distribution of the tax to a county		
LB265	Campbell	Judiciary	Change provisions relating to juveniles and child welfare	Judiciary	2/27/2015		LB 265 states a guardian ad-litem(GAL) will make a reasonable effort to become familiar with the needs of a juvenile by consultation with juvenile in his or her respective placement within 2 weeks of appointment and every 3 (was 6) months thereafter		Monitor

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB266	Crawford		Change provisions relating to jurisdiction for municipalities to enforce ordinances	Urban Affairs	2/3/2015	General File w/AM122; AM122 Adopted; Select File w/ER30; Final Reading 2/19; Passed on Final Reading 47-0-2; Approved	Municipalities currently have the authority to regulate nuisances within their extraterritorial zoning jurisdiction. LB 266 amends various nuisance statutes to clarify this existing authority		Monitor
LB277	Harr		Change tax deed lien priority	Revenue	2/12/2015		to clarify that SID special assessments also survive the tax deed method so that SID special assessments are treated the same no matter which method a tax certificate holder uses to exercise his or rights to the property purchased at a tax sale		
LB282	Baker		Change provisions relating to closed sessions for public bodies	Government, Military & Veterans Affairs	2/11/2015	Indefinitely Postponed			Oppose



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB288	Ebke		Prohibit public employers from making certain deductions from wages	Business and Labor	3/9/2015		Any collective-bargaining agreement involving a public employer entered into, renewed, or extended on or after the effective date of this act shall not contain provisions requiring or allowing the deduction of dues		Support
LB290	Coash		Eliminate certain notification requirements under the Sex Offender Registration Act and eliminate the offense of unlawful use of the Internet by a prohibited sex offender	Judiciary	2/12/2015	General File 2/20			
LB293	Schnoor		Change valuation of agricultural land and horticultural land	Revenue	2/19/2015		LB 293 would reduce the value of agricultural and horticultural land for taxation purposes. The rate would be reduced down to 65%, currently the range is between 69% to 75%.		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB295	Scheer		Require municipalities to have county approval before enforcing ordinances in the extraterritorial zoning jurisdiction	Urban Affairs	2/3/2015	General File w/AM323	requires that cities of all classes and villages receive approval from county boards, with jurisdiction over an extraterritorial zoning jurisdiction, before they are able to enforce ordinances, bylaws, rule, regulations, and resolutions within said extraterritorial zoning jurisdiction unless otherwise provided by law		Support
LB308	Kolowski		Provide for preregistration to vote	Government, Military & Veterans Affairs	2/27/2015	Indefinitely Postponed			Monitor
LB309	Davis		Appropriate additional funds to the Property Tax Credit Cash Fund	Appropriations	2/27/2015		In addition to other appropriations for FY2016-17 to the Property Tax Credit Cash Fund, the State Treasurer shall transfer \$25,000,000 from the General Fund to the Property Tax Credit Cash Fund		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB319	Smith		Change provisions relating to elections conducted by mail	Government, Military & Veterans Affairs	2/5/2015		LB 319 states all registered voters of the political subdivision or a district or ward of the political subdivision are eligible to vote on all candidates and issues submitted to voters		
LB325	Davis	Speaker Had	Change levy provisions for rural and suburban fire protection districts	Revenue	2/26/2015	General File 3/10	Makes changes to the provisions dealing with rural and suburban fire protection districts	[DC Priority]	
LB331	Nordquist		Adopt the Bioscience Impact Opportunity Act	Revenue	2/11/2015				
LB332	Kuehn		Appropriate funds for the statewide prescription drug disposal project	Appropriations	3/16/2015			Support	Support
LB333	Gloor		Adopt the Health Care Services Transformation Act	Health and Human Services	3/11/2015				

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB337	Harr		Rename and change the Low-Income Home Energy Conservation Act	Natural Resources	2/5/2015		Several changes are proposed to change the use of the Act to include energy demand reduction projects. Those eligible for funding would include any natural person, political subdivisions, corporations or other businesses that receive energy service from an eligible entity at a building that receives no greater than a one thousand kilowatt demand. Funding for the program is increased from \$250,000 to \$500,000		Oppose
LB340	Brasch		Provide signage requirements and duties for the Nebraska State Patrol under the Concealed Handgun Permit Act	Judiciary	3/20/2015		The Nebraska State Patrol will design a standardized sign for use by any person, entity, or employer in control of property prohibiting a permit holder from carrying a concealed handgun in or on the place or premises		

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB341	Howard		Provide requirements relating to health benefit plan coverage for insureds in jail custody	Banking Commerce & Insurance	3/9/2015		states that an insurer may not cancel coverage or deny reimbursement for services covered by the plan for an individual in jail. LB 341 allows for reimbursement of a political subdivision by the insurer for services covered of an individual in custody. Coverage can be denied if the injuries occurred as a result of violation of law		Oppose
LB344	Kolowski		Provide natural resources districts with the power to issue general obligation bonds	Natural Resources	3/6/2015		LB 344 gives Natural Resource Districts (NRDs) the power and authority to issue general obligation bonds for the purpose of financing all or part of the cost of non-revenue-producing water projects authorized by law		Oppse

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB345	Kolowski		Adopt the Property Tax Relief Act	Revenue	2/12/2015		The bill creates the Property Tax Relief Act to provide property tax relief for property taxes levied against homesteads. Homestead is to mean residence or mobile home and the land surrounding it		
LB347	Krist	Speaker Had	Expand the jurisdiction of the Inspector General to the juvenile justice system	Judiciary	2/26/2015	General File w/AM598			
LB350	Brasch	Brasch	Change valuation of agricultural land and horticultural land	Revenue	2/19/2015		This bill decreases valuations by 10% from 75% to 65%		
LB356	Harr	Revenue	Change provisions relating to the assessment of certain rent-restricted housing projects	Revenue	2/26/2015	General File w/AM803	provide safe, decent and affordable rent-restricted housing in Nebraska. LB 356 prescribes standards and methods for the determination of value of real property at uniform and proportionate values		Neutral
LB357	Smith	Smith	Change income tax rates and transfer funds from the Cash Reserve Fund	Revenue	2/18/2015				Oppose

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB359	Johnson		Change a fee collected from dog licensees	Agriculture	2/17/2015		LB 359 increases a state fee collected by local subdivisions assessed upon licensure of cats and dogs		
LB376	Hansen		Provide that public charitable corporations are subject to the Deferred Building Renewal Act	Executive Board	2/17/2015		The purpose of LB 376 is to allow for Public Charitable Corporations to request funding under the Deferred Building Renewal Act		Monitor
LB383	Hansen		Permit registered voters moving within Nebraska without re-registering to vote provisionally	Government, Military & Veterans Affairs	2/27/2015				Oppose
LB384	Lindstrom		Provide for reclassification of agricultural land and horticultural land	Revenue	2/19/2015		<i>Land owner with 160 acres of crop land may have 30 acres to 160 acres valued as pasture if planted to perennial cover</i>		
LB387	Schnoor		Transfer funds from the Cash Reserve Fund to the Property Tax Credit Cash Fund	Appropriations	2/27/2015		The State Treasurer shall transfer sixty million dollars from the Cash Reserve Fund to the Property Tax Credit Cash Fund on or before December 15, 2015		Oppose

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB391	Crawford		Change sales tax collection fees for motor vehicles	Revenue	2/27/2015		LB 391 adds an additional tax in 77-2703(1)(l)(iii) to read: <u>plus an additional one-half of one percent of all amounts in excess of three thousand dollars</u>		
LB398	Harr		Exempt all tangible personal property from property tax	Revenue	3/5/2015		This bill sets forth that beginning January 1, 2017, all tangible personal property shall be exempt from property tax. Property owned and used for agricultural and horticultural societies, educational, religious, etc		
LB406	Morfeld		Change provisions relating to actions for the recovery of vacant, platted, and subdivided real property as prescribed	Judiciary	2/19/2015		An action would not be taken against an individual for the recovery of vacant, platted, and subdivided real property, if that person has been in actual possession for twenty years		[NACO Priority]



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB414	Harr	Harr	Provide a property tax exemption for fraternal benefit societies	Revenue	3/5/2015		Every society organized or licensed is a charitable and benevolent institution, with all funds and property being exempt from all and every state, county, district, municipal and school tax		
LB415	Pansing Brooks	Speaker Had	Change provisions relating to the Uniform Interstate Family Support Act	Judiciary	2/19/2015	General File w/AM200			Support
LB416	Pansing Brooks		Change provisions relating to transfers of property upon death	Judiciary	2/6/2015				
LB420	Crawford		Require acknowledgments from purchasers of real estate in a sanitary and improvement district	Urban Affairs	2/10/2015	General File 2/18	LB 420 would require a salesperson or real estate broker or owner to have acknowledgement from purchaser he or she understands property lies within an SID		Monitor
LB425	Riepe		Provide for earned time and discontinue the use of good time	Judiciary	2/18/2015				

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB427	Groene		Provide for payment of probation office costs by the state	Government, Military & Veterans Affairs	1/29/2015		This bill allows for the state to pay the cost of probation offices and those facilities performing in their official capacity. Actual and necessary expenses shall be paid		
LB428	Garrett		Provide an exemption from motor vehicle taxation for certain veterans	Revenue	2/27/2015	General File w/AM733		[LC Priority] Support	[NACO Priority]
LB432	Baker		Change provisions relating to access to and copying of public records	Government, Military & Veterans Affairs		Baker MO7 Withdraw Bill Filed; Bill Withdrawn	Makes changes including allowing the custodian of the records to provide the requested materials in an electronic format	Monitor	Oppose
LB442	Bolz		Appropriate additional funds to the Property Tax Credit Cash Fund	Appropriations	2/27/2015		Appropriation for FY 2015-16 for 20,000,000 to the property Tax Credit Cash Fund. Second appropriation of same amount for FY 2016-17.		
LB460	Nordquist		Provide for licensure of charter bus and limousine services and pedal-pub vehicles for the consumption of alcohol	General Affairs	2/2/2015	General File w/AM396	This bill would create a licensure process for "party buses" as well as pedal vehicles where you can consume alcohol		Monitor
LB472	Campbell	Health and H	Adopt the Medicaid Redesign Act	Health and Human Services	2/25/2015	General File w/AM676	This year's Medicaid expansion effort also includes a redesign of Medicaid.	Support	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB476	Davis		Provide duties for county assessors and the Property Tax Administrator relating to tax-exempt real property	Revenue	3/5/2015		On or before December 1 each year, the county assessor will compile a list of parcel of real property in the county exempt from the property tax, and determine the estimated market value		Monitor
LB479	Bloomfield		Change provisions relating to memorials to veterans	Government, Military & Veterans Affairs	2/20/2015	General File w/AM485	<b>Removes:</b> all counties, townships, cities, and villages of Nebraska that may erect or aid in the erection of statues, monuments, or other memorials commemorating the services of the members of the Armed Forces of the Civil, Spanish – American, or World Wars or the Korean or Vietnam conflict to be located upon the public lands or within the public buildings within such county, township, city or village	Monitor	
LB482	Krist	Judiciary	Change provisions relating to juveniles	Judiciary	2/25/2015	General File w/AM691			

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB483	Pansing Brooks		Change provisions relating to indeterminate sentencing	Judiciary	2/11/2015				
LB491	Morfeld		Provide for an election day voter registration pilot project	Government, Military & Veterans Affairs	2/27/2015				
LB492	Morfeld		Change provisions relating to fees charged by the register of deeds	Government, Military & Veterans Affairs	2/12/2015				Support
LB499	Krist		Provide duties for the Department of Health and Human Services relating to behavioral and mental health services	Health and Human Services	3/4/2015		This bill is a shell bill that will be utilized by Senator Krist if needed to address the recommendations of either the LR434 Investigative Committee or the CSG Report. He suggested that LB500 is also part of this equation.	[DC Priority]	
LB500	Howard	Speaker Hadley	Require application for medicaid state plan amendment for multisystemic therapy and functional family therapy	Health and Human Services	3/4/2015	General File w/AM650	On or before July 1, 2015, the department shall submit an application to the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services		

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 Bills of Interest Report  
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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB502	Krist		State intent to establish a family court pilot project	Judiciary	2/26/2015		Legislature declares family courts programs to be working and that the Supreme Court shall establish a pilot project of family court in Douglas County		
LB514	Craighead		Change provisions relating to registering to vote and voting early at the same time	Government, Military & Veterans Affairs	2/5/2015	General File 2/23	Legislative Bill 514 amends Nebraska Revised Statute 32-942 by adding an option for voters who wish to register to vote and vote early on the same day		
LB518	Riepe		Provide for changes to the medical assistance program	Health and Human Services	3/18/2015		LB 518 establishes the Nebraska Health Savings Account Plan to provide state funds for eligible recipients		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB539	Watermeier	Speaker Hadley	Change provisions relating to the office of Legislative Audit and the Auditor of Public Accounts	Government, Military & Veterans Affairs	2/6/2015	General File w/AM487; Crawford AM653 Filed;	LB 539 states that the Auditor of Public accounts shall have access to any and all information and records, confidential or otherwise, including privileged communications, unless otherwise denied such access by federal law or explicitly named and denied access by state law		
LB543	Harr		Provide for certification of community paramedics and reimbursement under medicaid	Health and Human Services	2/6/2015		LB 543 establishes criteria and requirements for certification for community paramedics. To be eligible for certification, an individual must be a licensed paramedic and completed a paramedic education program from a board approved university or college		
LB544	Harr		Adopt the Community Gardens Act	Agriculture	2/24/2015	General File w/AM697			

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB549	Campbell		Adopt the Health Care Transformation Act	Health and Human Services	2/20/2015		LB549 creates the Health Care Transformation Act to encourage collaboration among all health care system stakeholders in the state to create a 15 year vision to include the Building Blocks of Health Care		Oppose
LB556	Kolowski		Waive workers' compensation as the exclusive remedy if an employer is willfully negligent	Business and Labor			, at the option of the employee, make the exclusive remedy protection for the employer inapplicable in cases where the Nebraska Workers' Compensation Court has made a determination that the injury is due to the willful negligence of the employer		
LB560	Williams		Appropriate funds to the University of Nebraska and create a fund	Appropriations	3/3/2015		Appropriation of \$25,000,000 from the General Fund for FY2015-16 to the Board of Regents of the University of Nebraska for building projects at the Nebraska Innovation Campus		Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB561	Stinner	Stinner	Name the Irrigation District Act and change election provisions for irrigation districts	Government, Military & Veterans Affairs	2/12/2015	General File 2/23			
LB564	Lindstrom		Change duties and obligations relating to the mowing of weeds along county roads	Transportation & Telecommunications	3/3/2015		LB 564 states that roadside mowing be done on a scheduled rotational basis with no more than one-third of the county property mowed within a one year		Support
LB567	Johnson		Permit transfer of prescription information between pharmacies as prescribed	Health and Human Services	2/11/2015		LB 567 seeks to establish legislative intent of the law and to clarify the section		Support
LB570	Brasch		Change operation restrictions on golf car vehicles	Transportation & Telecommunications	2/10/2015	General File w/AM398	LB 570 states that between sunrise and sunset, a city, county, or village may implement standards for golf car vehicles for use. This includes that if an operator is found guilty of a violation and having no limited liability insurance would be guilty of a Class IV misdemeanor		Support
LB574	Davis		Adopt the Intangible Personal Property Tax Act	Revenue	3/12/2015		<i>Intangible Property Tax Act</i>		



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB575	Murante	Government, Military and Veterans Affairs	Change provisions relating to ballots for early voting, write-in candidates, and filling vacancies	Government, Military & Veterans Affairs	2/5/2015				Oppose
LB577	Murante	Speaker Hadley	Permit counties to regulate peddlers, hawkers, and solicitors	Government, Military & Veterans Affairs	2/18/2015	General File w/AM189			Monitor
LB578	Murante		Change provisions relating to elections	Government, Military & Veterans Affairs	2/5/2015		LB 578 states that any judge or clerk of election, precinct or district inspector or temp election worker may choose not to be paid for the hours he or she works		
LB579	Murante		Change traffic accident reporting requirements as prescribed and authorize a fee for a copy of a peace officer report	Transportation & Telecommunications	2/17/2015				Monitor
LB587	McCollister		Change the motor vehicle tax schedules	Revenue	3/18/2015		Changes the motor vehicle tax schedule for motor vehicles other than passenger cars; automobiles and motorcycles. Operative date of January 1, 2016		
LB588	Pansing Brooks		Provide for electronic application for ballots to vote early by mail	Government, Military & Veterans Affairs	2/27/2015				Oppose

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB590	Friesen		Change provisions relating to a taxable value certified under the Tax Equity and Educational Opportunities Support Act	Education	2/2/2015		LB 590 states when the county assessor provides the total taxable value by a school district in the county for the current assessment year, the county assessor is to include the assessed valuation of any taxable real property having it's property taxes divided, rather than property's redevelopment project valuation		
LB592	Bolz		Change provisions relating to corrections and parole and mentally ill offenders	Judiciary	2/20/2015		LB 592 in one of six legislative bills introduced this session to address issues raised by the Interim Study report 424. LB 592 adds "personality disorder" to the definition of a mentally ill		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB593	Nordquist		Appropriate funds to the University of Nebraska to study current health data systems	Appropriations	3/3/2015		LB 593 Appropriates \$250,000 from the General Fund FY 2015-2016, to the Board of Regents of the University of Nebraska to fund the University of Nebraska Medical Center for a current study of Nebraska health data systems		[NACO Priority]
LB602	Nebraska Retirement Systems Committee		Change collection provisions relating to judges retirement fees	Judiciary	2/4/2015	General File w/AM308	LB 602 adds that Nebraska Retirement Fund for Judges fee goes from \$6 to \$8 and shall be taxed as costs in pretrial diversion in a criminal cause of action or traffic misdemeanor or infraction in such courts beginning October 1, 2015		Monitor
LB603	Bloomfield		Provide for processing and certification of federal firearms forms as prescribed	Judiciary	3/19/2015				Support
LB604	Bloomfield		Change provisions relating to reimbursement to political subdivisions under the Governor's Emergency Program	Government, Military & Veterans Affairs		Bloomfield MO26 Withdraw Bill Filed; Bill Withdrawn			Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB605	Mello	Speaker Hadley	Change classification of penalties, punishments, probation and parole provisions, and provisions relating to criminal records and restitution and provide for a special legislative committee	Judiciary	2/20/2015		LB 605 is the first part of recommendations stemming from the CSG working group that was created at the end of last session		
LB606	Mello		Adopt the Office of Inspector General of the Nebraska Correctional System Act, change provisions relating to the Public Counsel, and mandate a declaration by the Governor of a correctional system overcrowding emergency as prescribed	Judiciary	2/20/2015				
LB609	Smith		Adopt the Nebraska Bridge Repair Act	Transportation & Telecommunications	3/9/2015		The bill creates a mechanism for priority of bridge repairs in Nebraska and to have broad representation in the prioritization. This is a high priority bill for many of the road users, contractors and others		Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB610	Smith	Friesen	Change motor fuel excise taxes	Revenue	3/6/2015	General File 3/11	This bill would increase the motor vehicle fuel excise tax by \$1.50 over the course of four years. The funding would go in part to cities, counties and the state. The state portion would go towards LB609 which creates a bridge bank and allows for the prioritization of bridge repair and replacement		
LB615	Kintner		Provide a property tax exemption for homesteads of certain persons	Revenue	2/12/2015		LB615 would require the frozen assessed value to be adjusted after any substantial improvements by the owner to the homestead		
LB623	Nordquist	McCollister	Provide for issuance of motor vehicle operators' licenses and state ID cards to persons with lawful status	Transportation & Telecommunications	3/3/2015				Support
LB626	Campbell		Create a fund and change motor vehicle fees and taxes and their distribution	Transportation & Telecommunications	3/9/2015		Is intended to increase the registration fee for vehicles and move an amount into a Bridge Bank		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB630	Krist		Provide duties for the Nebraska State Patrol regarding criminal history record information checks	Judiciary	2/5/2015		LB states upon request for a criminal history record, the Nebraska State Patrol undertakes a search for criminal history record information of applicant to include fingerprint's of the applicant to the FBI for a national criminal history check		Monitor
LB631	Scheer		Change medicaid provisions relating to acceptance of and assent to federal law	Health and Human Services	3/18/2015		LB 631 states that the state shall accept the provisions of the Federal Patient Protection and Affordable Care Act, public law 111-148		Monitor
LB633	Stinner		Appropriate funds for state aid to municipalities and counties	Appropriations	3/18/2015		Appropriates \$20,000,000 to counties and \$20,000,000 to cities for infrastructure projects		Support
LB639	Garrett		Provide authority for the Department of Roads to issue permits to control roadside vegetation as prescribed	Transportation & Telecommunications	3/3/2015		Department may require permits for the control of vegetation in the vicinity of advertising signs, displays or devices placed		

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC Position	NACO Position
LB646	Kintner		Eliminate provisions for secret ballots for leadership under the Open Meetings Act	Government, Military & Veterans Affairs	2/25/2015				
LB649	Kintner	McCoy	Require all votes taken by public officials to be a public record as prescribed	Government, Military & Veterans Affairs	2/25/2015	General File w/AM821	LB 649 states that all votes taken by public officials in the course of their public duties shall be considered public record.		
LB651	Bloomfield		Change liability for certain court costs as prescribed	Judiciary	2/5/2015	Indefinitely Postponed			
LB656	Speaker Hadley		Provide for deficit appropriations	Appropriations	2/23/2015				
LB657	Speaker Hadley		Appropriate funds for state government expenses	Appropriations	2/23/2015				
LB658	Speaker Hadley		Appropriate funds for salaries of members of the Legislature	Appropriations	2/23/2015				
LB659	Speaker Hadley		Appropriate funds for salaries of constitutional officers	Appropriations	2/23/2015				
LB660	Speaker Hadley		Appropriate funds for capital construction and property acquisition	Appropriations	2/23/2015				
LB661	Speaker Hadley		Provide fund transfers, create a fund, and authorize certain transfers	Appropriations	2/23/2015				
LB662	Speaker Hadley		Provide for transfers from the Cash Reserve Fund	Appropriations	2/23/2015				

<b>LB/LR</b>	<b>Sponsor</b>	<b>Priority</b>	<b>One-Liner</b>	<b>Committee</b>	<b>Hearing Date</b>	<b>Status</b>	<b>Summary</b>	<b>LC Position</b>	<b>NACO Position</b>
LB663	Speaker Hadley		Change the salaries of Supreme Court judges	Judiciary	2/4/2015		This bill raises the salary for the Chief Justice and judges of the Supreme Court in Nebraska by 2.25% on July 1, 2015 and by 2.40% on July 1, 2016		



## Current Priority Bill Listing

Final Date For Priority Submissions: March 12, 2015

### Senator Priority Bills

<u>Priority</u>	<u>Document</u>	<u>Primary Introducer</u>	<u>Status</u>	<u>Description</u>
Senator Baker	<a href="#">LB431</a>	<a href="#">Baker</a>	Final Reading	Change provisions relating to public school district construction
Senator Bloomfield	<a href="#">LB31</a>	<a href="#">Bloomfield</a>	General File	Eliminate motorcycle and moped helmet requirements
Senator Bolz	<a href="#">LB243</a>	<a href="#">Bolz</a>	General File	Create a pilot project relating to family finding services
Senator Brasch	<a href="#">LB350</a>	<a href="#">Brasch</a>	Referral	Change valuation of agricultural land and horticultural land
Senator Campbell	<a href="#">LB89</a>	<a href="#">Campbell</a>	E and R Initial	Change provisions relating to aid to dependent children
Senator Chambers	<a href="#">LB268</a>	<a href="#">Chambers</a>	General File	Change a penalty from death to life imprisonment without parole, eliminate a homicide report, and change provisions relating to murder in the first degree and restitution
Senator Coash	<a href="#">LB292</a>	<a href="#">Coash</a>	General File	Change provisions relating to the central registry of child protection cases
Senator Cook	<a href="#">LB81</a>	<a href="#">Cook</a>	General File	Change provisions relating to eligibility for child care assistance
Senator Craighead	<a href="#">LB253</a>	<a href="#">Morfeld</a>	General File	Change acknowledgment requirements relating to homesteads
Senator Crawford	<a href="#">LB390</a>	<a href="#">Crawford</a>	Referral	Provide for the use of medical marijuana as prescribed
Senator Davis	<a href="#">LB85</a>	<a href="#">Davis</a>	General File	To increase the maximum brand inspection fee amount that may be established by the Nebraska Brand Committee
Senator Ebke	<a href="#">LB67</a>	<a href="#">Schumacher</a>	General File	Provide for governmental unit bond priority
Senator Friesen	<a href="#">LB610</a>	<a href="#">Smith</a>	General File	Change motor fuel excise taxes
Senator Garrett	<a href="#">LB643</a>	<a href="#">Garrett</a>	Referral	Adopt the Cannabis Compassion and Care Act
Senator Gloor	<a href="#">LB80</a>	<a href="#">Gloor</a>	General File	Provide, change, and eliminate anesthesia and sedation permit provisions under the Dentistry Practice Act
Senator Groene	<a href="#">LB367</a>	<a href="#">Groene</a>	E and R Initial	Eliminate a restriction on paying petition circulators based on number of signatures
Senator Haar	<a href="#">LB407</a>	<a href="#">Haar</a>	Referral	Change and eliminate provisions relating to certified renewable export facilities as prescribed
Senator Hadley	<a href="#">LB498</a>	<a href="#">Hadley</a>	E and R Initial	Change sales and use tax provisions relating to all-terrain vehicles and utility-type vehicles
Senator Hansen	<a href="#">LB494</a>	<a href="#">Nordquist</a>	General File	Change minimum wage for persons compensated by way of gratuities
Senator Harr	<a href="#">LB414</a>	<a href="#">Harr</a>	Referral	Provide a property tax exemption for fraternal benefit societies
Senator Hilkemann	<a href="#">LB156</a>	<a href="#">Stinner</a>	General File	Change the amount of credits allowed under the Angel Investment Tax Credit Act
Senator Howard	<a href="#">LB199</a>	<a href="#">Howard</a>	General File	Provide for stipends for social work students
Senator Hughes	<a href="#">LB323</a>	<a href="#">Davis</a>	Referral	Create the School Financing Review Commission

Senator Johnson	<a href="#">LB183</a>	<a href="#">Johnson</a>	General File	Change provisions relating to the Grain Dealer Act
Senator Kintner	<a href="#">LB481</a>	<a href="#">Kintner</a>	Referral	Permit school districts to opt out of a learning community as prescribed
Senator Kolowski	<a href="#">LB343</a>	<a href="#">Kolowski</a>	Referral	Provide funding for schools offering certain programs and courses as prescribed
Senator Kolterman	<a href="#">LB232</a>	<a href="#">Nordquist</a>	Referral	Adopt the College Choice Grant Program Act
Senator Krist	<a href="#">LB15</a>	<a href="#">Krist</a>	E and R Initial	Require the Supreme Court to promulgate guidelines and provide and change duties for and compensation of guardians ad litem
Senator Kuehn	<a href="#">LB599</a>	<a href="#">Ebke</a>	General File	Provide a minimum wage for certain young student workers
Senator Larson	<a href="#">LB113</a>	<a href="#">Larson</a>	General File	Provide a co-payment for correctional inmates' health care services
Senator Lindstrom	<a href="#">LB469</a>	<a href="#">Smith</a>	General File	Provide powers and duties to the Department of Environmental Quality relating to the development of a state plan for regulating carbon dioxide emissions
Senator McCollister	<a href="#">LB623</a>	<a href="#">Nordquist</a>	Referral	Provide for issuance of motor vehicle operators' licenses and state ID cards to persons with lawful status
Senator McCoy	<a href="#">LB649</a>	<a href="#">Kintner</a>	General File	Require all votes taken by public officials to be a public record as prescribed
Senator Mello	<a href="#">LB419</a>	<a href="#">Mello</a>	General File	Exempt sales and purchases by zoos and aquariums from sales and use tax
Senator Morfeld	<a href="#">LB264</a>	<a href="#">Morfeld</a>	Referral	Provide for issuance of credentials under the Uniform Credentialing Act based on military education, training, or experience
Senator Murante	<a href="#">LB226</a>	<a href="#">Coash</a>	General File	Authorize crowdfunding as prescribed and exempt crowdfunding under the Securities Act of Nebraska
Senator Nordquist	<a href="#">LB423</a>	<a href="#">Nordquist</a>	Referral	Change a renewable energy tax credit
Senator Pansing Brooks	<a href="#">LB586</a>	<a href="#">Morfeld</a>	General File	Prohibit discrimination based upon sexual orientation and gender identity
Senator Riepe	<a href="#">LB285</a>	<a href="#">Riepe</a>	Referral	Redefine a term under the Sports Arena Facility Financing Assistance Act
Senator Scheer	<a href="#">LB294</a>	<a href="#">Scheer</a>	Referral	Adopt the Human Trafficking Victims Civil Remedy Act and change and adopt provisions relating to service of process, sexual assault, crimes relating to morals, human trafficking, search warrants, juveniles, intercepted communications, and forfeiture of assets
Senator Schilz	<a href="#">LB176</a>	<a href="#">Schilz</a>	General File	Change the Competitive Livestock Markets Act
Senator Schnoor	<a href="#">LB329</a>	<a href="#">Schilz</a>	Referral	Adopt the Nebraska Agritourism Promotion Act
Senator Schumacher	<a href="#">LB72</a>	<a href="#">Schumacher</a>	Referral	Change and provide provisions relating to trustees, liens for medicaid reimbursement, and inheritance tax petitions
Senator Seiler	<a href="#">LB173</a>	<a href="#">Chambers</a>	General File	Change habitual criminal provisions
Senator Smith	<a href="#">LB357</a>	<a href="#">Smith</a>	Referral	Change income tax rates and transfer funds from the Cash Reserve Fund
Senator Stinner	<a href="#">LB561</a>	<a href="#">Stinner</a>	General File	Name the Irrigation District Act and change election provisions for irrigation districts
Senator Sullivan	<a href="#">LB528</a>	<a href="#">Sullivan</a>	Referral	Change and eliminate provisions relating to learning communities
Senator Watermeier	<a href="#">LB106</a>	<a href="#">Watermeier</a>	General File	Adopt the Livestock Operation Siting and Expansion Act and change powers of counties relating to zoning
Senator Williams	<a href="#">LB559</a>	<a href="#">Schumacher</a>	General File	Change provisions relating to the treatment of tax credits under the New Markets Job Growth Investment Act

## Committee Priority Bills

<u>Priority</u>	<u>Document</u>	<u>Primary Introducer</u>	<u>Status</u>	<u>Description</u>
Agriculture Committee	<a href="#">LB175</a>	<a href="#">Schilz</a>	General File	Adopt the Livestock Growth Act and change provisions of the Nebraska Advantage Rural Development Act
Agriculture Committee	<a href="#">LB360</a>	<a href="#">Johnson</a>	Referral	Change provisions of the Commercial Dog and Cat Operator Inspection Act
Appropriations Committee	<a href="#">LB33</a>	<a href="#">Mello</a>	E and R Initial	Require revenue volatility reports by the Legislative Fiscal Analyst
Appropriations Committee	<a href="#">LB449</a>	<a href="#">Mello</a>	Referral	Change provisions relating to funding for microloans
Banking, Commerce and Insurance Committee	<a href="#">LB139</a>	<a href="#">Johnson</a>	E and R Initial	Change and eliminate provisions relating to the Real Property Appraiser Act
Banking, Commerce and Insurance Committee	<a href="#">LB348</a>	<a href="#">Krist</a>	Referral	Change provisions relating to automatic teller machines and point-of-sale terminals
Business and Labor Committee	<a href="#">LB627</a>	<a href="#">Mello</a>	Select File	Change provisions relating to pregnancy under the Nebraska Fair Employment Practice Act
Business and Labor Committee	<a href="#">LB480</a>	<a href="#">Harr</a>	Referral	Change provisions relating to computing compensation under the Nebraska Workers' Compensation Act
Education Committee	<a href="#">LB525</a>	<a href="#">Sullivan</a>	Referral	Change provisions relating to education
Education Committee	<a href="#">LB519</a>	<a href="#">Sullivan</a>	Referral	Provide for school and student aid, grants, and assistance as prescribed
Executive Board	<a href="#">LR7CA</a>	<a href="#">Schumacher</a>	General File	Constitutional amendment to limit service of members of the Legislature to two 6-year terms
Executive Board	<a href="#">LB56</a>	<a href="#">Scheer</a>	General File	Provide procedures for donation of real property to the Northeast Community College Area
General Affairs Committee	<a href="#">LB330</a>	<a href="#">Larson</a>	General File	Change provisions relating to alcoholic liquor
General Affairs Committee	<a href="#">LB619</a>	<a href="#">Larson</a>	General File	Provide for a special designated poker license and a poker endorsement under the Nebraska Liquor Control Act
Government, Military and Veterans Affairs Committee	<a href="#">LB132</a>	<a href="#">Ebke</a>	General File	Change joint public agency bonding powers and procedures
Government, Military and Veterans Affairs Committee	<a href="#">LB575</a>	<a href="#">Murante</a>	Referral	Change provisions relating to ballots for early voting, write-in candidates, and filling vacancies
Health and Human Services Committee	<a href="#">LB320</a>	<a href="#">Bolz</a>	General File	Adopt the Aging and Disability Resource Center Act
Health and Human Services Committee	<a href="#">LB472</a>	<a href="#">Campbell</a>	General File	Adopt the Medicaid Redesign Act
Judiciary Committee	<a href="#">LB265</a>	<a href="#">Campbell</a>	Referral	Change provisions relating to juveniles and child welfare
Judiciary Committee	<a href="#">LB482</a>	<a href="#">Krist</a>	General File	Change provisions relating to juveniles
Legislative Performance Audit Committee	<a href="#">LB538</a>	<a href="#">Legislative Performance Audit Committee</a>	General File	Require audits of tax incentive programs under the Legislative Performance Audit Act and change tax incentive sunset dates
Legislative Performance Audit Committee	<a href="#">LB598</a>	<a href="#">Schumacher</a>	Referral	Change and provide requirements regarding treatment and segregation of mentally ill inmates
Natural Resources Committee	<a href="#">LB141</a>	<a href="#">Schilz</a>	General File	Change provisions relating to the Public Entities Mandated Project Charges Act
Natural Resources Committee	<a href="#">LB413</a>	<a href="#">Mello</a>	General File	Provide for the evaluation of permits issued to political subdivisions by the Department of Environmental Quality regarding water quality
Nebraska Retirement Systems	<a href="#">LB468</a>	<a href="#">Nordquist</a>	Referral	Change benefit and contribution provisions relating to judges



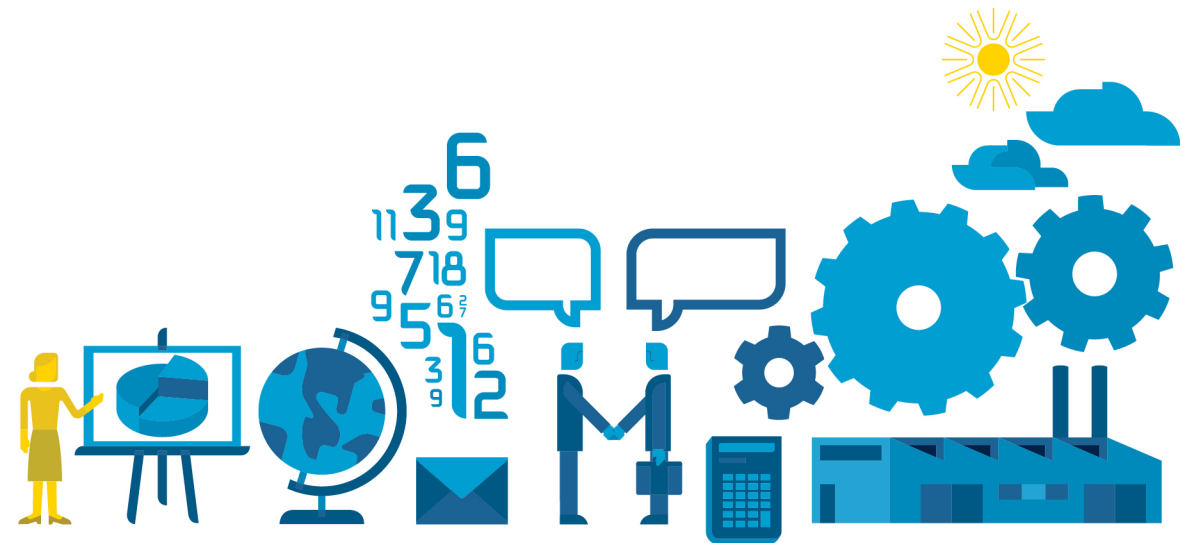
Committee	Document	Author	Status	Description
Nebraska Retirement Systems Committee	<a href="#">LB448</a>	<a href="#">Nordquist</a>	Referral	retirement Make current and new Class V school employees members of the School Employees Retirement System of the State of Nebraska
Revenue Committee	<a href="#">LB356</a>	<a href="#">Harr</a>	E and R Initial	Change provisions relating to the assessment of certain rent-restricted housing projects
Revenue Committee	<a href="#">LB259</a>	<a href="#">Gloor</a>	General File	Adopt the Personal Property Tax Relief Act
State-Tribal Relations Committee	<a href="#">LB566</a>	<a href="#">Coash</a>	Referral	Change provisions of the Indian Child Welfare Act
Transportation and Telecommunications Committee	<a href="#">LB629</a>	<a href="#">Mello</a>	Referral	Provide for regulation of transportation network companies
Transportation and Telecommunications Committee	<a href="#">LB641</a>	<a href="#">Garrett</a>	General File	Provide rights and duties for a person operating a manual or motorized wheelchair or bicycle as prescribed
Urban Affairs Committee	<a href="#">LB152</a>	<a href="#">Urban Affairs Committee</a>	General File	Authorize cities and villages to borrow from state-chartered or federally chartered financial institutions as prescribed
Urban Affairs Committee	<a href="#">LB324</a>	<a href="#">McCollister</a>	E and R Initial	Provide authority to sanitary and improvement districts to contract for solid waste collection services

## Speaker Priority Bills

Priority	Document	Primary Introducer	Status	Description
Speaker Hadley	<a href="#">LB47</a>	<a href="#">Watermeier</a>	General File	Change provisions relating to anatomical gifts under the Motor Vehicle Operator's License Act
Speaker Hadley	<a href="#">LB196</a>	<a href="#">Campbell</a>	General File	Change provisions of the Rural Health Systems and Professional Incentive Act
Speaker Hadley	<a href="#">LB200</a>	<a href="#">Davis</a>	General File	Change the distribution of sales and use tax revenue and provide duties for the Department of Revenue
Speaker Hadley	<a href="#">LB231</a>	<a href="#">Smith</a>	General File	Provide for regulation and operation of autocycles
Speaker Hadley	<a href="#">LB240</a>	<a href="#">Hansen</a>	General File	Change provisions relating to a behavioral health pilot program
Speaker Hadley	<a href="#">LB315</a>	<a href="#">Howard</a>	General File	Change provisions relating to medicaid recovery audit contractors
Speaker Hadley	<a href="#">LB317</a>	<a href="#">Kintner</a>	General File	Repeal the Midwest Interstate Passenger Rail Compact
Speaker Hadley	<a href="#">LB325</a>	<a href="#">Davis</a>	General File	Change levy provisions for rural and suburban fire protection districts
Speaker Hadley	<a href="#">LB347</a>	<a href="#">Krist</a>	General File	Expand the jurisdiction of the Inspector General to the juvenile justice system
Speaker Hadley	<a href="#">LB361</a>	<a href="#">Harr</a>	General File	Clarify that certain assessments levied as prescribed are levied and collected as special assessments
Speaker Hadley	<a href="#">LB382</a>	<a href="#">Cook</a>	General File	Change provisions of the Diploma of High School Equivalency Assistance Act and state intent relating to certain transfers
Speaker Hadley	<a href="#">LB415</a>	<a href="#">Pansing Brooks</a>	General File	Change provisions relating to the Uniform Interstate Family Support Act
Speaker Hadley	<a href="#">LB452</a>	<a href="#">Hilkemann</a>	General File	Provide advertising requirements under the Uniform Credentialing Act
Speaker	<a href="#">LB457</a>	<a href="#">Gloor</a>	General	Change the Site and Building Development Act and terminate a fund

Hadley			File	
Speaker Hadley	<a href="#">LB458</a>	<a href="#">Kolterman</a>	General File	Authorize limited lines travel insurance producer licenses
Speaker Hadley	<a href="#">LB500</a>	<a href="#">Howard</a>	General File	Require application for medicaid state plan amendment for multisystemic therapy and functional family therapy
Speaker Hadley	<a href="#">LB539</a>	<a href="#">Watermeier</a>	General File	Change provisions relating to the office of Legislative Audit and the Auditor of Public Accounts
Speaker Hadley	<a href="#">LB540</a>	<a href="#">Crawford</a>	General File	Adopt updated international building code standards
Speaker Hadley	<a href="#">LB547</a>	<a href="#">Campbell</a>	Referral	Change provisions of the Quality Child Care Act
Speaker Hadley	<a href="#">LB577</a>	<a href="#">Murante</a>	General File	Permit counties to regulate peddlers, hawkers, and solicitors
Speaker Hadley	<a href="#">LB581</a>	<a href="#">Nordquist</a>	Referral	Adopt the Nebraska Clean-burning Motor Fuel Development Act
Speaker Hadley	<a href="#">LB591</a>	<a href="#">Bolz</a>	Referral	Create the achieve a better life experience program and provide for adjustments to taxable income
Speaker Hadley	<a href="#">LB605</a>	<a href="#">Mello</a>	Referral	Change classification of penalties, punishments, probation and parole provisions, and provisions relating to criminal records and restitution and provide for a special legislative committee
Speaker Hadley	<a href="#">LB607</a>	<a href="#">Mello</a>	General File	Adopt the Home Care Consumer Bill of Rights Act
Speaker Hadley	<a href="#">LB642</a>	<a href="#">Garrett</a>	General File	Change provisions relating to motorboat, motor vehicle, and trailer registration and titling

# Investment Review



## Lancaster County, Nebraska EEs Retirement Plan

Performance results as of December 31, 2014

**Robb D. Craddock, CFA**  
Vice President, Intellectual Capital  
(312) 521 - 6122

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# Market Commentary

Certain information contained herein may constitute "forward-looking statements," (including observations about markets and industry and regulatory trends as of the original date of this document). Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making any decisions. No representation or warranty is made as to future performance or such forward-looking statements.

**These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services and should not be used as the basis for any investment decision. Past performance is not a guarantee or a reliable indicator of future results.**

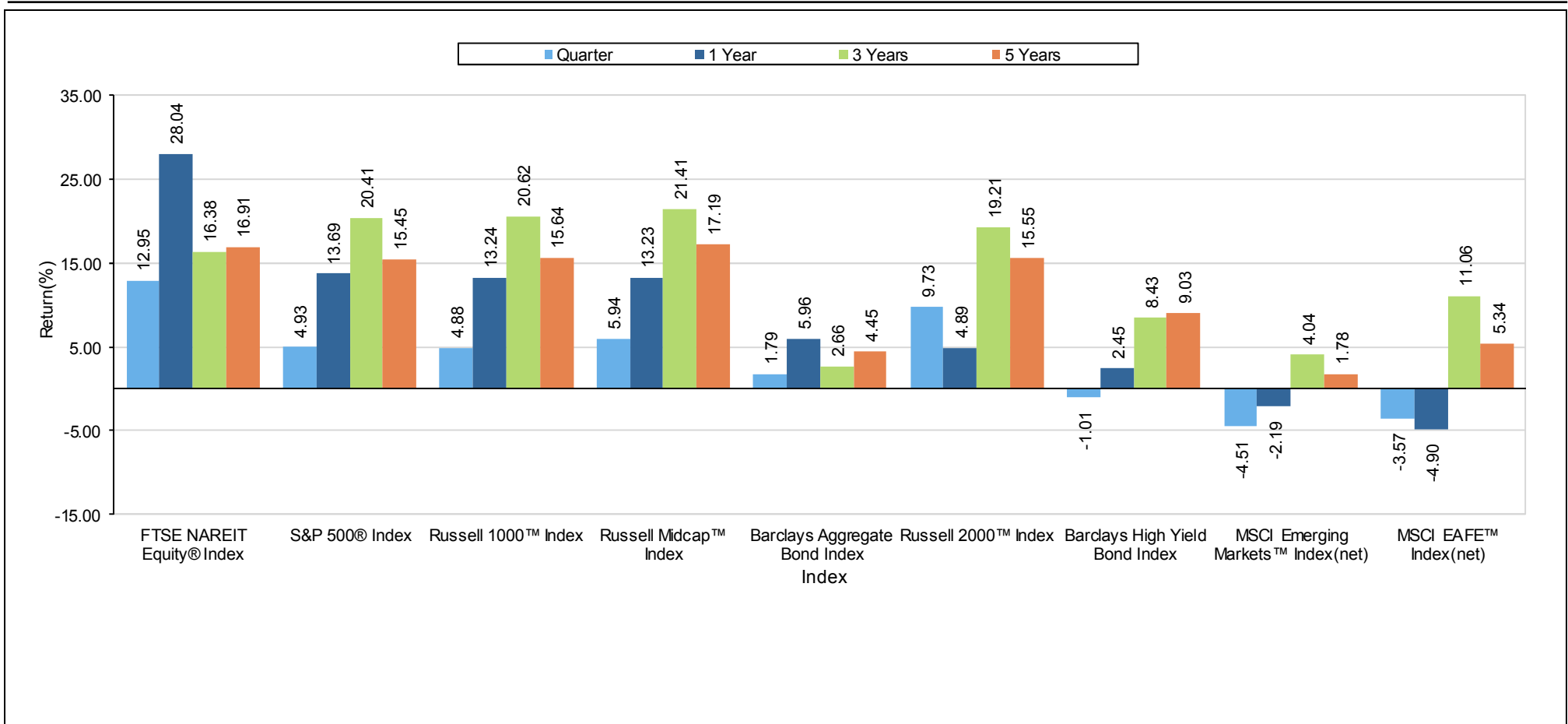


## Economic Review

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- The world economy and financial markets experienced turbulence during the fourth quarter of 2014, triggered by plunging world oil prices and spreading geopolitical risk. Weakness in the world economy and continued confusion regarding the course of Federal Reserve policy accentuated the volatility in world financial markets.
- Following very strong growth in most recent quarters, U.S. real GDP expanded at a slightly slower pace in Q4, estimated at a 3% annual rate. A surge in foreign imports triggered a rise in the U.S. trade deficit, subtracting an estimated 1% from GDP. Consumer durable goods, housing, and business investment in equipment and software were the primary contributors to growth.
- Concrete evidence of a strengthening U.S. economy became more widespread in the quarter, the most compelling of which includes auto sales, consumer confidence, bank lending, homebuilder sentiment, hiring and employment, and monthly surveys for both manufacturing and service industries.
- Third quarter real GDP growth was revised to 5%, the fastest annual growth rate for any quarter since 2003. The Index of Leading Economic Indicators remains in a solid uptrend.
- In sharp contrast to the U.S., most foreign economies continued to slump during the second half of last year, most importantly, the Eurozone, Japan, China, and most economies in Latin America. Deflationary pressures continued to spread throughout the world.
- Perhaps the most notable development for 2014 was the plunge in world oil prices that accelerated during the quarter. The world price for crude oil declined by nearly 50% to a low of \$57 per barrel, due to a combination of weak demand and a glut of oil supplies worldwide.

# Financial Market Returns



- U.S. financial markets rallied in the fourth quarter, with both the equity and fixed-income markets generating positive rates of return. Common stock returns have exceeded bond returns in all periods dating back to 2004, with large-cap stocks registering a total return more than double that of the bond market for full year 2014.
- The surge in the U.S. dollar had an adverse affect on investment returns in the non-U.S. stock and bond markets. Both emerging market and developed economy equities produced negative rates of return in 2014..
- Domestic equities outperformed most foreign markets by the widest margin in two decades. The S&P 500 Index distinguished itself as the best-performing major asset class in 2014, and by a wide margin.
- With interest rates continuing lower, high income equities (e.g. REIT Index) have put up strong performance for the quarter and year.

Data Source: Russell/Mellon Analytical Services

This chart is for illustration purposes only and is not meant to represent the performance of any investment. Investors cannot invest directly in an index. Past performance does not guarantee future results. This material is for plan sponsor and financial professional use only and cannot be reproduced or shown to members of the public.

# Domestic Equity Style Returns

**Quarter**

Large (Russell 1000™ Index)	4.98	4.88	4.79
Mid (Russell Midcap™ Index)	6.06	5.94	5.84
Small (Russell 2000™ Index)	9.41	9.73	10.06
	Value	Blend	Growth

- Rebounding from the negative returns in the third quarter, all U.S. equity styles posted positive returns during the fourth quarter.
- Value stocks outperformed Growth in the Large and Mid segment while Growth outperformed Value in the Small segment for the quarter. While Small Cap Growth was the best performing segment for the quarter, Mid Cap Value continues to be the best performing segment for the one, three and five year periods.
- Small Caps outperformed Large and Mid Cap stocks across all styles in the fourth quarter, rebounding from negative YTD performance through September 30th. Small Caps were attractive to investors because smaller companies are less exposed to international economies than larger companies.

**1 Year**

Large (Russell 1000™ Index)	13.46	13.24	13.06
Mid (Russell Midcap™ Index)	14.75	13.23	11.92
Small (Russell 2000™ Index)	4.22	4.89	5.62
	Value	Blend	Growth

**3 Years**

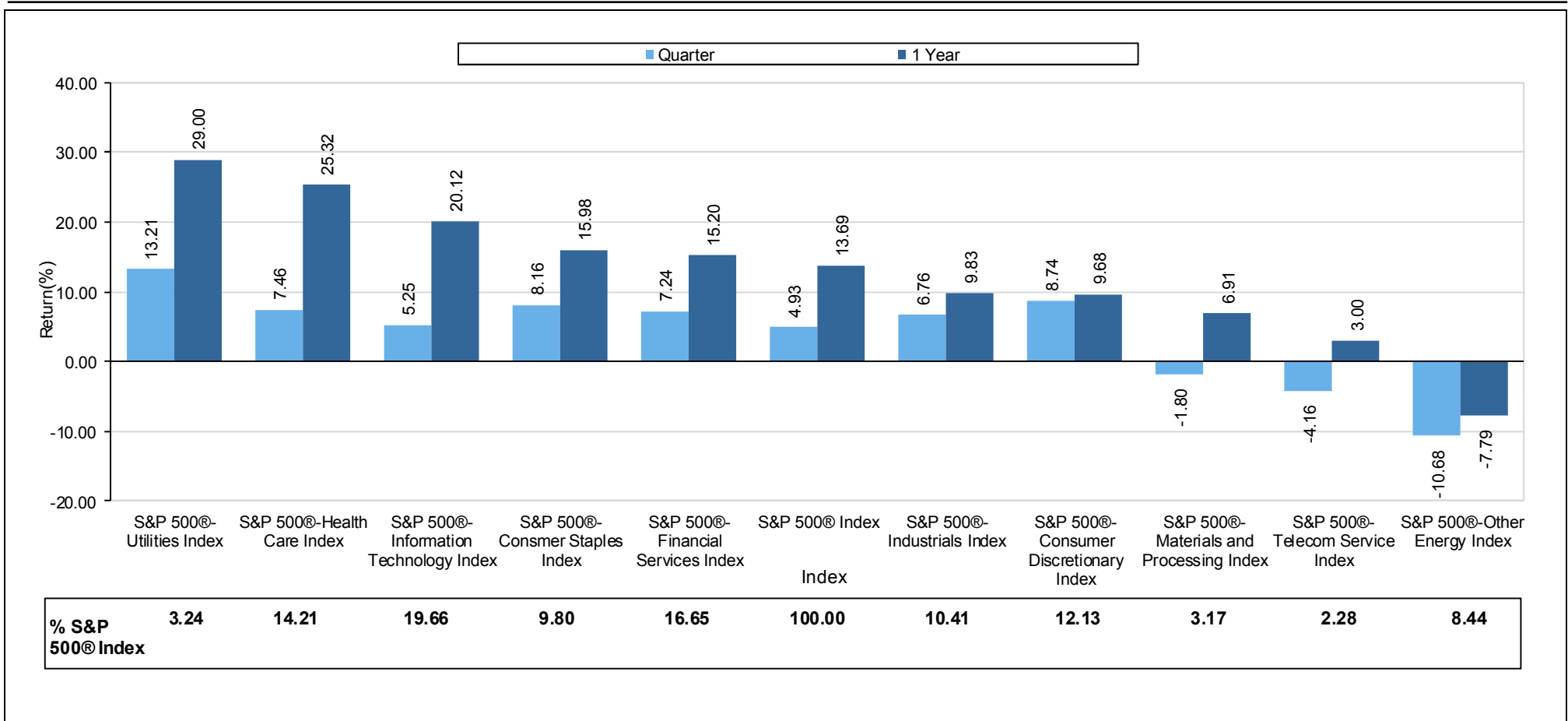
Large (Russell 1000™ Index)	20.90	20.62	20.26
Mid (Russell Midcap™ Index)	21.98	21.41	20.72
Small (Russell 2000™ Index)	18.29	19.21	20.15
	Value	Blend	Growth

**5 Years**

Large (Russell 1000™ Index)	15.43	15.64	15.82
Mid (Russell Midcap™ Index)	17.43	17.19	16.94
Small (Russell 2000™ Index)	14.26	15.55	16.80
	Value	Blend	Growth

Data Source: Russell/Mellon Analytical Services

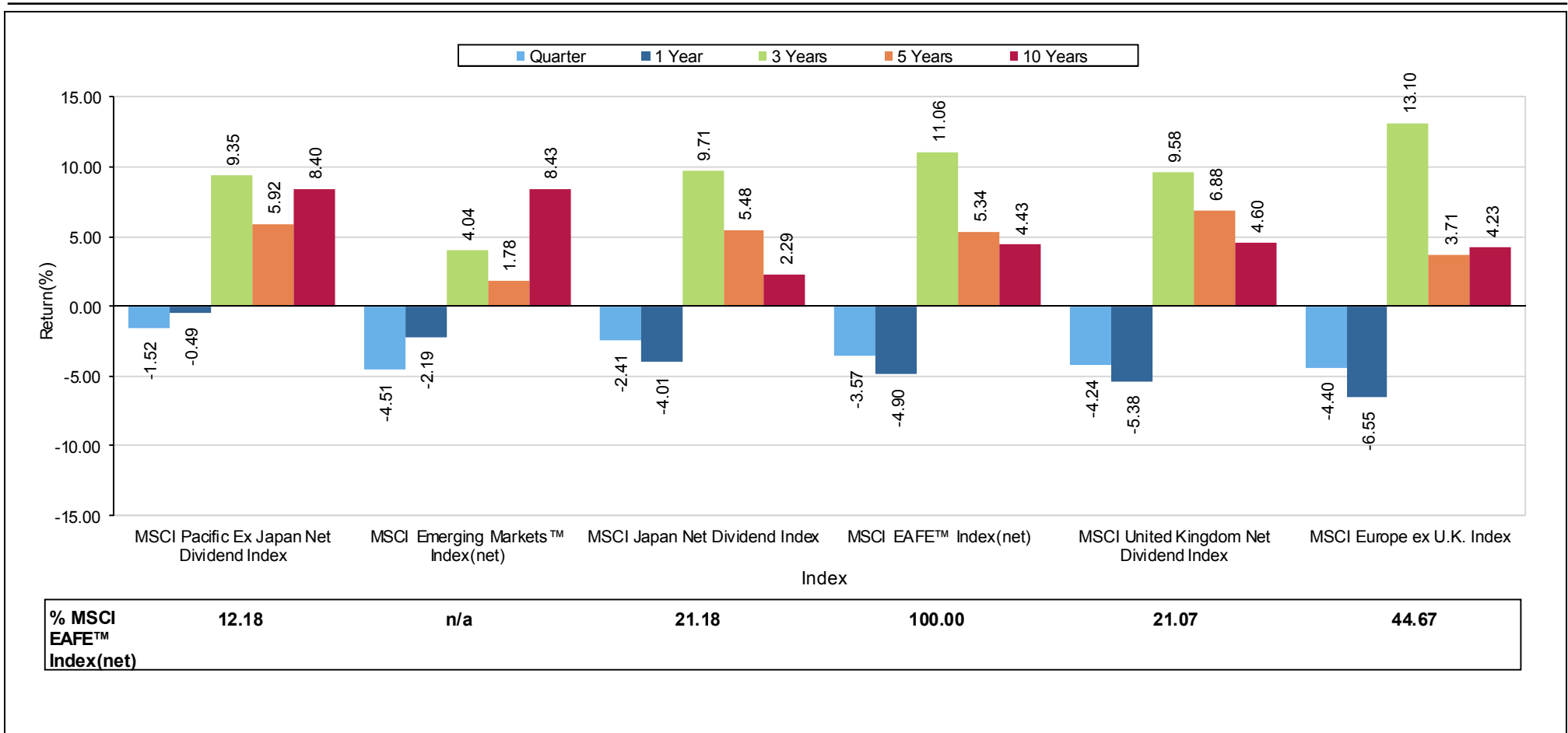
## S&P 500 Sector Performance



- For the second straight quarter, energy stocks were the worst performing sector as commodity prices declined with concerns about slowing global economic growth. Energy was the only sector with negative performance for the year.
- Among domestic industries, utilities, semiconductors, health care, transports, and REITS performed best, all of which generated 2014 total returns in excess of 25%. Energy and materials were the worst performers.
- The Utility sector was strongest for both the quarter and the year. In the environment of low interest rates and heightened geopolitical risk, investors turned to utilities because of high dividends and low international exposure. Consumer Discretionary was the second best performer, as companies in this sector are expected to benefit from lower oil prices.

Data Source: Russell/Mellon Analytical Services

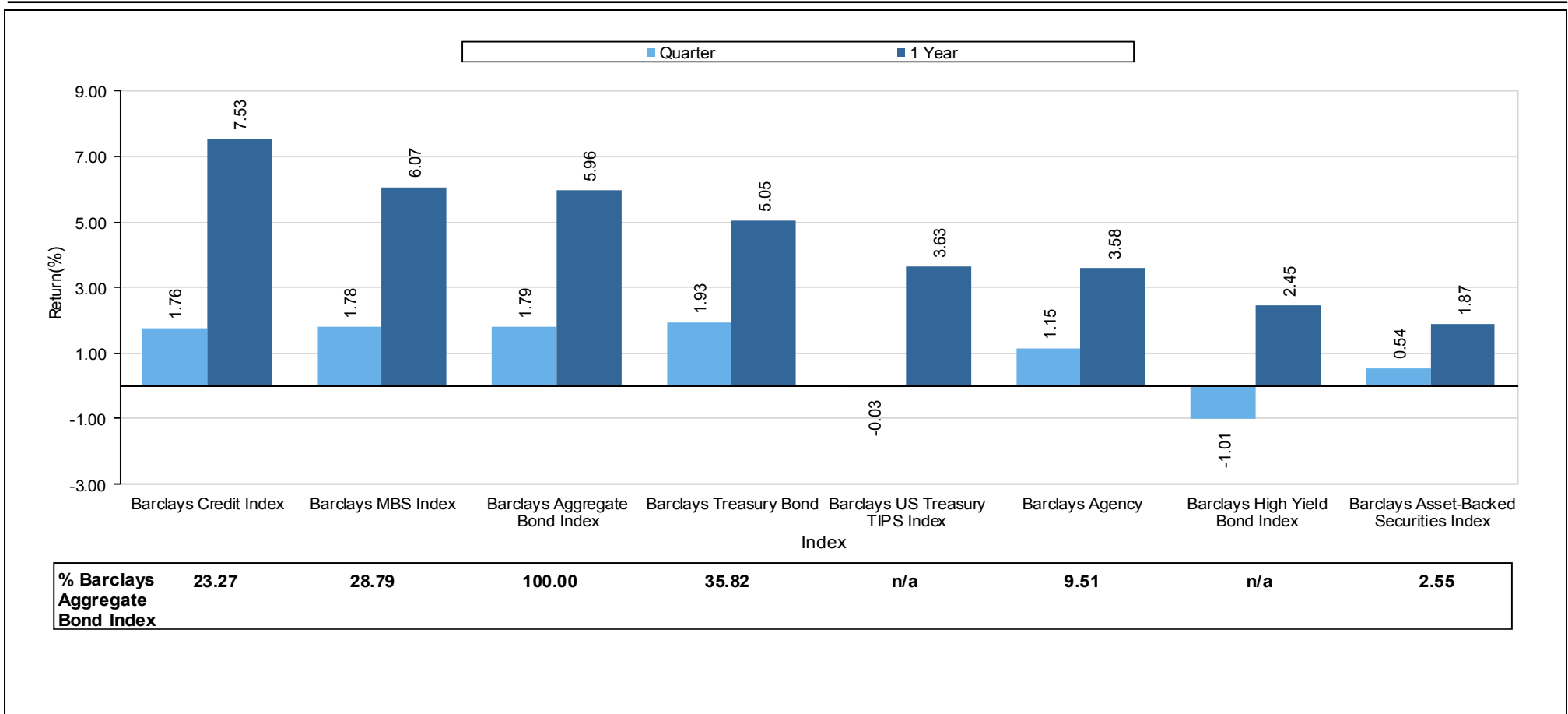
# International Index Returns



- The surge in the U.S. dollar had an adverse affect on investment returns in the non-U.S. stock markets. Both emerging market and developed economy equities produced negative rates of return in 2014, with two exceptions being the Chinese and Indian equity markets.
- European stocks were hurt by concerns of slower growth and deflationary pressures. Being a major oil-importing region, the Eurozone economy should benefit enormously from the decline in world oil prices.
- Japanese equities held up better than the MCSI EAFE index this quarter, due to benefits from lower oil prices and the plunge in the yen benefiting Japanese exporters.
- Developing market equities have been severely impacted by the recent destabilization of global oil markets. The MSCI EM Index plunged to its lowest level in three years.

Data Source: Russell/Mellon Analytical Services

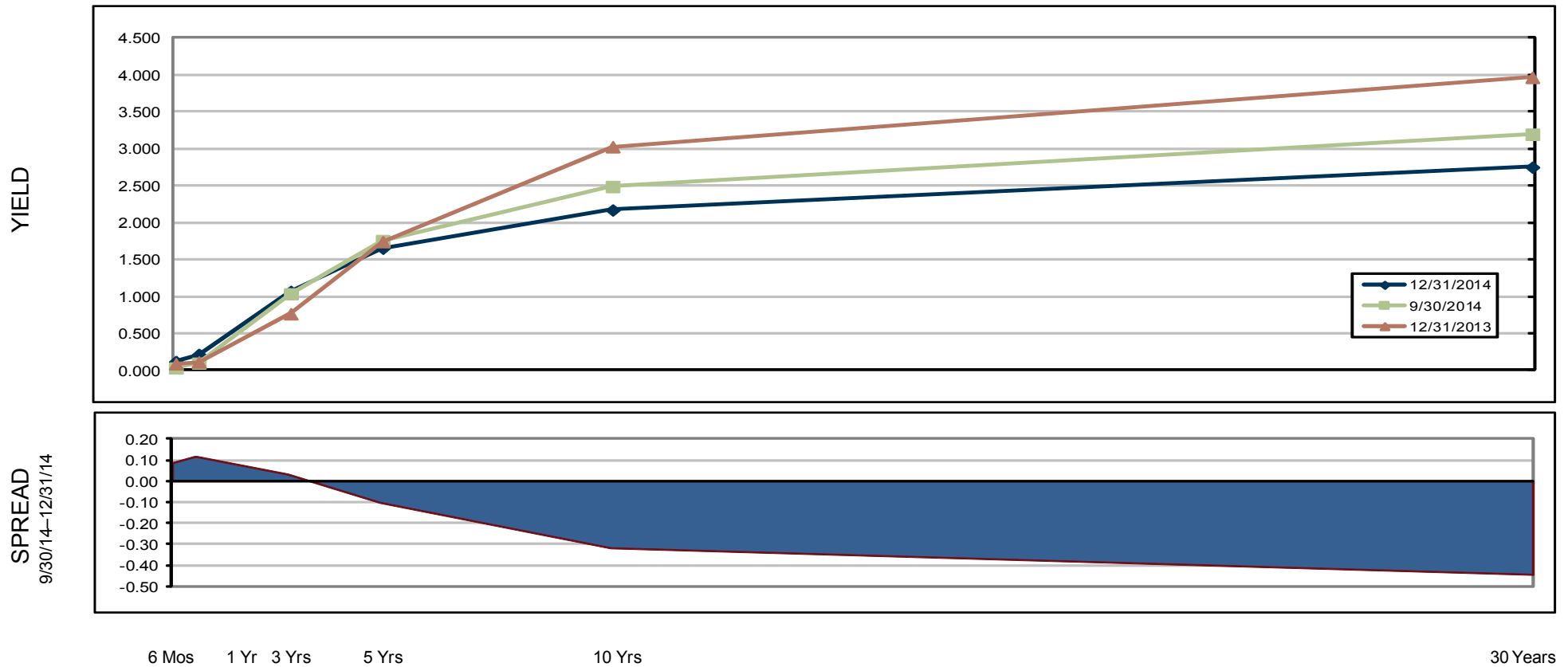
# Fixed Income Returns



- The disruption from oil prices, geopolitical risk, and slower global growth which characterized the second half of the year benefitted the U.S. dollar and therefore U.S. Treasuries. While corporate bonds suffered from spread widening in Q3, they broke into positive territory in Q4, and ended the year the best performing broad fixed income asset class.
- High Yield was the worst performing fixed income asset class in Q4 as the flight to quality in fixed income prompted investors to sell lower quality securities. Within High Yield, higher quality bonds outperformed the lowest quality in a reversal from “risk on” markets of the past several years.
- The surge in the U.S. dollar had an adverse effect on investment returns in the non-U.S. bond markets. Market yields on German and Japanese sovereign debt reached maximum disparity with U.S. government bond yields; German bond yields plunged to all-time record lows.

Data Source: Russell/Mellon Analytical Services

# U.S. Treasury Yield Curve



- Despite the conclusion of the Federal Reserve’s quantitative easing initiative in October 2014 and the prospect of future tightening , U.S. Treasury yields again confounded many expectations with 7-year through 30-year rates moving materially lower through Q4. The end result was a further flattening of the U.S. Treasury 2-30-year yield curve by 55 bps to 204 bps during the quarter.
- With the Fed adjusting its policy statement in Q4 to indicate it can be “patient” in beginning to normalize monetary policy, it is seemingly on course to raise rates by mid-2015.

Source: Bloomberg

This chart is for illustration purposes only and is not meant to represent the performance of any investment. Investors cannot invest directly in an index.

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## Economic & Market Outlook

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- The outlook for the U.S. economy in 2015 remains generally favorable. GDP growth should accelerate during the year, while inflation should remain at or below 2%. Both corporate earnings and business hiring should remain on a solid growth track.
- Investor fears of a negative feedback loop from the world economy to the U.S. are greatly exaggerated: Less than 15% of the U.S. GDP is dependent upon export trade. The more likely economic model for the next two years is that the U.S. will serve as a locomotive for the world economy, as expanding domestic demand boosts global exports to the U.S.
- The U.S. economy should benefit from a number of powerful pro-growth forces, including improving financial conditions, falling energy prices, robust job creation, improving business and consumer confidence, receding headwinds from fiscal drag, and growing income flows.
- Improving outlook for the domestic economy is in sharp contrast to that of most foreign economies, which continue to suffer from massive deleveraging pressures, fundamentally weak banking sectors, falling real wages, and deflationary headwinds.
- The outlook for the fixed-income market appears challenging. Despite relentless downward pressure on market yields throughout 2014, a normalization of the interest rate structure appears inevitable; the only question is timing.
- The widespread concern with the impact of the recent plunge in world oil prices is unwarranted because there are far more winners than losers, so the net economic effect should be faster growth in GDP, real wages, and business profits. Primary beneficiaries of lower oil prices include Japan, Europe, China, India, and the U.S.
- Federal Reserve policy is a major wild card in the outlook. A new rate-tightening cycle is likely to begin prior to mid-year, based upon accelerating growth in spending, output, and employment, as well as gradual shrinkage in economic slack.
- Global bonds remain highly vulnerable to a sustained rise in U.S. interest rates beginning this year and extending through 2017. The onset of a new Federal Reserve rate-tightening cycle could have an immediate impact on the entire U.S. Treasury yield curve.



# Plan Summary

## EXPLANATION OF PERFORMANCE INFORMATION

The following tables provide fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised, Institutional Select, Alliance Mutual Funds and Proprietary Funds if applicable. For Institutional Sub-Advised and Institutional Select Funds, the PRIAC Separate Accounts hold the investment securities. Prudential Retirement Insurance and Annuity Company (PRIAC) assumes no responsibility for monitoring performance of the investment manager of any Institutional Select Fund. PERFORMANCE: When such funds have fewer than five years of performance history, three types of performance information are provided to assist you in choosing your plan's investment options. "Fund Performance" represents the actual performance of the fund for all periods since the inception date of the fund (which is shown in this line). "Manager's Composite" represents the composite return of multiple portfolios advised by the Manager since the inception date. These portfolios have an investment style and approach similar to the investment style of the fund. "Blended" represents a combination of the actual Fund performance and the current Manager's Composite performance. Actual Fund performance is used for periods after the fund was managed by the current Manager. For periods before the current Manager's assumption of Fund management, the Manager's Composite return is used. Therefore, when no Actual Fund performance with the current manager exists, the Blended performance line will equal the Manager Composite line. The inception date associated with this line is the inception date of the Manager's Composite. "Since Inception" returns are only provided when the inception date is less than 10 years ago. All performance is net of the expense ratio shown for that line.

For Alliance Mutual Funds, performance shown for the Separate Account is the performance of the underlying mutual fund. If the mutual fund's inception was before the Separate Account's inception date, mutual fund performance is shown for the prior periods. Performance for all periods reflects the reinvestment of mutual fund dividends and capital gains (as applicable). Any sub-accounting or distribution fees paid to Prudential by the underlying mutual fund complex is disclosed in the fact sheet for the fund. Any reference to share class refers to the underlying investment of the separate EE account and does not indicate that this is an investment directly into this share class.

Our pricing for your plan sometimes includes contract charges. If included, the contract charges would reduce the performance shown below. Any contract charges are disclosed to you. Regarding your members, the expense ratio shown in their statements and in the performance shown on their statements will reflect any contract charges imposed. The management fees, fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with the fund you select. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

- ⊗ Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.
- ⊗ Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.
- ⊗ **The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.**
- ⊗ Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

Investing in securities involves risk, including the possible loss of principal. Unforeseen market conditions have the potential to maximize losses. Investors are urged to carefully consider their personal risk tolerance, retirement time horizon, and willingness to weather severe market downturns before making investment decisions.

Indexes are unmanaged and cannot be invested in directly.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

For Manager of Managers Institutional Sub-Advised funds and Institutional Select Funds, ACTUAL PERFORMANCE MAY BE AFFECTED BY THE MANAGER NOT BEING ABLE TO INVEST DIRECTLY IN A COUNTRY PRIOR TO SATISFACTION OF THAT COUNTRY'S LEGAL REQUIREMENTS.

**Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available carefully before investing. It is possible to lose money when investing in securities.**

#Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

The Gibraltar Guaranteed Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

At times Prudential Retirement solicits and/or receives financial support for certain of its conferences from investment advisory firms. Please contact your Prudential Retirement representative for more information.

## Executive Summary! '\$\$\*' +%

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/14	DDA <sup>2</sup> Rank 12/31/14	Morningstar® Percentile Ranks as of 12/31/2014			Funds for Consideration
						1 Year	3 Year	5 Year	
Large Value	AllianzGI NFJ Dividend Value Instl	\$ 9,353,494	7.6%	Yes	---	62%	70%	54%	
Large Blend	Vanguard 500 Index Admiral	\$ 1,170,885	1.0%	Yes	---	18%	26%	20%	
	American Funds Fundamental Invs R4	\$ 5,681,644	4.6%	No	---	74%	59%	65%	
Large Growth	Fidelity Advisor® New Insights I	\$ 12,290,944	10.0%	Yes	---	60%	59%	50%	
Mid Value	Perkins Mid Cap Value T	\$ 1,509,332	1.2%	No	---	52%	90%	94%	
	Mid Cap Value / Systematic Fund	\$ 4,548,817	3.7%	No	4	88%	74%	64%	
Mid Blend	Vanguard Mid Cap Index Adm	\$ 806,154	0.7%	Yes	---	7%	22%	12%	
	Fidelity Advisor® Leveraged Co StkInstl	\$ 1,803,529	1.5%	Yes	---	73%	8%	43%	
Mid Growth	Eaton Vance Atlanta Capital SMID-Cap I	\$ 828,478	0.7%	Yes	---	68%	51%	15%	
	Mid Cap Growth / Westfield Capital Fund	\$ 4,550,752	3.7%	Yes	2	6%	5%	48%	
Small Value	AllianzGI NFJ Small-Cap Value Instl	\$ 927,344	0.8%	No	---	71%	92%	64%	
Small Blend	Vanguard Small Cap Index Adm	\$ 839,101	0.7%	Yes	---	13%	23%	22%	
Small Growth	BlackRock Small Cap Growth Equity Instl	\$ 2,139,388	1.7%	Yes	---	55%	48%	51%	

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

Open
  Watch List
  Closed

## Executive Summary! '\$\$\*' +%

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/14	DDA <sup>2</sup> Rank 12/31/14	Morningstar® Percentile Ranks as of 12/31/2014			Funds for Consideration
						1 Year	3 Year	5 Year	
Small Growth (Continued)	Royce Pennsylvania Mutual Invmt	\$ 2,105,393	1.7%	No	---	77%	79%	88%	
Global Blend	American Funds Capital World Gr&Inc R4	\$ 5,785,046	4.7%	Yes	---	39%	35%	65%	
International Blend	American Funds Europacific Growth R4	\$ 13,510,609	11.0%	Yes	---	16%	24%	38%	
Balanced Blend (Moderate Allocation)	Oakmark Equity & Income I	\$ 3,197,029	2.6%	Yes	---	35%	24%	43%	
Retirement Income	Prudential Day One IncomeFlex Bal Fund	\$ 1,110,493	0.9%	n/a	---	40%	28%	28%	
Retirement Income - IncomeFlex (Moderate Allocation)	IncomeFlex LT Balanced Fund	\$ 1,698,955	1.4%	n/a	---	77%	79%	88%	
	IncomeFlex LT Balanced Fund	\$ 0	0.0%	n/a	---	77%	79%	88%	
	IncomeFlex LT Conservative Growth Fund	\$ 245,420	0.2%	n/a	---	77%	79%	88%	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	n/a	---	77%	79%	88%	
Retirement Income - IncomeFlex (Conservative Allocation)	IncomeFlex LT Income & Equity Fund	\$ 35,424	0.0%	n/a	---	77%	79%	88%	
	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	n/a	---	77%	79%	88%	
Intermediate-Term Bond	Core Plus Bond / PIM Fund	\$ 8,828,319	7.2%	Yes	4	5%	7%	4%	
Stable Value	Gibraltar Guaranteed Fund	\$ 39,488,125	32.2%	n/a	---	---	---	---	
	<b>Total</b>	<b>\$ 122,454,675</b>	<b>100.0%</b>						

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

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  Watch List
  Closed

## Executive Summary - 006372

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/14	DDA <sup>2</sup> Rank 12/31/14	Morningstar® Percentile Ranks as of 12/31/2014			Funds for Consideration
						1 Year	3 Year	5 Year	
Large Value	AllianzGI NFJ Dividend Value Instl	\$ 2,068,465	10.7%	Yes	---	62%	70%	54%	
Large Blend	Vanguard 500 Index Admiral	\$ 279,882	1.4%	Yes	---	18%	26%	20%	
	American Funds Fundamental Invs R4	\$ 996,632	5.2%	No	---	74%	59%	65%	
Large Growth	Fidelity Advisor® New Insights I	\$ 1,860,554	9.6%	Yes	---	60%	59%	50%	
Mid Value	Perkins Mid Cap Value T	\$ 378,703	2.0%	No	---	52%	90%	94%	
	Mid Cap Value / Systematic Fund	\$ 609,319	3.2%	No	4	88%	74%	64%	
Mid Blend	Vanguard Mid Cap Index Adm	\$ 228,239	1.2%	Yes	---	7%	22%	12%	
	Fidelity Advisor® Leveraged Co StkInstl	\$ 408,108	2.1%	Yes	---	73%	8%	43%	
Mid Growth	Eaton Vance Atlanta Capital SMID-Cap I	\$ 213,799	1.1%	Yes	---	68%	51%	15%	
	Mid Cap Growth / Westfield Capital Fund	\$ 627,917	3.2%	Yes	2	6%	5%	48%	
Small Value	AllianzGI NFJ Small-Cap Value Instl	\$ 230,889	1.2%	No	---	71%	92%	64%	
Small Blend	Vanguard Small Cap Index Adm	\$ 207,622	1.1%	Yes	---	13%	23%	22%	
Small Growth	BlackRock Small Cap Growth Equity Instl	\$ 364,474	1.9%	Yes	---	55%	48%	51%	

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

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## Executive Summary - 006372

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/14	DDA <sup>2</sup> Rank 12/31/14	Morningstar® Percentile Ranks as of 12/31/2014			Funds for Consideration
						1 Year	3 Year	5 Year	
Small Growth (Continued)	Royce Pennsylvania Mutual Invmt	\$ 311,136	1.6%	No	---	77%	79%	88%	
Global Blend	American Funds Capital World Gr&Inc R4	\$ 616,184	3.2%	Yes	---	39%	35%	65%	
International Blend	American Funds Europacific Growth R4	\$ 2,007,806	10.4%	Yes	---	16%	24%	38%	
Balanced Blend (Moderate Allocation)	Oakmark Equity & Income I	\$ 335,200	1.7%	Yes	---	35%	24%	43%	
Retirement Income	Prudential Day One IncomeFlex Bal Fund	\$ 143,784	0.7%	n/a	---	40%	28%	28%	
Retirement Income - IncomeFlex (Moderate Allocation)	IncomeFlex LT Balanced Fund	\$ 222,171	1.1%	n/a	---	---	---	---	
	IncomeFlex LT Balanced Fund	\$ 0	0.0%	n/a	---	---	---	---	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	n/a	---	---	---	---	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	n/a	---	---	---	---	
Retirement Income - IncomeFlex (Conservative Allocation)	IncomeFlex LT Income & Equity Fund	\$ 11,917	0.1%	n/a	---	---	---	---	
	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	n/a	---	---	---	---	
Intermediate-Term Bond	Core Plus Bond / PIM Fund	\$ 1,566,154	8.1%	Yes	4	5%	7%	4%	
Stable Value	Gibraltar Guaranteed Fund	\$ 5,648,926	29.2%	n/a	---	---	---	---	
	<b>Total</b>	<b>\$ 19,337,880</b>	<b>100.0%</b>						

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

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Plan Summary

**The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com). While past performance is never an indication of future results, short periods of performance may be particularly unrepresentative of long-term performance.**

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014				Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio	
		1 Year	3 Years	5 Years	10 Years							
<b>Large Value</b>												
<b>AllianzGI NFJ Dividend Value Instl</b>	<b>9.99%</b>	<b>9.99%</b>	<b>17.56%</b>	<b>13.80%</b>	<b>7.27%</b>	<b>N/A</b>	<b>May-00</b>	<b>12.90%</b>	<b>-0.51%</b>	<b>1.06%</b>	<b>---</b>	<b>0.70%</b>
<i>Russell 1000™ Value Index</i>	13.46%	13.46%	20.90%	15.43%	7.30%	---	---	13.44%	0.00%	1.13%	---	---
<i>Lipper Large Cap Value Funds Index</i>	11.01%	11.01%	19.70%	13.61%	6.74%	---	---	13.50%	-1.58%	1.01%	---	---
<i>Large Value Category Median</i>	10.60%	10.60%	19.10%	14.00%	6.89%	---	---	13.59%	-1.07%	1.03%	---	---
<b>Large Blend</b>												
<b>American Funds Fundamental Invs R4</b>	<b>8.90%</b>	<b>8.90%</b>	<b>18.80%</b>	<b>13.40%</b>	<b>8.57%</b>	<b>N/A</b>	<b>Jul-02</b>	<b>13.53%</b>	<b>-2.04%</b>	<b>1.00%</b>	<b>---</b>	<b>0.66%</b>
<i>Russell 1000™ Index</i>	13.24%	13.24%	20.62%	15.64%	7.96%	---	---	13.27%	0.00%	1.16%	---	---
<b>Vanguard 500 Index Admiral</b>	<b>13.64%</b>	<b>13.64%</b>	<b>20.37%</b>	<b>15.42%</b>	<b>7.66%</b>	<b>N/A</b>	<b>Nov-00</b>	<b>13.00%</b>	<b>-0.03%</b>	<b>1.17%</b>	<b>---</b>	<b>0.05%</b>
<i>S&amp;P 500® Index</i>	13.69%	13.69%	20.41%	15.45%	7.67%	---	---	13.00%	0.00%	1.17%	---	---
<i>Lipper Large Cap Core Funds Index</i>	11.33%	11.33%	19.21%	13.82%	7.02%	---	---	12.93%	-1.33%	1.06%	---	---
<i>Large Blend Category Median</i>	11.61%	11.61%	19.46%	14.23%	7.21%	---	---	13.36%	-1.02%	1.07%	---	---
<b>Large Growth</b>												
<b>Fidelity Advisor® New Insights I</b>	<b>9.51%</b>	<b>9.51%</b>	<b>19.06%</b>	<b>14.28%</b>	<b>9.67%</b>	<b>N/A</b>	<b>Jul-03</b>	<b>12.41%</b>	<b>0.12%</b>	<b>1.14%</b>	<b>---</b>	<b>0.68%</b>
<i>Russell 1000™ Growth Index</i>	13.06%	13.06%	20.26%	15.82%	8.49%	---	---	13.49%	0.00%	1.16%	---	---
<i>Lipper Large Cap Growth Funds Index</i>	10.34%	10.34%	20.10%	14.28%	7.43%	---	---	14.81%	-2.48%	0.97%	---	---
<i>Large Growth Category Median</i>	10.30%	10.30%	19.56%	14.27%	7.65%	---	---	14.69%	-1.84%	0.99%	---	---
<b>Mid Value ☆</b>												
<b>Mid Cap Value / Systematic Fund#</b>	<b>4.84%</b>	<b>4.84%</b>	<b>17.92%</b>	<b>14.25%</b>	<b>---</b>	<b>8.94%</b>	<b>Jun-08</b>	<b>16.37%</b>	<b>-4.29%</b>	<b>0.89%</b>	<b>4</b>	<b>0.80%</b>
<b>Perkins Mid Cap Value T</b>	<b>9.04%</b>	<b>9.04%</b>	<b>14.85%</b>	<b>11.13%</b>	<b>8.17%</b>	<b>N/A</b>	<b>Aug-98</b>	<b>12.61%</b>	<b>-3.24%</b>	<b>0.90%</b>	<b>---</b>	<b>0.74%</b>
<i>Russell Midcap™ Value Index</i>	14.75%	14.75%	21.98%	17.43%	9.43%	---	---	14.58%	0.00%	1.18%	---	---
<i>Lipper Mid Cap Value Funds Index</i>	8.96%	8.96%	20.73%	15.19%	8.35%	---	---	15.50%	-2.73%	0.99%	---	---
<i>Mid-Cap Value Category Median</i>	9.28%	9.28%	19.93%	15.24%	8.40%	---	---	15.37%	-2.40%	0.99%	---	---
<b>Mid Blend ☆</b>												
<b>Fidelity Advisor® Leveraged Co StkInstl</b>	<b>5.64%</b>	<b>5.64%</b>	<b>23.29%</b>	<b>15.92%</b>	<b>9.85%</b>	<b>N/A</b>	<b>Dec-00</b>	<b>18.56%</b>	<b>-3.87%</b>	<b>0.89%</b>	<b>---</b>	<b>0.82%</b>
<i>Russell Midcap™ Index</i>	13.23%	13.23%	21.41%	17.19%	9.56%	---	---	14.88%	0.00%	1.14%	---	---
<b>Vanguard Mid Cap Index Adm</b>	<b>13.76%</b>	<b>13.76%</b>	<b>21.27%</b>	<b>17.04%</b>	<b>9.47%</b>	<b>N/A</b>	<b>Nov-01</b>	<b>15.04%</b>	<b>---</b>	<b>1.12%</b>	<b>---</b>	<b>0.09%</b>
<i>CRSP Mid Cap Index</i>	13.83%	13.83%	21.57%	---	---	---	---	---	---	---	---	---
<i>Lipper Mid Cap Core Funds Index</i>	8.88%	8.88%	19.58%	14.84%	8.49%	---	---	16.00%	---	0.94%	---	---
<i>Mid-Cap Blend Category Median</i>	7.99%	7.99%	19.56%	15.60%	8.31%	---	---	15.75%	---	1.00%	---	---

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

▲ Please refer to the plan summary footnotes after this exhibit and the glossary &amp; notes section at the end of this report for all appropriate notes and disclaimers

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Watch List

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Fourth Quarter 2014

Plan Summary

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	5 Years			5 Years	5 Years			
<b>Mid Growth</b> ☼ <b>Mid Cap Growth / Westfield Capital Fund#</b>	<b>13.50%</b>	<b>13.50%</b>	<b>22.65%</b>	<b>14.86%</b>	---	<b>8.28%</b>	<b>Jun-07</b>	<b>16.79%</b>	<b>-2.59%</b>	<b>0.91%</b>	<b>2</b>	<b>0.85%</b>	
<b>Eaton Vance Atlanta Capital SMID-Cap I</b>	<b>5.17%</b>	<b>5.17%</b>	<b>17.81%</b>	<b>16.79%</b>	<b>11.34%</b>	<b>N/A</b>	<b>Apr-02</b>	<b>15.06%</b>	<b>1.11%</b>	<b>1.11%</b>	---	<b>1.01%</b>	
<i>Russell Midcap™ Growth Index</i>	11.92%	11.92%	20.72%	16.94%	9.43%	---	---	15.47%	0.00%	1.09%	---	---	
<i>Lipper Mid Cap Growth Funds Index</i>	7.91%	7.91%	18.62%	14.76%	8.91%	---	---	15.92%	-2.23%	0.94%	---	---	
<i>Mid-Cap Growth Category Median</i>	7.12%	7.12%	17.94%	14.74%	8.52%	---	---	16.00%	-1.54%	0.96%	---	---	
<b>Small Value</b> ☼ <b>AllianzGI NFJ Small-Cap Value Instl</b>	<b>2.01%</b>	<b>2.01%</b>	<b>14.28%</b>	<b>13.91%</b>	<b>9.49%</b>	<b>N/A</b>	<b>Oct-91</b>	<b>13.97%</b>	<b>2.88%</b>	<b>1.00%</b>	---	<b>0.86%</b>	
<i>Russell 2000™ Value Index</i>	4.22%	4.22%	18.29%	14.26%	6.89%	---	---	17.72%	0.00%	0.84%	---	---	
<i>Lipper Small Cap Value Funds Index</i>	3.06%	3.06%	17.26%	13.97%	7.55%	---	---	17.25%	0.19%	0.84%	---	---	
<i>Small Value Category Median</i>	4.21%	4.21%	18.42%	14.81%	7.61%	---	---	17.39%	0.90%	0.88%	---	---	
<b>Small Blend</b> ☼ <b>Vanguard Small Cap Index Adm</b>	<b>7.50%</b>	<b>7.50%</b>	<b>20.55%</b>	<b>16.87%</b>	<b>9.13%</b>	<b>N/A</b>	<b>Nov-00</b>	<b>17.22%</b>	---	<b>0.99%</b>	---	<b>0.09%</b>	
<i>CRSP Small Cap Index</i>	7.54%	7.54%	20.87%	---	---	---	---	---	---	---	---	---	
<i>Lipper Small Cap Core Funds Index</i>	4.09%	4.09%	17.98%	14.73%	7.95%	---	---	16.55%	---	0.91%	---	---	
<i>Small Blend Category Median</i>	4.54%	4.54%	18.77%	15.28%	7.84%	---	---	17.43%	---	0.92%	---	---	
<b>Small Growth</b> ☼ <b>BlackRock Small Cap Growth Equity Instl</b>	<b>2.11%</b>	<b>2.11%</b>	<b>18.12%</b>	<b>15.24%</b>	<b>9.18%</b>	<b>N/A</b>	<b>Sep-93</b>	<b>19.52%</b>	<b>-1.28%</b>	<b>0.82%</b>	---	<b>0.82%</b>	
<b>Royce Pennsylvania Mutual Invmt</b>	<b>-0.70%</b>	<b>-0.70%</b>	<b>15.45%</b>	<b>12.80%</b>	<b>7.97%</b>	<b>N/A</b>	<b>Oct-72</b>	<b>16.91%</b>	<b>-1.91%</b>	<b>0.79%</b>	---	<b>0.93%</b>	
<i>Russell 2000™ Growth Index</i>	5.62%	5.62%	20.15%	16.80%	8.54%	---	---	18.52%	0.00%	0.93%	---	---	
<i>Lipper Small Cap Growth Funds Index</i>	1.98%	1.98%	18.27%	15.13%	7.43%	---	---	17.06%	-0.24%	0.91%	---	---	
<i>Small Growth Category Median</i>	2.80%	2.80%	17.93%	15.27%	8.18%	---	---	17.81%	-0.25%	0.89%	---	---	
<b>Global Blend</b> ☼ <b>American Funds Capital World Gr&amp;Inc R4</b>	<b>3.97%</b>	<b>3.97%</b>	<b>15.64%</b>	<b>9.02%</b>	<b>7.52%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>14.51%</b>	<b>-1.02%</b>	<b>0.66%</b>	---	<b>0.80%</b>	
<i>MSCI World™ Index(net)</i>	4.94%	4.94%	15.47%	10.20%	6.03%	---	---	14.30%	0.00%	0.75%	---	---	
<i>Lipper Global Funds Index</i>	3.87%	3.87%	14.91%	9.03%	6.08%	---	---	14.66%	-1.19%	0.66%	---	---	
<i>World Stock Category Median</i>	2.91%	2.91%	14.46%	9.87%	6.01%	---	---	15.23%	-0.12%	0.71%	---	---	
<b>International Blend</b> ☼ <b>American Funds Europacific Growth R4</b>	<b>-2.66%</b>	<b>-2.66%</b>	<b>11.72%</b>	<b>5.68%</b>	<b>6.69%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>15.93%</b>	<b>0.65%</b>	<b>0.42%</b>	---	<b>0.84%</b>	
<i>MSCI EAFE™ Index(net)</i>	-4.90%	-4.90%	11.06%	5.34%	4.43%	---	---	16.73%	0.00%	0.39%	---	---	
<i>Lipper International Funds Index</i>	-4.24%	-4.24%	11.59%	5.63%	5.24%	---	---	16.38%	0.45%	0.41%	---	---	
<i>Foreign Large Blend Category Median</i>	-5.41%	-5.41%	10.44%	5.10%	4.44%	---	---	16.90%	-0.11%	0.38%	---	---	
<b>Balanced Blend (Moderate Allocation)</b> <b>Oakmark Equity &amp; Income I</b>	<b>6.93%</b>	<b>6.93%</b>	<b>13.15%</b>	<b>9.81%</b>	<b>8.01%</b>	<b>N/A</b>	<b>Nov-95</b>	<b>9.67%</b>	<b>-3.18%</b>	<b>1.01%</b>	---	<b>0.77%</b>	
<i>60% R1000 / 40% Barclays Agg</i>	10.35%	10.35%	13.24%	11.30%	6.95%	---	---	7.73%	0.00%	1.42%	---	---	
<i>Lipper Balanced Funds Index</i>	7.21%	7.21%	11.82%	9.60%	6.04%	---	---	8.40%	-2.35%	1.13%	---	---	
<i>Moderate Allocation Category Median</i>	5.98%	5.98%	11.64%	9.52%	6.06%	---	---	9.05%	-3.23%	1.02%	---	---	

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

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Watch List

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Investment Option/Benchmark		YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
			1 Year	3 Years	5 Years	10 Years	Inception						
<b>Retirement Income</b> *	<b>Prudential Day One IncomeFlex Bal Fund #</b>	<b>5.09%</b>	<b>5.09%</b>	<b>8.62%</b>	<b>7.68%</b>	---	<b>9.29%</b>	<b>Jun-09</b>	<b>7.70%</b>	<b>-1.06%</b>	<b>0.99%</b>	---	<b>1.62%</b>
	<i>Prudential Day One IncomeFlex Target Bal Benchmark</i>	6.13%	6.13%	9.72%	8.81%	6.06%	---	---	7.69%	0.00%	1.13%	---	---
	<i>Lipper Balanced Funds Index</i>	7.21%	7.21%	11.82%	9.60%	6.04%	---	---	8.40%	0.07%	1.13%	---	---
	<i>Retirement Income Median</i>	4.74%	4.74%	6.75%	6.58%	4.33%	---	---	5.57%	0.29%	1.13%	---	---
<b>Retirement Income - IncomeFlex (Moderate Allocation)</b> *	<b>IncomeFlex LT Balanced Fund#</b>	<b>4.44%</b>	<b>4.44%</b>	<b>11.11%</b>	<b>8.99%</b>	<b>5.18%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>9.35%</b>	<b>-1.60%</b>	<b>0.96%</b>	---	<b>1.85%</b>
	<b>IncomeFlex LT Balanced Fund#</b>	<b>3.92%</b>	<b>3.92%</b>	<b>10.55%</b>	<b>8.45%</b>	<b>4.66%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>9.34%</b>	<b>-2.09%</b>	<b>0.91%</b>	---	<b>2.35%</b>
	<i>Lifetime Balanced Primary Benchmark</i>	7.39%	7.39%	12.66%	10.26%	6.59%	---	---	8.88%	0.00%	1.14%	---	---
	<b>IncomeFlex LT Conservative Growth Fund#</b>	<b>4.45%</b>	<b>4.45%</b>	<b>9.74%</b>	<b>8.29%</b>	<b>5.06%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>7.88%</b>	<b>-1.39%</b>	<b>1.04%</b>	---	<b>1.79%</b>
	<b>IncomeFlex LT Conservative Growth Fund#</b>	<b>3.93%</b>	<b>3.93%</b>	<b>9.19%</b>	<b>7.75%</b>	<b>4.54%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>7.87%</b>	<b>-1.89%</b>	<b>0.98%</b>	---	<b>2.29%</b>
	<i>Lifetime Conservative Growth Primary Benchmark</i>	7.10%	7.10%	11.05%	9.37%	6.36%	---	---	7.48%	0.00%	1.23%	---	---
<b>Retirement Income - IncomeFlex (Conservative Allocation)</b> *	<b>IncomeFlex LT Income &amp; Equity Fund#</b>	<b>4.20%</b>	<b>4.20%</b>	<b>6.81%</b>	<b>6.55%</b>	<b>4.47%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>5.03%</b>	<b>-1.13%</b>	<b>1.27%</b>	---	<b>1.69%</b>
	<b>IncomeFlex LT Income &amp; Equity Fund#</b>	<b>3.68%</b>	<b>3.68%</b>	<b>6.28%</b>	<b>6.02%</b>	<b>3.95%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>5.03%</b>	<b>-1.63%</b>	<b>1.18%</b>	---	<b>2.19%</b>
	<i>Lifetime Income &amp; Equity Primary Benchmark</i>	6.39%	6.39%	7.82%	7.40%	5.67%	---	---	4.76%	0.00%	1.51%	---	---
	<i>Lipper Balanced Funds Index</i>	7.21%	7.21%	11.82%	9.60%	6.04%	---	---	8.40%	-2.83%	1.13%	---	---
<b>Intermediate-Term Bond</b> *	<b>Core Plus Bond / PIM Fund#</b>	<b>5.02%</b>	<b>5.02%</b>	<b>4.62%</b>	<b>4.68%</b>	<b>5.59%</b>	<b>N/A</b>	<b>Jul-02</b>	<b>3.53%</b>	<b>0.06%</b>	<b>1.30%</b>	<b>4</b>	<b>0.41%</b>
	<b>Manager Composite</b>	<b>7.19%</b>	<b>7.19%</b>	<b>5.46%</b>	<b>6.86%</b>	<b>6.29%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>3.56%</b>	<b>2.06%</b>	<b>1.87%</b>	---	<b>0.38%</b>
	<b>Blended Performance</b>	<b>7.18%</b>	<b>7.18%</b>	<b>5.46%</b>	<b>6.86%</b>	<b>6.29%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>3.56%</b>	<b>2.06%</b>	<b>1.87%</b>	---	<b>0.41%</b>
	<i>Barclays Aggregate Bond Index</i>	5.96%	5.96%	2.66%	4.45%	4.71%	---	---	2.69%	0.00%	1.61%	---	---
<b>Stable Value</b>	<b>Gibraltar Guaranteed Fund</b>	<b>1.62%</b>	<b>1.62%</b>	<b>1.19%</b>	<b>1.38%</b>	<b>2.49%</b>	---	---	<b>0.15%</b>	<b>0.00%</b>	<b>8.82%</b>	---	---
	<i>Current Net Annualized Rate as of 07/01/2014: 2.42%</i> <i>5 Year Treasury Average Yield</i>	1.62%	1.62%	1.19%	1.38%	2.49%	---	---	0.15%	0.00%	8.82%	---	---

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

▲ Please refer to the plan summary footnotes after this exhibit and the glossary & notes section at the end of this report for all appropriate notes and disclaimers

Open Watch List Closed

# Investment Options Review

# Large Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● AllianzGI NFJ Dividend Value Instl	9.99%	9.99%	17.56%	13.80%	7.27%	N/A	May-00	12.90%	-0.51%	1.06%	---	0.70%
◆ Russell 1000™ Value Index	13.46%	13.46%	20.90%	15.43%	7.30%	---	---	13.44%	0.00%	1.13%	---	---
◆ Lipper Large Cap Value Funds Index	11.01%	11.01%	19.70%	13.61%	6.74%	---	---	13.50%	-1.58%	1.01%	---	---
Large Value Category Median	10.60%	10.60%	19.10%	14.00%	6.89%	---	---	13.59%	-1.07%	1.03%	---	---

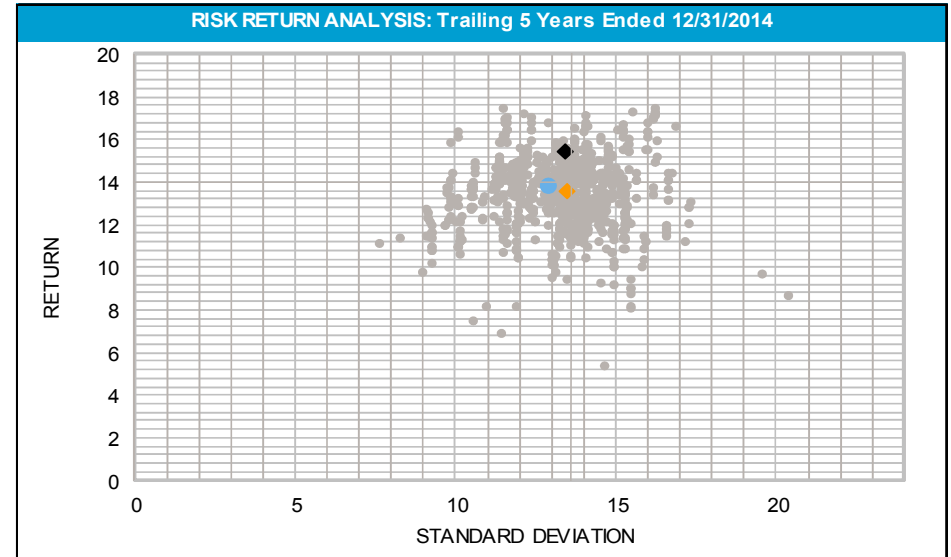
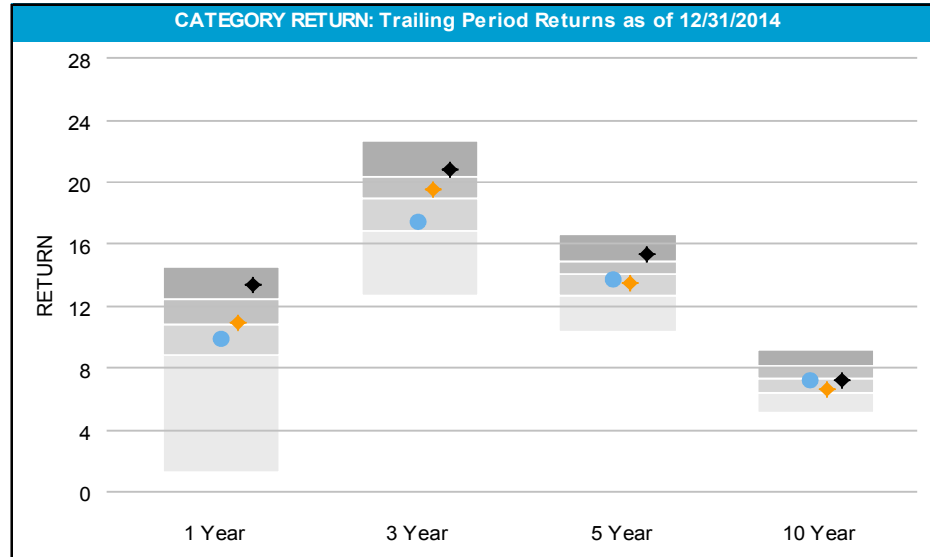
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● AllianzGI NFJ Dividend Value Instl	62%	62%	70%	54%	37%	32%	34%	39%

# of funds in Category	319	319	282	258	207
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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 Source: Morningstar™ Large Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Large Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● American Funds Fundamental Invs R4	8.90%	8.90%	18.80%	13.40%	8.57%	N/A	Jul-02	13.53%	-2.04%	1.00%	---	0.66%
◆ Russell 1000™ Index	13.24%	13.24%	20.62%	15.64%	7.96%	---	---	13.27%	0.00%	1.16%	---	---
◆ Lipper Large Cap Core Funds Index	11.33%	11.33%	19.21%	13.82%	7.02%	---	---	12.93%	-1.33%	1.06%	---	---
Large Blend Category Median	11.61%	11.61%	19.46%	14.23%	7.21%	---	---	13.36%	-1.02%	1.07%	---	---

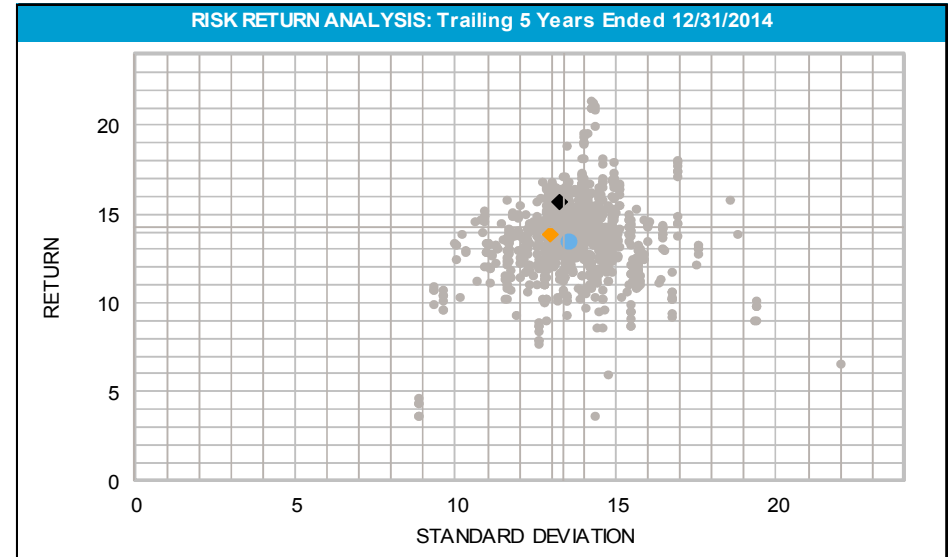
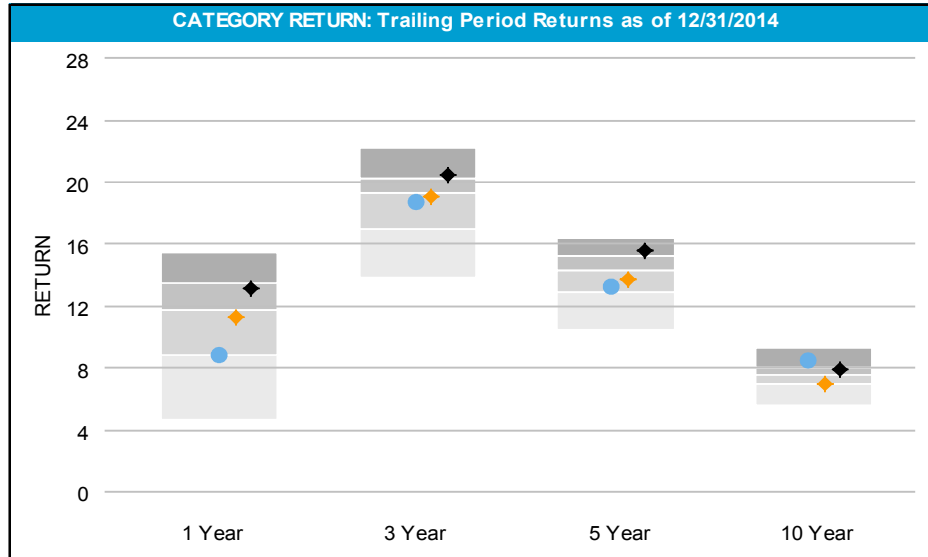
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Fundamental Invs R4	74%	74%	59%	65%	10%	58%	70%	68%

# of funds in Category	458	458	405	371	298
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 Source: Morningstar™ Large Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Large Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard 500 Index Admiral	13.64%	13.64%	20.37%	15.42%	7.66%	N/A	Nov-00	13.00%	-0.03%	1.17%	---	0.05%
◆ S&P 500® Index	13.69%	13.69%	20.41%	15.45%	7.67%	---	---	13.00%	0.00%	1.17%	---	---
◆ Lipper Large Cap Core Funds Index	11.33%	11.33%	19.21%	13.82%	7.02%	---	---	12.93%	-1.33%	1.06%	---	---
Large Blend Category Median	11.61%	11.61%	19.46%	14.23%	7.21%	---	---	13.36%	-1.02%	1.07%	---	---

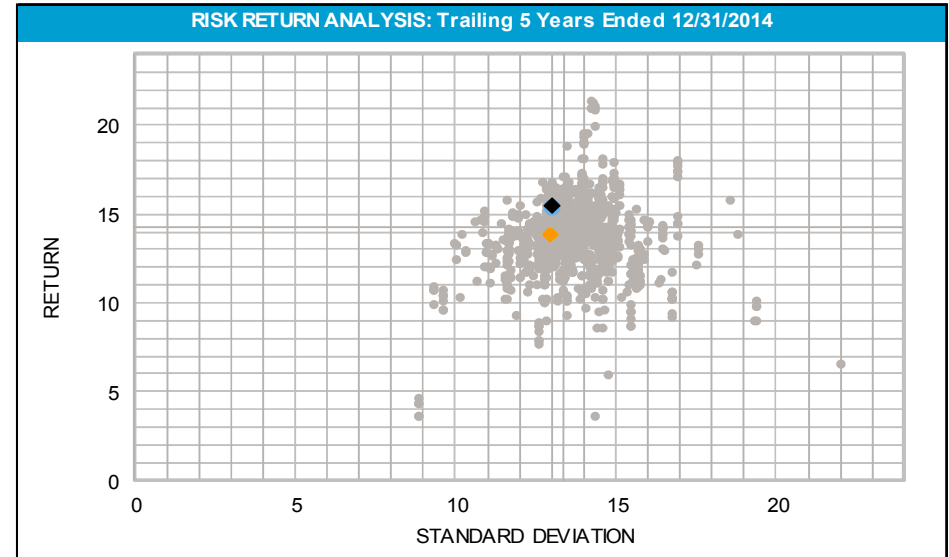
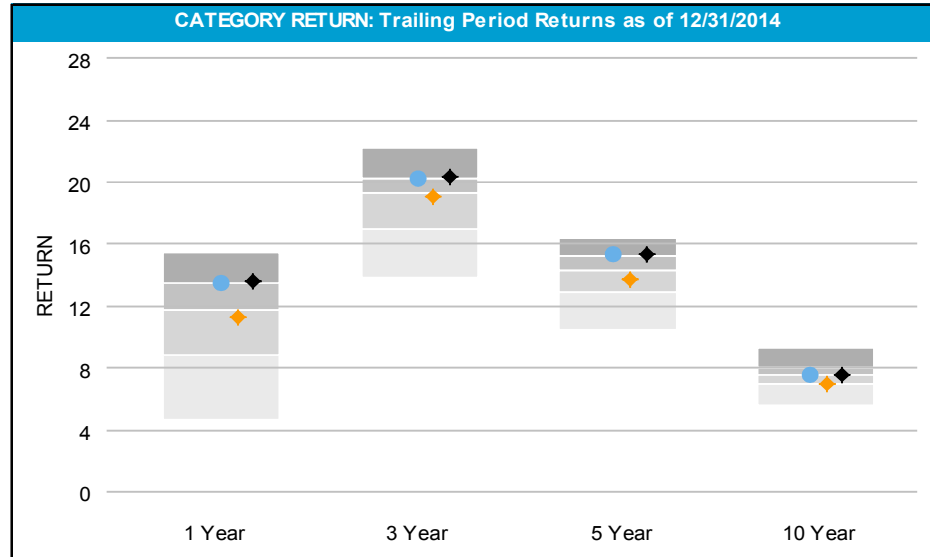
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard 500 Index Admiral	18%	18%	26%	20%	27%	34%	20%	15%

# of funds in Category	458	458	405	371	298
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 Source: Morningstar™ Large Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Large Growth

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk	Alpha	Sharpe	DDA Rank 12/31/14	Expense Ratio
	Return	1 Year	3 Years	5 Years	10 Years	5 Years		5 Years	5 Years			
● Fidelity Advisor® New Insights I	9.51%	9.51%	19.06%	14.28%	9.67%	N/A	Jul-03	12.41%	0.12%	1.14%	---	0.68%
◆ Russell 1000™ Growth Index	13.06%	13.06%	20.26%	15.82%	8.49%	---	---	13.49%	0.00%	1.16%	---	---
◆ Lipper Large Cap Growth Funds Index	10.34%	10.34%	20.10%	14.28%	7.43%	---	---	14.81%	-2.48%	0.97%	---	---
Large Growth Category Median	10.30%	10.30%	19.56%	14.27%	7.65%	---	---	14.69%	-1.84%	0.99%	---	---

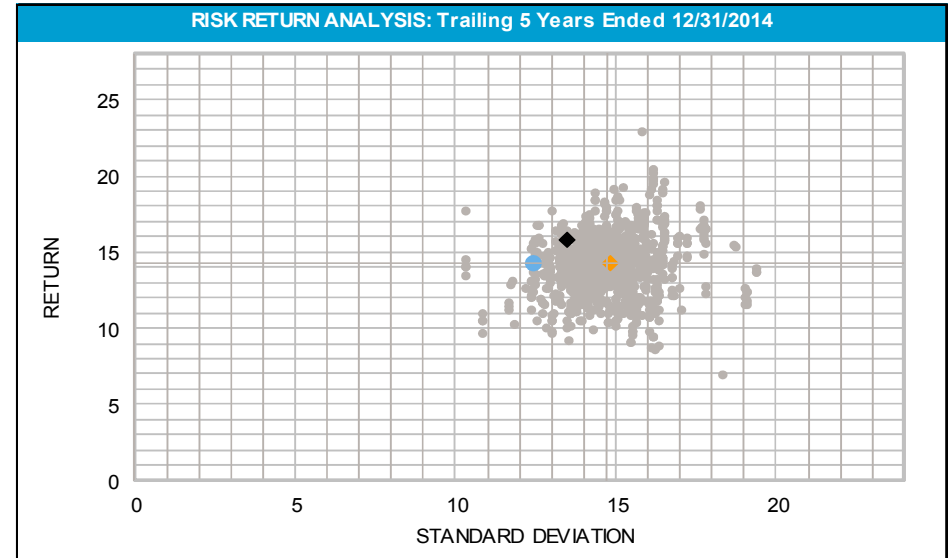
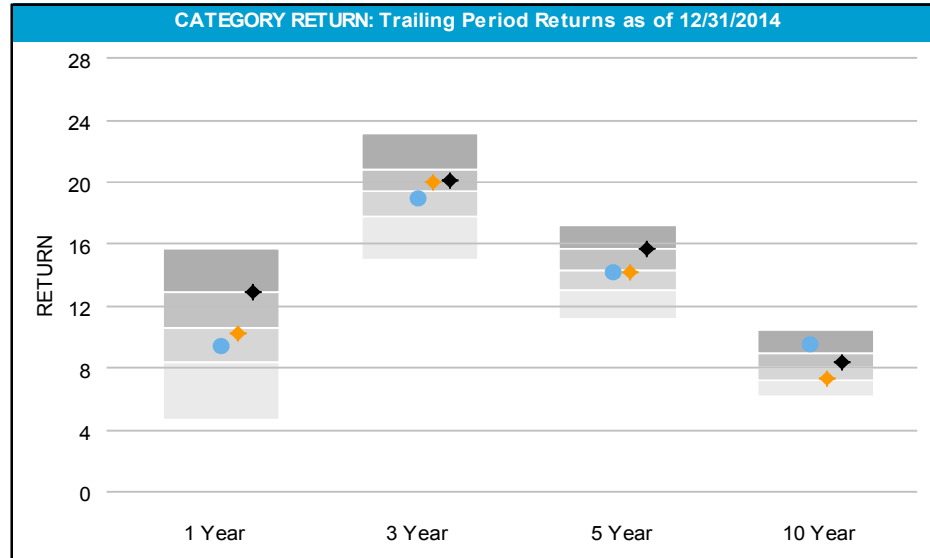
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Fidelity Advisor® New Insights I	60%	60%	59%	50%	10%	4%	12%	11%

# of funds in Category	448	448	422	378	311
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 Source: Morningstar™ Large Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Mid Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● <b>Mid Cap Value / Systematic Fund</b>	4.84%	4.84%	17.92%	14.25%	---	8.94%	Jun-08	16.37%	-4.29%	0.89%	4	0.80%
● Perkins Mid Cap Value T	9.04%	9.04%	14.85%	11.13%	8.17%	N/A	Aug-98	12.61%	-3.24%	0.90%	---	0.74%
◆ Russell Midcap™ Value Index	14.75%	14.75%	21.98%	17.43%	9.43%	---	---	14.58%	0.00%	1.18%	---	---
◆ Lipper Mid Cap Value Funds Index	8.96%	8.96%	20.73%	15.19%	8.35%	---	---	15.50%	-2.73%	0.99%	---	---
◆ Mid-Cap Value Category Median	9.28%	9.28%	19.93%	15.24%	8.40%	---	---	15.37%	-2.40%	0.99%	---	---

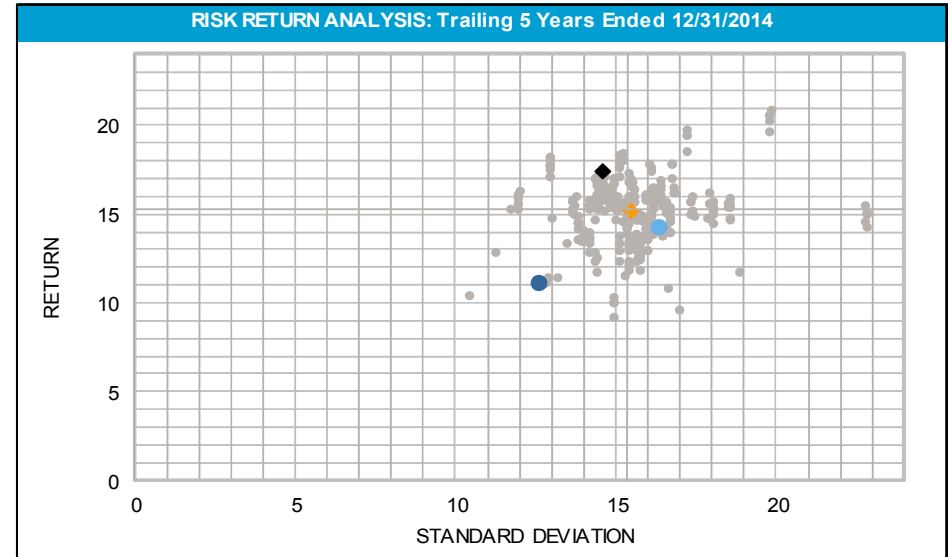
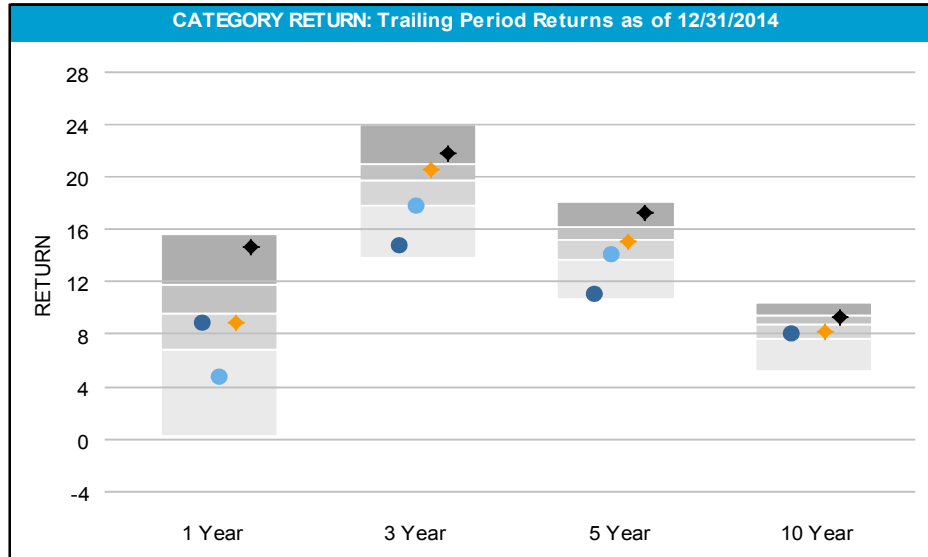
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Mid Cap Value / Systematic Fund</b>	88%	88%	74%	64%	---	76%	84%	76%
● Perkins Mid Cap Value T	52%	52%	90%	94%	60%	5%	67%	75%

# of funds in Category	106	106	99	87	64
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 Source: Morningstar™ Mid-Cap Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed



# Mid Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● <b>Fidelity Advisor® Leveraged Co StkInstl</b>	<b>5.64%</b>	<b>5.64%</b>	<b>23.29%</b>	<b>15.92%</b>	<b>9.85%</b>	<b>N/A</b>	<b>Dec-00</b>	<b>18.56%</b>	<b>-3.87%</b>	<b>0.89%</b>	<b>---</b>	<b>0.82%</b>
◆ <i>Russell Midcap™ Index</i>	13.23%	13.23%	21.41%	17.19%	9.56%	---	---	14.88%	0.00%	1.14%	---	---
◆ <i>Lipper Mid Cap Core Funds Index</i>	8.88%	8.88%	19.58%	14.84%	8.49%	---	---	16.00%	---	0.94%	---	---
<i>Mid-Cap Blend Category Median</i>	7.99%	7.99%	19.56%	15.60%	8.31%	---	---	15.75%	---	1.00%	---	---

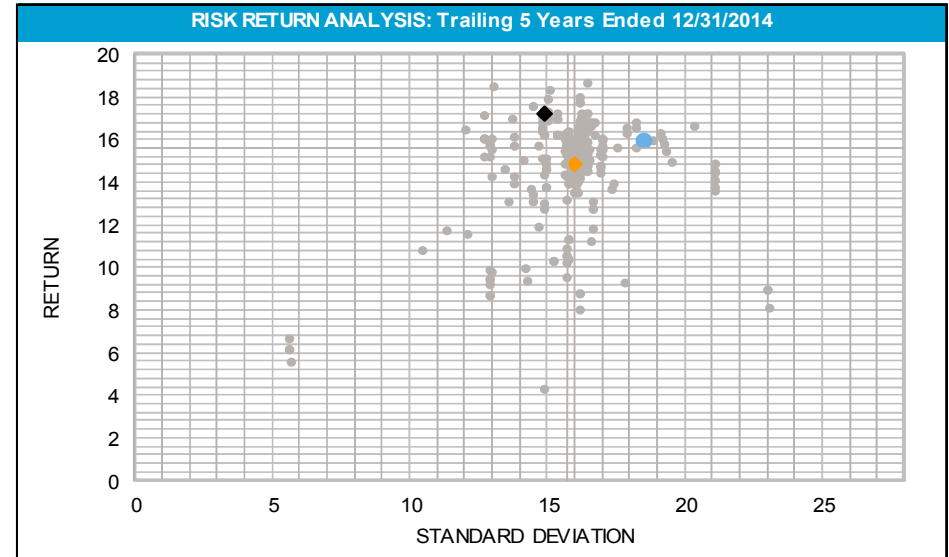
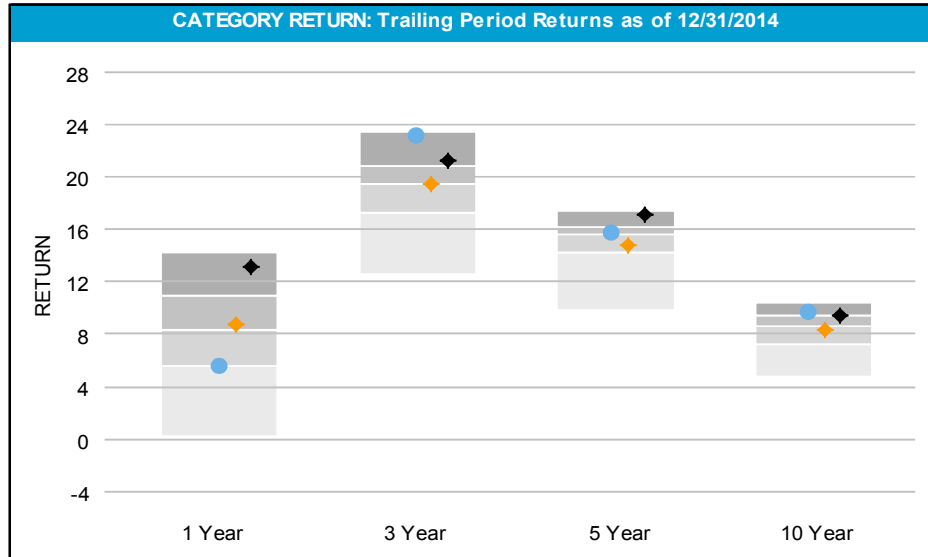
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Fidelity Advisor® Leveraged Co StkInstl</b>	<b>73%</b>	<b>73%</b>	<b>8%</b>	<b>43%</b>	<b>8%</b>	<b>93%</b>	<b>81%</b>	<b>80%</b>

# of funds in Category	130	130	117	110	79
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 Source: Morningstar™ Mid-Cap Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Mid Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard Mid Cap Index Adm	13.76%	13.76%	21.27%	17.04%	9.47%	N/A	Nov-01	15.04%	---	1.12%	---	0.09%
◆ CRSP Mid Cap Index	13.83%	13.83%	21.57%	---	---	---	---	---	---	---	---	---
◆ Lipper Mid Cap Core Funds Index	8.88%	8.88%	19.58%	14.84%	8.49%	---	---	16.00%	---	0.94%	---	---
Mid-Cap Blend Category Median	7.99%	7.99%	19.56%	15.60%	8.31%	---	---	15.75%	---	1.00%	---	---

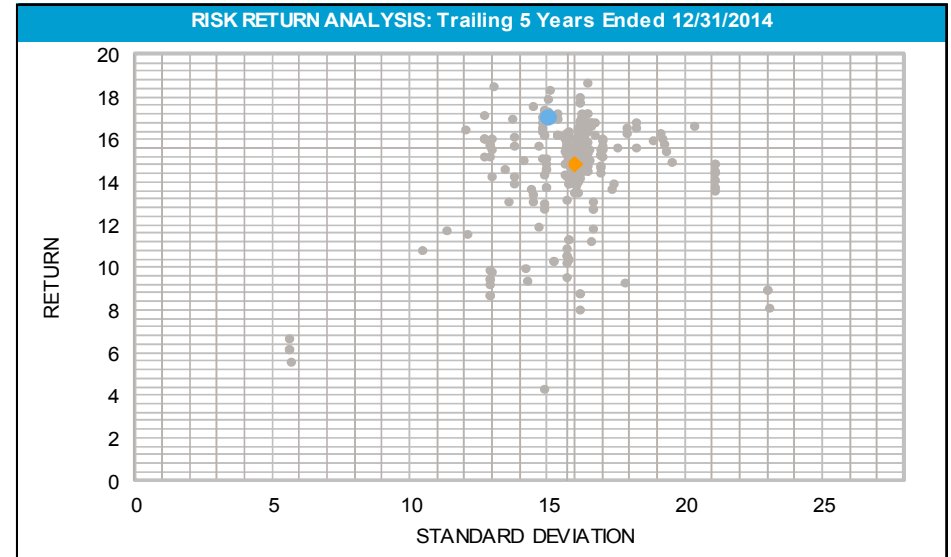
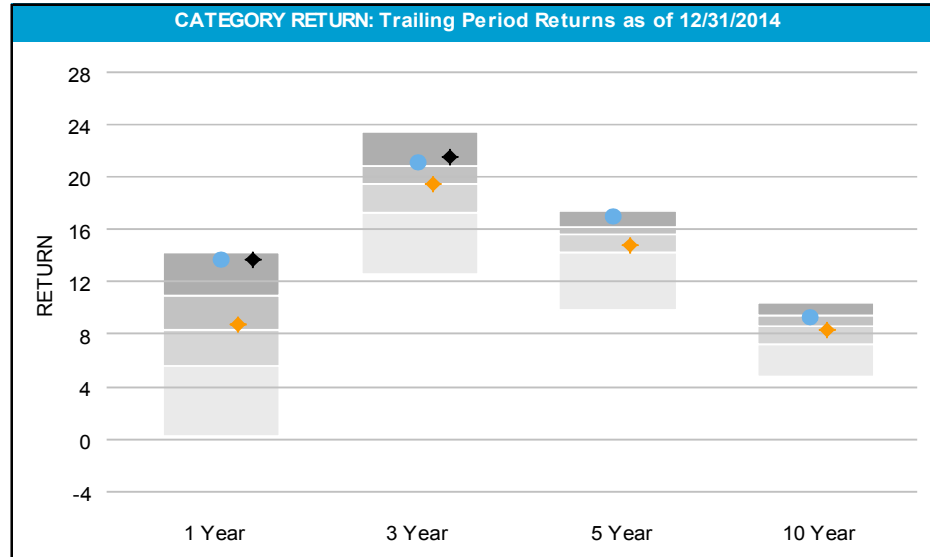
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard Mid Cap Index Adm	7%	7%	22%	12%	15%	32%	---	15%

# of funds in Category	130	130	117	110	79
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 Source: Morningstar™ Mid-Cap Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Mid Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Mid Cap Growth / Westfield Capital Fund	13.50%	13.50%	22.65%	14.86%	---	8.28%	Jun-07	16.79%	-2.59%	0.91%	2	0.85%
● Eaton Vance Atlanta Capital SMID-Cap I	5.17%	5.17%	17.81%	16.79%	11.34%	N/A	Apr-02	15.06%	1.11%	1.11%	---	1.01%
◆ Russell Midcap™ Growth Index	11.92%	11.92%	20.72%	16.94%	9.43%	---	---	15.47%	0.00%	1.09%	---	---
◆ Lipper Mid Cap Growth Funds Index	7.91%	7.91%	18.62%	14.76%	8.91%	---	---	15.92%	-2.23%	0.94%	---	---
◆ Mid-Cap Growth Category Median	7.12%	7.12%	17.94%	14.74%	8.52%	---	---	16.00%	-1.54%	0.96%	---	---

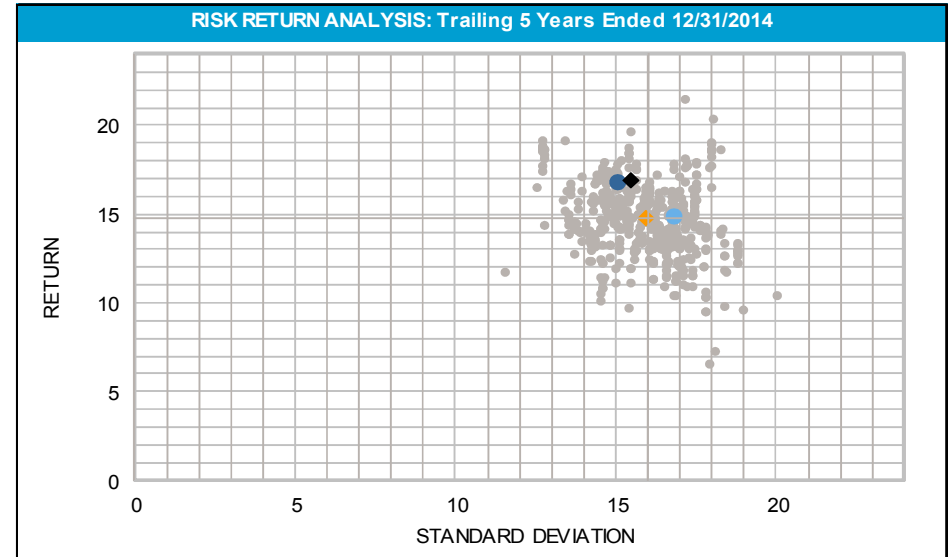
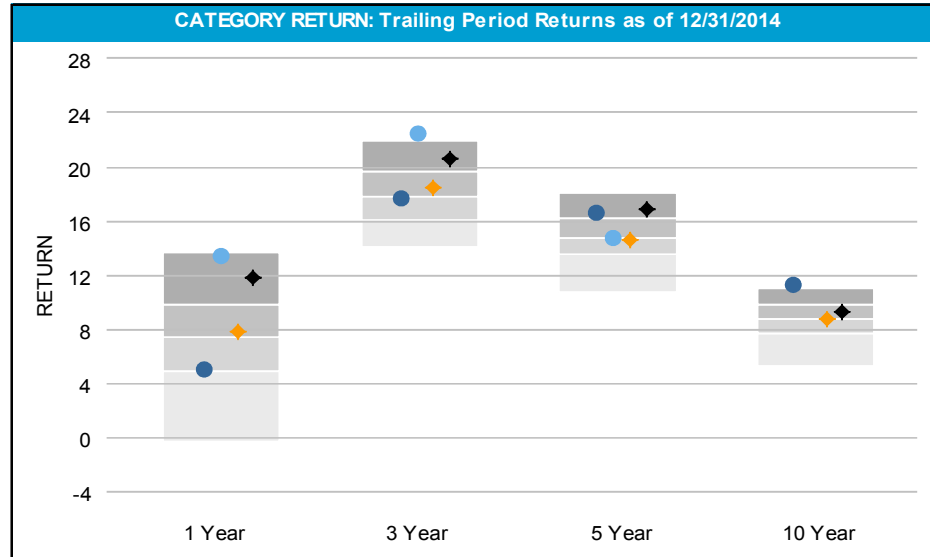
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Mid Cap Growth / Westfield Capital Fund	6%	6%	5%	48%	---	68%	64%	63%
● Eaton Vance Atlanta Capital SMID-Cap I	68%	68%	51%	15%	2%	30%	14%	18%

# of funds in Category	216	216	199	182	156
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 Source: Morningstar™ Mid-Cap Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	5 Years			5 Years	5 Years			
● AllianzGI NFJ Small-Cap Value Instl	2.01%	2.01%	14.28%	13.91%	9.49%	N/A	Oct-91	13.97%	2.88%	1.00%	---	0.86%	
◆ Russell 2000™ Value Index	4.22%	4.22%	18.29%	14.26%	6.89%	---	---	17.72%	0.00%	0.84%	---	---	
◆ Lipper Small Cap Value Funds Index	3.06%	3.06%	17.26%	13.97%	7.55%	---	---	17.25%	0.19%	0.84%	---	---	
Small Value Category Median	4.21%	4.21%	18.42%	14.81%	7.61%	---	---	17.39%	0.90%	0.88%	---	---	

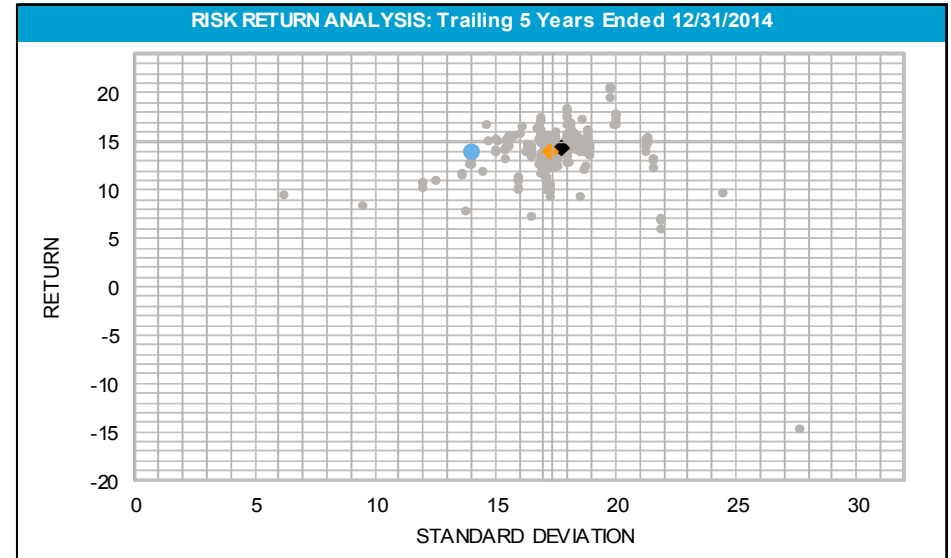
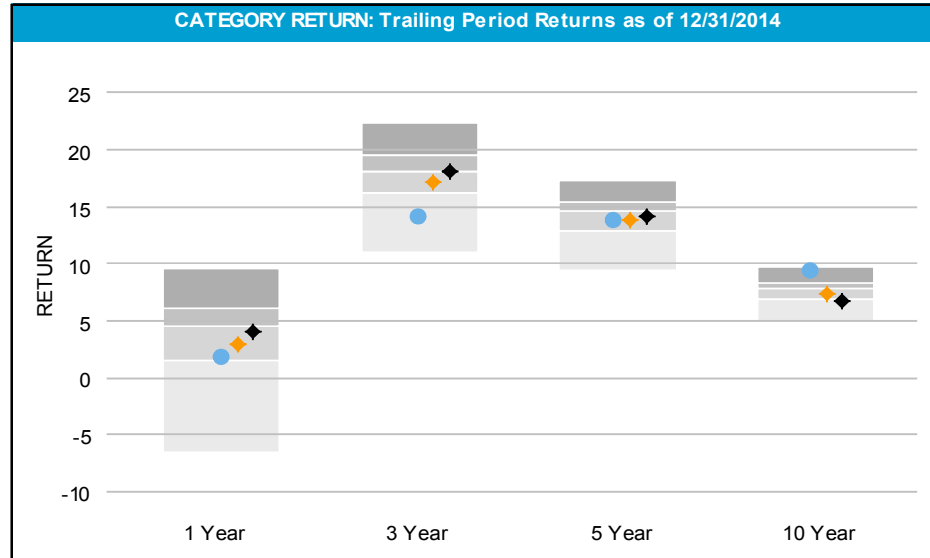
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● AllianzGI NFJ Small-Cap Value Instl	71%	71%	92%	64%	6%	8%	15%	11%

# of funds in Category	113	113	102	83	68
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 Source: Morningstar™ Small Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard Small Cap Index Adm	7.50%	7.50%	20.55%	16.87%	9.13%	N/A	Nov-00	17.22%	---	0.99%	---	0.09%
◆ CRSP Small Cap Index	7.54%	7.54%	20.87%	---	---	---	---	---	---	---	---	---
◆ Lipper Small Cap Core Funds Index	4.09%	4.09%	17.98%	14.73%	7.95%	---	---	16.55%	---	0.91%	---	---
Small Blend Category Median	4.54%	4.54%	18.77%	15.28%	7.84%	---	---	17.43%	---	0.92%	---	---

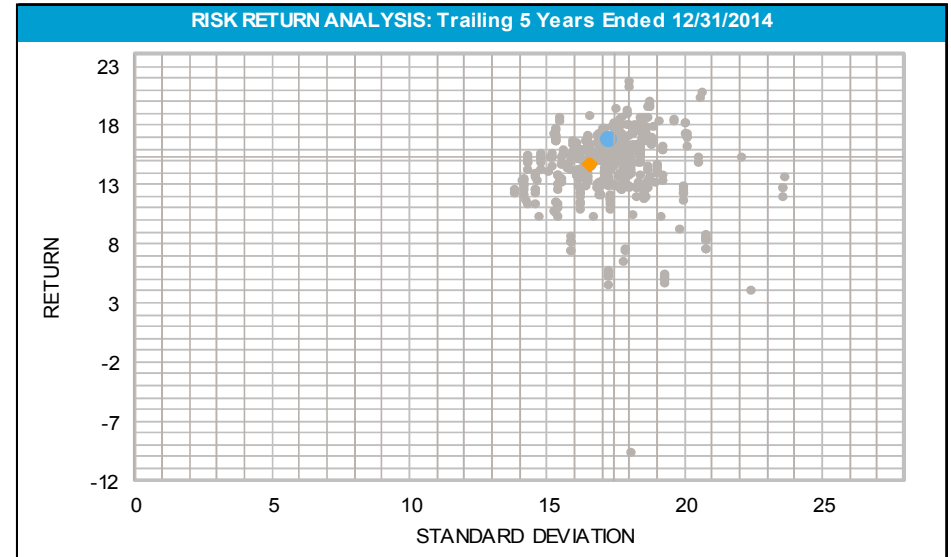
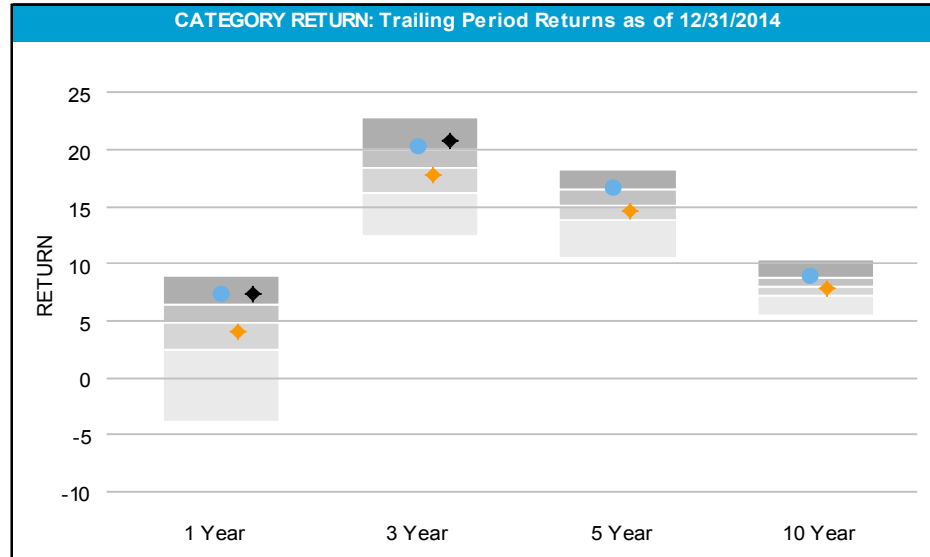
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard Small Cap Index Adm	13%	13%	23%	22%	14%	43%	---	20%

# of funds in Category	225	225	199	184	139
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 Source: Morningstar™ Small Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● BlackRock Small Cap Growth Equity Instl	2.11%	2.11%	18.12%	15.24%	9.18%	N/A	Sep-93	19.52%	-1.28%	0.82%	---	0.82%
● Royce Pennsylvania Mutual Invmt	-0.70%	-0.70%	15.45%	12.80%	7.97%	N/A	Oct-72	16.91%	-1.91%	0.79%	---	0.93%
◆ Russell 2000™ Growth Index	5.62%	5.62%	20.15%	16.80%	8.54%	---	---	18.52%	0.00%	0.93%	---	---
◆ Lipper Small Cap Growth Funds Index	1.98%	1.98%	18.27%	15.13%	7.43%	---	---	17.06%	-0.24%	0.91%	---	---
Small Growth Category Median	2.80%	2.80%	17.93%	15.27%	8.18%	---	---	17.81%	-0.25%	0.89%	---	---

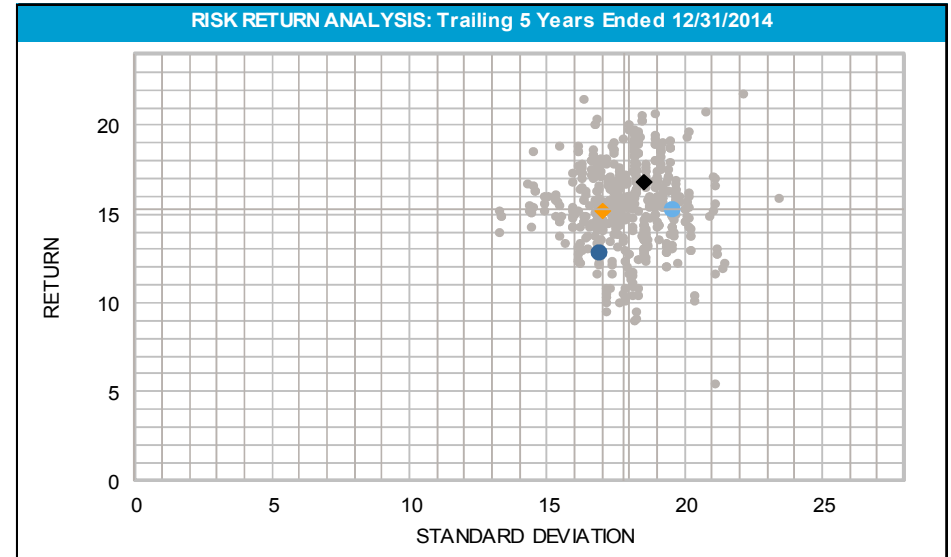
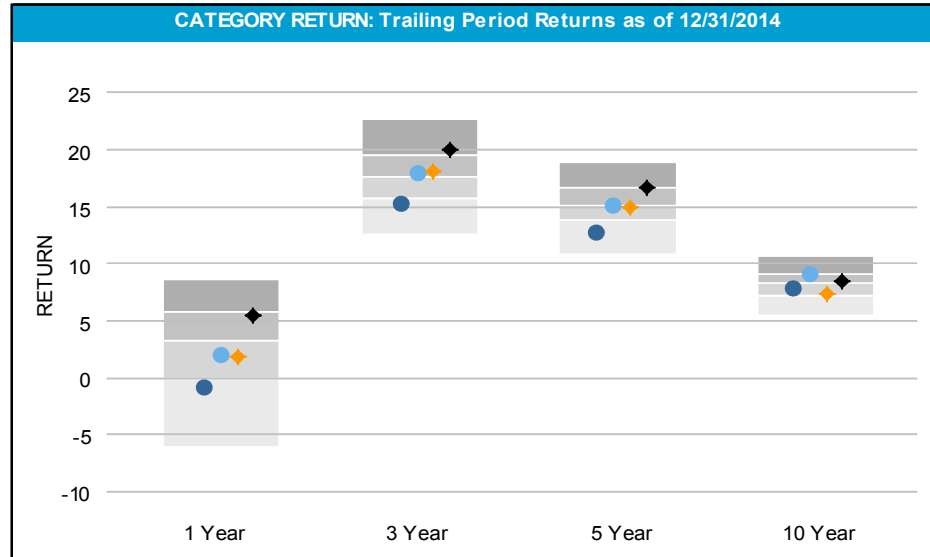
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● BlackRock Small Cap Growth Equity Instl	55%	55%	48%	51%	22%	87%	74%	73%
● Royce Pennsylvania Mutual Invmt	77%	77%	79%	88%	55%	28%	79%	79%

# of funds in Category	214	214	196	183	152
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■ Open    ■ Watch List    ■ Closed

# Global Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● American Funds Capital World Gr&Inc R4	3.97%	3.97%	15.64%	9.02%	7.52%	N/A	Jun-02	14.51%	-1.02%	0.66%	---	0.80%
◆ MSCI World™ Index(net)	4.94%	4.94%	15.47%	10.20%	6.03%	---	---	14.30%	0.00%	0.75%	---	---
◆ Lipper Global Funds Index	3.87%	3.87%	14.91%	9.03%	6.08%	---	---	14.66%	-1.19%	0.66%	---	---
World Stock Category Median	2.91%	2.91%	14.46%	9.87%	6.01%	---	---	15.23%	-0.12%	0.71%	---	---

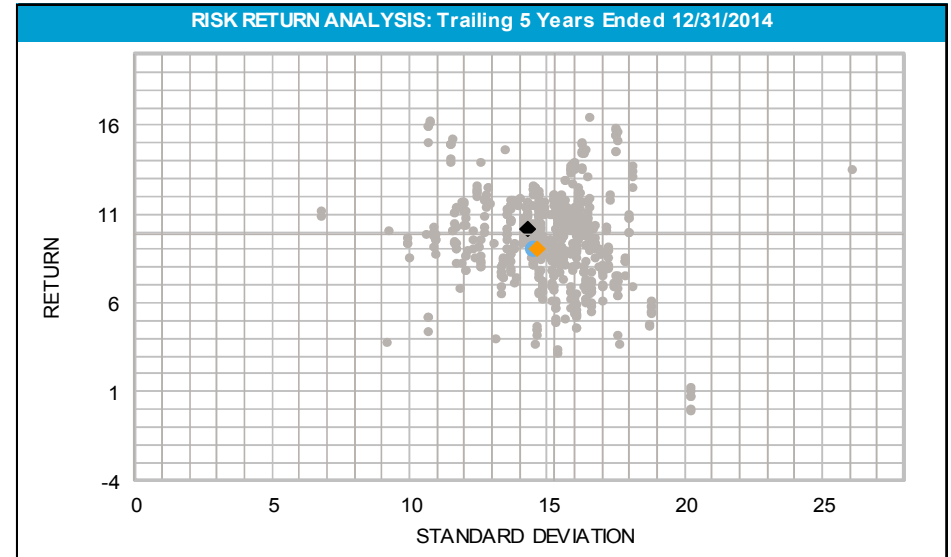
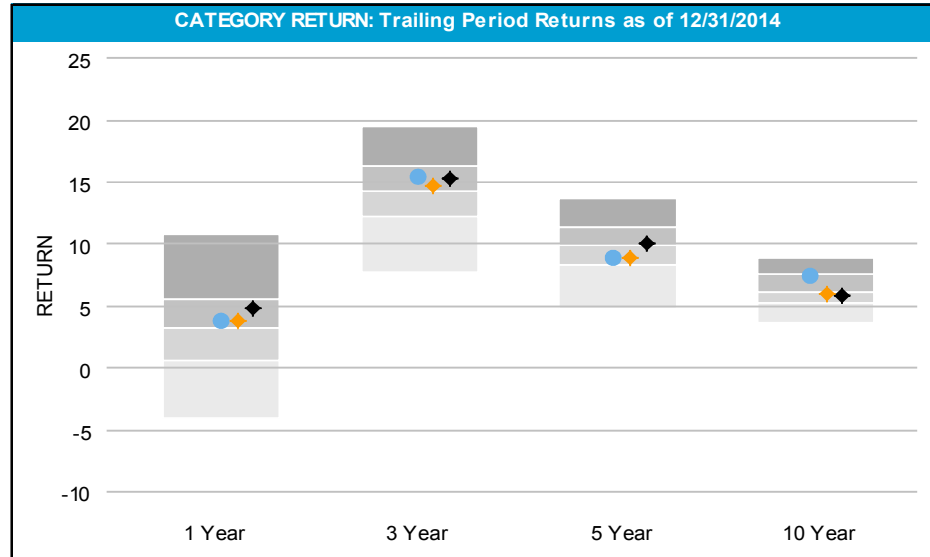
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Capital World Gr&Inc R4	39%	39%	35%	65%	25%	34%	62%	60%

# of funds in Category	287	287	214	171	96
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ World Stock Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# International Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014				Inception Inception	Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
● American Funds Europacific Growth R4	-2.66%	-2.66%	11.72%	5.68%	6.69%	N/A	Jun-02	15.93%	0.65%	0.42%	---	0.84%
◆ MSCI EAFE™ Index(net)	-4.90%	-4.90%	11.06%	5.34%	4.43%	---	---	16.73%	0.00%	0.39%	---	---
◆ Lipper International Funds Index	-4.24%	-4.24%	11.59%	5.63%	5.24%	---	---	16.38%	0.45%	0.41%	---	---
Foreign Large Blend Category Median	-5.41%	-5.41%	10.44%	5.10%	4.44%	---	---	16.90%	-0.11%	0.38%	---	---

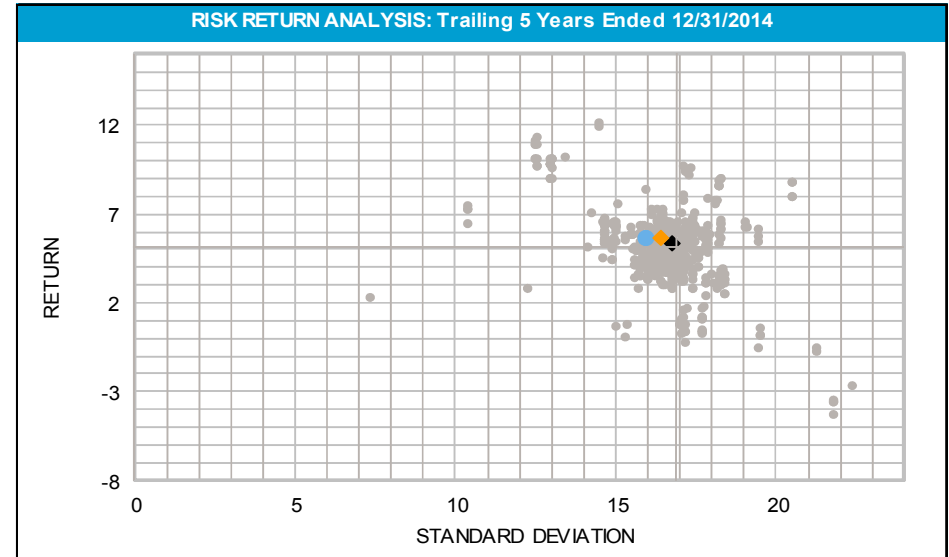
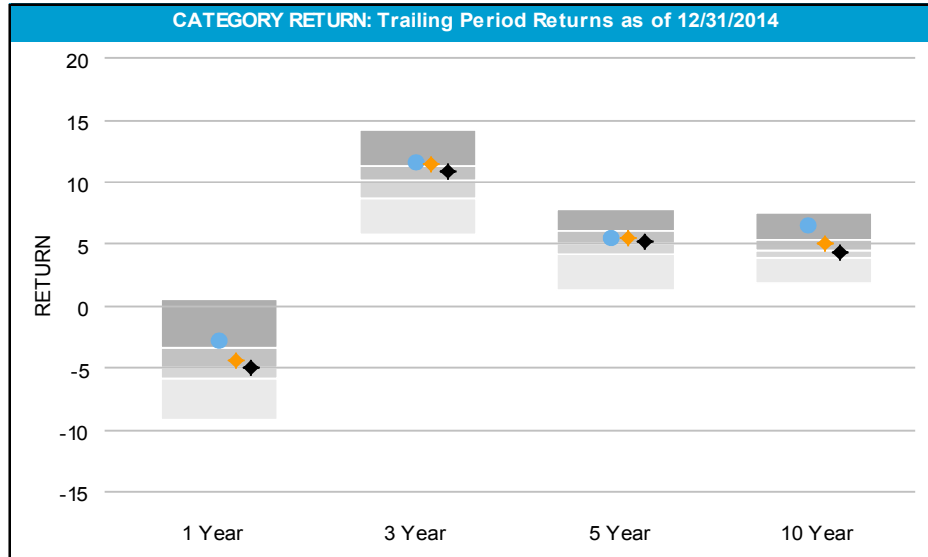
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Europacific Growth R4	16%	16%	24%	38%	12%	19%	34%	34%

# of funds in Category	195	195	181	163	114
------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Foreign Large Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed



## Balanced Blend (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014				Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio	
		1 Year	3 Years	5 Years	10 Years							
● <b>Oakmark Equity &amp; Income I</b>	<b>6.93%</b>	<b>6.93%</b>	<b>13.15%</b>	<b>9.81%</b>	<b>8.01%</b>	<b>N/A</b>	<b>Nov-95</b>	<b>9.67%</b>	<b>-3.18%</b>	<b>1.01%</b>	<b>---</b>	<b>0.77%</b>
◆ 60% R1000 / 40% Barclays Agg	10.35%	10.35%	13.24%	11.30%	6.95%	---	---	7.73%	0.00%	1.42%	---	---
◆ Lipper Balanced Funds Index	7.21%	7.21%	11.82%	9.60%	6.04%	---	---	8.40%	-2.35%	1.13%	---	---
Moderate Allocation Category Median	5.98%	5.98%	11.64%	9.52%	6.06%	---	---	9.05%	-3.23%	1.02%	---	---

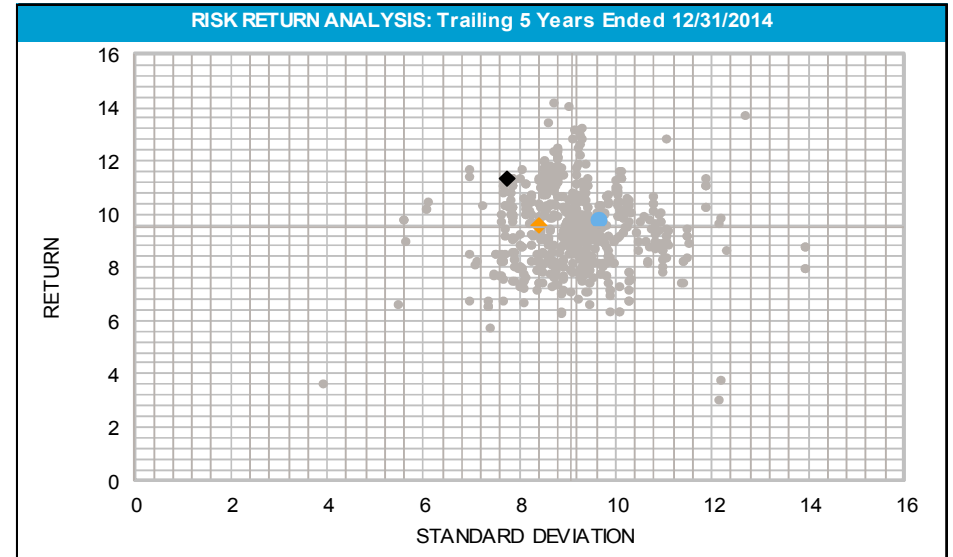
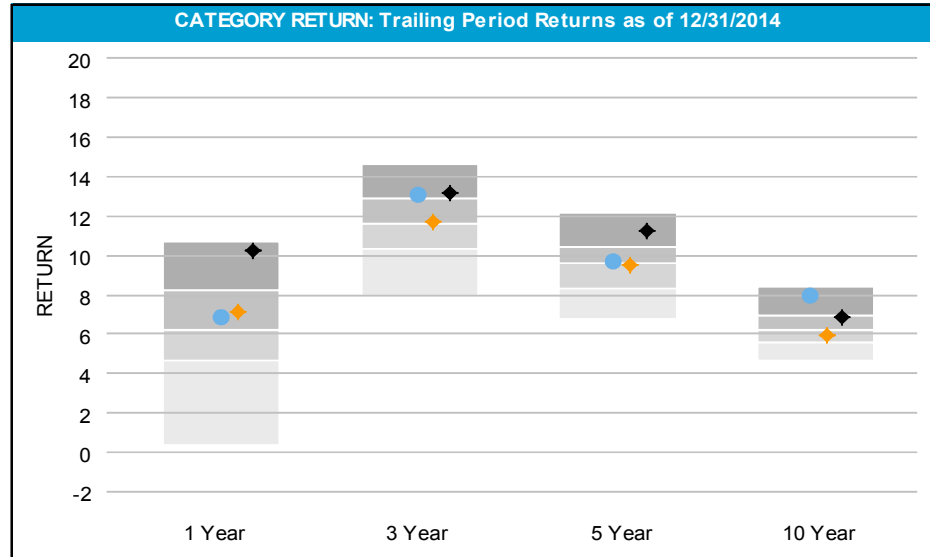
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Oakmark Equity &amp; Income I</b>	<b>35%</b>	<b>35%</b>	<b>24%</b>	<b>43%</b>	<b>8%</b>	<b>75%</b>	<b>49%</b>	<b>53%</b>

# of funds in Category	224	224	196	178	141
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Retirement Income

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014				Inception Inception	Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
● Prudential Day One IncomeFlex Bal Fund	5.09%	5.09%	8.62%	7.68%	---	9.29%	Jun-09	7.70%	-1.06%	0.99%	---	1.62%
◆ Prudential Day One IncomeFlex Target Bal Benchmark	6.13%	6.13%	9.72%	8.81%	6.06%	---	---	7.69%	0.00%	1.13%	---	---
◆ Lipper Balanced Funds Index Retirement Income Median	7.21%	7.21%	11.82%	9.60%	6.04%	---	---	8.40%	0.07%	1.13%	---	---
Retirement Income Median	4.74%	4.74%	6.75%	6.58%	4.33%	---	---	5.57%	0.29%	1.13%	---	---

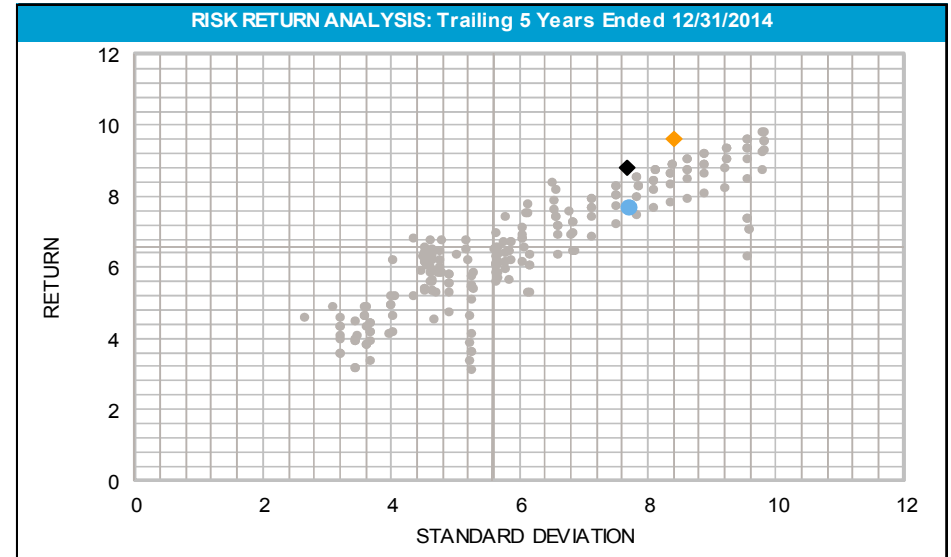
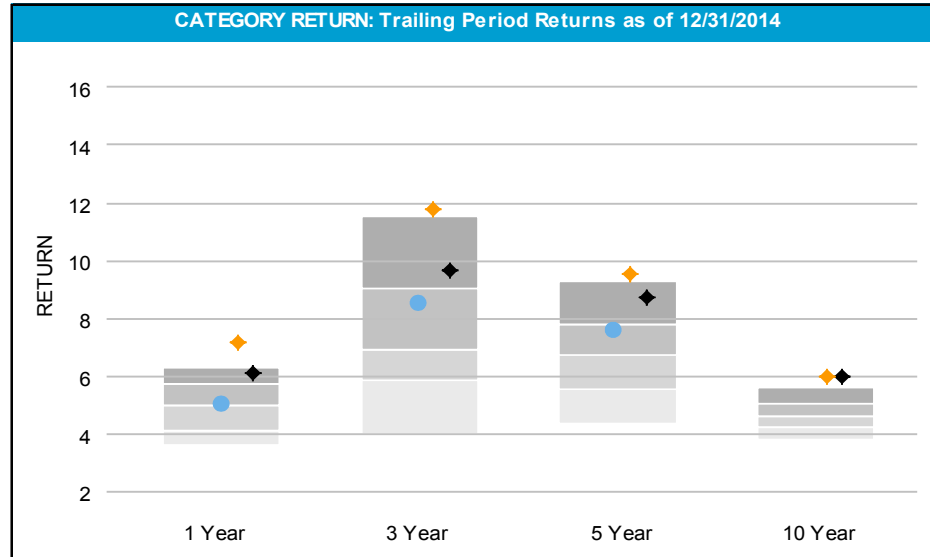
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Prudential Day One IncomeFlex Bal Fund	40%	40%	28%	28%	---	81%	88%	89%

# of funds in Category	56	56	51	49	14
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Retirement Income Median

■ Open    ■ Watch List    ■ Closed

# Retirement Income - IncomeFlex (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014				Inception	Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
● IncomeFlex LT Balanced Fund	4.44%	4.44%	11.11%	8.99%	5.18%	N/A	Nov-06	9.35%	-1.60%	0.96%	---	1.85%
● IncomeFlex LT Balanced Fund	3.92%	3.92%	10.55%	8.45%	4.66%	N/A	Nov-06	9.34%	-2.09%	0.91%	---	2.35%
◆ Lifetime Balanced Primary Benchmark	7.39%	7.39%	12.66%	10.26%	6.59%	---	---	8.88%	0.00%	1.14%	---	---
◆ Lifetime Conservative Growth Primary Benchmark	7.10%	7.10%	11.05%	9.37%	6.36%	---	---	7.48%	0.00%	1.23%	---	---
Moderate Allocation Category Median	5.98%	5.98%	11.64%	9.52%	6.06%	---	---	9.05%	-1.58%	1.02%	---	---

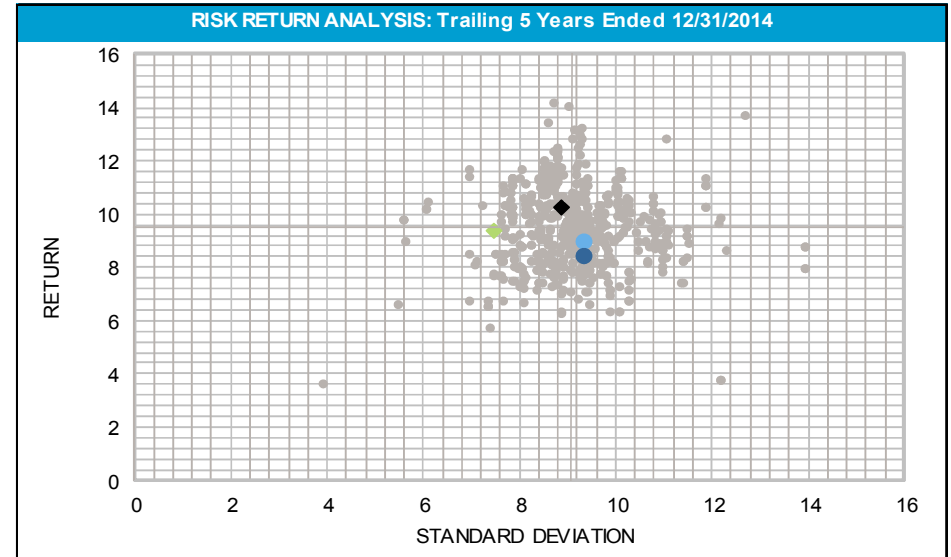
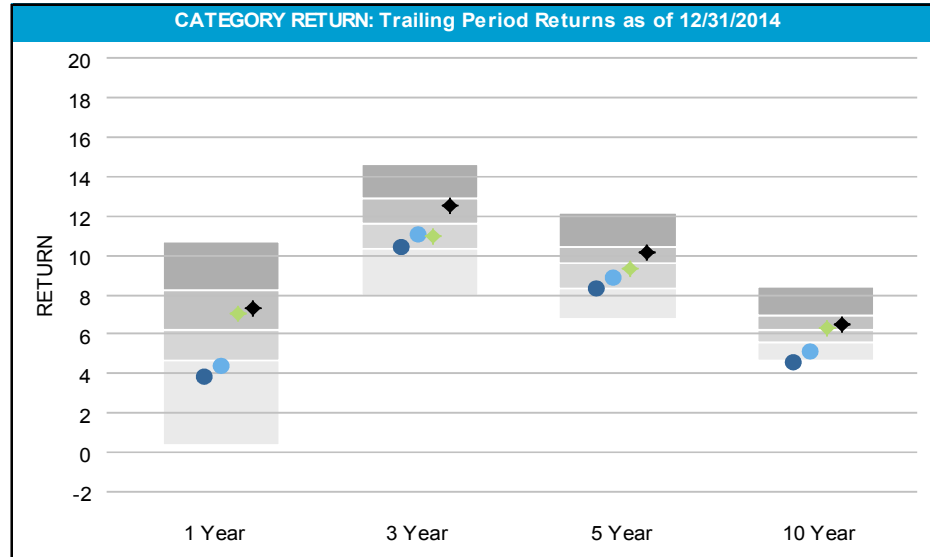
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Balanced Fund	75%	75%	60%	63%	80%	65%	70%	67%
● IncomeFlex LT Balanced Fund	81%	81%	71%	75%	93%	64%	80%	77%

# of funds in Category	224	224	196	178	141
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Retirement Income - IncomeFlex (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014				Inception	Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
● IncomeFlex LT Conservative Growth Fund	4.45%	4.45%	9.74%	8.29%	5.06%	N/A	Nov-06	7.88%	-1.39%	1.04%	---	1.79%
● IncomeFlex LT Conservative Growth Fund	3.93%	3.93%	9.19%	7.75%	4.54%	N/A	Nov-06	7.87%	-1.89%	0.98%	---	2.29%
◆ Lifetime Conservative Growth Primary Benchmark	7.10%	7.10%	11.05%	9.37%	6.36%	---	---	7.48%	0.00%	1.23%	---	---
Moderate Allocation Category Median	5.98%	5.98%	11.64%	9.52%	6.06%	---	---	9.05%	-1.58%	1.02%	---	---

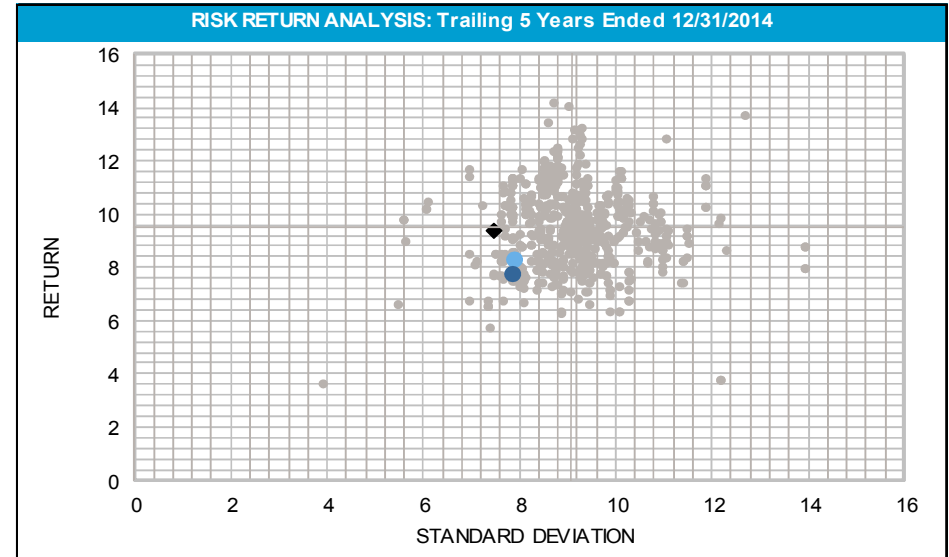
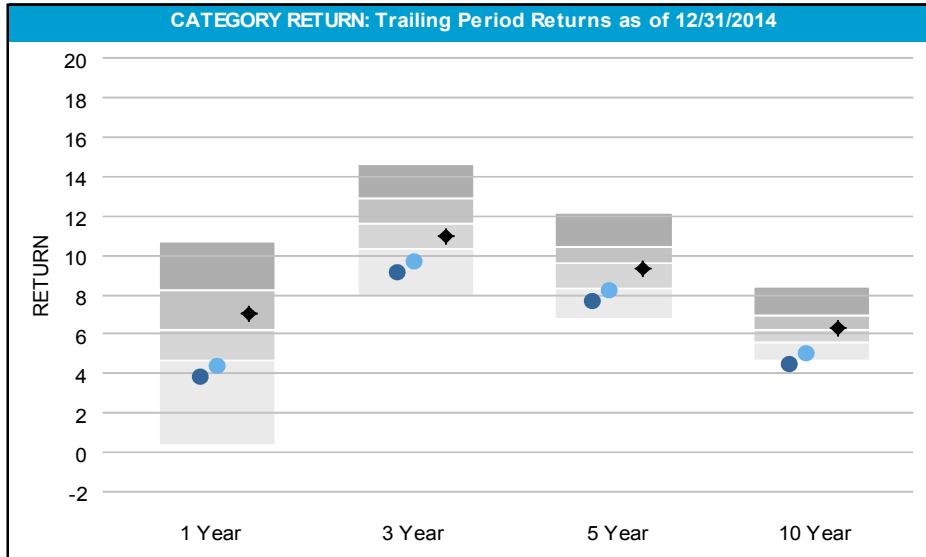
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Conservative Growth Fund	74%	74%	85%	75%	84%	12%	45%	46%
● IncomeFlex LT Conservative Growth Fund	81%	81%	90%	86%	95%	12%	58%	62%

# of funds in Category	224	224	196	178	141
------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

## Retirement Income - IncomeFlex (Conservative Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2014					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/14	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● IncomeFlex LT Income & Equity Fund	4.20%	4.20%	6.81%	6.55%	4.47%	N/A	Nov-06	5.03%	-1.13%	1.27%	---	1.69%
● IncomeFlex LT Income & Equity Fund	3.68%	3.68%	6.28%	6.02%	3.95%	N/A	Nov-06	5.03%	-1.63%	1.18%	---	2.19%
◆ Lifetime Income & Equity Primary Benchmark	6.39%	6.39%	7.82%	7.40%	5.67%	---	---	4.76%	0.00%	1.51%	---	---
Conservative Allocation Category Median	4.11%	4.11%	7.47%	6.90%	5.17%	---	---	6.16%	-1.85%	1.15%	---	---

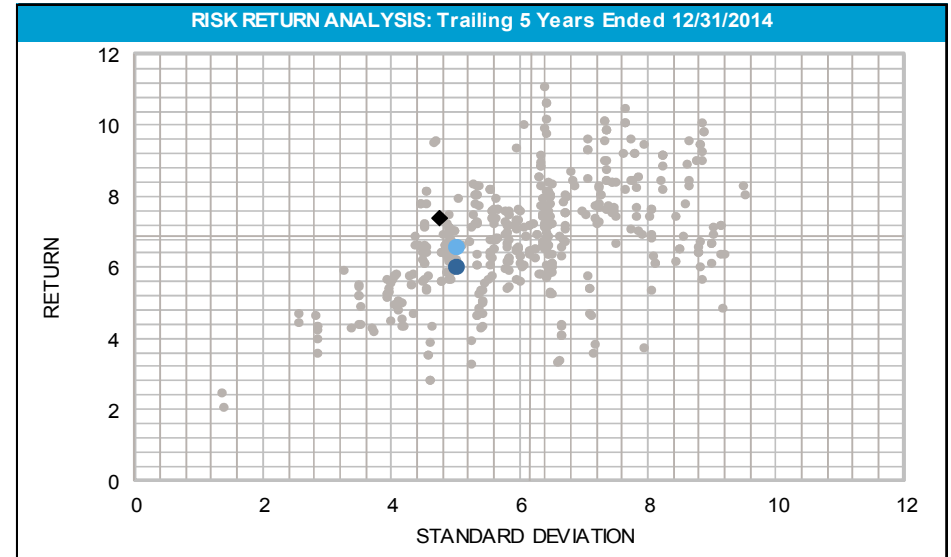
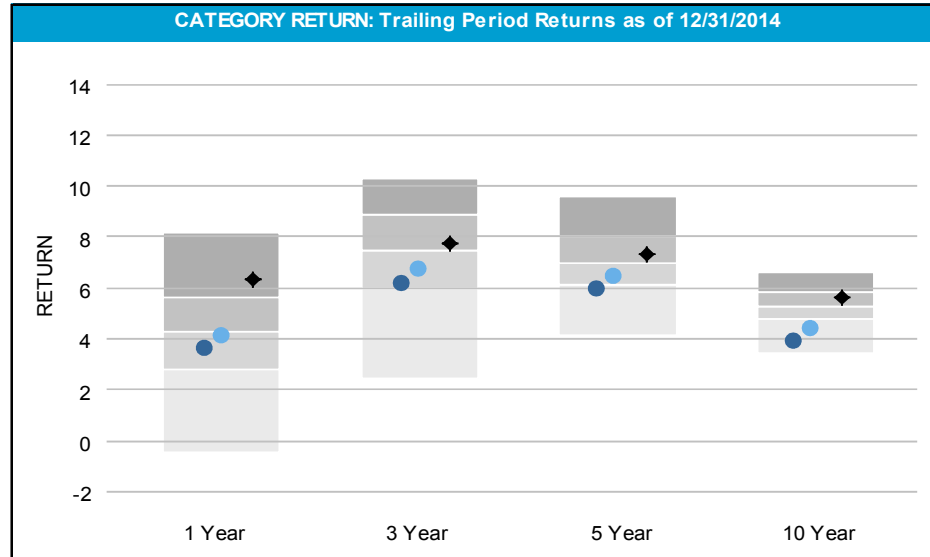
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Income & Equity Fund	47%	47%	64%	59%	77%	27%	38%	32%
● IncomeFlex LT Income & Equity Fund	60%	60%	72%	76%	83%	27%	44%	45%

# of funds in Category	181	181	149	128	91
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Conservative Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Intermediate-Term Bond

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2014 <sup>++</sup>				Inception	Risk	Alpha	Sharpe	DDA Rank <sup>+</sup>	Expense	
	Return <sup>++</sup>	1 Year	3 Years	5 Years	10 Years	Inception	5 Years	5 Years	5 Years	12/31/14	Ratio <sup>+</sup>	
● <b>Core Plus Bond / PIM Fund</b>	7.18%	7.18%	5.46%	6.86%	6.29%	N/A	Jun-02	3.56%	2.06%	1.87%	4	0.41%
◆ <b>Barclays Aggregate Bond Index</b>	5.96%	5.96%	2.66%	4.45%	4.71%	---	---	2.69%	0.00%	1.61%	---	---
Intermediate-Term Bond Category Median	5.62%	5.62%	3.46%	4.92%	4.76%	---	---	2.78%	0.66%	1.68%	---	---

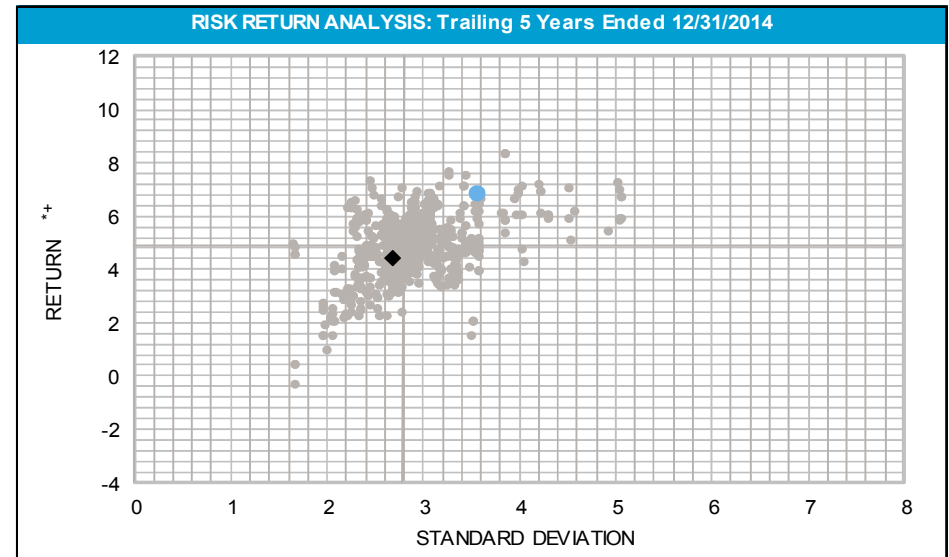
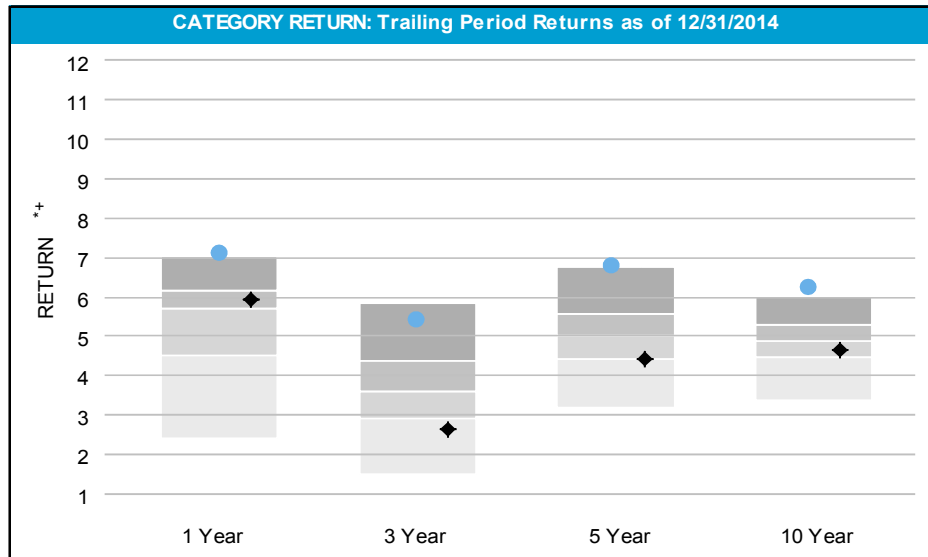
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Core Plus Bond / PIM Fund</b>	5%	5%	7%	4%	3%	95%	15%	25%

# of funds in Category	266	266	246	226	193
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

\* For Institutional Funds, the returns for periods prior to the investment manager's inception date may represent the blend of actual separate account performance and the manager's composite for similar strategies. Actual returns and the composite are shown separately in the Plan Summary section earlier in this report. Refer to the Glossary and Notes section at the end of this report for other important information.

+ For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.

Source: Morningstar™ Intermediate-Term Bond Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Glossary & Notes

## Index Definitions

A market index is an unmanaged portfolio of securities such as stocks and bonds. An index is often used as a comparative benchmark for managed portfolios such as mutual funds. These indices are presented to help you evaluate the performance of the broad market which they represent, and provide you with an understanding of that market's historic long-term performance. They are an unmanaged weighted index providing a broad indicator of price movement. Individual investors cannot invest directly in an index/average. Past performance is not indicative of future results.

**Prudential Day One IncomeFlex Target Bal Benchmark** : The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large Cap™ Index, the MSCI Emerging Markets Net Dividend™ Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

**5 Year Treasury Average Yield** : The 5-Year Treasury Average Yield is the average daily treasury yield (Constant Maturity) for U.S. Treasuries with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

**60% R1000 / 40% Barclays Agg** : 60% Russell 1000 Index/40% Barclays U.S. Aggregate Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Index and 40% Barclays U.S. Aggregate Index (measuring U.S. bonds with maturities of at least one year).

**Barclays Agency** : Barclays U.S. Agency Index accounts for roughly 35% of the Government Index and includes publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

**Barclays Aggregate Bond Index** : Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

**Barclays Asset-Backed Securities Index** : Barclays U.S. Asset Backed Securities Index is a component of the U.S. Aggregate index. The Asset-Backed Securities (ABS) Index has five subsectors: (1) Credit and charge cards, (2) Autos, (3) Home equity loans, (4) Utility, and (5) Manufactured Housing. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche.

**Barclays Credit Index** : The Barclays US Credit Index: measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is comprised of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

**Barclays Government Bond Index** : The Barclays U.S. Government Index: Is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Barclays High Yield Bond Index** : Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt (having a maximum quality rating of Ba1), a minimum outstanding amount of \$150 million and at least one year to maturity.

**Barclays MBS Index** : Barclays U.S. Mortgage Backed Securities Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Barclays Treasury Bond** : Barclays U.S. Treasury Index accounts for nearly 65% of the Government Index and includes public obligations of the U.S. Treasury that have remaining maturities of more than one year.

**Barclays US Treasury TIPS Index** : This index includes all publicly issued United States Treasury inflation-protected securities that have at least one year remaining until maturity, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, and must be fixed-rate and non-convertible securities. The index is a market capitalization-weighted index. Inflation notes were included in the broader Barclays U.S. Treasury Index in March 1997 and removed from that index on January 1, 1998.

**CRSP Mid Cap Index** : The CRSP US Mid Cap Index targets inclusion of the U.S. companies that fall between the 70%-85% of investable market capitalization. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**CRSP Small Cap Index** : The CRSP US Small Cap Index includes U.S. companies that fall between the bottom 2%-15% of the investable market capitalization. There is no lower limit in market capitalization, other than what is specified by investability screens. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**FTSE NAREIT Equity® Index** : The FTSE NAREIT Equity® Index is an unmanaged market capitalization index of all tax-qualified Equity REITs listed on the NYSE, AMEX, and the NASDAQ that have 75% or more of their gross invested book of assets invested directly or indirectly in the equity ownership of real estate. This Fund is not sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") and FTSE makes no recommendation regarding investing in the Fund. See the User's Guide for a more detailed description of the limited relationship FTSE has with Prudential.

**Lifetime Balanced Primary Benchmark** : Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Conservative Growth Primary Benchmark** : Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.



**Lifetime Income & Equity Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Lipper Balanced Funds Index :** Lipper Balanced Funds Index is an equal dollar weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to conserve principal by maintaining a balanced portfolio of stocks and bonds). Typically the stock/bond ratio ranges around 60%/40%.

**Lipper Global Funds Index :** Lipper Global Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest at least 25% of its portfolio in securities traded outside of the United States). These funds may own U.S. securities as well.

**Lipper International Funds Index :** Lipper International Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest assets in securities whose primary trading markets are outside the United States).

**Lipper Large Cap Core Funds Index :** Lipper Large-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Growth Funds Index :** Lipper Large-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Value Funds Index :** Lipper Large-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Mid Cap Core Funds Index :** Lipper Mid-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Growth Funds Index :** Lipper Mid-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Value Funds Index :** Lipper Mid-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Small Cap Core Funds Index :** Lipper Small-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P Super-Composite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Growth Funds Index :** Lipper Small-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Value Funds Index :** Lipper Small-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**MSCI EAFE™ Index(net) :** MSCI EAFE™ Index(net) is a market capitalization weighted index comprised of companies representative of the market structure of 21 developed market countries in Europe, Australia and the Far East. The MSCI EAFE Index is available both in local currency and U.S. dollar terms. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI Emerging Markets™ Index(net) :** The MSCI Emerging Markets™ Index(net) is a market capitalization-weighted index comprised of companies representative of the market structure of 25 emerging market countries open to foreign investment. The MSCI EMF Index excludes closed markets and those shares in otherwise open markets that are not available for purchase by foreigners. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. The index is available both in local currency and U.S. dollar terms.

**MSCI Europe ex U.K. Index :** The MSCI Europe ex U.K. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, the MSCI Europe ex U.K. Index consisted of the following 15 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland.

**MSCI Japan Net Dividend Index :** MSCI Japan Index measures the performance of the Japanese equity market, listed in U.S. dollars, with net dividends reinvested.

**MSCI Pacific Ex Japan Net Dividend Index :** MSCI Pacific ex. Japan index measures the performance of stock markets in Australia, Hong Kong, New Zealand, and Singapore, and Malaysia.

**MSCI United Kingdom Net Dividend Index** : MSCI United Kingdom (net index) is constructed including every listed security in the market. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI World™ Index(net)** : MSCI World™ Index(net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (includes 24 countries in the North America, Europe, and Asia/Pacific region).

**Russell 1000™ Growth Index** : The Russell 1000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 1000™ Index** : The Russell 1000™ Index is a market-capitalization weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell 1000™ Value Index** : The Russell 1000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2000™ Growth Index** : The Russell 2000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 2000™ Index** : The Russell 2000™ Index is a market capitalization-weighted index that measures the performance of the 2000 smallest companies in the Russell 3000® Index.

**Russell 2000™ Value Index** : The Russell 2000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell Midcap™ Growth Index** : The Russell Midcap™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The stocks are also members of the Russell 1000® Growth Index.

**Russell Midcap™ Index** : The Russell Midcap™ Index is a market capitalization-weighted index that measures the performance of the mid-cap segment of the U.S. equity universe. The index consists of approximately 800 of the smallest companies in the Russell 1000® Index.

**Russell Midcap™ Value Index** : The Russell Midcap™ Value index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. The stocks are also members of the Russell 1000® Value Index.

**S&P 500® Index** : S&P 500® Index (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index with over US \$5.58 trillion benchmarked (index assets comprising approximately US \$1.31 trillion of this total) that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

**S&P 500®-Consumer Staples Index** : S&P 500®-Utilities Index includes companies that tend to be less sensitive to economic cycles. It includes manufacturing and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes food and drug retailing companies.

**S&P 500®-Consumer Discretionary Index** : S&P 500®-Consumer Discretionary Index includes companies that tend to be most sensitive to economic cycles. Its manufacturing segment includes automotive, household durable goods, textile and apparel, and leisure equipment. The services segment includes hotels, restaurants and other leisure facilities, media production and services and consumer retailing.

**S&P 500®-Financial Services Index** : S&P 500®-Financial Services Index contains companies involved in activities such as banking, consumer finance, investment banking and brokerage, asset management, insurance and investment, and real estate, including REITs.

**S&P 500®-Health Care Index** : S&P 500®-Health Care Index encompasses two main industry groups. The first includes companies who manufacture health care equipment and supplies or provide health care related services, including distributors of health care products, providers of basic health-care services, and owners and operators of health care facilities and organizations. The second regroups companies primarily involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

**S&P 500®-Industrials Index** : S&P 500®-Industrials Index includes companies whose businesses manufacture and distribute capital goods, including aerospace and defense, construction, engineering and building products, electrical and industrial machinery. It also includes companies who provide commercial services and supplies, including printing, employment, environmental, office services and transportation services including airlines, couriers, marine, road, and rail and transportation infrastructure.

**S&P 500®-Information Technology Index** : S&P 500®-Information Technology Index: Standard & Poor's offers sector indices on the S&P 500 based upon the Global Industry Classification Standard (GICS®). This standard is jointly Standard & Poor's and MSCI. Each stock is classified into one of 10 sectors, 24 industry groups, 64 industries and 139 sub-industries according to their largest source of revenue. Standard & Poor's and MSCI jointly determine all classifications. The 10 sectors are Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services and Utilities. These indices are calculated using the same guiding principles that apply to all Standard & Poor's indices.

**S&P 500®-Materials and Processing Index** : S&P 500®-Materials and Processing Index includes companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, metals, minerals and mining companies, including producers of steel.

**S&P 500®-Other Energy Index** : S&P 500®-Other Energy Index encompasses two main industry groups. The first includes companies who manufacture oil rigs, drilling equipment and other energy-related services and equipment, including seismic data collection. The second group includes the exploration, production, marketing, refining and/or transportation of oil and gas products

**S&P 500®-Telecom Service Index** : S&P 500®-Telecom Service Index contains companies that provide communications services primarily through a fixed-line, cellular, wireless, high bandwidth and/or fiber optic cable network.

**S&P 500®-Utilities Index** : S&P 500®-Utilities Index encompasses those companies considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power. This sector includes both nuclear and non-nuclear facilities

# Investment Performance Notes

## Important Information about Investment Product Performance

Prudential Retirement constructs Asset Class Categories using MPI Stylus, a product of Markov Processes International LLC, and data provided by Morningstar™, Inc. Categories are constructed by using the appropriate Morningstar™, Inc. category and then removing duplicate share classes from the universe. Duplicate share classes are identified in a database field, and in general the share class with the longest history is used for category construction. Category medians and fund percentile rankings are then calculated using MPI Stylus and therefore may differ from those provided directly by Morningstar™, Inc.

## Fund Specific Footnotes

**Core Plus Bond / PIM Fund** - The Separate Account was established 7/19/2002. All performance results are net of the management fee for this Fund of 0.38%. Actual Fund performance is also net of other Fund operating expenses of 0.03% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.

**IncomeFlex LT Balanced Fund** - The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 2.32%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 1.82%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**IncomeFlex LT Conservative Growth Fund** - The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 2.26%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 1.76%, other operating expenses of 0.03% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**IncomeFlex LT Income & Equity Fund** - The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 2.17%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 1.67%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines "enhanced index" as an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines "enhanced index" as an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**Mid Cap Growth / Westfield Capital Fund** - The Separate Account was established 6/28/2007. All performance results are net of the management fee for this Fund of 0.85%. Actual Fund performance is also net of other Fund operating expenses of 0.00% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.

**Mid Cap Value / Systematic Fund** - The Separate Account was established 6/30/2008. All performance results are net of the management fee for this Fund of 0.80%. Actual Fund performance is also net of other Fund operating expenses of 0.00% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.

**Prudential Day One IncomeFlex Bal Fund** - The Separate Account was established 6/30/2009. All performance results are net of the management fee for this Fund of 1.59%. Actual Fund performance is also net of other Fund operating expenses of 0.03% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures. Performance shown beginning 09/22/2009 represents the actual performance track record of the Prudential Day One IncomeFlex Target Balanced Fund. Performance prior to 09/22/2009 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target Balanced Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance"). Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

# Glossary

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## Alpha

A measure of value added by a manager as compared to a passive portfolio with the same market sensitivity or beta. Alpha is a measure of return for residual, or non-market, risk, and is used to measure a manager's contribution to performance due to security or sector selection.

## DDA

The Due Diligence Advisor Program employs a disciplined process to select, evaluate, and monitor the institutional sub-advised and mutual fund-based investment offerings. This Program helps to ensure that investments offered by Prudential Retirement are highly competitive and meet the varied investment requirements of retirement plan sponsors and their employees, as well as retirement plan consultants. The "Due Diligence Quartile Rank" provides an overall rank for each manager within the relevant style universe (e.g. Large Cap Stock – Growth). Each Fund is assessed on the basis of nominal risk-adjusted returns, and downside risk (versus and appropriate benchmark). These metrics are weighted based on 1-, 3-, and 5-year results with greatest emphasis place on long-term timeframes. Criteria are then used to generate an overall rating that determines a quartile distribution for the Fund within its peer group on a quarterly basis.

## Expense Ratio

Investment returns are reduced by various fees and expenses. For each plan investment option, the column shows these charges as an annual percentage. Depending on the type of investment, these charges are paid to Prudential or to unaffiliated mutual fund complexes or bank collective trusts. If the plan has mutual fund investment options, the Expense Ratio is not reduced by any fee or expense waivers from the fund complex, and therefore the actual Expense Ratio may be lower. For other investment options, the benefit of any waivers is reflected in the Expense Ratio shown.

Some mutual funds and bank collective trusts, or their affiliates, compensate Prudential for selling their shares and servicing the retirement plan, as detailed in the Fact Sheet for that investment option. For other investment options, the charges reflected in the Expense Ratio are typically deducted by Prudential in return for investment and recordkeeping services, and product distribution. For some plans, the charges also enable Prudential to satisfy the plan's request for allowances to defray plan expenses. The retirement plan may not include investment options with lower fee structures or lower cost share classes in order to compensate Prudential, in the aggregate, for servicing the retirement plan.

## Growth Stocks

Investors employing a growth investment strategy buy stocks of companies with a recent history of increasing earnings, in anticipation that earnings momentum will continue. Growth stocks are often characterized by high valuation ratios (e.g., price-to-earnings ratios). See also: value stocks.

## Risk

This statistic measures the volatility of a stream of data compared to its average value. Applied to investment performance, standard deviation measures how "choppy" the monthly returns are over a period of time. 66% of all monthly values would fall within one standard deviation of the average, while 95% of all values would fall within two standard deviations of the average.

## Sharpe Ratio

This statistic measures the quality of the returns for an investment on a risk-adjusted basis over a given period. It is defined as the excess returns of an investment divided by the standard deviation of returns. Excess returns are the returns of the investment minus the risk-free rate of return offered in the market, typically measured by short-term government instruments such as 3-month T-Bills. For two funds to have the same Sharpe Ratio, the fund with greater volatility must also deliver greater returns. (Sharpe Ratio = Excess Returns/Risk = (Returns on the Investment - Returns on T-Bills) / Standard Deviation)

# Glossary

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## Value Stocks

Investors employing a value investment strategy buy stocks of companies they believe are under-priced based on their fundamental ability to generate earnings, in anticipation that the price performance of the stock will reverse. Value stocks are often characterized by low valuation ratios (e.g., price-to-earnings ratios). See also: growth stocks.

## Risk-Return Charts

Investors who choose to take on additional risk do so in anticipation of higher returns. The risk-return charts are often used to compare investment performance to a benchmark on a risk-adjusted basis. A benchmark (typically an index or market average) is plotted on the chart along with a risk-free rate of return.

See also: Sharpe Ratio

## Fund Rank Charts

In order to measure a fund's performance relative to a style specific benchmark and peer group or universe, funds and benchmarks are plotted relative to where they would rank within a given fund category. For example, the top line of the bar indicates the top 5th percentile return of the category. The 25th percentile return of the category is indicated by the second line. The median or 50th percentile return of the category is indicated by the third line. The 75th percentile return of the category is indicated by the fourth line. The bottom line of the bar indicates the 95th percentile return of the category.

## Important Information About Prudential and its Businesses

#Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

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# Appendix - Fund Performance



# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Select Funds, Sub-Advised Funds, Alliance Mutual Funds, and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE VALUE</b>															
Large Cap Value (sub-advised by Wellington Mgmt) #	9/29/00	-3.40	0.04	4.98	12.26	12.26	17.41	13.12	5.79	N/A	13.31	-1.80	0.99	2	1.12%
<i>Manager Composite</i>	10/31/90	---	0.16	5.03	12.25	12.25	17.48	12.89	7.99	N/A	12.96	-1.66	1.00	---	1.10%
<i>Blended Performance</i>	10/31/90	---	0.04	4.98	12.26	12.26	17.41	12.75	7.93	N/A	13.04	-1.86	0.98	---	1.12%
Large Cap Value / Barrow Hanley Fund #	3/28/02	-4.40	-0.41	3.61	11.28	11.28	18.21	12.92	6.27	N/A	13.69	-2.19	0.95	3	1.11%
Large Cap Value / Ceredex Fund #	3/22/13	-4.79	0.27	4.44	10.55	10.55	---	---	---	17.77	---	---	---	1	1.11%
<i>Manager Composite</i>	12/31/03	---	0.24	4.73	10.87	10.87	19.82	14.76	8.17	N/A	13.51	-0.47	1.09	---	1.10%
<i>Blended Performance</i>	12/31/03	---	0.27	4.44	10.55	10.55	19.59	14.63	8.10	N/A	13.50	-0.57	1.08	---	1.11%
Large Cap Value / LSV Asset Management Fund #	7/19/02	-3.99	0.55	4.59	12.55	12.55	23.89	16.16	7.50	N/A	14.86	-0.57	1.08	1	1.12%
Large Cap Value / Nuveen Fund #	4/2/13	-3.69	0.27	3.26	8.82	8.82	---	---	---	14.25	---	---	---	2	1.11%
<i>Manager Composite</i>	8/31/94	---	0.35	3.40	8.55	8.55	17.43	14.15	8.09	N/A	13.38	-0.87	1.05	---	1.10%
<i>Blended Performance</i>	8/31/94	---	0.27	3.26	8.82	8.82	17.31	14.08	8.06	N/A	13.36	-0.92	1.05	---	1.11%
Large Cap Value/AJO Fund #	8/1/97	-2.75	0.06	3.39	9.26	9.26	20.11	15.20	6.71	N/A	13.61	-0.20	1.11	1	1.12%
SA/T. Rowe Price Equity Income Strategy #	7/16/01	-4.00	0.61	3.01	7.35	7.35	17.62	13.15	6.59	N/A	13.25	-1.71	1.00	3	0.88%
AllianzGI NFJ Dividend Value Instl	5/8/00	-4.65	-0.50	1.85	9.99	9.99	17.56	13.80	7.27	N/A	12.90	-0.51	1.06	---	0.70%
Russell 1000™ Value Index		-4.00	0.61	4.98	13.46	13.46	20.90	15.43	7.30	---	13.44	0.00	1.13	---	---
S&P 500® Value Index		-4.44	0.54	4.77	12.34	12.34	20.75	14.72	6.96	---	13.50	-0.22	1.11	---	---
S&P 500® Index		-3.00	-0.25	4.93	13.69	13.69	20.41	15.45	7.67	---	13.00	0.67	1.17	---	---
Lipper Large Cap Value Funds Index		-4.13	0.21	3.79	11.01	11.01	19.70	13.61	6.74	---	13.50	-1.58	1.01	---	---
Large Value Category Median		-3.74	0.12	3.97	10.60	10.60	19.10	14.00	6.89	---	13.59	-1.07	1.03	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE BLEND</b>															
Large Cap Blend / AJO Fund #	1/31/95	-2.03	-0.31	5.14	14.52	14.52	22.18	15.77	7.38	N/A	13.12	0.44	1.18	1	1.12%
Large Cap Blend / MFS Fund #	1/31/92	-4.05	0.29	5.53	10.49	10.49	19.58	12.46	6.70	N/A	14.47	-3.78	0.88	4	1.07%
<i>Manager Composite</i>	3/31/93	---	0.33	5.57	10.57	10.57	20.00	13.45	7.92	N/A	13.76	-2.25	0.98	---	1.05%
<i>Blended Performance</i>	3/31/93	---	0.29	5.53	10.49	10.49	19.92	13.40	7.89	N/A	13.77	-2.30	0.98	---	1.07%
QMA Large Cap Quantitative Core Equity #	12/21/05	-2.67	-0.19	4.53	14.56	14.56	21.34	15.52	---	8.01	13.65	-0.44	1.12	1	0.77%
American Funds Fundamental Invs R4	7/25/02	-2.44	-0.63	2.91	8.90	8.90	18.80	13.40	8.57	N/A	13.53	-2.04	1.00	---	0.66%
Russell 1000™ Index		-2.75	-0.23	4.88	13.24	13.24	20.62	15.64	7.96	---	13.27	0.00	1.16	---	---
S&P 500® Index		-3.00	-0.25	4.93	13.69	13.69	20.41	15.45	7.67	---	13.00	0.13	1.17	---	---
Lipper Large Cap Core Funds Index		-3.16	-0.44	4.16	11.33	11.33	19.21	13.82	7.02	---	12.93	-1.22	1.06	---	---
<i>Large Blend Category Median</i>		-3.02	-0.28	4.56	11.61	11.61	19.46	14.23	7.21	---	13.36	-0.96	1.07	---	---
Dryden S&P 500 Index Fund #	12/31/87	-3.02	-0.29	4.84	13.29	13.29	20.02	15.08	7.40	N/A	12.97	-0.30	1.15	---	0.32%
QMA U.S. Broad Market Index Fund #	5/27/09	-2.89	-0.09	5.15	12.75	12.75	19.99	15.23	---	17.79	13.22	-0.29	1.14	---	0.32%
S&P Composite 1500® Index		-2.87	-0.06	5.20	13.09	13.09	20.38	15.62	7.89	---	13.26	0.00	1.16	---	---
Russell 1000™ Index		-2.75	-0.23	4.88	13.24	13.24	20.62	15.64	7.96	---	13.27	0.02	1.16	---	---
S&P 500® Index		-3.00	-0.25	4.93	13.69	13.69	20.41	15.45	7.67	---	13.00	0.15	1.17	---	---
Lipper Large Cap Core Funds Index		-3.16	-0.44	4.16	11.33	11.33	19.21	13.82	7.02	---	12.93	-1.20	1.06	---	---
<i>Large Blend Category Median</i>		-3.02	-0.28	4.56	11.61	11.61	19.46	14.23	7.21	---	13.36	-0.95	1.07	---	---
Vanguard 500 Index Admiral	11/13/00	-3.00	-0.26	4.92	13.64	13.64	20.37	15.42	7.66	N/A	13.00	-0.03	1.17	---	0.05%
S&P 500® Index		-3.00	-0.25	4.93	13.69	13.69	20.41	15.45	7.67	---	13.00	0.00	1.17	---	---
Russell 1000™ Index		-2.75	-0.23	4.88	13.24	13.24	20.62	15.64	7.96	---	13.27	-0.10	1.16	---	---
Lipper Large Cap Core Funds Index		-3.16	-0.44	4.16	11.33	11.33	19.21	13.82	7.02	---	12.93	-1.33	1.06	---	---
<i>Large Blend Category Median</i>		-3.02	-0.28	4.56	11.61	11.61	19.46	14.23	7.21	---	13.36	-1.02	1.07	---	---

# Lancaster County, Nebraska EEs Retirement Plan



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			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE GROWTH</b>															
Large Cap Growth / American Century #	1/29/01	-1.35	-0.46	5.53	11.11	11.11	17.74	13.23	6.34	N/A	14.81	-3.48	0.91	3	1.12%
<i>Manager Composite</i>	12/31/84	---	-0.44	5.55	11.11	11.11	17.77	13.70	7.91	N/A	14.04	-2.31	0.98	---	1.10%
<i>Blended Performance</i>	12/31/84	---	-0.46	5.53	11.11	11.11	17.74	13.67	7.89	N/A	14.02	-2.32	0.98	---	1.12%
Large Cap Growth / Columbia Management Fund #	8/31/97	-0.78	0.25	6.13	14.01	14.01	21.54	14.06	7.44	N/A	13.36	-1.08	1.05	1	1.11%
<i>Manager Composite</i>	12/31/01	---	0.37	6.32	13.91	13.91	21.24	15.13	7.84	N/A	14.36	-1.18	1.05	---	1.10%
<i>Blended Performance</i>	12/31/01	---	0.25	6.13	14.01	14.01	21.28	15.15	7.86	N/A	14.37	-1.18	1.05	---	1.11%
Large Cap Growth / Eaton Vance Fund #	7/6/11	-1.88	-1.06	4.19	14.04	14.04	20.04	---	---	17.86	---	---	---	2	1.12%
<i>Manager Composite</i>	9/30/02	---	-1.04	4.28	14.18	14.18	20.20	13.48	8.09	N/A	14.00	-2.41	0.97	---	1.10%
<i>Blended Performance</i>	9/30/02	---	-1.06	4.19	14.04	14.04	20.04	13.30	8.00	N/A	13.99	-2.55	0.96	---	1.12%
Large Cap Growth / JPMorgan Investment Management #	5/31/98	-0.73	-0.42	4.69	10.51	10.51	18.01	12.42	6.42	N/A	15.24	-4.20	0.84	4	1.12%
<i>Manager Composite</i>	7/31/04	---	-0.40	4.71	10.67	10.67	18.02	15.65	8.73	N/A	14.65	-0.58	1.07	---	1.10%
<i>Blended Performance</i>	7/31/04	---	-0.42	4.69	10.51	10.51	18.01	15.64	8.72	N/A	14.69	-0.62	1.06	---	1.12%
Large Cap Growth / Jennison Fund #	10/20/04	-0.52	-1.81	2.67	9.36	9.36	19.70	13.60	8.10	N/A	14.92	-2.83	0.93	4	1.12%
Large Cap Growth / MFS Fund #	3/1/04	-2.04	-1.03	4.92	8.49	8.49	18.38	12.18	7.68	N/A	14.30	-3.76	0.87	4	1.12%
<i>Manager Composite</i>	8/31/95	---	-1.00	4.94	8.49	8.49	20.07	14.71	9.30	N/A	14.07	-1.25	1.04	---	1.10%
<i>Blended Performance</i>	8/31/95	---	-1.03	4.92	8.49	8.49	20.05	14.70	9.30	N/A	14.09	-1.27	1.04	---	1.12%
SA/T. Rowe Price Growth Stock Strategy #	6/24/05	-0.15	-1.50	4.23	8.45	8.45	21.38	15.38	---	8.97	15.44	-1.94	1.00	2	0.89%
Fidelity Advisor® New Insights I	7/31/03	-2.58	-0.30	2.97	9.51	9.51	19.06	14.28	9.67	N/A	12.41	0.12	1.14	---	0.68%
Russell 1000™ Growth Index		-1.53	-1.04	4.79	13.06	13.06	20.26	15.82	8.49	---	13.49	0.00	1.16	---	---
S&P 500® Growth Index		-1.67	-0.96	5.05	14.88	14.88	20.46	16.20	8.31	---	12.89	0.92	1.22	---	---
S&P 500® Index		-3.00	-0.25	4.93	13.69	13.69	20.41	15.45	7.67	---	13.00	0.45	1.17	---	---
Lipper Large Cap Growth Funds Index		-1.63	-0.91	4.55	10.34	10.34	20.10	14.28	7.43	---	14.81	-2.48	0.97	---	---
Large Growth Category Median		-1.91	-0.73	4.54	10.30	10.30	19.56	14.27	7.65	---	14.69	-1.84	0.99	---	---

# Lancaster County, Nebraska EEs Retirement Plan



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			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>MID VALUE</b>															
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>															
Mid Cap Value (sub-advised by Wellington Mgmt) #	9/29/00	-1.86	0.42	4.52	7.94	7.94	21.48	14.93	8.25	N/A	16.79	-4.10	0.91	3	1.17%
Mid Cap Value - Wedge Capital Management #	3/8/13	-1.64	2.14	10.36	18.12	18.12	---	---	---	19.14	---	---	---	1	1.15%
<i>Manager Composite</i>	12/31/98	---	2.19	10.39	18.19	18.19	24.18	17.91	9.82	N/A	14.24	1.39	1.23	---	1.15%
<i>Blended Performance</i>	12/31/98	---	2.14	10.36	18.12	18.12	24.22	17.93	9.83	N/A	14.23	1.41	1.23	---	1.15%
Mid Cap Value / Cooke & Bieler Fund #	6/30/04	-3.23	0.44	5.76	4.35	4.35	19.50	15.11	8.02	N/A	15.17	-2.10	1.00	3	1.15%
Mid Cap Value / Integrity Fund #	6/1/05	-3.10	1.14	5.23	10.75	10.75	21.33	17.04	---	8.87	16.40	-1.88	1.04	2	1.17%
Mid Cap Value / Invesco Fund #	5/17/07	-2.58	0.20	5.26	9.44	9.44	19.86	17.30	---	8.00	14.60	0.36	1.17	2	1.16%
Mid Cap Value / Robeco Boston Partners Fund #	6/1/05	-1.71	1.30	8.00	13.17	13.17	20.30	13.72	---	8.50	14.74	-2.85	0.94	3	1.15%
<i>Manager Composite</i>	4/30/95	---	1.30	8.01	13.16	13.16	23.18	18.31	11.53	N/A	15.32	0.36	1.18	---	1.15%
<i>Blended Performance</i>	4/30/95	---	1.30	8.00	13.17	13.17	23.18	18.31	11.53	N/A	15.32	0.36	1.18	---	1.15%
Mid Cap Value / Systematic Fund #	6/30/08	-2.49	-0.35	2.62	4.84	4.84	17.92	14.25	---	8.94	16.37	-4.29	0.89	4	0.80%
Perkins Mid Cap Value T	8/12/98	-2.69	0.45	4.31	9.04	9.04	14.85	11.13	8.17	N/A	12.61	-3.24	0.90	---	0.74%
Russell Midcap™ Value Index		-1.43	0.75	6.06	14.75	14.75	21.98	17.43	9.43	---	14.58	0.00	1.18	---	---
Russell Midcap™ Index		-1.56	0.21	5.94	13.23	13.23	21.41	17.19	9.56	---	14.88	-0.33	1.14	---	---
Russell 2500™ Value Index		-2.53	1.45	6.09	7.12	7.12	19.41	15.48	7.91	---	16.22	-3.15	0.97	---	---
Lipper Mid Cap Value Funds Index		-2.86	0.75	4.93	8.96	8.96	20.73	15.19	8.35	---	15.50	-2.73	0.99	---	---
Mid-Cap Value Category Median		-2.60	0.61	5.28	9.28	9.28	19.93	15.24	8.40	---	15.37	-2.40	0.99	---	---
<b>MID BLEND</b>															
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QMA MidCap Quantitative Core Equity #	12/21/05	-1.06	0.42	5.95	11.66	11.66	21.73	17.98	---	9.93	16.37	-0.61	1.09	1	0.87%
Fidelity Advisor® Leveraged Co StkInstl	12/27/00	-3.34	1.04	0.61	5.64	5.64	23.29	15.92	9.85	N/A	18.56	-3.87	0.89	---	0.82%
Russell Midcap™ Index		-1.56	0.21	5.94	13.23	13.23	21.41	17.19	9.56	---	14.88	0.00	1.14	---	---
Lipper Mid Cap Core Funds Index		-2.27	0.56	5.21	8.88	8.88	19.58	14.84	8.49	---	16.00	-3.07	0.94	---	---
Mid-Cap Blend Category Median		-2.40	0.47	5.39	7.99	7.99	19.56	15.60	8.31	---	15.75	-1.99	1.00	---	---
Vanguard Mid Cap Index Adm	11/12/01	-1.97	0.27	6.64	13.76	13.76	21.27	17.04	9.47	N/A	15.04	---	1.12	---	0.09%
CRSP Mid Cap Index		-1.96	0.27	6.65	13.83	13.83	21.57	---	---	---	---	---	---	---	---
Lipper Mid Cap Core Funds Index		-2.27	0.56	5.21	8.88	8.88	19.58	14.84	8.49	---	16.00	---	0.94	---	---
Mid-Cap Blend Category Median		-2.40	0.47	5.39	7.99	7.99	19.56	15.60	8.31	---	15.75	---	1.00	---	---

# Lancaster County, Nebraska EEs Retirement Plan



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			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>MID GROWTH</b>															
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Jennison Mid Cap Growth Fund #	10/2/12	-1.88	-0.11	6.52	9.19	9.19	---	---	---	18.28	---	---	---	2	1.02%
<i>Manager Composite</i>	12/31/96	---	-0.11	6.51	9.20	9.20	17.47	14.72	10.29	N/A	13.53	0.12	1.08	---	1.00%
<i>Blended Performance</i>	12/31/96	---	-0.11	6.52	9.19	9.19	17.59	14.80	10.33	N/A	13.53	0.19	1.09	---	1.02%
Mid Cap Growth / American Century Fund #	5/17/07	-0.33	0.06	5.57	8.22	8.22	17.98	15.06	---	7.70	16.74	-2.33	0.92	3	1.21%
Mid Cap Growth / Frontier Capital Fund #	6/28/07	-0.14	-0.05	6.65	10.67	10.67	19.92	14.95	---	8.04	14.87	-0.83	1.01	1	1.22%
Mid Cap Growth / Waddell & Reed Fund #	6/30/04	-1.96	-0.19	6.34	7.71	7.71	18.83	13.84	9.30	N/A	15.16	-2.06	0.93	3	1.21%
<i>Manager Composite</i>	12/31/99	---	-0.16	6.39	7.90	7.90	16.75	15.91	10.55	N/A	15.40	-0.43	1.04	---	1.20%
<i>Blended Performance</i>	12/31/99	---	-0.19	6.34	7.71	7.71	16.65	15.85	10.52	N/A	15.40	-0.48	1.03	---	1.21%
Mid Cap Growth / Westfield Capital Fund #	6/28/07	-1.54	0.80	8.00	13.50	13.50	22.65	14.86	---	8.28	16.79	-2.59	0.91	2	0.85%
Eaton Vance Atlanta Capital SMID-Cap I	4/30/02	-1.47	-0.67	7.92	5.17	5.17	17.81	16.79	11.34	N/A	15.06	1.11	1.11	---	1.01%
Russell Midcap™ Growth Index		-1.68	-0.28	5.84	11.92	11.92	20.72	16.94	9.43	---	15.47	0.00	1.09	---	---
Russell Midcap™ Index		-1.56	0.21	5.94	13.23	13.23	21.41	17.19	9.56	---	14.88	0.93	1.14	---	---
Lipper Mid Cap Growth Funds Index		-1.89	-0.10	5.82	7.91	7.91	18.62	14.76	8.91	---	15.92	-2.23	0.94	---	---
Mid-Cap Growth Category Median		-2.04	0.07	5.34	7.12	7.12	17.94	14.74	8.52	---	16.00	-1.54	0.96	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>SMALL VALUE</b>															
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>															
Small Cap Value Silvercrest I Fund #	7/16/01	-4.01	3.10	9.90	12.32	12.32	13.52	10.07	8.04	N/A	16.39	-1.39	0.66	4	1.37%
<i>Manager Composite</i>	3/31/02	---	3.14	9.94	4.40	4.40	17.84	15.28	10.24	N/A	17.69	1.28	0.89	---	1.35%
<i>Blended Performance</i>	3/31/02	---	3.10	9.90	4.62	4.62	17.92	15.33	10.27	N/A	17.68	1.33	0.89	---	1.37%
Small Cap Value / Ceredex Fund #	1/29/01	-3.73	2.19	9.62	1.56	1.56	17.34	12.67	6.36	N/A	17.45	-0.79	0.77	4	1.35%
<i>Manager Composite</i>	6/30/03	---	2.25	9.74	1.90	1.90	17.06	14.66	9.42	N/A	16.42	1.72	0.91	---	1.35%
<i>Blended Performance</i>	6/30/03	---	2.19	9.62	1.56	1.56	16.85	14.55	9.36	N/A	16.40	1.62	0.91	---	1.35%
Small Cap Value / Integrity Fund #	6/1/05	-3.48	2.85	8.58	7.45	7.45	19.88	16.71	---	9.39	18.13	2.05	0.94	1	1.37%
Small Cap Value / Vaughan Nelson Fund #	12/30/05	-3.80	1.63	7.03	8.28	8.28	16.61	14.22	---	6.43	16.02	1.70	0.91	3	1.36%
<i>Manager Composite</i>	6/30/96	---	1.61	6.92	8.65	8.65	19.97	15.45	10.94	N/A	15.40	2.96	1.01	---	1.35%
<i>Blended Performance</i>	6/30/96	---	1.63	7.03	8.28	8.28	19.66	15.27	10.85	N/A	15.41	2.79	1.00	---	1.36%
Small Cap Value / Victory Fund #	12/15/09	-4.54	1.31	9.16	6.59	6.59	16.52	---	---	15.09	16.58	0.96	0.88	2	1.37%
<i>Manager Composite</i>	1/31/02	---	1.27	8.93	6.46	6.46	16.64	14.33	8.76	N/A	16.37	1.16	0.90	---	1.35%
<i>Blended Performance</i>	1/31/02	---	1.31	9.16	6.59	6.59	16.52	14.24	8.72	N/A	16.58	0.96	0.88	---	1.37%
Small Cap Value/Kennedy Capital Fund #	1/29/01	-2.75	2.96	6.77	7.42	7.42	22.78	16.71	10.07	N/A	19.41	1.41	0.89	1	1.35%
Small Cap Value/TBCAM #	12/15/04	-4.52	3.18	7.34	1.95	1.95	17.86	13.03	3.20	N/A	17.50	-0.69	0.78	3	1.36%
<i>Manager Composite</i>	2/28/99	---	3.19	7.37	1.96	1.96	17.82	13.69	7.61	N/A	17.69	-0.28	0.81	---	1.35%
<i>Blended Performance</i>	2/28/99	---	3.18	7.34	1.95	1.95	17.86	13.80	7.66	N/A	17.74	-0.22	0.82	---	1.36%
AllianzGI NFJ Small-Cap Value Instl	10/1/91	-4.71	0.32	1.60	2.01	2.01	14.28	13.91	9.49	N/A	13.97	2.88	1.00	---	0.86%
Russell 2000™ Value Index		-4.16	2.73	9.41	4.22	4.22	18.29	14.26	6.89	---	17.72	0.00	0.84	---	---
Russell 2000™ Index		-3.22	2.85	9.73	4.89	4.89	19.21	15.55	7.77	---	17.98	1.09	0.89	---	---
Lipper Small Cap Value Funds Index		-4.19	2.10	5.99	3.06	3.06	17.26	13.97	7.55	---	17.25	0.19	0.84	---	---
Small Value Category Median		-4.31	2.25	6.73	4.21	4.21	18.42	14.81	7.61	---	17.39	0.90	0.88	---	---

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Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>SMALL BLEND</b>															
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>															
Jennison Small Cap Core Equity #	9/9/10	-3.48	0.65	6.58	7.07	7.07	18.52	---	---	15.39	---	---	---	1	1.36%
<i>Manager Composite</i>	5/31/98	---	0.74	6.46	7.77	7.77	18.96	16.41	9.21	N/A	16.74	1.99	0.99	---	1.35%
<i>Blended Performance</i>	5/31/98	---	0.65	6.58	7.07	7.07	18.52	16.05	9.04	N/A	16.69	1.69	0.97	---	1.36%
Small Cap Blend / Glenmede Fund #	1/29/01	-3.11	2.05	9.10	2.50	2.50	16.43	12.43	8.11	N/A	19.41	-3.40	0.70	4	1.25%
<i>Manager Composite</i>	4/30/91	---	2.06	8.97	2.71	2.71	20.78	17.41	8.71	N/A	18.21	1.79	0.97	---	1.25%
<i>Blended Performance</i>	4/30/91	---	2.05	9.10	2.50	2.50	20.71	17.38	8.69	N/A	18.21	1.76	0.97	---	1.25%
Russell 2000™ Index		-3.22	2.85	9.73	4.89	4.89	19.21	15.55	7.77	---	17.98	0.00	0.89	---	---
Lipper Small Cap Core Funds Index		-3.60	1.95	7.68	4.09	4.09	17.98	14.73	7.95	---	16.55	0.41	0.91	---	---
Small Blend Category Median		-3.56	2.21	8.16	4.54	4.54	18.77	15.28	7.84	---	17.43	0.72	0.92	---	---
Vanguard Small Cap Index Adm	11/13/00	-2.15	1.25	6.84	7.50	7.50	20.55	16.87	9.13	N/A	17.22	---	0.99	---	0.09%
CRSP Small Cap Index		-2.15	1.25	6.83	7.54	7.54	20.87	---	---	---	---	---	---	---	---
Lipper Small Cap Core Funds Index		-3.60	1.95	7.68	4.09	4.09	17.98	14.73	7.95	---	16.55	---	0.91	---	---
Small Blend Category Median		-3.56	2.21	8.16	4.54	4.54	18.77	15.28	7.84	---	17.43	---	0.92	---	---
<b>SMALL GROWTH</b>															
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>															
SA/Invesco Small Cap Growth Strategy #	12/1/01	-2.06	0.18	5.82	7.67	7.67	20.94	17.12	9.56	N/A	16.08	2.48	1.06	1	1.23%
Small Cap Growth / Emerald Fund #	3/31/06	-2.48	4.73	12.03	7.00	7.00	20.96	14.89	---	4.52	19.68	-1.59	0.80	3	1.35%
<i>Manager Composite</i>	10/31/92	---	4.56	11.88	6.28	6.28	22.72	18.30	9.03	N/A	19.76	1.17	0.95	---	1.35%
<i>Blended Performance</i>	10/31/92	---	4.73	12.03	7.00	7.00	22.89	18.40	9.08	N/A	19.63	0.96	0.94	---	1.35%
Small Cap Growth / RBC Fund #	3/28/02	-3.72	1.33	9.20	-0.47	-0.47	16.79	13.90	4.54	N/A	16.27	-0.38	0.88	3	1.26%
<i>Manager Composite</i>	9/30/01	---	1.36	9.22	-0.66	-0.66	19.26	17.28	8.54	N/A	15.19	3.44	1.13	---	1.25%
<i>Blended Performance</i>	9/30/01	---	1.33	9.20	-0.47	-0.47	19.04	17.15	8.48	N/A	15.20	3.32	1.12	---	1.26%
Small Cap Growth/Columbus Circle Fund #	11/24/08	-3.65	1.25	5.31	3.05	3.05	15.11	16.24	---	19.42	18.49	0.36	0.90	3	1.35%
Small Cap Growth/Palisade Capital Fund #	5/16/13	-4.87	2.71	10.30	2.02	2.02	---	---	---	12.48	---	---	---	2	1.25%
<i>Manager Composite</i>	4/30/04	---	2.72	10.46	2.03	2.03	17.81	17.55	8.98	N/A	18.33	1.44	0.97	---	1.25%
<i>Blended Performance</i>	4/30/04	---	2.71	10.30	2.02	2.02	17.83	17.56	8.99	N/A	18.32	1.47	0.98	---	1.25%
BlackRock Small Cap Growth Equity Instl	9/14/93	-2.11	2.96	6.19	2.11	2.11	18.12	15.24	9.18	N/A	19.52	-1.28	0.82	---	0.82%
Royce Pennsylvania Mutual Invmnt	10/31/72	-5.77	1.15	5.30	-0.70	-0.70	15.45	12.80	7.97	N/A	16.91	-1.91	0.79	---	0.93%
Russell 2000™ Growth Index		-2.28	2.97	10.06	5.62	5.62	20.15	16.80	8.54	---	18.52	0.00	0.93	---	---
Russell 2000™ Index		-3.22	2.85	9.73	4.89	4.89	19.21	15.55	7.77	---	17.98	-0.55	0.89	---	---
Lipper Small Cap Growth Funds Index		-2.77	1.63	7.82	1.98	1.98	18.27	15.13	7.43	---	17.06	-0.24	0.91	---	---
Small Growth Category Median		-2.99	1.92	7.80	2.80	2.80	17.93	15.27	8.18	---	17.81	-0.25	0.89	---	---



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			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>GLOBAL VALUE</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
SA/Templeton Growth Strategy #	4/1/96	-2.73	-2.45	-2.72	-2.33	-2.33	15.83	9.45	4.58	N/A	16.79	-0.93	0.62	3	1.04%
MSCI World™ Value Index(net)		-2.87	-1.55	-0.30	3.70	3.70	14.89	9.31	5.26	---	14.37	0.00	0.69	---	---
MSCI World™ Index(net)		-1.81	-1.61	1.01	4.94	4.94	15.47	10.20	6.03	---	14.30	0.96	0.75	---	---
Lipper Global Funds Index		-1.26	-1.72	0.87	3.87	3.87	14.91	9.03	6.08	---	14.66	-0.16	0.66	---	---
World Stock Category Median		-1.10	-1.66	0.76	2.91	2.91	14.46	9.87	6.01	---	15.23	0.89	0.71	---	---
<b>GLOBAL BLEND</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
American Funds Capital World Gr&Inc R4	6/27/02	0.02	-3.10	-0.06	3.97	3.97	15.64	9.02	7.52	N/A	14.51	-1.02	0.66	---	0.80%
MSCI World™ Index(net)		-1.81	-1.61	1.01	4.94	4.94	15.47	10.20	6.03	---	14.30	0.00	0.75	---	---
Lipper Global Funds Index		-1.26	-1.72	0.87	3.87	3.87	14.91	9.03	6.08	---	14.66	-1.19	0.66	---	---
World Stock Category Median		-1.10	-1.66	0.76	2.91	2.91	14.46	9.87	6.01	---	15.23	-0.12	0.71	---	---
<b>GLOBAL GROWTH</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
SA/OFII Global Strategy #	7/9/02	-0.43	-2.95	-0.42	1.68	1.68	15.90	10.43	6.66	N/A	15.94	0.09	0.70	3	1.08%
MSCI All Country World™ Index		-1.54	-1.89	0.53	4.71	4.71	14.72	9.73	6.64	---	14.56	0.00	0.71	---	---
MSCI World™ Index(net)		-1.81	-1.61	1.01	4.94	4.94	15.47	10.20	6.03	---	14.30	0.60	0.75	---	---
Lipper Global Funds Index		-1.26	-1.72	0.87	3.87	3.87	14.91	9.03	6.08	---	14.66	-0.64	0.66	---	---
World Stock Category Median		-1.10	-1.66	0.76	2.91	2.91	14.46	9.87	6.01	---	15.23	0.41	0.71	---	---
<b>INTERNATIONAL VALUE</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
International Value / LSV Asset Mgmt. #	1/5/05	-0.72	-4.13	-5.73	-6.86	-6.86	9.17	2.48	---	1.24	18.05	-1.81	0.22	4	1.38%
Manager Composite	5/31/04	---	-3.57	-5.08	-5.21	-5.21	9.34	5.07	5.20	N/A	16.87	0.91	0.37	---	1.30%
Blended Performance	5/31/04	---	-4.13	-5.73	-6.86	-6.86	9.17	4.82	5.07	N/A	17.30	0.64	0.35	---	1.38%
SA/Templeton Foreign Strategy #	4/1/96	-1.07	-4.47	-9.72	-11.08	-11.08	10.00	4.66	4.52	N/A	18.27	0.34	0.34	3	1.12%
MSCI EAFE™ Value Index(net)		-0.28	-3.44	-4.85	-5.39	-5.39	11.04	4.42	3.89	---	17.65	0.00	0.33	---	---
MSCI EAFE™ Index(net)		0.49	-3.46	-3.57	-4.90	-4.90	11.06	5.34	4.43	---	16.73	1.08	0.39	---	---
Lipper International Funds Index		0.54	-3.42	-2.73	-4.24	-4.24	11.59	5.63	5.24	---	16.38	1.55	0.41	---	---
Foreign Large Value Category Median		0.15	-3.77	-5.01	-6.40	-6.40	9.98	4.60	4.50	---	17.37	0.48	0.35	---	---



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<b>INTERNATIONAL BLEND</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
International Blend (sub-advised by Wellington Mgmt) #	2/25/03	0.53	-3.20	-2.14	-4.59	-4.59	10.78	3.14	3.26	N/A	16.36	-1.72	0.27	4	1.40%
<i>Manager Composite</i>	5/31/94	---	-2.66	-1.66	-3.65	-3.65	11.56	6.39	6.45	N/A	15.93	1.33	0.46	---	1.30%
<i>Blended Performance</i>	5/31/94	---	-3.20	-2.14	-4.59	-4.59	10.83	5.98	6.24	N/A	16.06	0.91	0.44	---	1.40%
International Blend / AQR #	12/5/97	0.32	-3.71	-2.88	-4.89	-4.89	11.40	5.72	3.25	N/A	17.10	0.34	0.41	1	1.36%
<i>Manager Composite</i>	2/29/00	---	-3.15	-2.41	-3.85	-3.85	12.02	6.31	4.95	N/A	16.88	0.92	0.44	---	1.30%
<i>Blended Performance</i>	2/29/00	---	-3.71	-2.88	-4.89	-4.89	11.40	6.09	4.84	N/A	17.15	0.67	0.43	---	1.36%
International Blend / Lazard Fund #	8/17/10	-0.46	-5.13	-4.21	-13.82	-13.82	4.75	---	---	1.61	---	---	---	2	1.36%
<i>Manager Composite</i>	7/31/06	---	-4.68	-3.60	-4.12	-4.12	10.08	5.84	---	2.35	16.15	0.74	0.43	---	1.30%
<i>Blended Performance</i>	7/31/06	---	-5.13	-4.21	-5.32	-5.32	9.62	5.57	---	2.20	16.19	0.49	0.41	---	1.36%
International Blend / Pictet Asset Management Fund #	1/18/07	-0.39	-4.70	-6.01	-12.13	-12.13	9.66	4.27	---	-1.04	17.62	-1.09	0.32	4	1.37%
<i>American Funds Europacific Growth R4</i>	6/7/02	1.02	-3.99	-1.72	-2.66	-2.66	11.72	5.68	6.69	N/A	15.93	0.65	0.42	---	0.84%
<i>MSCI EAFE™ Index(net)</i>		0.49	-3.46	-3.57	-4.90	-4.90	11.06	5.34	4.43	---	16.73	0.00	0.39	---	---
<i>Lipper International Funds Index</i>		0.54	-3.42	-2.73	-4.24	-4.24	11.59	5.63	5.24	---	16.38	0.45	0.41	---	---
<i>Foreign Large Blend Category Median</i>		0.53	-3.67	-3.59	-5.41	-5.41	10.44	5.10	4.44	---	16.90	-0.11	0.38	---	---
<i>QMA International Developed Markets Index Fund #</i>	6/17/09	0.21	-3.51	-3.60	-5.15	-5.15	10.76	5.00	---	6.74	16.70	-0.57	0.37	---	0.58%
<i>Russell Developed ex-North America Large Cap Index (net)</i>		0.43	-3.41	-3.29	-4.54	-4.54	11.54	5.67	4.73	---	16.98	0.00	0.41	---	---
<i>Lipper International Funds Index</i>		0.54	-3.42	-2.73	-4.24	-4.24	11.59	5.63	5.24	---	16.38	0.19	0.41	---	---
<i>Foreign Large Blend Category Median</i>		0.53	-3.67	-3.59	-5.41	-5.41	10.44	5.10	4.44	---	16.90	-0.37	0.38	---	---
<b>INTERNATIONAL GROWTH</b>															
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>															
International Growth / Artisan Partners Fund #	2/28/01	1.28	-4.02	0.40	-1.35	-1.35	15.53	8.55	6.94	N/A	17.29	2.13	0.56	1	1.16%
<i>MSCI EAFE™ Growth Index(net)</i>		1.24	-3.49	-2.29	-4.44	-4.44	11.02	6.19	4.91	---	16.16	0.00	0.45	---	---
<i>MSCI EAFE™ Index(net)</i>		0.49	-3.46	-3.57	-4.90	-4.90	11.06	5.34	4.43	---	16.73	-0.89	0.39	---	---
<i>Lipper International Funds Index</i>		0.54	-3.42	-2.73	-4.24	-4.24	11.59	5.63	5.24	---	16.38	-0.51	0.41	---	---
<i>Foreign Large Growth Category Median</i>		0.86	-3.19	-1.59	-4.21	-4.21	11.11	6.44	5.66	---	16.43	0.24	0.45	---	---
<b>DIVERSIFIED EMERGING MKTS</b>															
<i>Investing in emerging markets is generally riskier than investing in foreign securities. Emerging-market countries may have unstable governments and/or economies that are subject to sudden change. These changes may be magnified by the countries' emergent financial markets, resulting in significant volatility to investments in these countries. These countries also may lack the legal, business, and social framework to support securities markets.</i>															
Emerging Markets Equity / JP Morgan Fund #	11/30/12	0.51	-5.27	-5.01	-6.92	-6.92	---	---	---	-1.86	---	---	---	3	1.49%
<i>Manager Composite</i>	12/31/06	---	-4.69	-4.41	-5.53	-5.53	2.78	1.88	---	3.23	19.70	0.16	0.19	---	1.40%
<i>Blended Performance</i>	12/31/06	---	-5.27	-5.01	-6.92	-6.92	2.69	1.79	---	3.18	19.76	-0.46	0.16	---	1.49%
Emerging Markets Equity / QMA Fund #	8/31/95	0.08	-5.21	-5.11	-2.86	-2.86	4.03	2.20	8.66	N/A	19.67	0.48	0.21	2	1.61%
<i>MSCI Emerging Markets™ Index(net)</i>		0.60	-4.61	-4.51	-2.19	-2.19	4.04	1.78	8.43	---	18.55	0.00	0.18	---	---
<i>Diversified Emerging Mkts Category Median</i>		0.41	-4.86	-4.72	-2.64	-2.64	4.52	2.09	7.94	---	18.76	0.46	0.20	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>REAL ESTATE</b>															
<i>Sector funds are subject to risks within their specific sectors because they concentrate their investments in securities of companies within those industries. Therefore, the prices of these securities can be volatile.</i>															
Prudential Retirement Real Estate Fund #	3/31/06	1.59	0.71	3.85	12.25	12.25	11.84	12.92	---	2.72	4.50	8.64	2.72	---	1.50%
Real Estate / Cohen & Steers Fund #	5/17/07	5.73	2.39	15.54	32.25	32.25	17.48	17.02	---	5.67	16.61	-0.12	1.03	2	1.21%
FTSE NAREIT Equity® Index		6.17	1.26	12.95	28.04	28.04	16.38	16.91	8.75	---	16.28	0.00	1.04	---	---
Real Estate Category Median		6.07	1.82	14.12	29.75	29.75	15.52	16.38	7.95	---	16.57	-0.48	1.00	---	---
Real Estate / American Century Fund #	5/17/07	6.95	2.07	14.29	29.72	29.72	15.65	17.35	---	3.48	16.51	0.44	1.05	3	1.21%
MSCI US REIT Index		6.76	1.93	14.33	30.37	30.37	16.31	17.05	8.31	---	16.65	0.00	1.03	---	---
Real Estate Category Median		6.07	1.82	14.12	29.75	29.75	15.52	16.38	7.95	---	16.57	-0.32	1.00	---	---
<b>SPECIALTY - OTHER</b>															
Prudential Real Assets Fund #	12/4/12	1.20	-1.68	-1.30	5.04	5.04	---	---	---	1.74	---	---	---	---	0.95%
Prudential Real Assets Custom Benchmark		1.50	-3.09	-1.78	0.06	0.06	---	---	---	---	---	---	---	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	---	1.02	---	---
<b>BALANCED VALUE (MODERATE ALLOCATION)</b>															
Balanced Fund (sub-advised by Wellington Management and PIM) #	7/23/01	-1.18	0.09	3.76	9.84	9.84	11.42	9.93	5.33	N/A	7.69	-0.92	1.26	1	0.82%
Balanced I / Wellington Mgmt. Fund #	11/30/99	-2.15	0.27	3.74	9.24	9.24	13.51	10.43	7.12	N/A	8.59	-1.61	1.19	1	0.97%
60% Russell 1000 Value / 40% Barclays Aggr		-1.56	0.40	3.70	10.49	10.49	13.40	11.19	6.58	---	7.79	0.00	1.40	---	---
60% R1000 / 40% Barclays Agg		-0.81	-0.10	3.64	10.35	10.35	13.24	11.30	6.95	---	7.73	0.35	1.42	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.14	-0.28	3.30	9.42	9.42	12.83	10.78	6.52	---	7.70	-0.07	1.36	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-1.98	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-2.82	1.02	---	---
<b>BALANCED BLEND (MODERATE ALLOCATION)</b>															
Prudential IncomeFlex Select EasyPath Balanced Fund #	6/30/09	-0.18	-1.10	1.08	4.98	4.98	8.51	7.57	---	9.18	7.70	-3.24	0.98	---	1.72%
60% S&P 500 / 40% Barclays Agg Bond Index		-0.96	-0.11	3.67	10.61	10.61	13.12	11.18	6.77	---	7.57	0.00	1.43	---	---
60% R1000 / 40% Barclays Agg		-0.81	-0.10	3.64	10.35	10.35	13.24	11.30	6.95	---	7.73	-0.10	1.42	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.14	-0.28	3.30	9.42	9.42	12.83	10.78	6.52	---	7.70	-0.53	1.36	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.44	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-3.33	1.02	---	---
Oakmark Equity & Income I	11/1/95	-2.26	-0.02	3.75	6.93	6.93	13.15	9.81	8.01	N/A	9.67	-3.18	1.01	---	0.77%
60% R1000 / 40% Barclays Agg		-0.81	-0.10	3.64	10.35	10.35	13.24	11.30	6.95	---	7.73	0.00	1.42	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.14	-0.28	3.30	9.42	9.42	12.83	10.78	6.52	---	7.70	-0.41	1.36	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.35	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-3.23	1.02	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>BALANCED GROWTH (MODERATE ALLOCATION)</b>															
Balanced / JPMorgan Investment Management, PIM #	10/19/00	0.44	-0.18	3.61	8.98	8.98	11.89	9.64	5.73	N/A	8.87	-2.43	1.08	2	0.82%
SA/Janus Balanced Strategy #	4/1/00	-0.92	-0.38	3.16	7.99	7.99	13.61	9.90	8.25	N/A	8.80	-2.08	1.11	1	1.06%
60% Russell 1000 Growth / 40% Barclays Aggr.		-0.08	-0.59	3.59	10.26	10.26	13.04	11.41	7.27	---	7.92	0.00	1.40	---	---
60% R1000 / 40% Barclays Agg		-0.81	-0.10	3.64	10.35	10.35	13.24	11.30	6.95	---	7.73	0.31	1.42	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.14	-0.28	3.30	9.42	9.42	12.83	10.78	6.52	---	7.70	-0.08	1.36	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.01	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-2.91	1.02	---	---
<b>BALANCED BLEND (CONSERVATIVE ALLOCATION)</b>															
Prudential IncomeFlex Select EasyPath Conservative Fund #	6/30/09	0.97	-0.98	0.29	2.85	2.85	3.21	4.27	---	5.07	4.06	-0.62	1.03	---	1.72%
Prudential IncomeFlex Select EasyPath Moderate Fund #	6/30/09	0.39	-1.05	0.67	3.92	3.92	5.80	5.89	---	7.11	5.77	-1.94	1.01	---	1.72%
60% R1000 / 40% Barclays Agg		-0.81	-0.10	3.64	10.35	10.35	13.24	11.30	6.95	---	7.73	0.00	1.42	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.14	-0.28	3.30	9.42	9.42	12.83	10.78	6.52	---	7.70	-0.41	1.36	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.35	1.13	---	---
Conservative Allocation Category Median		0.24	-0.75	0.92	4.11	4.11	7.47	6.90	5.17	---	6.16	-1.23	1.15	---	---
<b>LIFETIMES - AGGRESSIVE ALLOCATION</b>															
Lifetime Aggressive Growth Fund #	4/30/94	-1.15	-0.62	3.30	5.13	5.13	14.08	10.87	6.17	N/A	11.62	-1.01	0.94	---	1.12%
Lifetime Aggressive Growth Primary Benchmark		-1.15	-0.67	2.75	7.62	7.62	14.99	11.47	6.95	---	11.04	0.00	1.04	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.80	1.13	---	---
Aggressive Allocation Category Median		-1.19	-0.86	2.15	5.71	5.71	13.68	10.29	6.21	---	11.53	-1.60	0.88	---	---
<b>LIFETIMES - MODERATE ALLOCATION</b>															
Lifetime Growth Fund #	4/30/94	-0.71	-0.55	3.02	5.23	5.23	12.69	10.19	6.11	N/A	10.12	-0.81	1.01	---	1.07%
Lifetime Growth Primary Benchmark		-0.73	-0.60	2.59	7.35	7.35	13.37	10.61	6.67	---	9.61	0.00	1.09	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.31	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-0.43	1.02	---	---
Lifetime Balanced Fund #	4/30/94	-0.57	-0.45	2.95	5.28	5.28	12.00	9.87	6.03	N/A	9.35	-0.79	1.05	---	1.04%
Lifetime Balanced Primary Benchmark		-0.55	-0.52	2.60	7.39	7.39	12.66	10.26	6.59	---	8.88	0.00	1.14	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.09	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-0.86	1.02	---	---
Lifetime Conservative Growth Fund #	4/30/94	-0.15	-0.38	2.68	5.29	5.29	10.62	9.16	5.90	N/A	7.88	-0.59	1.15	---	0.99%
Lifetime Conservative Growth Primary Benchmark		-0.13	-0.44	2.43	7.10	7.10	11.05	9.37	6.36	---	7.48	0.00	1.23	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.81	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-1.58	1.02	---	---
<b>LIFETIMES - CONSERVATIVE ALLOCATION</b>															
Lifetime Income & Equity Fund #	4/30/94	0.54	-0.21	2.14	5.03	5.03	7.67	7.41	5.31	N/A	5.04	-0.33	1.43	---	0.89%
Lifetime Income & Equity Primary Benchmark		0.58	-0.26	2.10	6.39	6.39	7.82	7.40	5.67	---	4.76	0.00	1.51	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.83	1.13	---	---
Conservative Allocation Category Median		0.24	-0.75	0.92	4.11	4.11	7.47	6.90	5.17	---	6.16	-1.85	1.15	---	---

For institutional plan sponsor use only. Not to be distributed to plan participants or the general public.

\*Please see footnote section for more information.

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>RETIREMENT INCOME</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One IncomeFlex Bal Fund #	6/30/09	-0.18	-1.10	1.11	5.09	5.09	8.62	7.68	---	9.29	7.70	-1.06	0.99	---	1.62%
Prudential Day One IncomeFlex Target Bal Benchmark		-0.72	-0.96	1.55	6.13	6.13	9.72	8.81	6.06	---	7.69	0.00	1.13	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.07	1.13	---	---
Retirement Income Median		0.55	-0.58	1.39	4.74	4.74	6.75	6.58	4.33	---	5.57	0.29	1.13	---	---
Retirement Goal Income Fund #	11/30/02	0.58	-0.13	1.75	4.24	4.24	5.74	5.75	4.43	N/A	3.66	-0.43	1.53	---	0.83%
Retirement Goal Income Primary Benchmark		0.66	-0.16	1.76	5.35	5.35	5.93	5.87	4.91	---	3.43	0.00	1.66	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-3.68	1.13	---	---
Retirement Income Median		0.55	-0.58	1.39	4.74	4.74	6.75	6.58	4.33	---	5.57	-2.26	1.13	---	---
Prudential Day One Income Fund #	6/30/09	0.85	-0.90	0.71	4.26	4.26	5.17	5.87	---	6.81	4.54	-0.28	1.27	---	0.77%
Prudential Day One Income Fund Benchmark		---	-0.83	0.90	4.68	4.68	5.60	6.29	5.06	---	4.62	0.00	1.33	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.69	1.13	---	---
Retirement Income Median		0.55	-0.58	1.39	4.74	4.74	6.75	6.58	4.33	---	5.57	-0.48	1.13	---	---
<b>TARGET DATE 2000-2010</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2010 Fund #	6/30/09	0.76	-0.91	0.89	4.72	4.72	6.37	6.67	---	7.90	5.55	-0.27	1.18	---	0.77%
Prudential Day One 2010 Fund Benchmark		0.03	-0.85	1.08	5.08	5.08	6.77	7.04	5.35	---	5.60	0.00	1.23	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.45	1.13	---	---
Target-Date 2000-2010 Median		0.17	-0.76	1.24	4.39	4.39	8.14	7.20	4.89	---	6.99	-1.30	1.01	---	---
Prudential Day One IncomeFlex Target® 2010 Fund #	6/30/09	-0.19	-1.11	1.07	4.93	4.93	8.45	7.52	---	9.13	7.70	-1.21	0.97	---	1.77%
Prudential Day One IncomeFlex Target 2010 Benchmark		-0.86	-0.96	1.55	6.13	6.13	9.72	8.81	6.06	---	7.69	0.00	1.13	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.07	1.13	---	---
Target-Date 2000-2010 Median		0.17	-0.76	1.24	4.39	4.39	8.14	7.20	4.89	---	6.99	-0.75	1.01	---	---
Retirement Goal 2010 Fund #	11/30/02	0.57	-0.17	1.68	4.15	4.15	6.14	6.11	4.53	N/A	4.17	-0.39	1.43	---	0.84%
Retirement Goal 2010 Primary Benchmark		0.66	-0.19	1.72	5.32	5.32	6.34	6.22	5.04	---	3.95	0.00	1.53	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.91	1.13	---	---
Target-Date 2000-2010 Median		0.17	-0.76	1.24	4.39	4.39	8.14	7.20	4.89	---	6.99	-3.30	1.01	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2011-2015</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2015 Fund #	6/30/09	0.48	-0.95	0.93	4.88	4.88	7.06	7.10	---	8.44	6.01	-0.25	1.16	---	0.77%
Prudential Day One 2015 Fund Benchmark		-0.27	-0.89	1.13	5.18	5.18	7.39	7.42	5.47	---	6.05	0.00	1.20	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.34	1.13	---	---
Target-Date 2011-2015 Median		0.00	-0.75	1.50	4.84	4.84	9.03	7.77	5.39	---	7.86	-1.36	1.00	---	---
Prudential Day One IncomeFlex Target® 2015 Fund #	6/30/09	-0.20	-1.11	1.07	4.93	4.93	8.45	7.52	---	9.13	7.70	-1.21	0.97	---	1.77%
Prudential Day One IncomeFlex Target 2015 Benchmark		-0.86	-0.96	1.55	6.13	6.13	9.72	8.81	6.06	---	7.69	0.00	1.13	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.07	1.13	---	---
Target-Date 2011-2015 Median		0.00	-0.75	1.50	4.84	4.84	9.03	7.77	5.39	---	7.86	-0.90	1.00	---	---
<b>TARGET DATE 2016-2020</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2020 Fund #	6/30/09	0.12	-0.95	1.11	5.34	5.34	8.33	7.95	---	9.79	7.57	-0.24	1.04	---	0.77%
Prudential Day One 2020 Fund Benchmark		-0.62	-0.88	1.32	5.60	5.60	8.60	8.22	5.69	---	7.57	0.00	1.07	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.59	1.13	---	---
Target-Date 2016-2020 Median		-0.17	-0.84	1.67	5.14	5.14	9.90	8.33	5.01	---	8.90	-0.81	0.96	---	---
Prudential Day One IncomeFlex Target® 2020 Fund #	6/30/09	-0.20	-1.11	1.07	4.93	4.93	8.45	7.52	---	9.33	7.70	-1.21	0.97	---	1.77%
Prudential Day One IncomeFlex Target 2020 Benchmark		-0.86	-0.96	1.55	6.13	6.13	9.72	8.81	6.02	---	7.69	0.00	1.13	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.07	1.13	---	---
Target-Date 2016-2020 Median		-0.17	-0.84	1.67	5.14	5.14	9.90	8.33	5.01	---	8.90	-1.28	0.96	---	---
Retirement Goal 2020 Fund #	11/30/02	0.12	-0.32	2.34	4.91	4.91	9.41	8.40	5.29	N/A	7.49	-0.75	1.11	---	0.94%
Retirement Goal 2020 Primary Benchmark		0.19	-0.34	2.14	6.40	6.40	9.82	8.73	5.98	---	7.07	0.00	1.21	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.65	1.13	---	---
Target-Date 2016-2020 Median		-0.17	-0.84	1.67	5.14	5.14	9.90	8.33	5.01	---	8.90	-2.04	0.96	---	---
<b>TARGET DATE 2021-2025</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2025 Fund #	6/30/09	-0.47	-1.03	1.47	6.25	6.25	10.97	9.38	---	11.47	9.43	-0.24	0.99	---	0.77%
Prudential Day One 2025 Fund Benchmark		-1.25	-0.98	1.68	6.41	6.41	11.13	9.57	6.12	---	9.35	0.00	1.02	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.96	1.13	---	---
Target-Date 2021-2025 Median		-0.44	-0.93	1.83	5.63	5.63	11.39	9.20	5.85	---	10.29	-1.04	0.91	---	---
Prudential Day One IncomeFlex Target® 2025 Fund #	6/30/09	-0.19	-1.05	1.37	6.11	6.11	10.72	9.24	---	11.34	9.40	-0.22	0.98	---	0.77%
Prudential Day One IncomeFlex Target 2025 Benchmark		-0.86	-0.99	1.60	6.25	6.25	10.86	9.40	6.04	---	9.32	0.00	1.01	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.07	1.13	---	---
Target-Date 2021-2025 Median		-0.44	-0.93	1.83	5.63	5.63	11.39	9.20	5.85	---	10.29	-0.91	0.91	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2026-2030</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2030 Fund #	6/30/09	-0.99	-1.06	1.74	6.85	6.85	12.98	10.47	---	12.70	10.58	-0.22	0.99	---	0.77%
Prudential Day One 2030 Fund Benchmark		-1.79	-1.00	1.98	6.92	6.92	13.03	10.61	6.47	---	10.47	0.00	1.01	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.00	1.13	---	---
Target-Date 2026-2030 Median		-0.68	-1.00	1.96	5.56	5.56	12.45	9.49	5.20	---	11.22	-1.35	0.89	---	---
Prudential Day One IncomeFlex Target® 2030 Fund #	6/30/09	-0.99	-1.06	1.74	6.85	6.85	12.98	10.47	---	12.70	10.58	-0.22	0.99	---	0.77%
Prudential Day One IncomeFlex Target 2030 Benchmark		-1.79	-1.00	1.98	6.92	6.92	13.03	10.61	6.47	---	10.47	0.00	1.01	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.00	1.13	---	---
Target-Date 2026-2030 Median		-0.68	-1.00	1.96	5.56	5.56	12.45	9.49	5.20	---	11.22	-1.35	0.89	---	---
Retirement Goal 2030 Fund #	11/30/02	-0.67	-0.52	2.90	5.11	5.11	12.74	10.22	5.75	N/A	10.60	-0.87	0.97	---	1.05%
Retirement Goal 2030 Primary Benchmark		-0.61	-0.56	2.58	7.32	7.32	13.45	10.68	6.55	---	10.06	0.00	1.06	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	0.63	1.13	---	---
Target-Date 2026-2030 Median		-0.68	-1.00	1.96	5.56	5.56	12.45	9.49	5.20	---	11.22	-1.82	0.89	---	---
<b>TARGET DATE 2031-2035</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2035 Fund #	6/30/09	-1.34	-1.05	1.95	7.38	7.38	14.14	11.05	---	13.49	11.55	-0.24	0.96	---	0.77%
Prudential Day One 2035 Fund Benchmark		-2.11	-0.99	2.22	7.37	7.37	14.18	11.19	6.68	---	11.40	0.00	0.98	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.24	1.13	---	---
Target-Date 2031-2035 Median		-0.96	-1.10	2.05	5.75	5.75	13.54	10.27	6.12	---	12.37	-1.54	0.86	---	---
Prudential Day One IncomeFlex Target® 2035 Fund #	6/30/09	-1.34	-1.05	1.95	7.38	7.38	14.14	11.05	---	13.49	11.55	-0.22	0.96	---	0.77%
Prudential Day One IncomeFlex Target 2035 Benchmark		-2.11	-0.99	2.22	7.37	7.37	14.15	11.17	6.67	---	11.41	0.00	0.98	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.25	1.13	---	---
Target-Date 2031-2035 Median		-0.96	-1.10	2.05	5.75	5.75	13.54	10.27	6.12	---	12.37	-1.52	0.86	---	---



# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2036-2040</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2040 Fund #	6/30/09	-1.40	-1.15	1.95	7.44	7.44	14.99	11.49	---	13.99	12.21	-0.21	0.95	---	0.77%
Prudential Day One 2040 Fund Benchmark		-2.16	-1.08	2.24	7.41	7.41	14.95	11.57	6.78	---	12.04	0.00	0.97	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.38	1.13	---	---
Target-Date 2036-2040 Median		-1.12	-1.13	2.11	5.71	5.71	13.69	10.09	5.77	---	12.67	-1.29	0.82	---	---
Prudential Day One IncomeFlex Target® 2040 Fund #	6/30/09	-1.40	-1.15	1.95	7.44	7.44	14.99	11.49	---	13.99	12.21	-0.21	0.95	---	0.77%
Prudential Day One IncomeFlex Target 2040 Benchmark		-2.16	-1.08	2.24	7.41	7.41	14.95	11.57	6.78	---	12.04	0.00	0.97	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.38	1.13	---	---
Target-Date 2036-2040 Median		-1.12	-1.13	2.11	5.71	5.71	13.69	10.09	5.77	---	12.67	-1.29	0.82	---	---
Retirement Goal 2040 Fund #	11/30/02	-1.24	-0.62	3.39	5.16	5.16	14.50	11.06	5.88	N/A	12.25	-1.08	0.91	---	1.13%
Retirement Goal 2040 Primary Benchmark		-1.20	-0.67	2.79	7.69	7.69	15.44	11.73	6.77	---	11.63	0.00	1.01	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.03	1.13	---	---
Target-Date 2036-2040 Median		-1.12	-1.13	2.11	5.71	5.71	13.69	10.09	5.77	---	12.67	-1.87	0.82	---	---
<b>TARGET DATE 2041-2045</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Prudential Day One 2045 Fund #	6/30/09	-1.38	-1.14	2.07	7.70	7.70	15.44	11.72	---	14.25	12.45	-0.20	0.95	---	0.77%
Prudential Day One 2045 Fund Benchmark		-2.12	-1.07	2.36	7.63	7.63	15.34	11.78	6.86	---	12.26	0.00	0.97	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.38	1.13	---	---
Target-Date 2041-2045 Median		-1.23	-1.13	2.14	5.79	5.79	14.33	10.65	6.82	---	13.21	-1.73	0.83	---	---
Prudential Day One IncomeFlex Target® 2045 Fund #	6/30/09	-1.38	-1.14	2.07	7.70	7.70	15.44	11.72	---	14.25	12.45	-0.20	0.95	---	0.77%
Prudential Day One IncomeFlex Target 2045 Benchmark		-2.12	-1.07	2.36	7.63	7.63	15.34	11.78	6.86	---	12.26	0.00	0.97	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.38	1.13	---	---
Target-Date 2041-2045 Median		-1.23	-1.13	2.14	5.79	5.79	14.33	10.65	6.82	---	13.21	-1.73	0.83	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

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Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>TARGET DATE 2051+</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
Retirement Goal 2050 Fund #	6/24/05	-1.60	-0.72	3.59	5.02	5.02	15.85	11.59	---	6.28	13.78	-7.39	0.86	---	1.18%
Retirement Goal 2050 Primary Benchmark		-1.59	-0.79	2.86	7.77	7.77	16.97	12.47	---	---	13.10	-5.91	0.96	---	---
60% S&P 500 / 40% Barclays Agg Bond Index		-0.96	-0.11	3.67	10.61	10.61	13.12	11.18	6.77	---	7.57	0.00	1.43	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.44	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	-7.87	0.81	---	---
Prudential Day One 2050 Fund #	6/30/09	-1.41	-1.14	2.09	7.78	7.78	15.66	11.79	---	14.40	12.73	-0.19	0.94	---	0.77%
Prudential Day One 2050 Fund Benchmark		-2.15	-1.07	2.39	7.70	7.70	15.54	11.84	6.91	---	12.53	0.00	0.95	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.51	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	-1.86	0.81	---	---
Prudential Day One 2055 Fund #	6/30/09	-1.49	-1.17	2.09	7.82	7.82	16.01	11.99	---	14.61	12.91	-0.22	0.94	---	0.77%
Prudential Day One 2055 Fund Benchmark		-2.23	-1.10	2.40	7.73	7.73	15.91	12.05	6.98	---	12.70	0.00	0.96	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.47	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	-1.92	0.81	---	---
Prudential Day One 2060 Fund #	5/31/13	-1.54	-1.18	2.12	7.90	7.90	---	---	---	12.75	---	---	---	---	0.77%
Prudential Day One 2060 Fund Benchmark		-2.27	-1.10	2.43	7.80	7.80	---	---	---	---	---	---	---	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	---	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	---	0.81	---	---
Prudential Day One IncomeFlex Target® 2050 Fund #	6/30/09	-1.41	-1.14	2.09	7.78	7.78	15.66	11.79	---	14.40	12.73	-0.19	0.94	---	0.77%
Prudential Day One IncomeFlex Target 2050 Benchmark		-2.15	-1.07	2.39	7.70	7.70	15.54	11.84	6.91	---	12.53	0.00	0.95	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.51	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	-1.86	0.81	---	---
Prudential Day One IncomeFlex Target® 2055 Fund #	6/30/09	-1.49	-1.17	2.09	7.82	7.82	16.01	11.99	---	14.61	12.91	-0.22	0.94	---	0.77%
Prudential Day One IncomeFlex Target 2055 Benchmark		-2.23	-1.10	2.40	7.73	7.73	15.91	12.05	6.98	---	12.70	0.00	0.96	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.47	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	-1.92	0.81	---	---
Prudential Day One IncomeFlex Target® 2060 Fund #	6/30/09	-1.54	-1.18	2.12	7.90	7.90	16.04	12.01	---	14.62	12.91	-0.20	0.94	---	0.77%
Prudential Day One IncomeFlex Target 2060 Benchmark		-2.27	-1.10	2.43	7.80	7.80	15.90	12.05	6.98	---	12.71	0.00	0.96	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	1.48	1.13	---	---
Target-Date 2051+ Median		-1.26	-1.18	2.12	5.85	5.85	14.51	10.51	---	---	13.63	-1.90	0.81	---	---



# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Select Funds, Sub-Advised Funds, Alliance Mutual Funds, and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
			<b>RETIREMENT INCOME - INCOME FLEX (MODERATE ALLOCATION)</b>												
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
IncomeFlex LT Balanced Fund #	11/28/06	-0.63	-0.52	2.75	4.44	4.44	11.11	8.99	5.18	N/A	9.35	-1.60	0.96	---	1.85%
IncomeFlex LT Balanced Fund #	11/28/06	-0.68	-0.57	2.62	3.92	3.92	10.55	8.45	4.66	N/A	9.34	-2.09	0.91	---	2.35%
Lifetime Balanced Primary Benchmark		-0.55	-0.52	2.60	7.39	7.39	12.66	10.26	6.59	---	8.88	0.00	1.14	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.09	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-0.86	1.02	---	---
IncomeFlex LT Conservative Growth Fund #	11/28/06	-0.22	-0.45	2.47	4.45	4.45	9.74	8.29	5.06	N/A	7.88	-1.39	1.04	---	1.79%
IncomeFlex LT Conservative Growth Fund #	11/28/06	-0.26	-0.49	2.34	3.93	3.93	9.19	7.75	4.54	N/A	7.87	-1.89	0.98	---	2.29%
Lifetime Conservative Growth Primary Benchmark		-0.13	-0.44	2.43	7.10	7.10	11.05	9.37	6.36	---	7.48	0.00	1.23	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-0.81	1.13	---	---
Moderate Allocation Category Median		-0.79	-0.69	1.98	5.98	5.98	11.64	9.52	6.06	---	9.05	-1.58	1.02	---	---
<b>RETIREMENT INCOME - INCOME FLEX (CONSERVATIVE ALLOCATION)</b>															
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time, including the target date.</i>															
IncomeFlex LT Income & Equity Fund #	11/28/06	0.47	-0.28	1.94	4.20	4.20	6.81	6.55	4.47	N/A	5.03	-1.13	1.27	---	1.69%
IncomeFlex LT Income & Equity Fund #	11/28/06	0.43	-0.32	1.81	3.68	3.68	6.28	6.02	3.95	N/A	5.03	-1.63	1.18	---	2.19%
Lifetime Income & Equity Primary Benchmark		0.58	-0.26	2.10	6.39	6.39	7.82	7.40	5.67	---	4.76	0.00	1.51	---	---
Lipper Balanced Funds Index		-0.69	-0.48	2.32	7.21	7.21	11.82	9.60	6.04	---	8.40	-2.83	1.13	---	---
Conservative Allocation Category Median		0.24	-0.75	0.92	4.11	4.11	7.47	6.90	5.17	---	6.16	-1.85	1.15	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>INTERMEDIATE-TERM BOND</b>															
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>															
Core Bond/PIM Fund #	12/15/98	2.05	0.08	1.69	5.91	5.91	3.23	4.84	4.55	N/A	2.78	0.33	1.70	1	0.82%
Core Bond Enhanced Index / PIM Fund #	3/15/99	2.13	0.08	1.76	5.82	5.82	2.51	4.31	4.60	N/A	2.76	-0.24	1.52	3	0.37%
Core Plus Bond / Multi Manager #	3/11/14	1.98	-0.29	1.77	---	---	---	---	---	3.53	---	---	---	---	0.80%
Core Plus Bond / PIM Fund #	7/19/02	2.35	0.09	1.96	5.02	5.02	4.62	4.68	5.59	N/A	3.53	0.06	1.30	4	0.41%
<i>Manager Composite</i>	6/30/02	---	-0.20	1.78	7.19	7.19	5.46	6.86	6.29	N/A	3.56	2.06	1.87	---	0.38%
<i>Blended Performance</i>	6/30/02	---	-0.20	1.78	7.18	7.18	5.46	6.86	6.29	N/A	3.56	2.06	1.87	---	0.41%
Core Plus Bond / Reams Fund #	11/1/99	1.66	-0.13	1.11	3.58	3.58	3.44	5.17	5.28	N/A	2.70	1.75	1.86	3	0.82%
High Grade Bond / GSAM Fund #	11/1/99	1.96	0.11	1.15	5.16	5.16	3.02	4.85	4.08	N/A	2.67	0.58	1.76	2	0.82%
Prudential Total Return Bond SA #	2/28/14	2.40	-0.02	2.32	---	---	---	---	---	3.96	---	---	---	2	0.75%
<i>Manager Composite</i>	6/30/02	---	-0.23	1.69	6.79	6.79	5.07	6.47	5.90	N/A	3.56	1.69	1.76	---	0.75%
<i>Blended Performance</i>	6/30/02	---	-0.02	2.32	6.46	6.46	4.96	6.40	5.87	N/A	3.57	1.61	1.74	---	0.75%
<i>Barclays Aggregate Bond Index</i>		2.10	0.09	1.79	5.96	5.96	2.66	4.45	4.71	---	2.69	0.00	1.61	---	---
<i>Intermediate-Term Bond Category Median</i>		1.87	-0.10	1.32	5.62	5.62	3.46	4.92	4.76	---	2.78	0.66	1.68	---	---
Corporate Bond / PIM Fund #	1/1/97	2.51	-0.01	1.49	7.20	7.20	5.21	6.40	5.37	N/A	4.06	0.04	1.53	2	0.82%
<i>Barclays Credit Index</i>		2.83	0.01	1.76	7.53	7.53	4.84	6.26	5.46	---	3.96	0.00	1.54	---	---
<i>Intermediate-Term Bond Category Median</i>		1.87	-0.10	1.32	5.62	5.62	3.46	4.92	4.76	---	2.78	0.83	1.68	---	---
<b>HIGH YIELD BOND</b>															
<i>High yield bonds, commonly known as junk bonds, are subject to a high level of credit and market risks. Fixed Income investment mutual funds are subject to interest rate risk, and that their value will decline as interest rates rise.</i>															
High Yield Bond / Prudential Fund #	11/1/02	0.54	-1.19	-0.50	1.95	1.95	7.00	8.02	6.96	N/A	6.27	-0.84	1.25	2	0.95%
<i>Manager Composite</i>	2/28/02	---	-1.36	-0.61	2.38	2.38	7.61	8.20	6.87	N/A	5.94	-0.26	1.35	---	0.95%
<i>Blended Performance</i>	2/28/02	---	-1.19	-0.50	2.14	2.14	7.52	8.15	6.85	N/A	5.97	-0.35	1.33	---	0.95%
<i>Barclays High Yield Bond Index</i>		0.66	-1.45	-1.01	2.45	2.45	8.43	9.03	7.74	---	6.30	0.00	1.40	---	---
<i>Lipper High Current Yield Bond Funds Index</i>		0.54	-1.50	-1.00	2.23	2.23	8.27	8.47	6.36	---	6.43	-0.66	1.29	---	---
<i>High Yield Bond Category Median</i>		0.36	-1.51	-1.29	1.60	1.60	7.66	8.06	6.62	---	6.34	-0.77	1.26	---	---
<b>INFLATION-PROTECTED BOND</b>															
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>															
Prudential TIPS Enhanced Index Fund #	6/24/09	3.23	-1.26	-0.31	2.76	2.76	-0.45	3.20	---	3.74	5.06	-0.83	0.63	2	0.83%
<i>Barclays US Treasury TIPS Index</i>		3.15	-1.13	-0.03	3.63	3.63	0.44	4.11	4.37	---	5.12	0.00	0.80	---	---
<i>Barclays Treasury Bond</i>		2.59	0.14	1.93	5.05	5.05	1.38	3.91	4.38	---	3.36	2.12	1.14	---	---
<i>Inflation-Protected Bond Median</i>		3.00	-1.27	-0.46	2.77	2.77	0.04	3.48	3.91	---	4.95	-0.37	0.70	---	---

# Lancaster County, Nebraska EEs Retirement Plan



## Defined Contribution Fund Performance as of December 31, 2014 with January 31, 2015 update

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

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The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	YTD 1/31/15	CUMULATIVE RETURNS AS OF DECEMBER 31, 2014 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2014 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/14	Expense Ratio*
			Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
			<b>GOVERNMENT SECURITIES</b>												
<i>Shares of this Fund are not issued or guaranteed by the U.S. government. Fixed Income investment bond funds are subject to interest rate risk, and that their value will decline as interest rates rise.</i>															
Government Securities / PIM Fund #	12/15/98	2.59	-0.02	1.61	3.98	3.98	0.58	2.98	3.57	N/A	3.16	-0.77	0.92	3	0.82%
<i>Barclays Government Bond Index</i>		2.50	0.13	1.86	4.91	4.91	1.40	3.70	4.29	---	3.09	0.00	1.17	---	---
<i>Intermediate Government Category Median</i>		1.26	0.02	1.44	4.93	4.93	1.58	3.50	4.13	---	2.48	0.86	1.31	---	---
<b>FIXED INCOME - GLOBAL &amp; INTERNATIONAL</b>															
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>															
Wells Capital International Bond (IS Platform) #	9/30/14	-0.92	-1.66	-2.23	---	---	---	---	---	-2.23	---	---	---	---	0.88%
<i>Manager Composite</i>	6/30/95	---	-1.58	-2.24	-0.45	-0.45	0.16	2.46	3.48	N/A	7.50	-1.12	0.35	---	0.88%
<i>Blended Performance</i>	6/30/95	---	-1.66	-2.23	-0.44	-0.44	0.16	2.46	3.48	N/A	7.50	-1.11	0.35	---	0.88%
<i>JP Morgan GBI Global ex-US Index (US Dollar Hedged)</i>		1.83	1.19	3.12	9.88	9.88	5.45	4.85	4.82	---	2.61	4.23	1.80	---	---
<i>Barclays Global Aggregate Bond Index</i>		-0.16	-0.69	-1.05	0.58	0.58	0.73	2.50	3.52	---	4.76	0.00	0.53	---	---
<i>World Bond Category Median</i>		0.24	-1.07	-1.08	1.42	1.42	2.84	3.83	4.06	---	5.74	1.74	0.74	---	---
<b>FI - MONEY MARKET</b>															
<i>An investment in the money market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.</i>															
Prudential Short-Term Bond Fund #	6/30/76	0.01	0.00	0.02	0.08	0.08	0.06	0.08	1.47	N/A	---	---	---	---	0.11%
<i>Citigroup Three Month T-Bill</i>		0.00	0.00	0.00	0.03	0.03	0.05	0.07	1.46	---	0.01	0.00	---	---	---
<b>STABLE VALUE</b>															
Gibraltar Guaranteed Fund	11/11/08	0.21	0.20	0.61	2.39	2.39	2.62	3.12	---	3.47	---	---	---	---	---
<i>Current Net Annualized Rate as of 07/01/2014: 2.42%</i>		---	---	---	---	---	---	---	---	---	---	---	---	---	---
<i>5 Year Treasury Average Yield</i>		0.10	0.14	0.40	1.62	1.62	1.19	1.38	2.49	---	0.15	0.00	8.82	---	---

## EXPLANATION OF PERFORMANCE INFORMATION

The following tables provide fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised, Institutional Select, Alliance Mutual Funds and Proprietary Funds if applicable. For Institutional Sub-Advised and Institutional Select Funds, the PRIAC Separate Accounts hold the investment securities. Prudential Retirement Insurance and Annuity Company (PRIAC) assumes no responsibility for monitoring performance of the investment manager of any Institutional Select Fund. **PERFORMANCE:** When such funds have fewer than five years of performance history, three types of performance information are provided to assist you in choosing your plan's investment options. "Fund Performance" represents the actual performance of the fund for all periods since the inception date of the fund (which is shown in this line). "Manager's Composite" represents the composite return of multiple portfolios advised by the Manager since the inception date.

These portfolios have an investment style and approach similar to the investment style of the fund. "Blended" represents a combination of the actual Fund performance and the current Manager's Composite performance. Actual Fund performance is used for periods after the fund was managed by the current Manager. For periods before the current Manager's assumption of Fund management, the Manager's Composite return is used. Therefore, when no Actual Fund performance with the current manager exists, the Blended performance line will equal the Manager Composite line. The inception date associated with this line is the inception date of the Manager's Composite. "Since Inception" returns are only provided when the inception date is less than 10 years ago. All performance is net of the expense ratio shown for that line.

For Alliance Mutual Funds, performance shown for the Separate Account is the performance of the underlying mutual fund. If the mutual fund's inception was before the Separate Account's inception date, mutual fund performance is shown for the prior periods. Performance for all periods reflects the reinvestment of mutual fund dividends and capital gains (as applicable). Any sub-accounting or distribution fees paid to Prudential by the underlying mutual fund complex is disclosed in the fact sheet for the fund. Any reference to share class refers to the underlying investment of the separate account and does not indicate that this is an investment directly into this share class.

Our pricing for your plan sometimes includes contract charges. If included, the contract charges would reduce the performance shown below. Any contract charges are disclosed to you. Regarding your members, the expense ratio shown in their statements and in the performance shown on their statements will reflect any contract charges imposed. The management fees, fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with the fund you select. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

## Footnotes

Your current funds are highlighted in yellow.

Funds on the Due Diligence Advisor Program Watch List for performance related concerns are denoted with red text.

Funds represented in green text are closed and are no longer available as a new fund option to Plan Sponsors.

Outside Fund information offered through other firms was provided by the fund's custodian or from publicly available sources.

*While past performance is never an indication of future results, short periods of performance may be particularly unrepresentative of long-term performance.*

Funds offered by Prudential may be closed to new investors or new contributions at any time without prior notice.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

For Manager of Managers Institutional Sub-Advised funds and Institutional Select Funds, ACTUAL PERFORMANCE MAY BE AFFECTED BY THE MANAGER NOT BEING ABLE TO INVEST DIRECTLY IN A COUNTRY PRIOR TO SATISFACTION OF THAT COUNTRY'S LEGAL REQUIREMENTS.

All returns are net of the management fees charged for the separate account and net of other operational expenses and are before any contract charges, if any, unless noted otherwise. Historical returns reflect actual account performance and the investment manager's composite, which may consist of one account. Performance is representative of each separate account's investment management discipline. All returns are deemed accurate at the time of reporting but are subject to change. For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

At times Prudential Retirement solicits and/or receives financial support for certain of its conferences from investment advisory firms. Please contact your Prudential Retirement representative for more information.

**Gibraltar Guaranteed Fund** - The Gibraltar Guaranteed Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

**Prudential Day One 2010 Fund** - Performance shown beginning 02/15/2013 represents the actual performance track record of the Day One 2010 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2015 Fund** - Performance shown beginning 12/16/2011 represents the actual performance track record of the Day One 2015 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.



**Prudential Day One 2020 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2020 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2025 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2025 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2030 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2030 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Day One 2030 Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2035 Fund** - Performance shown beginning 09/06/2013 represents the actual performance track record of the Day One 2035 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.



**Prudential Day One 2040 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2040 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2045 Fund** - Performance shown beginning 08/23/2013 represents the actual performance track record of the Day One 2045 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2050 Fund** - Performance shown beginning 08/15/2013 represents the actual performance track record of the Day One 2050 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2055 Fund** - Performance shown beginning 9/6/2013 represents the actual performance track record of the Day One 2055 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009 .

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One 2060 Fund** - Performance shown beginning 08/13/2013 represents the actual performance track record of the Day One 2060 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Fund's Inception Date of May 31, 2013. Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Day One 2060 Fund, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One Income Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One Income Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One IncomeFlex Bal Fund** - Performance shown beginning 09/22/2009 represents the actual performance track record of the Prudential Day One IncomeFlex Target Balanced Fund. Performance prior to 09/22/2009 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target Balanced Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One IncomeFlex Target® 2010 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2010 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2010 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One IncomeFlex Target® 2015 Fund** - Performance shown beginning 12/10/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2015 Fund. Performance prior to 12/10/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2015 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One IncomeFlex Target® 2020 Fund** - Performance shown beginning 07/19/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2020 Fund. Performance prior to 07/19/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2020 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One IncomeFlex Target® 2025 Fund** - Performance shown beginning 07/19/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2025 Fund. Performance prior to 07/19/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2025 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One IncomeFlex Target® 2030 Fund** - Performance shown beginning 07/19/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2030 Fund. Performance prior to 07/19/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2030 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One IncomeFlex Target® 2035 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2035 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2035 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One IncomeFlex Target® 2040 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2040 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2040 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.



**Prudential Day One IncomeFlex Target® 2045 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2045 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2045 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One IncomeFlex Target® 2050 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2050 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2050 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One IncomeFlex Target® 2055 Fund** - Performance shown beginning 01/11/2011 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2055 Fund. Performance prior to 01/11/2011 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2055 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One IncomeFlex Target® 2060 Fund** - Performance shown beginning 01/07/2011 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2060 Fund. Performance prior to 01/07/2011 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2060 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**SA/Invesco Small Cap Growth Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Janus Balanced Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/OFII Global Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/T. Rowe Price Equity Income Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/T. Rowe Price Growth Stock Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Templeton Foreign Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Templeton Growth Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**Small Cap Value Silvercrest I Fund** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**Redemption Fees** - The following funds have redemption fees.

<b>Fund</b>	<b>Fee Rate</b>	<b>Holding Period</b>
<b>American Century International Growth (Inv Shrs)</b>	<b>2</b>	<b>60 Days</b>
<b>Goldman High Yield Fund (Class A Shares)</b>	<b>2</b>	<b>60 Days</b>
<b>Goldman High Yield Fund (Class I Shares)</b>	<b>2</b>	<b>60 Days</b>
<b>Lazard International Equity Account (Open Shares)</b>	<b>1</b>	<b>30 Days</b>
<b>Lazard U.S. Small-Mid Cap Equity Fund (Open Shares)</b>	<b>1</b>	<b>30 Days</b>
<b>Lazard U.S. Strategic Equity Portfolio (Open Shares)</b>	<b>1</b>	<b>30 Days</b>

## Definitions

**DDA Rank** - The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report. Each separate account is assessed on the basis of nominal and risk adjusted returns, and downside and relative risk (versus an appropriate benchmark). These metrics are weighted based on 1-, 3- and 5-year results, with greatest emphasis placed on long term timeframes. Due Diligence Quartile Ranks shown are based on the last available Due Diligence Analysis (as of September 30, 2014), among the following peer group universe totals. ***Please note new process has Institutional Sub-Advised and RBSA funds utilize gross performance peer groups while Alliance funds utilize net performance peer groups.***

<b>Peer Group</b>	<b># of Funds</b>
Large Cap Value (sub-advised)	107
Large Cap Value (alliance)	182
Large Cap Blend (sub-advised)	211
Large Cap Blend (alliance)	220
Large Cap Growth (sub-advised)	163
Large Cap Growth (alliance)	161
Mid Cap Value (sub-advised)	41
Mid Cap Value (alliance)	37
Mid Cap Blend (sub-advised)	88
Mid Cap Blend (alliance)	92
Mid Cap Growth (sub-advised)	112
Mid Cap Growth (alliance)	109
Small Cap Value (sub-advised)	78
Small Cap Blend (sub-advised)	196
Small Cap Blend (alliance)	196

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Small Cap Growth (sub-advised)	143
Small Cap Growth (alliance)	139
TIPS (sub-advised)	38
Global - Value (sub-advised)	27
Global - Value (alliance)	29
Global - Growth (sub-advised)	65
Global - Growth (alliance)	68
International - Value (sub-advised)	52
International - Value (alliance)	54
International - Blend (sub-advised)	95
International - Blend (alliance)	92
International - Growth (sub-advised)	126
International - Growth (alliance)	125
International - Emerging Markets (sub-advised)	100
International - Emerging Markets (alliance)	99
Balanced (sub-advised)	77
Balanced (alliance)	77
Fixed Income - BBB-Rated Corp Debt (sub-advised)	48
Fixed Income - Core Bond (sub-advised)	118
Fixed Income - Core Plus Bond (sub-advised)	45
Fixed Income - Intermediate US Govt (sub-advised)	16
Fixed Income - US Mortgage (sub-advised)	27
Fixed Income - High Current Yield (sub-advised)	122
Real Estate (sub-advised)	57
Technology (alliance)	39

#### Morningstar # of funds in Category

Morningstar Category	# of Funds						
	MTD	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Aggressive Allocation Category Median	117	117	116	116	102	91	73
Conservative Allocation Category Median	184	184	181	181	149	128	91
Diversified Emerging Mkts Category Median	216	216	198	198	146	105	58
Foreign Large Blend Category Median	203	203	195	195	181	163	114
Foreign Large Growth Category Median	81	81	79	79	69	63	43
Foreign Large Value Category Median	97	97	97	97	92	83	53
High Yield Bond Category Median	182	181	173	173	148	130	105
Inflation-Protected Bond Median	52	52	51	51	46	41	26
Intermediate Government Category Median	74	74	73	73	73	72	70
Intermediate-Term Bond Category Median	273	273	266	266	246	226	193
Large Blend Category Median	472	472	458	458	405	371	298
Large Growth Category Median	454	454	448	448	422	378	311
Large Value Category Median	330	330	319	319	282	258	207
Mid-Cap Blend Category Median	130	130	130	130	117	110	79

Mid-Cap Growth Category Median	221	221	216	216	199	182	156
Mid-Cap Value Category Median	113	112	106	106	99	87	64
Moderate Allocation Category Median	233	232	224	224	196	178	141
Real Estate Category Median	72	72	71	71	64	57	48
Retirement Income Median	59	59	56	56	51	49	14
Small Blend Category Median	232	232	225	225	199	184	139
Small Growth Category Median	218	218	214	214	196	183	152
Small Value Category Median	119	119	113	113	102	83	68
Target-Date 2000-2010 Median	35	35	35	35	30	28	11
Target-Date 2011-2015 Median	46	46	43	43	35	32	9
Target-Date 2016-2020 Median	52	52	49	49	41	35	13
Target-Date 2021-2025 Median	48	48	45	45	36	30	8
Target-Date 2026-2030 Median	53	53	49	49	41	35	13
Target-Date 2031-2035 Median	48	48	45	45	36	30	8
Target-Date 2036-2040 Median	53	53	49	49	41	35	12
Target-Date 2041-2045 Median	48	48	45	45	34	29	3
Target-Date 2051+ Median	59	59	41	41	26	7	0
World Bond Category Median	96	96	92	92	71	60	39
World Stock Category Median	297	297	287	287	214	171	96

Prudential Retirement constructs Asset Class Categories using MPI Stylus, a product of Markov Processes International LLC, and data provided by Morningstar™, Inc. Categories are constructed by using the appropriate Morningstar™, Inc. category and then removing duplicate share classes from the universe. Duplicate share classes are identified in a database field, and in general the share class with the longest history is used for category construction. Category medians and fund percentile rankings are then calculated using MPI Stylus and therefore may differ from those provided directly by Morningstar™, Inc.

**Alpha** - A measure of value added by a manager as compared to a passive portfolio with the same market sensitivity or beta. Alpha is a measure of return for residual, or non-market, risk, and is used to measure a manager's contribution to performance due to security or sector selection.

**Expense Ratio** - Expense Ratio includes management fee charges by the fund's Investment Manager against the fund's assets for managing the portfolio as well as for such services as shareholder relations or investment-related administration (fund analysis and research, etc.), 12(b)-1 fee [Mutual funds may charge this fee against the fund's assets to cover distribution expenses incurred by the fund], if applicable, "Other Expenses" [Charges by the fund's sponsor against the fund's assets for additional operating expenses. For example: related legal fees, auditing expenses, compliance with governmental regulations, mailing or postage costs, etc. The amount included for Prudential Institutional Sub-Advised and Proprietary Funds is actual for the prior calendar year end. The amount listed for Prudential Alliance Funds is for the last period reported by the Fund's sponsor]. The benefit of any "Fee Waivers" would be reflected in the Expense Ratio. Expense Ratio is prior to any contract-related charges.

**Risk** - This statistic measures the volatility of a stream of data compared to its average value. Applied to investment performance, standard deviation measures how "choppy" the monthly returns are over a period of time. 66% of all monthly values would fall within one standard deviation of the average, while 95% of all values would fall within two standard deviations of the average.

**Sharpe Ratio** - This statistic measures the quality of the returns for an investment on a risk-adjusted basis over a given period. It is defined as the excess returns of an investment divided by the standard deviation of returns. Excess returns are the returns of the investment minus the risk-free rate of return offered in the market, typically measured by short-term government instruments such as 3-month T-Bills. For two funds to have the same Sharpe Ratio, the fund with greater volatility must also deliver greater returns.

Sharpe Ratio = Excess Returns/Risk = (Returns on the Investment - Returns on T-Bills) / Standard Deviation

**Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available carefully before investing. It is possible to lose money when investing in securities.**

For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

This fund is not part of Prudential Retirement's Manager of Managers Program and Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees to continue to provide such information in writing.

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Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

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## **INDEX DEFINITIONS**

Indexes are unmanaged and cannot be invested in directly.

### **Prudential Day One IncomeFlex Target Bal Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large Cap™ Index, the MSCI Emerging Markets Net Dividend™ Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

### **5 Year Treasury Average Yield**

The 5-Year Treasury Average Yield is the average daily treasury yield (Constant Maturity) for U.S. Treasuries with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

### **60% R1000 / 40% Barclays Agg**

60% Russell 1000 Index/40% Barclays U.S. Aggregate Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Index and 40% Barclays U.S. Aggregate Index (measuring U.S. bonds with maturities of at least one year).

### **60% Russell 1000 Growth / 40% Barclays Aggr.**

A composite index that consists of the Russell 1000® Index (60%) and the Barclays U.S. Aggregate Bond Index (40%).

### **60% Russell 1000 Value / 40% Barclays Aggr**

60% Russell 1000 Value Index/40% Barclays U.S. Aggregate Bond Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Value Index and 40% Barclays U.S. Aggregate Bond Index (measuring U.S. bonds with maturities of at least one year).

### **60% S&P 500 / 40% Barclays Agg Bond Index**

60% S&P 500 Index/40% Barclays U.S. Aggregate Bond Index is an unmanaged, weighted average composite composed of 60% S&P 500 Index (measuring U.S. equities) and 40% Barclays U.S. Aggregate Bond Index (measuring U.S. bonds with maturities of at least one year).

### **60% S&P 500 / 40% Barclays Int Govt Credit**

60% S&P 500 Index/40% Barclays U.S. Intermediate Government/ Credit Index is an unmanaged, weighted average composite composed of 60% S&P 500 Index (measuring U.S. equities) and 40% Barclays U.S. Intermediate Government/Credit Index (measuring U.S. bonds with maturities of at least one year).

### **Barclays Aggregate Bond Index**

Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

### **Barclays Credit Index**

The Barclays US Credit Index: measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is comprised of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

### **Barclays Global Aggregate Bond Index**

Barclays Global index provides a broad based measure of the international investment grade bond market. The index combines the U.S. Aggregate Index with dollar-denominated versions of the Pan-European Index and the Japanese, Canadian, Australian and New Zealand components of the Global Treasury Index

**Barclays Government Bond Index**

The Barclays U.S. Government Index: Is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Barclays High Yield Bond Index**

Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt (having a maximum quality rating of Ba1), a minimum outstanding amount of \$150 million and at least one year to maturity.

**Barclays Treasury Bond**

Barclays U.S. Treasury Index accounts for nearly 65% of the Government Index and includes public obligations of the U.S. Treasury that have remaining maturities of more than one year.

**Barclays US Treasury TIPS Index**

This index includes all publicly issued United States Treasury inflation-protected securities that have at least one year remaining until maturity, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, and must be fixed-rate and non-convertible securities. The index is a market capitalization-weighted index. Inflation notes were included in the broader Barclays U.S. Treasury Index in March 1997 and removed from that index on January 1, 1998.

**CRSP Mid Cap Index**

The CRSP US Mid Cap Index targets inclusion of the U.S. companies that fall between the 70%-85% of investable market capitalization. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**CRSP Small Cap Index**

The CRSP US Small Cap Index includes U.S. companies that fall between the bottom 2%-15% of the investable market capitalization. There is no lower limit in market capitalization, other than what is specified by investability screens. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**Citigroup Three Month T-Bill**

Citigroup 3 Month T-Bill Index is an index whereby equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value.

**FTSE NAREIT Equity® Index**

The FTSE NAREIT Equity® Index is an unmanaged market capitalization index of all tax-qualified Equity REITS listed on the NYSE, AMEX, and the NASDAQ that have 75% or more of their gross invested book of assets invested directly or indirectly in the equity ownership of real estate. This Fund is not sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") and FTSE makes no recommendation regarding investing in the Fund. See the User's Guide for a more detailed description of the limited relationship FTSE has with Prudential.

**JP Morgan GBI Global ex-US Index (US Dollar Hedged)**

The JP Morgan GBI Global ex-US Index (US Dollar Hedged) is an index composed of globally traded, fixed-rate government bonds of 13 countries. These countries all have liquid debt markets, meaning that they are stable, actively traded markets with sufficient scale and regular issuance. Using globally traded and highly liquid government bond issues, the index provides a measure of market performance. The index excludes bonds from the US and represents the USD hedged total return index level.

**Lifetime Aggressive Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Balanced Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Conservative Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Income & Equity Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Lipper Balanced Funds Index**

Lipper Balanced Funds Index is an equal dollar weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to conserve principal by maintaining a balanced portfolio of stocks and bonds). Typically the stock/bond ratio ranges around 60%/40%.

**Lipper Global Funds Index**

Lipper Global Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest at least 25% of its portfolio in securities traded outside of the United States). These funds may own U.S. securities as well.

**Lipper High Current Yield Bond Funds Index**

Lipper High Yield Bond Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to seek a high [relative] current yield from fixed income securities without regard to quality or maturity restrictions). These funds tend to invest in lower-grade debt issues.

**Lipper International Funds Index**

Lipper International Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest assets in securities whose primary trading markets are outside the United States).

**Lipper Large Cap Core Funds Index**

Lipper Large-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Growth Funds Index**

Lipper Large-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Value Funds Index**

Lipper Large-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Mid Cap Core Funds Index**

Lipper Mid-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Growth Funds Index**

Lipper Mid-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Value Funds Index**

Lipper Mid-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Small Cap Core Funds Index**

Lipper Small-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P Super-Composite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Growth Funds Index**

Lipper Small-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Value Funds Index**

Lipper Small-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**MSCI All Country World™ Index**

MSCI All Country World™ Index is a free float-adjusted market capitalization index that is designed to measure equity performance in the global developed and emerging markets. The net version assumes reinvestment of dividends and is net of foreign taxes withheld.



**MSCI EAFE™ Growth Index(net)**

MSCI EAFETM Growth Index (net) includes those firms in the MSCI EAFE Index with higher Price/Book (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI EAFE™ Index(net)**

MSCI EAFETM Index(net) is a market capitalization weighted index comprised of companies representative of the market structure of 21 developed market countries in Europe, Australia and the Far East. The MSCI EAFE Index is available both in local currency and U.S. dollar terms. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI EAFE™ Value Index(net)**

MSCI EAFETM Growth Index(net) includes those firms in the MSCI EAFE Index with lower Price/Book Value (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI Emerging Markets™ Index(net)**

The MSCI Emerging Markets™ Index(net) is a market capitalization-weighted index comprised of companies representative of the market structure of 25 emerging market countries open to foreign investment. The MSCI EMF Index excludes closed markets and those shares in otherwise open markets that are not available for purchase by foreigners. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. The index is available both in local currency and U.S. dollar terms.

**MSCI US REIT Index**

The MSCI US REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US Reit universe.

**MSCI World™ Index(net)**

MSCI World™ Index(net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (includes 24 countries in the North America, Europe, and Asia/Pacific region).

**MSCI World™ Value Index(net)**

MSCI World™ Value Index(net): A market capitalization-weighted index comprised of that half of the MSCI World Index based upon a two dimensional framework for style segmentation in which value and growth securities are categorized using different attributes – three for value and five for growth including forward looking variables.

**Prudential Day One 2010 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

**Prudential Day One 2015 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.



#### **Prudential Day One 2020 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2025 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2030 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2035 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2040 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2045 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2050 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2055 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One 2060 Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One Income Fund Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index.

#### **Prudential Day One IncomeFlex Target 2010 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large Cap™ Index, the MSCI Emerging Markets Net Dividend™ Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2015 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large Cap™ Index, the MSCI Emerging Markets Net Dividend™ Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2020 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2025 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2030 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2035 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2040 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2045 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

#### **Prudential Day One IncomeFlex Target 2050 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

**Prudential Day One IncomeFlex Target 2055 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

**Prudential Day One IncomeFlex Target 2060 Benchmark**

The performance benchmarks are a pro rata combination of the benchmarks for each Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite® Index, the Russell Developed ex North America Large CapTM Index, the MSCI Emerging Markets Net DividendTM Index, the Dow Jones UBS Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protect Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. See User Guide for benchmark performance disclosure and definitions.

**Prudential Real Assets Custom Benchmark**

This index is composed of future contracts on physical commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange.

**Retirement Goal 2010 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Retirement Goal 2020 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Retirement Goal 2030 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Retirement Goal 2040 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Retirement Goal 2050 Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Retirement Goal Income Primary Benchmark**

Each Retirement Goal Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Russell 1000™ Growth Index**

The Russell 1000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 1000™ Index**

The Russell 1000™ Index is a market-capitalization weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell 1000™ Value Index**

The Russell 1000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2000™ Growth Index**

The Russell 2000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 2000™ Index**

The Russell 2000™ Index is a market capitalization-weighted index that measures the performance of the 2000 smallest companies in the Russell 3000® Index.

**Russell 2000™ Value Index**

The Russell 2000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2500™ Value Index**

The Russell 2500™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell Developed ex-North America Large Cap Index (net)**

The Russell Developed ex-North America Large Cap Index measures the performance of the investable securities in developed countries globally, excluding companies assigned to the US and Canada. The Index is constructed to provide a comprehensive and unbiased barometer for this market segment and is completely reconstituted annually to accurately reflect the changes in the market over time.

**Russell Midcap™ Growth Index**

The Russell Midcap™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The stocks are also members of the Russell 1000® Growth Index.

**Russell Midcap™ Index**

The Russell Midcap™ Index is a market capitalization-weighted index that measures the performance of the mid-cap segment of the U.S. equity universe. The index consists of approximately 800 of the smallest companies in the Russell 1000® Index.

**Russell Midcap™ Value Index**

The Russell Midcap™ Value index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. The stocks are also members of the Russell 1000® Value Index.

**S&P 500® Growth Index**

S&P 500® Growth Index: Standard & Poor's and Citigroup cooperate to employ a value calculation, whereby the market capitalization of the S&P 500 Index uses a multi-factor methodology to calculate growth and value in separate dimensions. Style scores are calculated taking standardized measures of 3 growth factors and 4 value factors for each constituent.

**S&P 500® Index**

S&P 500® Index (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index with over US \$5.58 trillion benchmarked (index assets comprising approximately US \$1.31 trillion of this total) that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

**S&P 500® Value Index**

For the S&P 500/Citigroup Value Index, Standard & Poor's and Citigroup cooperate to employ a value calculation, whereby the market capitalization of the S&P 500 Index is divided equally between growth and value. The value component recognizes undervalued companies within the S&P 500 Index, which have lower price/book value ratios. The index is re-balanced semi-annually.

**S&P Composite 1500® Index**

The S&P Composite 1500® Index combines the S&P 500®, S&P MidCap 400® and S&P SmallCap 600® indices into an efficient way to create a broad market portfolio representing about 85% of U.S. equities. This combination addresses the needs of investors wanting broader exposure beyond the S&P 500®.

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# Appendix - GoalMaker Performance



# GoalMaker® Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Calculated using Actual Investment Fund Performance*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2014	Weighted Average Annual Total Return as of 12/31/2014			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	1.31%	3.94%	6.61%	5.81%	n/a
	6-10	C02	1.32%	4.03%	7.85%	6.55%	n/a
	11-15	C03	1.52%	4.60%	10.25%	8.03%	n/a
	16+	C04	1.56%	4.83%	12.66%	9.35%	n/a
Moderate	0-5	M01	1.37%	4.16%	8.66%	7.04%	n/a
	6-10	M02	1.52%	4.60%	10.25%	8.03%	n/a
	11-15	M03	1.49%	4.68%	11.96%	8.94%	n/a
	16+	M04	1.55%	4.81%	14.49%	10.22%	n/a
Aggressive	0-5	R01	1.52%	4.67%	10.64%	8.25%	n/a
	6-10	R02	1.49%	4.68%	11.96%	8.94%	n/a
	11-15	R03	1.62%	4.90%	13.96%	10.01%	n/a
	16+	R04	1.68%	5.03%	16.49%	11.21%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2014**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

Prepared for The Lancaster County, Nebraska Employees Retirement Plan Plan Sponsor Use Only; Not For Use with Participants or the Public



# GoalMaker® Allocations & Individual Fund Performance

Investment Option	Average Annual Return As of 12/31/2014												Gross Expense Ratio	Net Expense Ratio	Average Annual Return As of 12/31/2014					Since Inception	Inception Date
	Conservative				Moderate				Aggressive						Current Quarter	1 Year	3 Years	5 Years	10 Years		
	C01	C02	C03	C04	M01	M02	M03	M04	R01	R02	R03	R04									
<b>Stable Value</b>																					
Gibraltar Guaranteed Fund <sub>{248,302}</sub>	44%	39%	23%	14%	35%	23%	16%	7%	21%	16%	9%	0%		0.61%	2.39%	2.62%	3.12%	n/a	3.47%	Nov-2008	
<b>Fixed Income (Long Term &amp; Intermediate)</b>																					
Core Plus Bond / PIM <sub>{302,1254}</sub>	32%	27%	26%	16%	25%	26%	19%	8%	25%	19%	11%	0%	0.41%	0.41%	1.96%	5.02%	4.62%	4.68%	5.58%	5.87%	Jul-2002
<b>Large Cap Stock - Value</b>																					
AllianzGI NFJ Dividend Value Instl <sub>{6,29,35,1759}</sub>	5%	7%	11%	15%	8%	11%	14%	17%	12%	14%	16%	19%	0.70%	0.70%	1.85%	9.99%	17.56%	13.80%	7.27%	8.91%	May-2000
<b>Large Cap Stock - Growth</b>																					
Fidelity Advisor New Insights I <sub>{6,29,35}</sub>	5%	7%	11%	15%	8%	11%	14%	17%	12%	14%	16%	19%	0.68%	0.68%	2.97%	9.51%	19.06%	14.28%	9.67%	11.74%	Jul-2003
<b>Small/Mid Cap Stock - Value</b>																					
Mid Cap Value / Systematic Fund <sub>{42,302}</sub>	3%	4%	6%	8%	5%	6%	7%	10%	6%	7%	10%	13%	0.80%	0.80%	2.62%	4.84%	17.92%	14.25%	n/a	8.95%	Jun-2008
<b>Small/Mid Cap Stock - Growth</b>																					
Mid Cap Growth / Westfield Capital Fund <sub>{42,302}</sub>	3%	4%	6%	8%	5%	6%	7%	10%	6%	7%	10%	13%	0.85%	0.85%	8.00%	13.50%	22.65%	14.86%	n/a	8.34%	Jun-2007
<b>International Stock</b>																					
American Funds Europacific Growth R4 <sub>{6,29,35,141,1906}</sub>	8%	12%	17%	24%	14%	17%	23%	31%	18%	23%	28%	36%	0.84%	0.84%	- 1.72%	- 2.66%	11.72%	5.68%	6.69%	7.99%	Jun-2002

- Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. It is possible to lose money by investing in securities.
- The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For more information current to the most recent month end, please call 800-353-2847 or visit our website at [www.Prudential.com](http://www.Prudential.com).
- This information should not be construed as an endorsement of GoalMaker. Plan participants may continue to make their own allocation decisions. As a service provider, neither Prudential Financial nor its representatives are permitted to render investment advice.
- The historical performance shown represents the change in net asset value of an investment over a stated period assuming the reinvestment of dividends and capital gains distributions. The performance results shown do not reflect the deduction of the sales charge that may apply if the Fund shares were purchased outside of the plans or other programs. If the sales charges were reflected, performance may be lower. This is the performance that best reflects your investment experience as sales charges do not apply to your plan. At times, certain mutual fund's performance may be extraordinarily high due to investing in sectors that achieved unprecedented returns. There can be no assurance that this performance can be repeated in the future.
- Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Investors should carefully consider a fund's investment objectives, risks, charges and expenses before investing. For more complete information about the investment options available through your plan, please contact Prudential Retirement at 200 Wood Avenue South, Iselin, NJ, for a free prospectus that contains this and other information about our funds. Read the prospectus carefully before investing.
- Shares of the retail mutual funds are offered by Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.
- Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance & Annuity Company (PRIAC), Hartford, CT, a Prudential Financial Company.
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## GoalMaker<sup>®</sup> Fund Footnotes

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<sup>29</sup>The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-800-353-2847 or visit our website at [www.prudential.com](http://www.prudential.com).

<sup>35</sup>Source: Morningstar Inc.. Morningstar average annual returns may differ from the returns calculated by the fund.

<sup>42</sup>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.

<sup>141</sup>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

<sup>248</sup>The Guaranteed Income Fund (GIF) is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. However, if you are a participant in a nonqualified deferred compensation plan, GIF may be only a reference account that is used to determine the plan's liability to you, and may not represent an actual investment in the group annuity. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency. Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss. Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

<sup>302</sup>Prudential Financial is a service mark of The Prudential Insurance Company of America, Newark, NJ and its affiliates. Institutional sub-advised funds are insurance products issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT. Prudential Retirement is a Prudential Financial Business.

<sup>1254</sup>Fixed income investments (bond) are subject to interest rate risk; their value will decline as interest rates rise.

<sup>1759</sup>Effective 1/28/13, the Allianz NFJ Dividend Value Fund will change its name to AllianzGI NFJ Dividend Value Fund Fund. There will not be any CUSIP, Fund # or Ticker changes.

<sup>1906</sup>The performance in this report is based, in part, on adjusted historical returns of the oldest share class of the fund, which has been adjusted to reflect the fees and expenses of this share class.

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# GoalMaker® Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan*

*Calculated using Actual Investment Fund Performance*

*For GoalMaker® Portfolios that include a Guaranteed Lifetime Income Feature*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2014	Weighted Average Annual Total Return as of 12/31/2014			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	CI1	1.12%	4.73%	7.83%	7.02%	n/a
	6-10	CI2	1.06%	4.60%	7.99%	7.07%	n/a
	11-15	CI3	1.24%	4.94%	9.08%	7.77%	n/a
	16+	CI4	1.23%	5.04%	9.83%	8.21%	n/a
Moderate	0-5	MI1	1.28%	4.68%	8.81%	7.48%	n/a
	6-10	MI2	1.31%	4.86%	9.62%	7.96%	n/a
	11-15	MI3	1.35%	4.96%	10.40%	8.42%	n/a
	16+	MI4	1.36%	5.05%	11.65%	9.09%	n/a
Aggressive	0-5	RI1	1.36%	4.70%	9.88%	7.97%	n/a
	6-10	RI2	1.39%	4.84%	11.04%	8.63%	n/a
	11-15	RI3	1.45%	4.91%	12.33%	9.31%	n/a
	16+	RI4	1.47%	4.95%	14.06%	10.16%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2014**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

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# GoalMaker® Allocations & Individual Fund Performance

Investment Option														Average Annual Return As of 12/31/2014					Gross Expense Ratio	Net Expense Ratio	Current Quarter	Since Inception	Inception Date					
	Conservative				Moderate				Aggressive					1 Year	3 Years	5 Years	10 Years											
	CI1	CI2	CI3	CI4	MI1	MI2	MI3	MI4	RI1	RI2	RI3	RI4																
<b>Stable Value</b>																												
Gibraltar Guaranteed Fund <sub>{248,302}</sub>	14%	13%	7%	4%	17%	11%	8%	3%	15%	11%	6%	0%			0.61%	0.41%	1.96%	5.02%	2.62%	3.12%	n/a	5.58%	3.47%	Nov-2008				
<b>Fixed Income (Long Term &amp; Intermediate)</b>																												
Core Plus Bond / PIM <sub>{302,1254}</sub>	10%	9%	8%	5%	12%	12%	9%	4%	18%	13%	8%	0%	0.41%		0.41%		1.96%	5.02%	4.62%	4.68%	5.58%	5.87%		Jul-2002				
<b>Retirement Income</b>																												
Prudential Day One IncomeFlex Target Balanced Fund <sub>{1413,1824,1880,1894}</sub>	70%	70%	70%	70%	50%	50%	50%	50%	30%	30%	30%	30%	1.62%		1.62%		1.11%	5.09%	8.62%	7.68%	n/a	9.30%		Jun-2009				
<b>Large Cap Stock - Value</b>																												
AllianzGI NFJ Dividend Value Instl <sub>{6,29,35,1759}</sub>	2%	2%	3%	5%	4%	6%	7%	9%	8%	10%	11%	13%	0.70%		0.70%		1.85%	9.99%	17.56%	13.80%	7.27%	8.91%		May-2000				
<b>Large Cap Stock - Growth</b>																												
Fidelity Advisor New Insights I <sub>{6,29,35}</sub>	2%	2%	3%	5%	4%	6%	7%	9%	8%	10%	11%	13%	0.68%		0.68%		2.97%	9.51%	19.06%	14.28%	9.67%	11.74%		Jul-2003				
<b>Small/Mid Cap Stock - Value</b>																												
Mid Cap Value / Systematic Fund <sub>{42,302}</sub>	0%	0%	2%	2%	3%	3%	4%	5%	4%	5%	7%	9%	0.80%		0.80%		2.62%	4.84%	17.92%	14.25%	n/a	8.95%		Jun-2008				
<b>Small/Mid Cap Stock - Growth</b>																												
Mid Cap Growth / Westfield Capital Fund <sub>{42,302}</sub>	0%	0%	2%	2%	3%	3%	4%	5%	4%	5%	7%	9%	0.85%		0.85%		8.00%	13.50%	22.65%	14.86%	n/a	8.34%		Jun-2007				
<b>International Stock</b>																												
American Funds Europacific Growth R4 <sub>{6,29,35,141,1906}</sub>	2%	4%	5%	7%	7%	9%	11%	15%	13%	16%	20%	26%	0.84%		0.84%		-1.72%	-2.66%	11.72%	5.68%	6.69%	7.99%		Jun-2002				

- Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**
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- Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance & Annuity Company (PRIAC), Hartford, CT, a Prudential Financial Company.
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<sup>1254</sup>Fixed income investments (bond) are subject to interest rate risk; their value will decline as interest rates rise.

<sup>1413</sup>Group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC) CA COA # 08003, Hartford, CT. Guarantees are based on the claims-paying ability of the issuing company and are subject to certain limitations, terms, and conditions. Contract form # GA-2020-TGWB4-0805 or state variations thereof.

Variable annuities are suitable for long-term investing, particularly retirement savings. This material must be accompanied or preceded by Prudential IncomeFlex® Target Important Considerations.

<sup>1759</sup>Effective 1/28/13, the Allianz NFJ Dividend Value Fund will change its name to AllianzGI NFJ Dividend Value Fund Fund. There will not be any CUSIP, Fund # or Ticker changes.

<sup>1824</sup>Performance shown beginning 09/22/2009 represents the actual performance track record of the Prudential Day One IncomeFlex Target Balanced Fund. Performance prior to 09/22/2009 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target Balanced Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

<sup>1880</sup>Effective 9/30/13, the Prudential Incomeflex Target EasyPath funds will change their name to Prudential Day One Incomeflex Target funds.

<sup>1894</sup>Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

<sup>1906</sup>The performance in this report is based, in part, on adjusted historical returns of the oldest share class of the fund, which has been adjusted to reflect the fees and expenses of this share class.

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# Appendix - Executive Summary

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# Lancaster County

## Executive Summary

Presented By: Robert Kerscher, Vice President, Key Accounts

As Of: December 31, 2014

Report contains information up through the last business day of the period end.



## Table Of Contents

<b>Section I:</b>	<b>Lancaster County Employees' Retirement Plan - 6371</b>
<b>Section II:</b>	<b>Lancaster County Deferred Compensation Plan – 6372</b>
<b>Section III:</b>	<b>2014 Activity Report</b>

# **Section I: Lancaster County Employees' Retirement Plan - 6371**

## Plan Demographics

	1/1/2013- 12/31/2013	1/1/2014- 12/31/2014
Total Participants*	1,102	1,106
Active Participants	841	832
Terminated Participants	236	246
Retired Participants	24	27
Other	1	1
Average Account Balance for Participants*	\$111,060	\$110,289
Average Account Balance for Active Participants	\$121,481	\$117,044
Total (Contributions + Rollovers In)	\$5,648,913	\$6,002,855
Participant Deferrals	\$2,262,769	\$2,349,626
Employer Contributions	\$3,386,144	\$3,472,253
Rollovers In	\$0	\$180,977
Total Distributions	(\$6,372,551)	(\$11,708,349)
Percentage of Assets Distributed	5.2%	9.6%
Total Plan Assets	\$122,387,860	\$121,979,316

\* Includes participants with balances. May include people with subplan specific status codes.

Participation rate is based on active participants for whom a contribution was received to an employee source during the last month of the time period.

### Asset Allocation/Net Activity By Age

January 1, 2014 to December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	Total
Total Plan Assets	\$703,788	\$10,509,230	\$24,713,648	\$42,773,703	\$34,035,177	\$9,243,771	\$121,979,316
% Assets	0.6%	8.6%	20.3%	35.1%	27.9%	7.6%	100.0%
Contributions	\$345,205	\$1,177,770	\$1,483,535	\$1,694,735	\$1,000,987	\$119,647	\$5,821,879
Rollovers In	\$40,141	\$76,996	\$34,839	\$29,000	\$0	\$0	\$180,977
Total (Contributions + Rollovers In)	\$385,347	\$1,254,766	\$1,518,374	\$1,723,735	\$1,000,987	\$119,647	\$6,002,855
Cash Distributions	(\$1,206)	(\$178,472)	(\$299,739)	(\$689,645)	(\$1,153,033)	(\$549,468)	(\$2,871,563)
Rollovers Out	(\$67,936)	(\$119,504)	(\$647,936)	(\$2,149,247)	(\$4,632,483)	(\$1,219,678)	(\$8,836,786)
Total (Cash Distributions + Rollovers Out)	(\$69,142)	(\$297,977)	(\$947,676)	(\$2,838,893)	(\$5,785,516)	(\$1,769,146)	(\$11,708,349)
Net Activity	\$316,205	\$956,789	\$570,698	(\$1,115,158)	(\$4,784,529)	(\$1,649,499)	(\$5,705,493)
Total Participants	73	225	263	305	188	52	1,106
Average Account Balance	\$9,641	\$46,708	\$93,968	\$140,242	\$181,038	\$177,765	\$110,289
Median Account Balance	\$6,610	\$37,909	\$77,705	\$111,153	\$131,948	\$90,671	\$70,090
<i>Prudential Participants Avg. Account Balance</i>	\$6,490	\$24,061	\$52,819	\$82,572	\$100,622	\$111,239	\$57,988

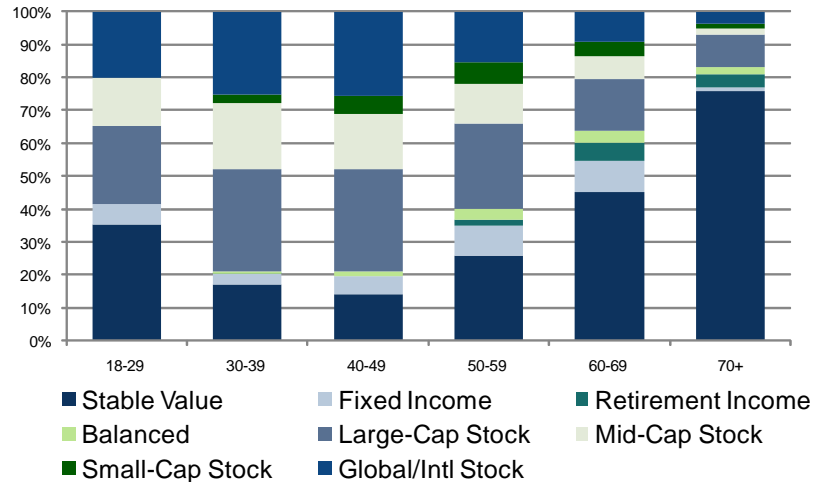
“ Research suggests that most **plan participants need to increase their savings rates by 5-10% above their current levels.** ”

Source: Prudential Retirement, 2012.





### Assets by Asset Class and Age as of December 31, 2014



### Fund Utilization By Age as of December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	Total
Participants Invested in Only One Fund	5	30	35	59	64	32	225
Average # of Funds per Participant	6.2	5.6	5.5	5.3	4.5	2.6	5.2
<i>Prudential Participants Avg. # of Funds per Participant</i>	6.2	6.2	5.8	5.5	4.9	3.3	5.6
% of Plan Assets in Stable Value	35.2%	17.0%	14.3%	25.8%	45.3%	75.9%	32.0%
<i>Prudential Participants Avg. Stable Value % of Plan Assets</i>	10.8%	11.3%	14.0%	23.3%	38.0%	55.6%	25.3%

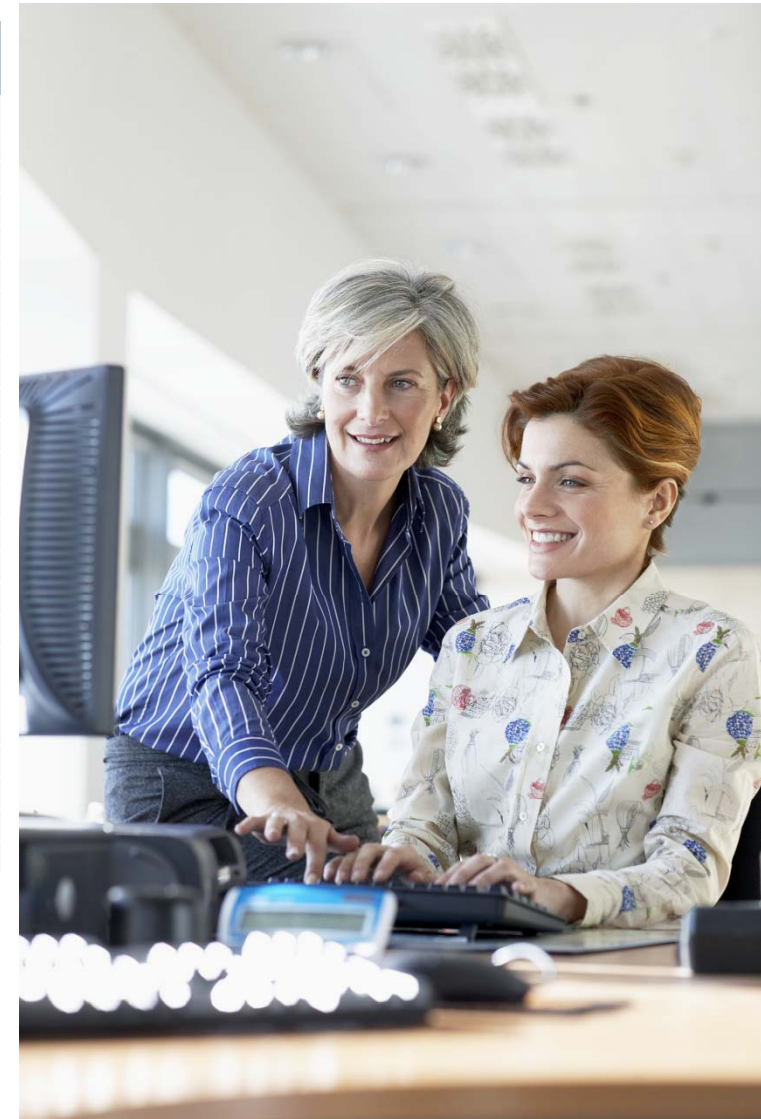
\*The National Average reflects the percentage of total plan assets invested in each investment option, where the investment option is offered. This means that the asset allocation breakdown is compared to other plans that offer the same investment option.

Source: AonHewitt, 2013 Trends & Experiences in Defined Contributions Plans, page 102

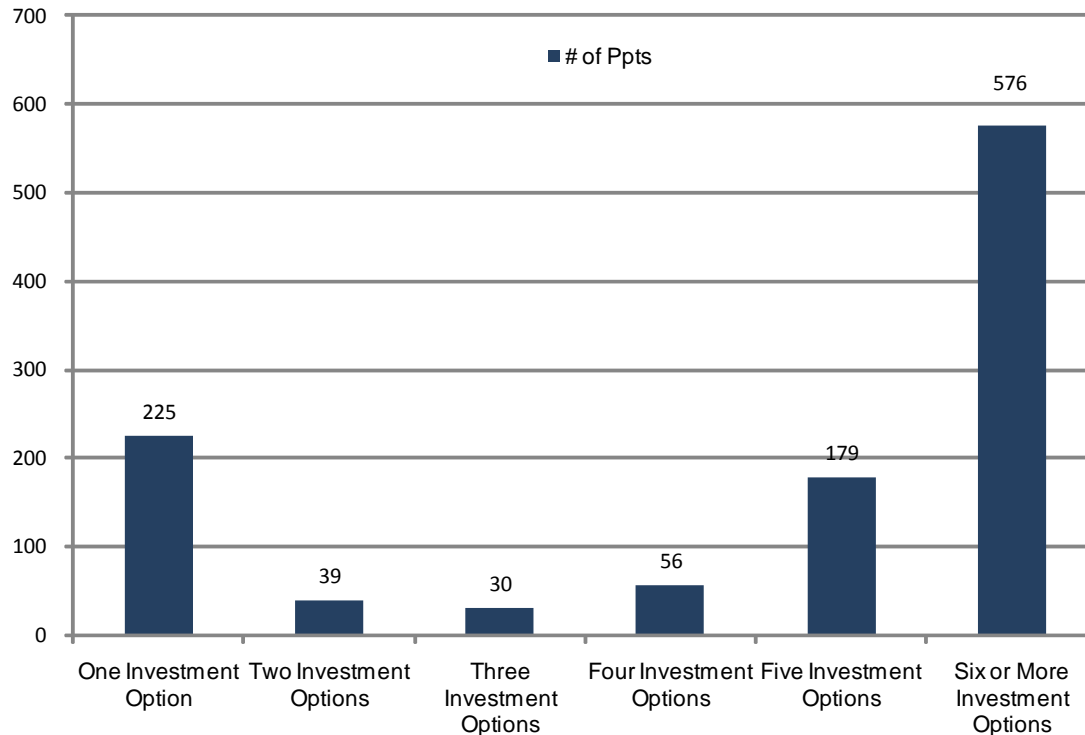
### Utilization by Fund as of December 31, 2014

Fund Name	Balance	# of Ppts	Ppts Using as Sole Investment
<b>GIBRALTAR GUARANTEED FUND</b>	\$39,012,773	857	216
<b>AMERICAN FUNDS EUROPACIFIC GROWTH R4</b>	\$13,510,609	684	0
<b>FIDELITY ADVISOR NEW INSIGHTS I</b>	\$12,290,944	745	0
<b>ALLIANZGI NFJ DIVIDEND VALUE INSTL</b>	\$9,353,494	674	0
<b>CORE PLUS BOND / PIM</b>	\$8,828,319	524	1
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$5,785,046	178	1
AMERICAN FUNDS FUNDAMENTAL INV/S R4	\$5,681,644	153	0
<b>MID CAP GROWTH / WESTFIELD CAPITAL FUND</b>	\$4,550,752	613	0
<b>MID CAP VALUE / SYSTEMATIC FUND</b>	\$4,548,817	614	0
OAKMARK EQUITY & INCOME I	\$3,197,029	99	0
BLACKROCK SMALL CAP GROWTH EQUITY INSTL	\$2,139,388	94	0
ROYCE PENNSYLVANIA MUTUAL INVMT	\$2,105,393	90	1
FIDELITY ADVISOR LEVERAGED CO STKINSTL	\$1,803,529	75	1
INCOMEFLEX LT BALANCED FUND	\$1,698,955	13	0
PERKINS MID CAP VALUE T	\$1,509,325	71	0
VANGUARD 500 INDEX ADMIRAL	\$1,170,885	55	0
<b>PRUDENTIAL DAY ONE INCOMEFLEX TARGET BALANCED FUND</b>	\$1,110,493	20	5
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$927,344	59	0
VANGUARD SMALL CAP INDEX ADM	\$839,101	35	0
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$828,478	49	0
VANGUARD MID CAP INDEX ADM	\$806,154	28	0
INCOMEFLEX LT CONSERVATIVE GROWTH FUND	\$245,420	2	0
INCOMEFLEX LT INCOME & EQUITY FUND	\$35,424	2	0
Total	\$121,979,316		

The funds in **bold** type denote inclusion in the GoalMaker® product.



## Investment Utilization as of December 31, 2014



According to a 2013 study conducted by the Employee Benefits Research Institute (EBRI), six out of ten baby boomers (those individuals retiring right now and for the next 18 years) feel unprepared for retirement. In fact, 58% of Americans have made no attempt whatsoever at figuring out how much they'll need to retire.

Source: "Retirement Confidence Survey," EBRI March 2013.

## GoalMaker® Utilization

During the period of 1/1/2014 to 12/31/2014, the GoalMaker participation rate was 41.2%.

## GoalMaker Assets

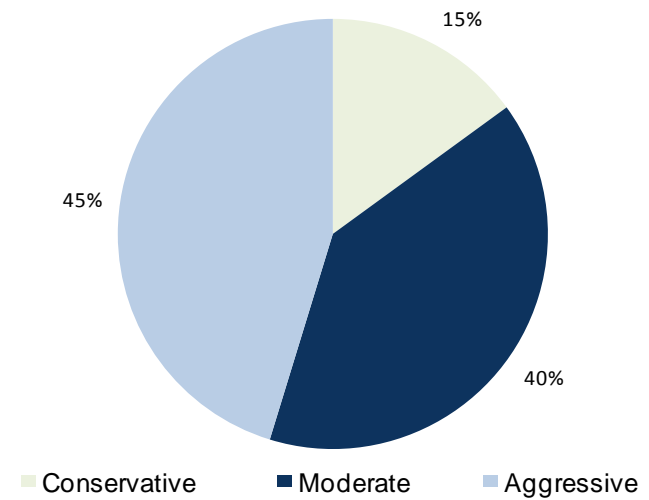
During the same time period, the average percentage of account assets directed to GoalMaker was 35.9%.

### GoalMaker Participation

	3/31/2014	6/30/2014	9/30/2014	12/31/2014
Total Plan Assets in GoalMaker	\$42,824,013	\$44,261,482	\$42,627,014	\$43,833,754
Total # of Participants in GoalMaker	411	422	450	456
Total Participation Rate	37.6%	38.7%	40.5%	41.2%
Total % of Assets	35.3%	36.0%	35.4%	35.9%

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	19	12	12	43
30-39	13	44	69	126
40-49	16	61	59	136
50-59	25	47	34	106
60-69	24	15	6	45
Total	97	179	180	456

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	\$47,456	\$125,592	\$221,639	\$394,687
30-39	\$244,199	\$1,870,085	\$4,363,969	\$6,478,253
40-49	\$934,653	\$6,101,061	\$7,362,775	\$14,398,488
50-59	\$2,339,249	\$6,147,449	\$6,113,010	\$14,599,708
60-69	\$3,000,721	\$3,185,061	\$1,776,836	\$7,962,618
Total	\$6,566,278	\$17,429,248	\$19,838,229	\$43,833,754



### Path to a More Secure Retirement

As Of 12/31/2014	50-59	60-69	70+
Avg. Account Balance	\$140,242	\$181,038	\$177,765
<i>Prudential Participants Average Account Balance</i>	\$82,572	\$100,622	\$111,239

### Plan Participation

	12/31/2013	12/31/2014
Total Number of Participants	1,102	1,106
Average Participant Account Balance	\$111,060	\$110,289

### Transaction Summary

Transactions	1/1/2013 - 12/31/2013	1/1/2014 - 12/31/2014
Enrollments	63	89
Transfers	1,873	1,868
Distributions	420	504

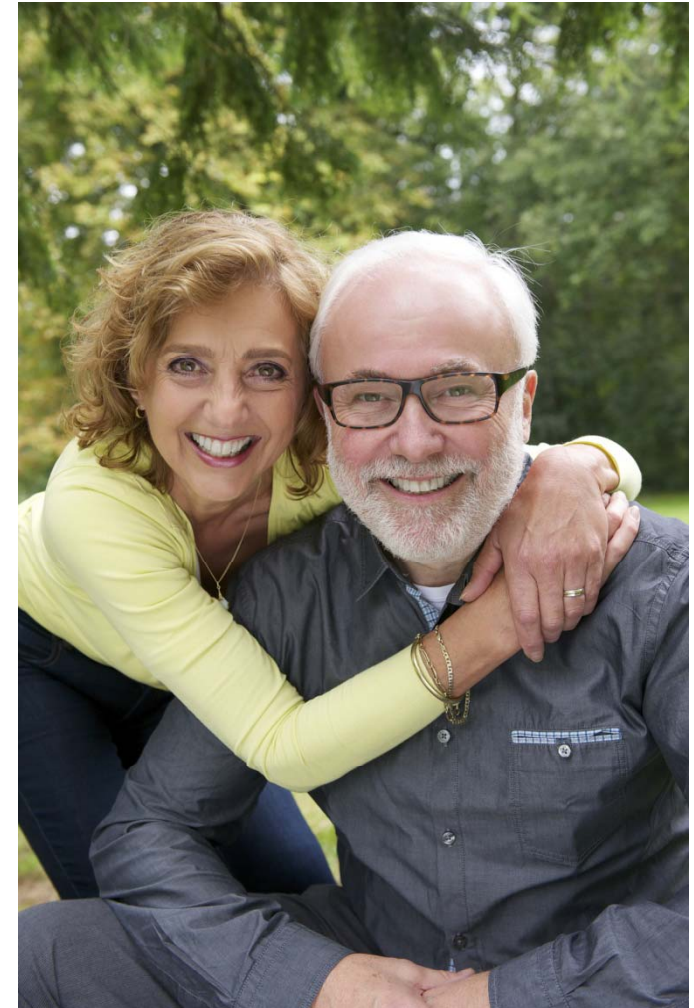
### Contributions by Fund

Investment Option	1/1/2013 - 12/31/2013	%	1/1/2014 - 12/31/2014	%	Change	%
GIBRALTAR GUARANTEED FUND	\$1,634,974	28.9%	\$1,432,052	24.6%	(\$202,922)	-12.4%
AMERICAN FUNDS EUROPACIFIC GROWTH R4	\$775,093	13.7%	\$901,943	15.5%	\$126,851	16.4%
FIDELITY ADVISOR NEW INSIGHTS I	\$513,120	9.1%	\$697,819	12.0%	\$184,699	36.0%
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$509,279	9.0%	\$565,060	9.7%	\$55,781	11.0%
CORE PLUS BOND / PIM	\$439,151	7.8%	\$505,689	8.7%	\$66,538	15.2%
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$259,659	4.6%	\$301,248	5.2%	\$41,589	16.0%
MID CAP VALUE / SYSTEMATIC FUND	\$257,592	4.6%	\$299,577	5.2%	\$41,985	16.3%
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$231,154	4.1%	\$216,197	3.7%	(\$14,957)	-6.5%
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$227,351	4.0%	\$211,637	3.6%	(\$15,714)	-6.9%
OAKMARK EQUITY & INCOME I	\$120,600	2.1%	\$117,140	2.0%	(\$3,460)	-2.9%
BLACKROCK SMALL CAP GROWTH EQUITY INSTL	\$90,600	1.6%	\$86,226	1.5%	(\$4,374)	-4.8%
FIDELITY ADVISOR LEVERAGED CO STKINSTL	\$72,992	1.3%	\$77,743	1.3%	\$4,751	6.5%
ROYCE PENNSYLVANIA MUTUAL INVMT	\$77,170	1.4%	\$74,710	1.3%	(\$2,460)	-3.2%
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$0	0.0%	\$68,555	1.2%	\$68,555	n/a
PERKINS MID CAP VALUE T	\$66,061	1.2%	\$60,388	1.0%	(\$5,673)	-8.6%
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$45,691	0.8%	\$46,517	0.8%	\$826	1.8%
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$40,219	0.7%	\$41,580	0.7%	\$1,360	3.4%
VANGUARD 500 INDEX SIGNAL	\$40,157	0.7%	\$34,527	0.6%	(\$5,631)	-14.0%
INCOME FLEX LT BALANCED FUND	\$75,058	1.3%	\$21,076	0.4%	(\$53,982)	-71.9%
VANGUARD SMALL CAP INDEX SIGNAL	\$22,498	0.4%	\$20,813	0.4%	(\$1,685)	-7.5%
VANGUARD MID CAP INDEX SIGNAL	\$15,192	0.3%	\$18,103	0.3%	\$2,911	19.2%
VANGUARD 500 INDEX ADMIRAL	\$0	0.0%	\$9,649	0.2%	\$9,649	n/a
VANGUARD MID CAP INDEX ADM	\$0	0.0%	\$5,290	0.1%	\$5,290	n/a
VANGUARD SMALL CAP INDEX ADM	\$0	0.0%	\$5,091	0.1%	\$5,091	n/a
INCOME FLEX LT CONSERVATIVE GROWTH FUND	\$6,960	0.1%	\$2,738	0.1%	(\$4,222)	-60.7%
INCOME FLEX LT INCOME & EQUITY FUND	\$1,816	0.0%	\$512	0.0%	(\$1,305)	-71.8%
LARGE CAP GROWTH / MFS FUND	\$83,642	1.5%	\$0	0.0%	(\$83,642)	-100.0%
AMERICAN FUNDS GROWTH FUND OF AMER R4	\$39,346	0.7%	\$0	0.0%	(\$39,346)	-100.0%
NEUBERGER BERMAN SOCIALLY RSPNS TR	\$3,535	0.1%	\$0	0.0%	(\$3,535)	-100.0%
<b>Total Assets Contributed</b>	<b>\$5,648,913</b>	<b>100.0%</b>	<b>\$5,821,879</b>	<b>100.0%</b>	<b>\$172,966</b>	<b>3.1%</b>

### Interfund Transfers

1/1/2014 to 12/31/2014

Investment Option	IN	OUT	NET
VANGUARD 500 INDEX ADMIRAL	\$1,149,755	(\$7,468)	\$1,142,287
PRUDENTIAL DAY ONE INCOMEFLEX TARGET BALANCED FUND	\$1,061,146	(\$12)	\$1,061,134
AMERICAN FUNDS EUROPA CIFIC GROWTH R4	\$1,635,918	(\$741,164)	\$894,755
VANGUARD SMALL CAP INDEX ADM	\$797,417	(\$11,546)	\$785,871
VANGUARD MID CAP INDEX ADM	\$772,340	(\$16,813)	\$755,527
GIBRALTAR GUARANTEED FUND	\$3,366,487	(\$2,767,412)	\$599,075
CORE PLUS BOND / PIM	\$1,537,271	(\$1,100,295)	\$436,976
INCOMEFLEX LT CONSERVATIVE GROWTH FUND	\$181,280	\$0	\$181,280
MID CAP VALUE / SYSTEMATIC FUND	\$452,656	(\$460,856)	(\$8,201)
OAKMARK EQUITY & INCOME I	\$117,869	(\$135,838)	(\$17,970)
FIDELITY ADVISOR LEVERAGED CO STKINSTL	\$163,751	(\$232,004)	(\$68,253)
ROYCE PENNSYLVANIA MUTUAL INVMT	\$43,239	(\$162,594)	(\$119,356)
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$12,397	(\$144,920)	(\$132,523)
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$7,918	(\$166,872)	(\$158,954)
PERKINS MID CAP VALUE T	\$25,080	(\$186,728)	(\$161,648)
INCOMEFLEX LT BALANCED FUND	\$212,982	(\$392,163)	(\$179,180)
BLACKROCK SMALL CAP GROWTH EQUITY INSTL	\$85,270	(\$316,482)	(\$231,212)
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$43,704	(\$376,618)	(\$332,914)
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$450,359	(\$807,590)	(\$357,231)
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$20,868	(\$436,766)	(\$415,899)
VANGUARD MID CAP INDEX SIGNAL	\$386,757	(\$826,187)	(\$439,431)
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$609,115	(\$1,104,274)	(\$495,159)
FIDELITY ADVISOR NEW INSIGHTS I	\$467,650	(\$1,242,684)	(\$775,034)
VANGUARD SMALL CAP INDEX SIGNAL	\$103,592	(\$1,072,216)	(\$968,624)
VANGUARD 500 INDEX SIGNAL	\$116,807	(\$1,112,113)	(\$995,306)
TOTAL	\$13,821,626	(\$13,821,626)	\$0





### Participant Transaction Statistics

	1/1/2014 - 3/31/2014	4/1/2014 - 6/30/2014	7/1/2014 - 9/30/2014	10/1/2014 - 12/31/2014
<b>Call Center</b>				
Unique Callers	92	58	66	66
Total Call Volume	127	110	112	103
<b>Participant Website</b>				
Unique Web Logins	440	304	301	302
Total Web Logins	4,422	3,573	3,425	3,636

Call Center Reason Category	1/1/2014 - 3/31/2014	4/1/2014 - 6/30/2014	7/1/2014 - 9/30/2014	10/1/2014 - 12/31/2014
Account Explanations	23	15	18	27
Allocations and Exchanges	1	0	0	1
Disbursements	68	76	73	57
Fund Information	0	1	0	1
Hardships	0	0	2	2
IFX	0	0	1	0
IVR or Web Assistance	17	11	10	7
Plan Explanations	1	3	1	0
Status of Research	2	0	0	0
Tax Information	7	1	0	1
Website Processing	8	3	7	7
<b>TOTAL</b>	<b>127</b>	<b>110</b>	<b>112</b>	<b>103</b>



**Definitions:**

**Unique Callers** – The number of individuals that spoke to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would only be counted once).

**Total Call Volume** – The number of calls to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would be counted five times).

**Unique Web Logins** – The number of individuals that logged into the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would only be counted once).

**Total Web Logins** – The number of logins to the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would be counted five times).



### Participant Distribution Statistics

Distribution Type	Amount of Withdrawals Taken				# of Withdrawals			
	1/1/2013 - 12/31/2013	1/1/2014 - 12/31/2014	Change	% Change	1/1/2013 - 12/31/2013	1/1/2014 - 12/31/2014	Change	% Change
External Rollover	\$3,239,330	\$8,670,207	\$5,430,877	168%	31	55	24	77%
Internal Rollover	\$518,379	\$166,579	(\$351,800)	(68%)	4	7	3	75%
Termination Distribution	\$1,971,434	\$2,189,131	\$217,697	11%	60	67	7	12%
In-Service Withdrawal	\$142,687	\$175,108	\$32,421	23%	22	24	2	9%
Installment Payment	\$473,108	\$494,411	\$21,303	5%	246	299	53	22%
Forced Small Balance Cashout	\$5,522	\$2,302	(\$3,220)	(58%)	10	5	(5)	(50%)
Miscellaneous Distributions	\$22,091	\$10,612	(\$11,479)	(52%)	47	47	0	0%
<b>Grand Total</b>	<b>\$6,372,551</b>	<b>\$11,708,349</b>	<b>\$5,335,798</b>	<b>84%</b>	<b>420</b>	<b>504</b>	<b>84</b>	<b>20%</b>

1/1/2014 - 12/31/2014			
Distribution Type	Participant Age	Participant Count	Withdrawal Amount
Rollovers	Age <50	16	\$835,377
	Age >=50	46	\$8,001,409
<b>Rollovers Total</b>		<b>62</b>	<b>\$8,836,786</b>
Cash Distribution	Age <50	26	\$479,417
	Age >=50	416	\$2,392,146
<b>Cash Distribution Total</b>		<b>442</b>	<b>\$2,871,563</b>
<b>Grand Total</b>		<b>504</b>	<b>\$11,708,349</b>



"Miscellaneous Distributions" may contain the following: Trailing dividends, Adjustments, Forfeitures, In-kind stock distributions, Loan defaults. Negative amounts for a distribution may include adjustments, returned checks, or transaction reversals that crossed a reporting period end.

### IncomeFlex Participation

As Of 12/31/2014	18-49	50-59	60-69	70+	Grand Total
Number of Participants in IFX	1	10	12	1	24

### IncomeFlex Select Assets

As of 12/31/2014, the participants invested in IncomeFlex have 67.3% of their total plan assets in these funds, with an average balance of \$128,762.

### IncomeFlex Select Utilization

During the period of 1/1/2014 to 12/31/2014, the IncomeFlex participation rate was 2.2%.





Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 12/31/2014.

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# **Section II: Lancaster County Deferred Compensation Plan - 6372**

## Plan Demographics

	1/1/2013- 12/31/2013	1/1/2014- 12/31/2014
Total Participants*	467	492
Active Participants	387	397
Terminated Participants	77	92
Retired Participants	3	3
Average Account Balance for Participants*	\$39,635	\$39,280
Average Account Balance for Active Participants	\$40,894	\$39,523
Total (Contributions + Rollovers In)	\$1,149,852	\$1,375,539
Participant Deferrals	\$1,133,865	\$1,279,587
Rollovers In	\$15,988	\$95,953
Total Distributions	(\$918,930)	(\$1,463,942)
Percentage of Assets Distributed	5.0%	7.6%
Total Plan Assets	\$18,509,562	\$19,325,755

\* Includes participants with balances. May include people with subplan specific status codes.

Total Number of Eligibles Making Deferrals is defined as an active participant with a deferral percentage or amount greater than zero.

### Asset Allocation/Net Activity By Age

January 1, 2014 to December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	Total
Total Plan Assets	\$35,327	\$530,239	\$3,285,689	\$6,078,619	\$7,114,060	\$2,281,823	\$19,325,755
% Assets	0.2%	2.7%	17.0%	31.5%	36.8%	11.8%	100.0%
Avg. Deferral Rate	2.4%	3.7%	2.8%	17.6%	11.3%	0.0%	5.5%
<i>Prudential Participants Avg. Deferral Rate</i>	4.9%	5.8%	6.8%	8.7%	10.7%	12.3%	7.3%
Contributions	\$13,758	\$95,946	\$220,739	\$430,445	\$417,513	\$101,186	\$1,279,587
Rollovers In	\$22,706	\$15,801	\$57,445	\$0	\$0	\$0	\$95,953
Total (Contributions + Rollovers In)	\$36,464	\$111,747	\$278,184	\$430,445	\$417,513	\$101,186	\$1,375,539
Cash Distributions	\$0	(\$22,832)	(\$21,570)	(\$106,033)	(\$95,049)	(\$55,693)	(\$301,176)
Rollovers Out	(\$37,606)	(\$11,370)	\$0	(\$186,835)	(\$824,133)	(\$102,822)	(\$1,162,765)
Total (Cash Distributions + Rollovers Out)	(\$37,606)	(\$34,202)	(\$21,570)	(\$292,867)	(\$919,182)	(\$158,514)	(\$1,463,942)
Net Activity	(\$1,142)	\$77,546	\$256,614	\$137,578	(\$501,670)	(\$57,329)	(\$88,402)
Total Participants	11	80	133	154	95	19	492
Average Account Balance	\$3,212	\$6,628	\$24,704	\$39,472	\$74,885	\$120,096	\$39,280
Median Account Balance	\$418	\$3,681	\$8,934	\$13,454	\$35,141	\$86,998	\$10,697
<i>Prudential Participants Avg. Account Balance</i>	\$6,490	\$24,061	\$52,819	\$82,572	\$100,622	\$111,239	\$57,988

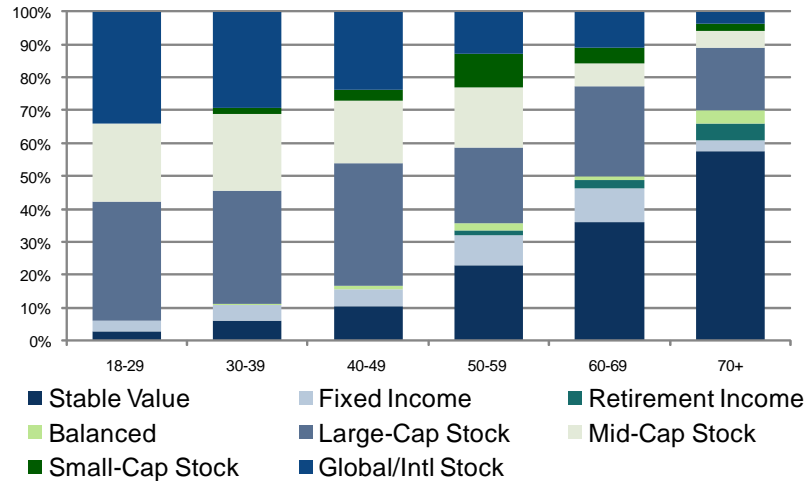
“ Research suggests that most **plan participants need to increase their savings rates by 5-10% above their current levels.** ”

Source: Prudential Retirement, 2012.





### Assets by Asset Class and Age as of December 31, 2014



### Fund Utilization By Age as of December 31, 2014

	18-29	30-39	40-49	50-59	60-69	70+	Total
Participants Invested in Only One Fund	0	4	14	18	13	12	61
Average # of Funds per Participant	5.9	5.6	5.2	5.9	5.2	3.2	5.4
<i>Prudential Participants Avg. # of Funds per Participant</i>	6.2	6.2	5.8	5.5	4.9	3.3	5.6
% of Plan Assets in Stable Value	2.9%	6.3%	10.3%	22.8%	36.0%	57.7%	29.2%
<i>Prudential Participants Avg. Stable Value % of Plan Assets</i>	10.8%	11.3%	14.0%	23.3%	38.0%	55.6%	25.3%

\*The National Average reflects the percentage of total plan assets invested in each investment option, where the investment option is offered. This means that the asset allocation breakdown is compared to other plans that offer the same investment option.

Source: AonHewitt, 2013 Trends & Experiences in Defined Contributions Plans, page 102

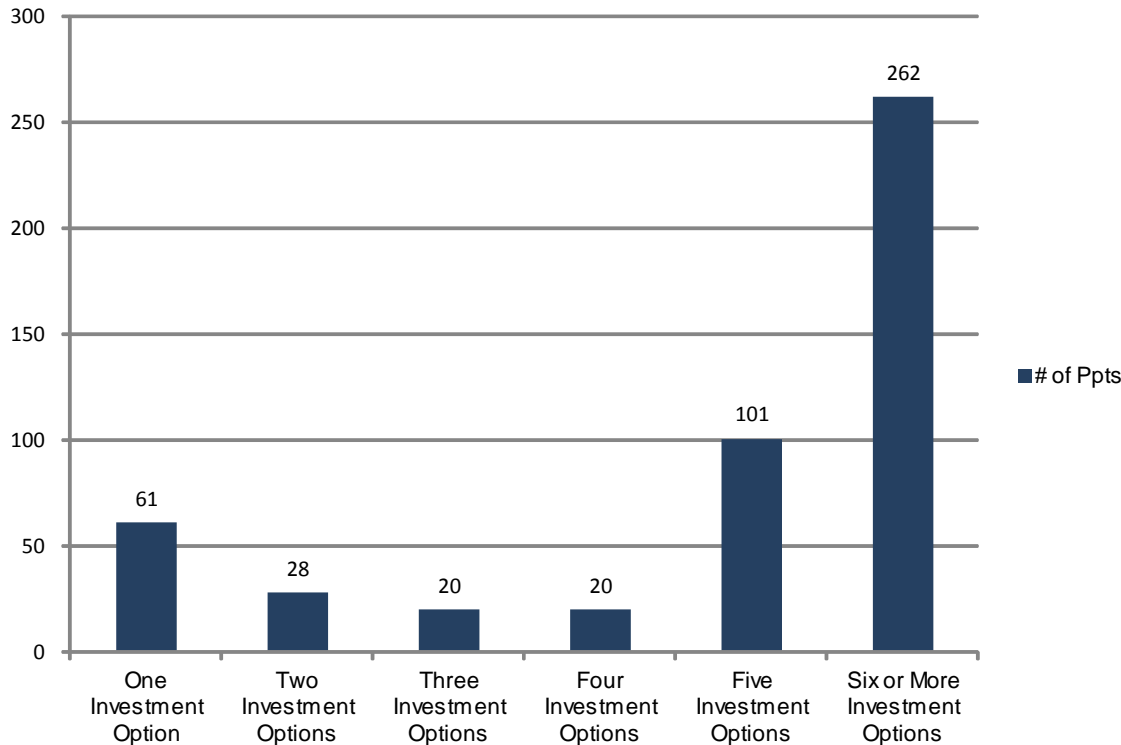
### Utilization by Fund as of December 31, 2014

Fund Name	Balance	# of Ppts	Ppts Using as Sole Investment
<b>GIBRALTAR GUARANTEED FUND</b>	\$5,636,801	320	41
<b>ALLIANZGI NFJ DIVIDEND VALUE INSTL</b>	\$2,068,465	356	1
<b>AMERICAN FUNDS EUROPACIFIC GROWTH R4</b>	\$2,007,806	337	1
<b>FIDELITY ADVISOR NEW INSIGHTS I</b>	\$1,860,554	359	6
<b>CORE PLUS BOND / PIM</b>	\$1,566,154	244	2
AMERICAN FUNDS FUNDAMENTAL INV/S R4	\$996,632	79	2
<b>MID CAP GROWTH / WESTFIELD CAPITAL FUND</b>	\$627,917	305	0
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$616,184	62	0
<b>MID CAP VALUE / SYSTEMATIC FUND</b>	\$609,319	303	0
FIDELITY ADVISOR LEVERAGED CO STKINSTL	\$408,108	40	2
PERKINS MID CAP VALUE T	\$378,703	39	0
BLACKROCK SMALL CAP GROWTH EQUITY INSTL	\$364,474	39	1
OAKMARK EQUITY & INCOME I	\$335,200	29	3
ROYCE PENNSYLVANIA MUTUAL INVMT	\$311,136	29	0
VANGUARD 500 INDEX ADMIRAL	\$279,882	21	0
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$230,889	31	0
VANGUARD MID CAP INDEX ADM	\$228,239	12	0
INCOMEFLEX LT BALANCED FUND	\$222,171	8	0
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$213,799	25	1
VANGUARD SMALL CAP INDEX ADM	\$207,622	18	0
<b>PRUDENTIAL DAY ONE INCOMEFLEX TARGET BALANCED FUND</b>	\$143,784	11	1
INCOMEFLEX LT INCOME & EQUITY FUND	\$11,917	1	0
Total	\$19,325,755		

The funds in **bold** type denote inclusion in the GoalMaker® product.



## Investment Utilization as of December 31, 2014



According to a 2013 study conducted by the Employee Benefits Research Institute (EBRI), six out of ten baby boomers (those individuals retiring right now and for the next 18 years) feel unprepared for retirement. In fact, 58% of Americans have made no attempt whatsoever at figuring out how much they'll need to retire.

Source: "Retirement Confidence Survey," EBRI March 2013.

## GoalMaker® Utilization

During the period of 1/1/2014 to 12/31/2014, the GoalMaker participation rate was 51.4%.

## GoalMaker Assets

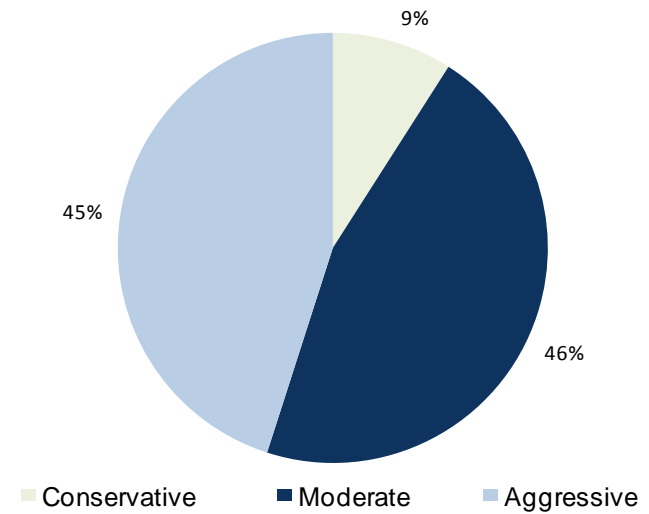
During the same time period, the average percentage of account assets directed to GoalMaker was 28.4%.

### GoalMaker Participation

	3/31/2014	6/30/2014	9/30/2014	12/31/2014
Total Plan Assets in GoalMaker	\$5,134,382	\$5,430,376	\$5,357,700	\$5,494,629
Total # of Participants in GoalMaker	222	237	252	253
Total Participation Rate	46.6%	49.2%	51.0%	51.4%
Total % of Assets	27.6%	28.4%	28.2%	28.4%

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	0	5	6	11
30-39	4	14	36	54
40-49	4	36	40	80
50-59	12	35	31	78
60-69	15	10	5	30
Total	35	100	118	253

Participant Age Range	Conservative	Moderate	Aggressive	Total
18-29	\$0	\$14,358	\$20,969	\$35,327
30-39	\$28,137	\$77,993	\$253,619	\$359,749
40-49	\$21,515	\$1,045,892	\$1,068,946	\$2,136,352
50-59	\$293,194	\$912,024	\$651,961	\$1,857,179
60-69	\$153,934	\$472,282	\$479,807	\$1,106,022
Total	\$496,780	\$2,522,549	\$2,475,300	\$5,494,629



### Path to a More Secure Retirement

As Of 12/31/2014	50-59	60-69	70+
Avg. Account Balance	\$39,472	\$74,885	\$120,096
<i>Prudential Participants Average Account Balance</i>	\$82,572	\$100,622	\$111,239

### Plan Participation

	12/31/2013	12/31/2014
Total Number of Participants	467	492
Average Participant Account Balance	\$39,635	\$39,280
Average Deferral Rate	7.4%	5.5%

### Roth Assets

During the period of 1/1/2014 to 12/31/2014 Roth assets increased from \$288,444 to \$488,579.

### Roth Participants

During the same period participants with Roth assets increased from 46 to 113.

### Roth Participants by Age

As of 12/31/2014, 34.5% of participants were ages 50 to 70+, while 65.5% were ages 18 to 49.

### Transaction Summary

Transactions	1/1/2013 - 12/31/2013	1/1/2014 - 12/31/2014
Enrollments	10	67
Deferral Increases*	27	53
Total Deferral Changes*	27	53
Transfers	998	963
Distributions	76	100

\* sum of month over month deferral % and dollar amount changes for the period.

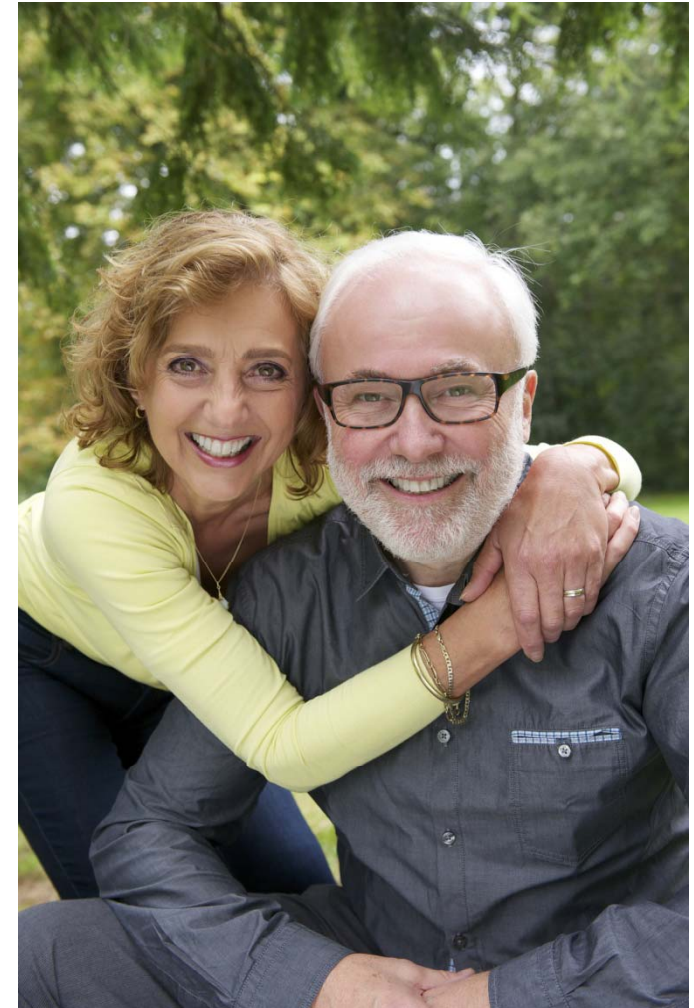
### Contributions by Fund

Investment Option	1/1/2013 - 12/31/2013	%	1/1/2014 - 12/31/2014	%	Change	%
GIBRALTAR GUARANTEED FUND	\$292,120	25.8%	\$312,180	24.4%	\$20,060	6.9%
AMERICAN FUNDS EUROPACIFIC GROWTH R4	\$132,339	11.7%	\$160,299	12.5%	\$27,960	21.1%
FIDELITY ADVISOR NEW INSIGHTS I	\$88,232	7.8%	\$125,110	9.8%	\$36,878	41.8%
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$112,232	9.9%	\$123,964	9.7%	\$11,732	10.5%
CORE PLUS BOND / PIM	\$113,741	10.0%	\$115,517	9.0%	\$1,776	1.6%
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$42,847	3.8%	\$54,837	4.3%	\$11,990	28.0%
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$45,656	4.0%	\$53,011	4.1%	\$7,355	16.1%
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$42,750	3.8%	\$51,986	4.1%	\$9,236	21.6%
MID CAP VALUE / SYSTEMATIC FUND	\$39,459	3.5%	\$49,304	3.9%	\$9,845	24.9%
BLACKROCK SMALL CAP GROWTH EQUITY INSTL	\$31,423	2.8%	\$34,603	2.7%	\$3,180	10.1%
FIDELITY ADVISOR LEVERAGED CO STKINSTL	\$30,399	2.7%	\$33,558	2.6%	\$3,159	10.4%
ROYCE PENNSYLVANIA MUTUAL INVMT	\$27,552	2.4%	\$28,387	2.2%	\$836	3.0%
OAKMARK EQUITY & INCOME I	\$17,979	1.6%	\$26,403	2.1%	\$8,424	46.9%
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$0	0.0%	\$17,951	1.4%	\$17,951	n/a
PERKINS MID CAP VALUE T	\$15,163	1.3%	\$17,029	1.3%	\$1,865	12.3%
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$13,758	1.2%	\$16,772	1.3%	\$3,013	21.9%
VANGUARD SMALL CAP INDEX SIGNAL	\$17,375	1.5%	\$14,310	1.1%	(\$3,065)	-17.6%
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$3,988	0.4%	\$11,755	0.9%	\$7,766	194.7%
VANGUARD 500 INDEX SIGNAL	\$11,570	1.0%	\$11,124	0.9%	(\$446)	-3.9%
VANGUARD MID CAP INDEX SIGNAL	\$10,327	0.9%	\$8,890	0.7%	(\$1,437)	-13.9%
INCOME FLEX LT BALANCED FUND	\$20,214	1.8%	\$5,460	0.4%	(\$14,754)	-73.0%
VANGUARD SMALL CAP INDEX ADM	\$0	0.0%	\$2,471	0.2%	\$2,471	n/a
VANGUARD MID CAP INDEX ADM	\$0	0.0%	\$2,217	0.2%	\$2,217	n/a
VANGUARD 500 INDEX ADMIRAL	\$0	0.0%	\$2,030	0.2%	\$2,030	n/a
INCOME FLEX LT INCOME & EQUITY FUND	\$1,455	0.1%	\$420	0.0%	(\$1,035)	-71.1%
LARGE CAP GROWTH / MFS FUND	\$14,233	1.3%	\$0	0.0%	(\$14,233)	-100.0%
AMERICAN FUNDS GROWTH FUND OF AMER R4	\$7,701	0.7%	\$0	0.0%	(\$7,701)	-100.0%
NEUBERGER BERMAN SOCIALLY RSPNS TR	\$1,352	0.1%	\$0	0.0%	(\$1,352)	-100.0%
<b>Total Assets Contributed</b>	<b>\$1,133,865</b>	<b>100.0%</b>	<b>\$1,279,587</b>	<b>100.0%</b>	<b>\$145,722</b>	<b>12.9%</b>

### Interfund Transfers

1/1/2014 to 12/31/2014

Investment Option	IN	OUT	NET
VANGUARD 500 INDEX ADMIRAL	\$271,958	(\$3,983)	\$267,976
VANGUARD MID CAP INDEX ADM	\$214,317	(\$1,283)	\$213,034
VANGUARD SMALL CAP INDEX ADM	\$195,568	(\$2,222)	\$193,346
AMERICAN FUNDS EUROPA CIFIC GROWTH R4	\$381,527	(\$210,937)	\$170,591
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$130,897	(\$11)	\$130,886
GIBRALTAR GUARANTEED FUND	\$564,886	(\$438,916)	\$125,970
OAKMARK EQUITY & INCOME I	\$137,673	(\$94,577)	\$43,096
CORE PLUS BOND / PIM	\$153,797	(\$117,275)	\$36,522
FIDELITY ADVISOR LEVERAGED CO STKINSTL	\$37,064	(\$1,974)	\$35,090
MID CAP VALUE / SYSTEMATIC FUND	\$50,003	(\$44,187)	\$5,816
ROYCE PENNSYLVANIA MUTUAL INVMT	\$13,988	(\$19,303)	(\$5,315)
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$3,582	(\$16,300)	(\$12,719)
BLACKROCK SMALL CAP GROWTH EQUITY INSTL	\$18,019	(\$33,783)	(\$15,764)
PERKINS MID CAP VALUE T	\$36,607	(\$54,341)	(\$17,734)
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$23,358	(\$44,810)	(\$21,452)
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$2,545	(\$33,972)	(\$31,426)
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$37,289	(\$77,570)	(\$40,281)
AMERICAN FUNDS FUNDAMENTAL INV/S R4	\$37,922	(\$145,720)	(\$107,798)
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$60,395	(\$172,014)	(\$111,619)
INCOME FLEX LT BALANCED FUND	\$0	(\$120,781)	(\$120,781)
FIDELITY ADVISOR NEW INSIGHTS I	\$29,335	(\$196,683)	(\$167,348)
VANGUARD MID CAP INDEX SIGNAL	\$47,678	(\$215,104)	(\$167,427)
VANGUARD 500 INDEX SIGNAL	\$113,445	(\$284,789)	(\$171,345)
VANGUARD SMALL CAP INDEX SIGNAL	\$24,364	(\$255,683)	(\$231,318)
<b>TOTAL</b>	<b>\$2,586,218</b>	<b>(\$2,586,218)</b>	<b>\$0</b>





### Participant Transaction Statistics

	1/1/2014 - 3/31/2014	4/1/2014 - 6/30/2014	7/1/2014 - 9/30/2014	10/1/2014 - 12/31/2014
<b>Call Center</b>				
Unique Callers	22	21	22	20
Total Call Volume	29	28	30	27
<b>Participant Website</b>				
Unique Web Logins	380	270	263	272
Total Web Logins	3,998	3,034	3,047	3,206

Call Center Reason Category	1/1/2014 - 3/31/2014	4/1/2014 - 6/30/2014	7/1/2014 - 9/30/2014	10/1/2014 - 12/31/2014
Account Explanations	2	2	3	8
Contributions	0	0	2	1
Disbursements	18	18	18	14
Hardships	2	2	3	0
IVR or Web Assistance	0	1	0	0
Plan Explanations	0	2	1	0
Tax Information	1	0	0	1
Website Processing	6	3	3	3
<b>TOTAL</b>	<b>29</b>	<b>28</b>	<b>30</b>	<b>27</b>



**Definitions:**

**Unique Callers** – The number of individuals that spoke to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would only be counted once).

**Total Call Volume** – The number of calls to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would be counted five times).

**Unique Web Logins** – The number of individuals that logged into the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would only be counted once).

**Total Web Logins** – The number of logins to the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would be counted five times).



### Participant Distribution Statistics

Distribution Type	Amount of Withdrawals Taken				# of Withdrawals			
	1/1/2013 - 12/31/2013	1/1/2014 - 12/31/2014	Change	% Change	1/1/2013 - 12/31/2013	1/1/2014 - 12/31/2014	Change	% Change
External Rollover	\$653,322	\$1,162,765	\$509,443	78%	15	23	8	53%
Internal Rollover	\$22,588	\$0	(\$22,588)	(100%)	1	0	(1)	(100%)
Termination Distribution	\$177,720	\$217,821	\$40,100	23%	16	24	8	50%
Hardship Withdrawal	\$340	\$7,254	\$6,913	2,031%	1	4	3	300%
In-Service Withdrawal	\$42,968	\$38,662	(\$4,306)	(10%)	7	7	0	0%
Installment Payment	\$21,990	\$37,440	\$15,450	70%	29	36	7	24%
Miscellaneous Distributions	\$0	\$0	\$0	n/a	7	6	(1)	(14%)
<b>Grand Total</b>	<b>\$918,930</b>	<b>\$1,463,942</b>	<b>\$545,012</b>	<b>59%</b>	<b>76</b>	<b>100</b>	<b>24</b>	<b>32%</b>

1/1/2014 - 12/31/2014			
Distribution Type	Participant Age	Participant Count	Withdrawal Amount
Rollovers	Age <50	2	\$48,976
	Age >=50	21	\$1,113,789
<b>Rollovers Total</b>		<b>23</b>	<b>\$1,162,765</b>
Cash Distribution	Age <50	11	\$44,402
	Age >=50	66	\$256,775
<b>Cash Distribution Total</b>		<b>77</b>	<b>\$301,177</b>
<b>Grand Total</b>		<b>100</b>	<b>\$1,463,942</b>



*"Miscellaneous Distributions" may contain the following: Trailing dividends, Adjustments, Forfeitures, In-kind stock distributions, Loan defaults. Negative amounts for a distribution may include adjustments, returned checks, or transaction reversals that crossed a reporting period end.*

### IncomeFlex Participation

As Of 12/31/2014	50-59	60-69	70+	Grand Total
Number of Participants in IFX	5	6	1	12

### IncomeFlex Select Assets

As of 12/31/2014, the participants invested in IncomeFlex have 61.3% of their total plan assets in these funds, with an average balance of \$31,489.

### IncomeFlex Select Utilization

During the period of 1/1/2014 to 12/31/2014, the IncomeFlex participation rate was 2.4%.





Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 12/31/2014.

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## **Section III: 2014 Activity Report**

## Lancaster County Employees' Retirement Plan

2014 Activity Summary

Submitted by Crystal Vacura, Retirement Counselor

	<u>Group Mtgs Conducted</u>	<u>Group Mtg Attendees</u>	<u>Unique Individual Meetings(1x1)</u>	<u>Enrollments</u>	<u>IFX Selected</u>	<u>GoalMaker Allocation Selected</u>	<u>Contribution Increases</u>	<u>Rollovers</u>	<u>Total Participant Actions</u>
Ist Quarter:	1	17	198	9	1	27	0	5	42
2nd Quarter:	0	0	127	7	1	11	0	5	24
3rd Quarter:	0	0	118	8	2	14	0	3	27
4th Quarter:	1	10	98	1	1	8	0	3	13
<b>TOTAL</b>	<b>2</b>	<b>27</b>	<b>541</b>	<b>25</b>	<b>5</b>	<b>60</b>	<b>0</b>	<b>16</b>	<b>106</b>

## Lancaster County 457b Deferred Comp Plan

2014 Activity Summary

Submitted by Crystal Vacura, Retirement Counselor

	<u>Group Mtgs Conducted</u>	<u>Group Mtg Attendees</u>	<u>Unique Individual Meetings(1x1)</u>	<u>Enrollments</u>	<u>IFX Selected</u>	<u>GoalMaker Allocation Selected</u>	<u>Contribution Increases</u>	<u>Rollovers</u>	<u>Total Participant Actions</u>
<b>1st Quarter:</b>	1	17	198	20	0	28	65	2	115
<b>2nd Quarter:</b>	0	0	127	16	2	18	25	0	61
<b>3rd Quarter:</b>	0	0	118	18	0	17	15	6	56
<b>4th Quarter:</b>	1	10	98	10	0	11	17	0	38
<b>TOTAL</b>	2	27	541	64	2	74	122	8	270





280 Trumbull Street  
Hartford, CT 06103

**Key Facts**

**INVESTMENT ADVISOR:** Barrow, Hanley, Mewhinney & Strauss LLC.  
**FUND CATEGORY:** Mid-Cap Value  
**INDEX:** Russell Mid Cap Value TR USD@  
**NET ASSETS:** \$10,192.0 Million  
**INCEPTION DATE:** 2/15/1996  
**TICKER SYMBOL:** VASVX  
**GROSS EXPENSE RATIO:** 0.44% of Fund Assets  
**OVERALL MORNINGSTAR RATING™:** ★★★★★  
**OVERALL # OF FUNDS IN MORNINGSTAR CATEGORY:** 421  
**PORTFOLIO MANAGER(S):** Manoj Tandon; Eli Rabinowich; James P. Barrow; Mark Giambrone CFA; Donald Gene Smith

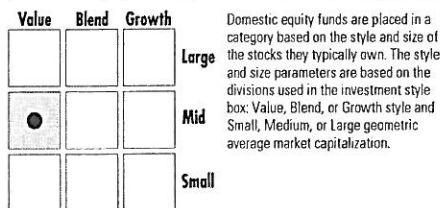
Overall Morningstar Rating as of quarter ending 12/31/2014. The Morningstar Rating shown is for the share class of this fund only; other classes may have different performance characteristics. ©2014 Morningstar, Inc. All Rights Reserved. Additional Morningstar information is available in the User Guide.

**Morningstar Volatility Rank** As of 12/31/2014



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio make-ups or investment strategies.

**Morningstar Style Box™** As of 12/31/2014



**Annual Performance**

	Mutual Fund*	Index
2014	6.36%	14.75%
2013	42.04%	33.46%
2012	15.25%	18.51%
2011	0.82%	-1.38%
2010	19.44%	24.75%

**DESCRIPTION/OBJECTIVE**

The investment seeks long-term capital appreciation and income. The fund invests mainly in the stocks of mid-size U.S. companies, choosing stocks considered by an advisor to be undervalued. Undervalued stocks are generally those that are out of favor with investors and are trading at prices that the advisor feels are below average in relation to measures such as earnings and book value. These stocks often have above-average dividend yields. It uses multiple investment advisors. There is no assurance the objectives will be met. Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.

**Top Five Holdings** As of 09/30/2014

Micron Technology Inc	3.09%
Hanesbrands Inc	2.62%
Royal Caribbean Cruises Ltd	2.23%
Omnicare Inc	2.16%
Discover Financial Services	2.13%

Holdings and Sector allocations are ranked as a percentage of net assets and subject to change without notice.

**Top Five Sectors** As of 09/30/2014

Financial Services	28.89%
Industrials	15.80%
Consumer Cyclical	13.69%
Healthcare	9.06%
Technology	8.80%

**Allocation** As of 09/30/2014



**Characteristics** As of 09/30/2014

	Mutual Fund Index	
Weighted Geometric Market Cap. (\$Bil)	9.77	9.79
Price/Earnings Ratio (Forward)	14.2x	17.62x
Price/Book Ratio	1.51x	1.77x
3-Year Earnings Growth Rate (%)	13.7	10.38
Number of Holdings-Long	132	578

**Performance(%)**

	Cumulative Returns			Average Annual Total Returns			
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Mutual Fund*	2.93	6.36	6.36	20.30	15.96	9.26	NA
Index	6.05	14.75	14.75	21.98	17.43	9.43	---
Morningstar Rating™				★★★	★★★★	★★★★	
# of Funds in Category				421	350	234	

\*Prudential Retirement and its affiliates do not receive finder's fees, 12b-1, sub-accounting or servicing fees in connection with plan investments in this fund.

Such fees, if applicable to this fund, compensate Prudential Retirement for selling the fund's shares and servicing your retirement plan. The fund's expense ratio includes these fees. Other investment options may generate more or less revenue than the fees associated with this fund. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other share classes of this fund may have a lower expense ratio, but your plan's investment options do not include such shares to compensate us for distribution and plan servicing.

**Performance:** The performance quoted represents past performance. The investment value and return will fluctuate so that an investment, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-877-778-2100. These performance results represent the change in net asset value of an investment over a stated period, assuming the reinvestment of dividends and capital gain distributions.

**Market Timing:** Frequent exchanging of investment options may harm long-term investors. Your plan and/or the fund have policies to detect and deter exchanges that may be abusive. Those policies may require us to modify or suspend purchase or exchange privileges.

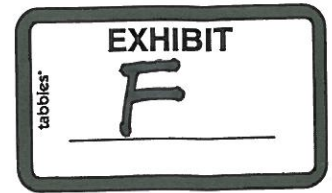
**Prospectus:** Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free prospectus and if available, a summary prospectus that contain this and other information about the mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.

Benchmark indices are unmanaged and cannot be invested in directly. See User Guide for index definitions.

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Three Gateway Center, 14th Floor, Newark, NJ 07102-4077. PIMS is a Prudential Financial company.

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Official Nebraska Government Website



# DOUG PETERSON

Nebraska's Attorney General

To serve the citizens of Nebraska &  
Nebraska's elected officials with fidelity to our  
U.S. Constitution, State Constitution, & Nebraska law.

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## NEBRASKA OPEN MEETING SUMMARY

The Nebraska Open Meetings Act guarantees that every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies. The information below details NEB. REV. STAT. §§ 84-1407 through 84-1414 (2008, Cum. Supp. 2012, Supp. 2013).

- BASIC PROVISION
- PUBLIC BODIES WHICH ARE COVERED
- MEETING DEFINED
- PUBLIC MEETINGS BY VIDEOCONFERENCING AND TELEPHONE CONFERENCE CALL
- PUBLIC MEETINGS; NOTICE REQUIRED AND AGENDA
- EMERGENCY MEETINGS
- PUBLIC MEETINGS; MINUTES AND VOTING PROCEDURES
- PUBLIC MEETINGS; RIGHTS OF THE PUBLIC ATTENDING
- CLOSED SESSIONS OF A PUBLIC BODY
- CIRCUMVENTION OF THE OPEN MEETINGS ACT
- ACTIONS FOR ENFORCEMENT
- CRIMINAL SANCTIONS

### BASIC PROVISION

A. The basic statement of our state policy on public meetings is found at Neb. Rev. Stat. § 84-1408. That statute provides, "[i]t is hereby declared to be the policy of this state that the formation of public policy is public business and may not be conducted in secret. Every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies, except as otherwise provided by the Constitution of the State of Nebraska, federal statutes, and the Open Meetings Act."

1. **History.** Section 84-1406 was passed as a part of LB 325 in 1975. That bill repealed previously existing public meetings provisions and substituted new provisions which were intended to preserve the features of the previous law and strengthen and expand their authority. [Government Committee Statement on LB 325](#), 84th Nebraska Legislature, First Session (1975). LB 325 was passed to ensure that all meetings of public bodies would be open to the public, except when protection of the public interest clearly called for a closed session concerning specific matters. *Id.* 2004 Neb. Laws LB 821, § 34 formally established the name of §§ 84-1407 through 84-1414 as the "Open Meetings Act."

2. **Purpose.** The Nebraska open meetings laws are a statutory commitment to openness in government. *Wasikowski v. The Nebraska Quality Jobs Board*, 264 Neb. 403, 648 N.W.2d 756 (2002); *Steenblock v. Elkhorn Township Board*, 245 Neb. 722, 515 N.W.2d 128 (1994); *Grein v. Board of Education of the School District of Fremont*, 216 Neb. 158, 343 N.W.2d 718 (1984). Their purpose is to ensure that public policy is formulated at open meetings of the bodies to which the law is applicable. *Dossett v. First State Bank, Loomis, NE*, 261 Neb. 959, 627 N.W.2d 131 (2001); *Marks v. Judicial Nominating Commission for Judge of the County Court of the 20th Judicial District*, 236 Neb. 429, 461 N.W.2d 551 (1990); *Pokorny v. City of Schuyler*, 202 Neb. 334, 275 N.W.2d 281 (1979). In Nebraska, the formation of public policy is public business, which may not be conducted in secret. *Schauer v. Grooms*, 280 Neb. 426, 786 N.W.2d 909 (2010); *Johnson v. Nebraska Environmental Control Council*, 2 Neb. App. 263, 509 N.W.2d 21 (Neb. Ct. App. 1993).

3. **Construction.** The open meetings laws should be broadly interpreted and liberally construed to obtain their objective of openness in favor of the public. *Schauer v. Grooms*, 280 Neb. 426, 786 N.W.2d 909 (2010); *State ex rel. Upper Republican Natural Resources District v. District Judges of the District Court for Chase County*, 273 Neb. 148, 728 N.W.2d 275 (2007); *State ex rel. Newman v. Columbus Township Board*, 15 Neb. App. 656, 735 N.W.2d 399 (Neb. Ct. App. 2007); *Alderman v. County of Antelope* 11 Neb. App. 412, 653 N.W.2d 1 (Neb. Ct. App. 2002); *Rauert v. School District I-R of Hall County*, 251 Neb. 135, 555 N.W.2d 763 (1996); *Grein, supra*. The beneficiaries of the openness sought by the Open Meetings Act include citizens, members of the general public, and reporters or other representatives of the news media. *State ex rel. Newman v. Columbus Township Board*, 15 Neb. App. 656, 735 N.W.2d 399 (Neb. Ct. App. 2007).

4. **Exceptions.** Section 84-1408 requires open meetings except "as otherwise provided by the Constitution of the State of Nebraska, federal statutes, and the Open Meetings Act." The Attorney General has concluded that the Nebraska Legislature is not covered under the open meetings statutes because the Nebraska Constitution separately provides for public access to that body. Op. Atty Gen. No. 120 (July 25, 1985).

5. **Subsequent legislative limitations.** The Legislature holds the power to decide the scope of citizen access to governmental meetings. As a result, the Legislature has the right to limit access to public meetings and the effect of the Open Meetings Act through later statutory provisions which provide that certain information in the possession of government should remain confidential without exception or limitation. *Wasikowski v. The Nebraska Quality Jobs Board*, 254 Neb. 403, 648 N.W.2d 756 (2002).

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#### PUBLIC BODIES WHICH ARE COVERED

B. Under § 84-1409(1), public bodies covered by the public meetings statutes include: (1) governing bodies of all political subdivisions of the State, (2) governing bodies of all agencies of the executive department of state government created by law, (3) all independent boards, commissions, bureaus, committees, councils, subunits, or any other bodies created pursuant to law, (4) all study or advisory committees of the executive department of the state whether of continuing or limited existence, (5) advisory committees of the governing bodies of political subdivisions, of the governing bodies of agencies of the executive branch of state government, or of independent boards, commissions, etc., and (6) "instrumentalities exercising essentially public functions."

1. **History.** The initial portion of § 84-1409(1) defining public bodies was originally part of LB 325 passed in 1975. It has been amended several times to add additional entities to the list of bodies covered, and the Certificate of Need Review Committee was removed in 1997. See 1997 Neb. Laws LB 798; 1989 Neb. Laws LB 429 and LB 311; 1983 Neb. Laws LB 43. The language concerning "instrumentalities exercising essentially public functions" was added in 1989 to reach entities such as the Nebraska Investment Finance Authority. Floor Debate on LB 311, 91st Nebraska Legislature, First Session, May 9, 1989, at 6039, 6040.

2. **Cases and Opinions.** A number of cases and opinions of the Attorney General deal with various aspects of the definitions of public body found in § 84-1409(1).

a. "Political subdivision" is not defined within the public meetings statutes. However, the Attorney General has indicated that generally the term denotes any subdivision of a state which has as its purpose carrying out functions of the state which are inherent necessities of government and which have always been regarded as such by the public. 1979-80 Rep. Atty Gen. 140 (Opinion No. 98, dated April 25, 1979). Presumably, this term includes cities, counties, villages, etc., and their governing boards are covered by the open meetings statutes.

b. In *Nixon v. Madison County Agricultural Society*, 217 Neb. 37, 348 N.W.2d 119 (1984), the Court held that a county agricultural society, organized under the Nebraska statutes, was subject to the provisions of the open meetings law. The Court noted that, although the society at issue resembled a private corporation in some respects, the fact that it had the right to receive support from the public revenue gave it a public character. The agricultural society apparently was an "independent board . . . created by constitution, statute, or otherwise pursuant to law." Based upon the Nixon case, the Attorney General concluded that county extension services which have the right to receive support from public revenues are subject to the open meetings law. Op. Atty Gen. No. 219 (July 24, 1984). Also based upon the Nixon case, the Attorney General has indicated that county agricultural societies are subject to the open meetings statutes. Op. Atty Gen. No. 91007 (January 28, 1991). In addition, Neb. Rev. Stat. § 2-238 requires that result.

c. In *Marks v. Judicial Nominating Commission for Judge of the County Court of the 20th Judicial District*, 236 Neb. 429, 461 N.W.2d 551 (1990), the Court held that the open meetings statutes do not apply to the activities of a judicial nominating commission which is meeting to select nominees for judicial vacancies. Such a nomination procedure does not involve the formulation of public policy subject to the act.

d. The Nebraska Court of Appeals, in *Johnson v. Nebraska Environmental Control Council*, 2 Neb. App. 263, 509 N.W.2d 21 (Neb. Ct. App. 1993) held that the open meetings statutes apply to the governing bodies of all agencies of the executive branch of government, including the Nebraska Environmental Control Council.

e. In *State ex rel. Newman v. Columbus Township Board*, 15 Neb. App. 656, 735 N.W.2d 399 (Neb. Ct. App. 2007), the Nebraska Court of Appeals concluded that the electors of a Nebraska township, when assembled at the township's annual meeting, constitute a governing body of the township which is subject to the Open Meetings Act and its provisions concerning notice and preparation of an agenda.

f. The Nebraska Court of Appeals indicated in *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009) that a county board of equalization is a public body as defined in § 84-1409. The court also held in that case that when two boards are made up of the same members, the duties and functions of the two boards, rather than their membership, determine if they are the same or separate and distinct bodies.

g. Committees of faculty, administration and students created by the Board of Regents of the University of Nebraska to advise the Chancellor of the University in his administrative/management function with respect to budget cuts were part of the management structure of the University and not public bodies subject to the open meetings statutes. Op. Atty Gen. No. 92020 (February 12, 1992).

h. In Op. Atty Gen. No. 11 (January 20, 1983), the Attorney General indicated that the Environmental Control Council is a public body subject to the open meetings law. On the other hand, the Department of Environmental Control is not. Section 84-1409 applies to governing bodies of state agencies, not the agencies themselves.

i. An employee grievance appeal hearing conducted by a hearing officer is not a meeting of a public body since the word "body" is commonly understood to refer to a group or number of persons, and thus does not include an individual conducting a hearing. Op. Atty Gen. No. 210 (May 16, 1984).

j. In 1989, the Attorney General indicated that the Central Low-Level Radioactive Waste Compact Commission was not subject to the Nebraska open meetings law because it was a multi-state body which was not created by constitution or statute and which was not a governing body of a Nebraska state agency. Op. Atty Gen. No. 89008 (February 14, 1989). However, Neb. Rev. Stat. § 71-3521 (the Waste Compact agreement itself) provided that meetings of the Compact Commission must be open to the public with reasonable advance publicized notice, and that the Compact Commission must adopt by-laws consistent in scope and principle with the open meetings law of

the host state. Section 71-3521 was repealed by 1999 Neb. Laws LB 530, § 2, and Nebraska withdrew from the Central Low-Level Radioactive Waste Compact.

k. A county welfare board is subject to the open meetings law as an independent board created by statute. 1979-80 Rep. Att'y Gen. 351 (Opinion No. 244, dated March 4, 1980).

l. In Op. Att'y Gen. No. 95014 (February 22, 1995), the Attorney General indicated that the Mayor's Citizen Review Board, appointed by the Mayor of Omaha to advise the Mayor with respect to alleged misconduct of police officers, was not subject to the open meetings statutes because it did not fall under the definition found in § 84-1409(1), and because the board was essentially an administrative body which was part of the management structure of the City.

m. In Op. Att'y Gen. No. 93065 (July 27, 1993), the Attorney General concluded that parole reviews under Neb. Rev. Stat. § 83-1,111 may be closed, and are not subject to open meetings requirements.

n. The Excellence in Education Council created to make recommendations to the Governor regarding selection of projects for Education Innovation grants is a public body which is subject to the open meetings statutes, and its decisions concerning specific recommendations must be done in open session. Op. Att'y Gen. No. 94092 (November 22, 1994).

o. The Division of Rehabilitation Services of the State Department of Education is a public body, and its business must be conducted in compliance with the provisions of the open meetings statutes. Op. Att'y Gen. No. 93091 (October 22, 1993).

p. The Quality Jobs Board created under the Quality Jobs Act, Neb. Rev. Stat. §§ 77-4901 through 77-4935 is a public body subject to the Open Meetings Act. Op. Att'y Gen. No. 96071 (October 28, 1996).

q. A County Hospital Authority formed under the Hospital Authorities Act, Neb. Rev. Stat. §§ 23-3579 through 23-35,120 is a public body which is subject to the Open Meetings Act. Op. Att'y Gen. No. 97012 (February 14, 1997).

r. The Nebraska State Board of Agriculture (the State Fair Board) is not a public body which is subject to the Open Meetings Act, primarily because it has no statutory right to public revenue and also because of case law which indicates that it is a private corporation. Op. Att'y Gen. No. 01038 (November 27, 2001).

s. A county clerk, county attorney and county treasurer acting as a group under § 32-567(3) to make an appointment to fill a vacancy on a county board constitute a public body which is subject to the Open Meetings Act. Op. Att'y Gen. No. 97050 (September 18, 1997).

t. The Attorney General has indicated informally that the Nebraska Board of Pardons and the Board of Inquiry and Review created under Neb. Rev. Stat. §§ 80-317 through 80-319 to receive and act upon applications submitted for membership in Nebraska Veterans Homes are subject to the state's open meetings statutes.

3. **Other Statutes.** Neb. Rev. Stat. § 2-238 requires county agricultural societies and county fair boards to comply with the open meetings statutes. Previously, under Neb. Rev. Stat. § 85-1502 all coordination activities conducted by the association of community college area boards were subject to the open meetings statutes. This provision was repealed in 2013 Neb. Laws LB 211, § 3.

4. **Exceptions.** The latter portion of § 84-1409(1) provides that two entities are not public bodies for purposes of the Open Meetings Act:

a. **Subcommittees.** Subcommittees of the various bodies described earlier in § 84-1409 are not public bodies under the Open Meetings Act unless a quorum of the public body attends a subcommittee meeting, or unless those subcommittees are holding hearings, making policy or taking formal action on behalf of the parent body. For example, in *Meyer v. Board of Regents of the University of Nebraska*, 1 Neb. App. 893, 510 N.W.2d 450 (Neb. Ct. App. 1993), the court indicated that meetings of an executive subcommittee of the University of Nebraska Board of Regents with the University President to discuss his tenure were not subject to the open meetings laws because of that portion of the statute. Section 84-1409(1) was also amended by 2011 Neb. Laws LB 366 to specifically provide that all meetings of subcommittees of the Nebraska Environmental Trust Board established to rate grant applications under Neb. Rev. Stat. § 81-15,175 are subject to the Open Meetings Act.

i. In *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 880-881, 725 N.W.2d 792, 805-806 (2007), the court indicated that, while "subcommittee" is not defined in the Open Meetings Act, a subcommittee is generally a "group within a committee to which the committee may refer business." In addition, "making policy," which subjects a subcommittee to the Open Meetings Act under § 84-1409, apparently includes "receiving background information about a policy issue to be decided." *Id.* In contrast, "nonquorum gatherings" of members of a public body "intended to obtain information or voice opinions" do not seem to involve violations of the Act. *Id.*

ii. The language applying the open meetings statutes to certain subcommittee meetings when there is a quorum of the public body present was added to § 84-1409(1) as a result of LB 1019 passed by the Legislature during the 1992 regular session.

b. **Entities Conducting Judicial Proceedings.** Entities conducting judicial proceedings are not public bodies under the Open Meetings Act unless the court or other judicial body is exercising rulemaking authority, deliberating, or deciding upon the issuance of administrative orders. LB 325, the original open meetings statute of 1975, was directed strictly at policy making bodies which were legislative or quasi-legislative. Floor Debate on LB 325 84th Nebraska Legislature, First Session, May 14, 1975, at 4618.

i. In *McQuinn v. Douglas County School District No. 66*, 259 Neb. 720, 612 N.W.2d 198 (2000), the Nebraska Supreme Court held that a hearing before a school board on the question of the nonrenewal of a probationary certificated teacher's contract where the matters before the board pertained solely to disputed adjudicative facts involved a judicial function, and on that basis, the hearing was not subject to the open meetings statutes. In that context, a school board exercises a judicial function if it decides a dispute of adjudicative fact or if a statute requires it to act in a judicial manner. Adjudicative facts are those ascertained from proof adduced at an evidentiary hearing which relate to a specific party. The *McQuinn* case is discussed further in *Bligh v. Douglas County School District No. 0017*, 2008 WL 2231063, 2008 Neb. App. LEXIS 106 (Neb. Ct. App. 2008) (Not approved for publication).



ii. The Attorney General has determined that hearings before various agencies are judicial and not subject to the open meetings law. 1975-76 Rep. Att'y Gen. 127 (Opinion No. 105, dated July 14, 1975) (hearing before a County Board of Mental Health); Op. Att'y Gen. No. 184 (January 31, 1984) (hearing before the Nebraska Equal Opportunity Commission); Op. Att'y Gen. No. 210 (May 16, 1984) (hearing before a hearing officer appointed by the State Personnel Board); Op. Att'y Gen. No. 02016 (May 21, 2002) (contested case hearing before the Power Review Board on application of electricity suppliers for construction or acquisition of generation facilities); Op. Att'y Gen. No. 05014 (October 19, 2005) (appeal hearing regarding the Nebraska Veterans' Aid Fund before the Nebraska Veterans' Advisory Commission). But, the Attorney General has concluded that a hearing before the Certificate of Need Review Committee is covered by the open meetings statutes. Op. Att'y Gen. No. 87019 (February 13, 1987).

iii. Parole hearings conducted by the Board of Parole are judicial in nature and not subject to the open meetings statutes. However, other statutes specifically pertaining to operation of the Board of Parole require that such parole hearings be conducted with elements of notice and in a manner open to the public. Op. Att'y Gen. No. 93065 (July 27, 1993).

iv. When the State Board of Education holds hearings in contested cases under the state Administrative Procedure Act, such hearings are not subject to the Open Meetings Act. The Board is not required to give notice of such hearings to the public under those statutes, and it may conduct its deliberations and decision-making process for such hearings by a telephone conference call. Op. Att'y Gen. No. 99046 (November 15, 1999).

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#### MEETING DEFINED

C. Under § 84-1409(2), meetings, for purposes of the open meetings statutes, are defined as "all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body." Section 84-1410(5) also provides that the open meetings statutes shall not apply to "chance meetings or to attendance at or travel to conventions or workshops of members of a public body at which there is no meeting of the body then intentionally convened, if there is no vote or other action taken regarding any matter over which the public body has supervision, control, jurisdiction, or advisory power."

1. The legislative history of LB 325, from 1975, indicates that meetings of a public body do not include social meetings or meetings which were not called by the body. Government Committee Hearing on LB 325, 84th Nebraska Legislature, First Session (1975) at 3.
2. However, § 84-1409 was amended by LB 43 in 1983 to include "formal or informal" meetings. The legislative history of that bill indicates that a meeting between a state senator and the members of a local school board to discuss legislation would constitute an "informal called meeting." Government, Military and Veterans' Affairs Committee Hearing on LB 43, 88th Nebraska Legislature, First Session (1983) at 5-8.
3. The provision of § 84-1410(5) pertaining to "chance" meetings, etc., was added by LB 43 in 1983.
4. The legislative history of LB 43 from 1983 indicates that a "meeting" does not occur absent a quorum. Government, Military and Veterans' Affairs Committee Hearing on LB 43, 88th Nebraska Legislature, First Session (1983) at 19. In addition, the Attorney General has concluded that the presence of a majority of the members of a public body is necessary for a meeting to occur. 1975-76 Rep. Att'y Gen. 150 (Opinion No. 116, dated August 29, 1975). In *Johnson v. Nebraska Environmental Control Council*, 2 Neb. App. 263, 509 N.W.2d 21 (Neb. Ct. App. 1993), the Nebraska Court of Appeals indicated that "private quorum conferences" are an evasion of the law. The Nebraska Supreme Court also indicated that subgroups of the Omaha City Council constituting less than a quorum of that body were not public bodies on that ground. *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007).
5. Even when a quorum of public body is present in one location, there is no meeting under the Open Meetings Act if there is no interaction or discussion among members of the body regarding policymaking for the public body. *Schauer v. Grooms*, 280 Neb. 426, 786 N.W. 2d 909 (2010). The secret formation of public policy forbidden by the Open Meetings Act is the formation of public policy as a group. *Id.* As a result, there is no meeting of a public body based upon the unspoken thoughts of its members who happen to be sitting in the same room. *Id.* The Open Meetings Act is not so broad and sweeping as to require public access to any gathering of any sort that is attended by a quorum of a public body. *Id.*
6. In *Johnson v. Nebraska Environmental Control Council*, 2 Neb. App. 263, 509 N.W.2d 21 (Neb. Ct. App. 1993), the Court of Appeals held that informational sessions where the Council heard reports from staff of the Department of Environmental Control were briefings which were subject to the requirements of the open meetings statutes. The Court stated that listening and exposing itself to facts, arguments and statements constitutes a crucial part of a governmental body's decision making. As a result, receiving information triggers the requirements of the statutes, and the open meetings law applies to meetings at which briefing or the formation of tentative policy takes place, as well as to meetings where action is contemplated or taken.
7. *Rauer v. School District I-R of Hall County*, 251 Neb. 135, 555 N.W.2d 763 (1996), involved allegations by the plaintiff that a quorum of the defendant school board met in the office of the superintendent of schools on a regular basis for "clandestine" meetings before the beginning of most scheduled board meetings where business was discussed and decided and checks were signed to pay claims which had not been approved in public session. The board then allegedly moved and voted on business at its public meeting with little or no discussion in order to deprive the public of the right to be fully informed. The Supreme Court held that the District Court properly failed to find a violation of the Open Meetings Act with respect to those allegations in the absence of any evidence as to the specific dates and details of the alleged "clandestine" meetings.
8. In *Schauer v. Grooms*, 280 Neb. 426, 786 N.W.2d 909 (2010), the Nebraska Supreme Court considered the propriety of a situation where two separate groups of a city council, neither of which constituted a quorum of that body, toured an ethanol facility for informational purposes. The court ultimately concluded that there was no meeting of the city council as a result of the tours—there was no quorum of the council present, the small groups were merely acquiring information, and there was no evidence that the council was, through the tour, attempting to reach a consensus and form public policy in secret.
9. In *Schauer*, the court also noted that the Open Meetings Act does not require policymakers to remain ignorant of the issues they must decide until the moment the public is invited to comment on a proposed policy. Moreover the public would

be ill served by restricting policymakers from reflecting on and preparing to consider proposals, or from privately suggesting alternatives. As a result, the court indicated that the Legislature, by excluding nonquorum subgroups from the definition of a public body, balanced the public's need to be heard on matters of public policy with a practical accommodation for a public body's need for information to conduct business. *Schauer v. Grooms*, 280 Neb. 426, 786 N.W.2d 909 (2010) (citing *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007)).

10. The Attorney General has indicated that an "emergency meeting" may be conducted by electronic and telecommunications equipment including radio and telephone conferences. 1975-76 Rep. Att'y Gen. 150 (Opinion No. 118, dated August 29, 1975). On the other hand, the open meetings statutes do not generally authorize the use of telephone conference calls for non-emergency meetings of a public body, and absent members of a public body may not be counted to achieve a quorum through the use of a conference call. Op. Att'y Gen. No. 92019 (February 11, 1992). [Section 84-1411 has been amended a number of times to allow specified public bodies including the governing body of an entity formed under the Interlocal Cooperation Act, the Joint Public Agency Act or the Municipal Cooperative Financing Act, the board of an educational service unit, the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, a community college board of governors, the governing body of public power district, the governing body of a public power and irrigation district, or the Educational Service Unit Coordinating Council to meet by telephone conference call in certain circumstances. See 1999 Neb. Laws LB 461; 2000 Neb. Laws LB 968; 2007 Neb. Laws LB 199; 2009 Neb. Laws LB 36; 2012 Neb. Laws LB 735; 2013 Neb. Laws LB 510 and Section D.2. below.]

11. An "informational and educational" meeting of a public body governing a political subdivision where members generally discuss matters pertaining to their subdivision, hear reports from various department heads of the subdivision as to their duties and learn the workings of the subdivision is a meeting of the public body for "briefing" purposes which is subject to the open meetings statutes. Op. Att'y Gen. No. 92043 (March 17, 1992). In addition, the Attorney General has also indicated informally that a meeting of a public body "for the purpose of receiving training or doing planning (such as a retreat)" should probably be treated as subject to the Open Meetings Act.

12. In Op. Att'y Gen. No. 94035 (May 11, 1994), the Attorney General indicated that discussions and deliberations by the State Board of Education in connection with the selection of a Commissioner of Education were subject to the requirements of the open meetings statutes. In addition, that opinion indicated that interviews with individual candidates for the Commissioner position were also subject to the requirements of the open meetings statutes, if a quorum of the Board was present for those interviews. However, in the latter interview situation, a brief closed session (as discussed below) might be warranted for a candid discussion by the Board and the candidate which might potentially elicit responses injurious to the reputation of an individual.

13. A workshop held by the Board of Regents of the University of Nebraska with a professional facilitator to discuss communication practices and the roles of the Board and the University President was not subject to the Open Meetings Act on the basis of § 84-1410(5) which exempts chance meetings or attendance at or travel to conventions or workshops. The University also asserted that there would be no briefing, discussion of public business, formation of tentative policy, vote, or taking of other action at the workshop. Op. Att'y Gen. No. 04027 (October 20, 2004).

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#### PUBLIC MEETINGS BY VIDEOCONFERENCING AND TELEPHONE CONFERENCE CALL

D. Section 84-1411 allows certain public bodies to meet by videoconferencing and by telephone conference call.

1. Videoconferencing. Section 84-1411 was first amended by LB 635 in 1998 to allow meetings of certain public bodies by means of videoconferencing. Under the current amended § 84-1411(2), public bodies which are allowed to meet by videoconferencing include: (1) various bodies of state government including state agencies, boards, commissions, councils and committees, together with their advisory committees; (2) organizations created under the Interlocal Cooperation Act, the Joint Public Agency Act or the Municipal Cooperative Financing Act; (3) the governing body of a public power district with a chartered territory of more than one county in this state; (4) the governing body of a public power and irrigation district with a chartered territory of more than one county in this state; (5) boards of educational service units; (6) the Educational Service Unit Coordinating Council; (7) the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act; and (8) a community college board of governors

a. The public bodies listed above may hold meetings by videoconferencing if the following requirements are met: (1) reasonable advance publicized notice is given, (2) reasonable arrangements are made to accommodate the public's right to attend, hear and speak at the meeting, including seating, recording by audio and visual recording devices, and an reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided absent videoconferencing, (3) at least one copy of all documents being considered is available to the public at each site of the videoconference, (4) at least one member of the public body is present at each site of the videoconference, and (5) no more than one-half of the public body's meetings in a calendar year are held by videoconferencing.

b. Under an amended § 84-1409(3), videoconferencing is defined as "conducting a meeting involving participants at two or more locations through the use of audio-video equipment which allows participants at each location to hear and see each meeting participant at each other location, including public input. Interaction between meeting participants shall be possible at all meeting locations."

c. Under § 84-1411(6), a public body may allow a member of the public or any other witness other than a member of the public body to appear before the public body by means of video or telecommunications equipment.

d. 1999 Neb. Laws LB 87, § 100 added organizations created under the Joint Public Agency Act to the list of entities permitted to conduct meetings by videoconferencing. 2009 Neb. Laws LB 361 added the boards of educational service units to the list. 2012 LB 735 added power and irrigation districts and community college boards of governors to the list. 2013 Neb. Laws LB 510 added the Educational Service Unit Coordinating Council to the list.

2. Telephone Conference Call. Section 84-1411 was also amended by a number of legislative bills over time (1999 Neb. Laws LB 461; 2000 Neb. Laws LB 968; 2007 Neb. Laws LB 199; 2009 Neb. Laws LB 361; 2012 Neb. Laws LB 735; 2013 Neb. Laws LB 510) to allow (a) the governing body of an entity formed under the Interlocal Cooperation Act, the Joint Public Agency Act or the Municipal Cooperative Financing Act, (b) the board of an educational service unit, (c) the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, (d) a community college board of governors, (e) the governing body of public power district, (f) the

governing body of a public power and irrigation district, and (g) the Educational Service Unit Coordinating Council to meet by telephone conference call. Those various bodies may only meet by telephone conference call if: (1) the territory represented by the body covers more than one county, (2) reasonable advance publicized notice is given which identifies each telephone conference location at which a board member or member of the body's governing body will be present, (3) all telephone conference meeting sites identified in the notice are located within public buildings used by members of the body or at a place which will accommodate the anticipated audience, (4) reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recordation by audio recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if a telephone conference call was not used, (5) at least one copy of all documents being considered is available to the public at each site of the telephone conference call, (6) at least one member of the governing organization of the body is present at each site of the telephone conference call identified in the public notice, (7) the telephone conference call lasts no more than two hours and (8) no more than one-half of the body's meetings in a calendar year are held by telephone conference call, except that a governing body of risk management pool that meets at least quarterly and the advisory committees of the governing body may each hold more than one-half of its meetings by telephone conference call if the governing body's quarterly meetings are not held by telephone conference call or videoconferencing. Nothing in this section dealing with telephone conference calls prevents the participation in the call by consultants, members of the press, and other nonmembers of the governing body at sites not identified in the public notice. These telephone conference calls may not be used to circumvent any of the public government purposes established in the Open Meetings Act.

a. 1999 Neb. Laws LB 47, § 2 also amended §84-1411(2) to provide that certain meetings of the Judicial Resources Commission may be held by telephone conference if the criteria for videoconferencing listed above are met.

3. Circumvention of Open Meetings Act. Under § 84-1411, videoconferencing, telephone conferencing or conferencing by other electronic communication may not be used to circumvent any of the public government purposes established by the Open Meetings Act. Neither may emails, faxes, or other electronic communications be used for such purposes.

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#### PUBLIC MEETINGS; NOTICE REQUIRED AND AGENDA

E. Section 84-1411 sets out several requirements for the notice which must be given for a public meeting and for the agenda which must be prepared: (1) the public body must give reasonable advance publicized notice of the time and place of each meeting by a method designated by the body and recorded in its minutes, (2) that notice must be transmitted to all members of the body and to the public, (3) the notice must contain an agenda of subjects known at the time of the publicized notice, or a statement that such an agenda, which must be kept continually current, is readily available for inspection at the principal office of the public body during normal business hours.

1. **Agenda.** Under § 84-1411(1), an agenda maintained at the office of a public body for public inspection must be kept continually current and may not be altered later than 24 hours before the scheduled commencement of the public meeting (or 48 hours before commencement of a meeting of city council if that meeting is noticed outside the corporate limits of the municipality). A public body may modify an agenda to include items of an emergency nature only at such public meeting.

2. **Specificity of the Agenda.** LB 898 from 2006 added language to § 84-1411 (1) which states that agenda items shall be "sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting." That statutory change arose out of a sense that lack of specificity in meeting agendas was a major issue of concern around the state. Government, Military and Veterans Affairs Committee Hearing on LB 898, 99th Nebraska Legislature, Second Session (2006) at 19. The intent of the change was to require public bodies to include sufficient detail in their agendas regarding issues to be discussed or acted upon so as to provide information and notice to the public. Floor Debate on LB 898, 99th Nebraska Legislature, Second Session, March 28, 2006 at 11701 (Statement of Senator Preister). The change was also intended to require sufficient detail in an agenda so that members of the public are not forced to look at past agendas in order to understand the issue to be discussed and/or the action to be taken. *Id.*

3. **News Media.** Section 84-1411(4) requires that the secretary or other designee of each public body shall maintain a list of news media requesting notification of meetings and shall make reasonable efforts to provide advance notification to that list of media of the time and place of each meeting and the subjects to be discussed at that meeting.

4. **History.** The provision of § 84-1411 which prohibits altering an agenda within 24 hours of a meeting was added in 1983 to prevent addition of last minute matters to an agenda which did not really represent emergencies. Floor Debate on LB 43, 88th Nebraska Legislature, First Session, March 22, 1983, at 1896.

5. In *Ruert v. School District I-R of Hall County*, 251 Neb. 135, 555 N.W.2d 763 (1996), the court stated that the Open Meetings Act requires public bodies to give reasonable advance publicized notice of the time and place of their meetings, in part so that the public may attend and speak at those meetings.

6. The Legislature has imposed only two conditions on public bodies regarding the method of notification for their meetings: 1. the public body must give reasonable advance publicized notice of the time and place of each meeting, and 2. the method of notification must be recorded in the public body's minutes. *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007). There is no minimum time period for public notification of a special meeting, and an agenda for a public meeting can be created (not altered) later than 24 hours before the scheduled meeting. *Id.* In the *City of Elkhorn* case, the court held that notice of a meeting of the Omaha City Council posted and placed on the city's website at 10:15 a.m. for a meeting at 10:00 p.m. the same day was sufficient under the facts of the case where the local newspaper printed an article about the meeting in its afternoon edition and four television broadcasters were present at the meeting. The court also indicated that any defect in notice intended for the benefit of council members would not invalidate a council meeting when all of the members of the council attended without objection.

7. The purpose of the agenda requirement is to give some notice of the matters to be considered at the meeting so that persons who are interested will know which matters are under consideration. *Schauer v. Grooms*, 280 Neb. 426, 785 N.W.2d 909 (2010); *Pokorny v. City of Schuyler*, 202 Neb. 334, 275 N.W.2d 281 (1979); *State ex rel. Newman v. Columbus Township Board*, 15 Neb. App. 656, 735 N.W.2d 399 (Neb. Ct. App. 2007). In *Pokorny*, the agenda at issue, considered with all the previous records of the city council involved, was sufficient to satisfy the open meetings statutes. *Pokorny* also indicates that posting notice at 10 p.m. on March 15 before a meeting at 10:30 a.m. on March 16 does not constitute reasonable notice. Posting notice one week ahead does.

8. In *Hansmeyer v. Nebraska Public Power District*, 6 Neb. App. 889, 578 N.W.2d 476 (1998), *aff'd*, 256 Neb. 1, 588 N.W.2d 589 (1999), the Court of Appeals considered whether an agenda item which simply stated "Work Order Reports" was



sufficient to give adequate public notice of a decision to approve a work order which involved expenditure of over \$47 million for the construction of a 96-mile power transmission line across privately held property to connect two power substations. The Court held that the agenda item was insufficient under the Open Meetings Act. The court also seemed to suggest, based upon the Pokorny case, that the sufficiency of an agenda item might be measured, at least to some degree, in the context of the other meetings of the public body immediately prior to the public meeting in question.

9. A member of the public should not be required to hunt up and read the documents underlying an agenda of a public body to determine what is actually on that agenda. *Hansmeyer v. Nebraska Public Power District*, 6 Neb. App. 889, 578 N.W.2d 476 (1998), aff'd, 256 Neb. 1, 588 N.W.2d 589 (1999).

10. If a public body uses or publishes its agenda to give the required notice for a particular meeting, then the notice contained in the agenda must comport with the law for giving notice of what is to be considered at the meeting. *Hansmeyer v. Nebraska Public Power District*, 6 Neb. App. 889, 578 N.W.2d 476 (1998), aff'd, 256 Neb. 1, 588 N.W.2d 589 (1999).

11. A notice of a hearing, given by a school board, which stated that a hearing would be held, and that an agenda would be available for inspection, once established, is not proper notice. An agenda must be available. *Allen v. Greeley County School District No 501*, 1994 WL 272223, 1994 Neb. App. LEXIS 186 (Neb. Ct. App. 1994) (Not approved for publication).

12. When governmental subdivisions which hold annual meetings, such as townships, conduct their annual meeting, electors who participate in the annual meeting must place matters which they wish to discuss on the agenda for the annual meeting. *State ex rel. Newman v. Columbus Township Board*, 15 Neb. App. 656, 735 N.W.2d 399 (Neb. Ct. App. 2007). Electors under those circumstances may not simply appear at the annual meeting and bring up any subject falling within the broad powers of electors if that subject is not on the agenda. *Id.*

13. Two separate public bodies may publish notice of their meetings on the same sheet of paper and need not use separate sheets when the notices contain only the time and place of their meetings, and when the notices direct interested citizens to the place where agendas for each body may be found. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009). In addition, two separate public bodies may combine their agendas when the combined agendas make it clear which items are to be addressed by each body. *Id.* The same rule applies to combined minutes. *Id.* The *Wolf* case involved a situation where a county board met both as a county board and as a county board of equalization.

14. Placing notice of future meetings in minutes of a prior meeting does not give sufficient notice under the Open Meetings Act. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009).

15. Notice of recessed or reconvened meetings of a public body must be given in the same fashion as notice of the original meeting. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009).

16. Section 84-1411(1) requires public bodies to give notice of their meetings "by a method designated by each public body and recorded in its minutes." In *Schauer v. Grooms*, 280 Neb. 426, 786 N.W.2d 909 (2010), the Nebraska Supreme Court seemed to indicate that this requirement may be met by a public body if it is possible, through the minutes of past meetings, to discern a customary and consistent method used by the public body to notify the public of its meetings. It does not appear that the choice of method for giving notice of meetings must be formally set forth in the minutes of the public body as such.

17. The Attorney General has concluded that "advance publicized notice" means a separate, specific advance notice must be given for each meeting. 1971-72 Rep. Att'y Gen. 314 (Opinion No. 137, dated August 8, 1972).

18. The Attorney General has also determined that: (1) an agenda may not be used as the minutes of a meeting, (2) reasonable notice under the statute means notice reasonably calculated to give appropriate notice to citizens of the time and place of a meeting and notice which complies with the formal requirements of the statute. 1975-76 Rep. Att'y Gen. 150 (Opinion No. 116, dated August 29, 1975).

19. In Op. Att'y Gen. No. 96071 (October 28, 1996), the Attorney General indicated that the Quality Jobs Board should give its normal 10-day published notice of meeting rather than an "informal" notice where the Board had recessed a previous meeting on a tax credit application pending a renewed meeting call from the Governor after issuance of an opinion from the Attorney General.

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#### EMERGENCY MEETINGS

F. Section 84-1411(5) allows public bodies to hold emergency meetings without reasonable advance public notice. There are several statutory requirements with respect to such emergency meetings: (1) the nature of the emergency shall be stated in the minutes, and any formal action taken shall pertain only to the emergency, (2) the provisions of § 84-1411(4) dealing with notice to the media shall be complied with in connection with an emergency meeting, (3) complete minutes of the emergency meeting specifying the nature of the emergency and any formal action taken at the meeting shall be made available to the public no later than the end of the next regular business day.

1. Under § 84-1411(5), emergency meetings may be held by electronic or telecommunications equipment.

2. In *Steenblock v. Elkhorn Township Board*, 245 Neb. 722, 515 N.W.2d 128 (1994), the Court indicated, in a case involving allegations of a violation of the open meetings statutes, that an emergency is defined as "any event or occasional combination of circumstances which calls for immediate action or remedy; pressing necessity; exigency; a sudden or unexpected happening; an unforeseen occurrence or condition." In that case, the Court held that a township board meeting to consider the job status of a township employee, convened as an emergency meeting because of a snowstorm, was not a proper emergency meeting because the employee was given two week's notice of his resultant termination, and because the reasons given for the employee's termination were based upon his past performance.

3. In *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009) the Court of Appeals considered whether a number of items taken up at meetings of a county board without any listing on the board's agenda were "emergency" items. In making that determination in each case, the court focused upon whether there was anything in the record which indicated that a particular item required immediate action or involved pressing necessity.

4. The Attorney General has also stated that an item of an emergency nature is one that requires immediate resolution by the public body, and one which has arisen in circumstances impossible to anticipate at a time sufficient to place on the agenda of a regular, called, or special meeting of the body. 1975-76 Rep. Att'y Gen. 150 (Opinion No. 116, dated August 29, 1975)

5. In Op. Atty Gen. No. 95063 (August 9, 1995), the Attorney General indicated that action taken during a meeting of the Nebraska Equal Opportunity Commission by a telephone conference call which did not comply with the requirements of the open meetings statutes for emergency meetings was void.

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#### PUBLIC MEETINGS; MINUTES AND VOTING PROCEDURES

G. Section 84-1413 contains several provisions regarding the minutes which are to be maintained by public bodies and regarding voting procedures for public bodies.

1. **Minutes.** Every public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed. The minutes of all meetings and evidence or documentation received or disclosed during open session shall be public records, open to public inspection during normal business hours. Minutes shall be written and available for inspection within 10 working days or prior to the next convened meeting, whichever occurs earlier, except that cities of the second class and villages may have an additional 10 working days if the employee responsible for writing the minutes is absent due to a serious illness or emergency.

2. **Voting procedures.** Any action taken on any question or motion duly made and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting. The vote to elect leadership within a public body may be by secret ballot, but the total number of votes for each candidate shall be recorded in the minutes.

a. **Electronic Voting Devices.** The roll call or viva voce vote requirements of the Open Meetings Act may be satisfied by a municipality, a county, a learning community, a joint entity created pursuant to the Interlocal Cooperation Act, a joint public agency created pursuant to the Joint Public Agency Act or an agency formed under the Municipal Cooperative Financing Act which uses an electronic voting device which allows the vote of each member of the governing body to be readily seen. The governing bodies permitted to use electronic voting devices was broadened by 2009 Neb. Laws, LB 351.

3. In State ex rel. Schuler v. Dunbar, 208 Neb. 69, 302 N.W.2d 674 (1984), the Supreme Court held that the requirement of § 84-1413(2) that the record shall state how each member of a body voted could not be satisfied by a nuncpro tunc amendment to the body's minutes showing that the recording of the vote in the minutes was performed prior to the time the actual recording in the minutes took place. However, when the same case was before the court a second time, the court held that, as a general rule, a public body may, if no intervening rights of a third person have arisen, order the minutes of its own proceedings at a previous meeting to be corrected according to the facts to make them speak the truth. State ex rel. Schuler v. Dunbar, 214 Neb. 85, 333 N.W.2d 652 (1983).

4. Section 84-1413 is violated by a failure to make or take a vote in accordance with the statute rather than a failure to record a properly taken vote. State ex rel. Schuler v. Dunbar (1983), supra.

5. Section 84-1413(2) dealing with roll call votes does not require the record to state that the vote was by roll call but only requires that the record show if and how each member voted. Neither does that statute set a time limit for recording the results of a vote. State ex rel. Schuler v. Dunbar (1983), supra.

6. The statutory requirements here dealing with voting and minutes are mandatory since the Legislature provided that action taken in violation of this statute is void. State ex rel. Schuler v. Dunbar (1981), supra.

7. Wolf v. Grubbs, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009) seems to indicate that the Open Meetings Act does not require that minutes of meetings be "published," but only that they be written and available for inspection within 10 working days or prior to the next convened meeting of the public body.

8. The legislative history of the original open meetings statutes, LB 325 from 1975, indicates that the requirement of a roll call vote was directed at votes on questions that would bind the particular public body. Other procedural questions were not covered. [Government Committee Hearing on LB 325](#), 84th Nebraska Legislature, First Session (1975) at 10.

9. The Attorney General has stated that nothing in the open meetings statutes requires approval of the minutes of a public body prior to their publication. Op. Atty Gen. No. 162 (December 28, 1981).

10. In Op. Atty Gen. No. 98045 (November 4, 1998), the Attorney General indicated that detailed minutes of all matters discussed need not be maintained when a public body is meeting in closed or executive session, so long as the requirements of § 84-1410 pertaining specifically to the minute entries necessary for a closed session are met.

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#### PUBLIC MEETINGS; RIGHTS OF THE PUBLIC ATTENDING

H. Section 84-1412 establishes the rights of members of the public attending a meeting of a public body.

1. Members of the public have the right to attend and the right to speak at meetings of public bodies, and all or any part of a public meeting except closed sessions under § 84-1410, may be videotaped, recorded, televised, broadcast, photographed, etc. by any person.

2. Public bodies may make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, or recording their meetings. A public body is not required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings.

3. Members of the public cannot be required to identify themselves as a condition for admission to a public meeting. The public body may require persons desiring to address the body to identify themselves.

4. No public body shall, to circumvent the open meetings laws, hold its meeting in a place known to be too small to accommodate the anticipated audience. However, a public body shall not be in violation of this prohibition if it meets in its traditional meeting place in this state.

5. LB 898 from 2005 added language to § 84-1412 which provides that public bodies shall make available at least one current copy of the Open Meetings Act posted in the meeting room at a location accessible to members of the public. At the beginning of any meeting, the public shall be informed about the location of the posted information. The legislative history of LB 898 indicates that "posting" a copy of the Open Meetings Act means putting it up in some fashion, including attaching it to a bulletin board, hanging it by a chain or fastening it to a wall. [Floor Debate on LB 898](#), 99th Nebraska Legislature,

Second Session, March 28, 2006, at 11697 (Statement of Senator Preister). "Posting" does not include placing the Act on a table as a loose document which can be removed and therefore might not be available throughout the meeting. Id. If a meeting of a public body is moved to another location to accommodate a larger audience, then the posted copy of the act should be moved and posted in the new location. Id.

6. In 2008, LB 962 amended § 84-1412 to provide that public bodies may not require that "the name of any member of the public be placed on the agenda prior to . . . [a] meeting in order to speak about items on the agenda." That change was made so that members of the public are not required to place themselves on the agenda of a public body prior to a meeting in order to speak on agenda items during the times at that meeting set aside for public comment. [Floor Debate on LB 962](#), 100th Nebraska Legislature, Second Session, February 28, 2008 at 2 (Statement of Senator Preister). That change in statutory language was not intended to affect the right of a public body to make reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, or recording its meetings. Id.

7. A public body may hold a meeting outside the State of Nebraska only if all the following conditions are met: a. a member entity of the public body is located outside of the state and the meeting is in that member's jurisdiction, b. all out-of-state locations identified in the notice of meeting are located within public buildings used by members of the entity or at a place which will accommodate the anticipated audience, c. reasonable arrangements are made to accommodate the public's rights to attend, hear and speak at the meeting, including making a telephone conference call available at an in-state location to members, the public, or the press, if requested twenty-four hours in advance, d. no more than 25% of the public body's meetings in a calendar year are held out-of-state, e. out-of-state meetings are not used to circumvent any of the public government purposes established by the Open Meetings Act, f. reasonable arrangements are made to provide viewing at other in-state locations for a videoconference meeting if requested fourteen days in advance and if economically and reasonably available in the area, and g. the public body publishes notice of the out-of-state meeting at least 21 days before the date of the meeting in a legal newspaper of statewide circulation. These requirements for out-of-state meetings were added to § 84-1412 by 2001 Neb. Laws, LB 250, § 2.

8. A public body shall, upon request, make a reasonable effort to accommodate the public's right to hear discussion and testimony at a public meeting. Public bodies shall make at least one copy of reproducible written material discussed at an open meeting available at the meeting or at the in-state location for a telephone conference call or video conference for examination and copying by members of the public.

9. **History.** Many of the initial provisions in § 84-1412 dealing with the rights of the public were added as a result of LB 43 in 1983.

10. The language requiring a reasonable effort to allow all parties to hear a public meeting does not involve an absolute requirement that all persons present shall be able to hear. [Floor Debate on LB 43](#), 88th Nebraska Legislature, First Session, March 21, 1983, at 1794-1795.

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#### CLOSED SESSIONS OF A PUBLIC BODY

I. Section 84-1410, pertaining to closed sessions of public body, has generated the most controversy of all the portions of the open meetings statutes. Section 84-1410(1) provides that any public body may hold a closed session by the affirmative vote of a majority of its voting members if a closed session is clearly necessary (1) for the protection of the public interest, or (2) for the prevention of needless injury to an individual, if such individual has not requested a public meeting. Closed meetings may not be held for discussion of the appointment or election of a new member to any public body. Nothing in § 84-1410 should be construed to require that any meeting be closed to the public.

1. Under § 84-1410(1), examples of reasons for a closed session include:

- a. Strategy sessions with respect to collective bargaining, real estate purchases, pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation to or by the public body.
- b. Discussion regarding deployment of security personnel or devices.
- c. Investigative proceedings regarding allegations of criminal misconduct.
- d. Evaluation of the job performance of a person when necessary to prevent needless injury to the reputation of a person and if such person has not requested a public meeting.
- e. For a Community Trust created under Neb. Rev. Stat. § 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster. [Amended into § 84-1410(1) by 2011 Neb. Laws LB 330.]
- f. For public hospitals, governing board peer review activities, professional review activities, review and discussion of medical staff investigations or disciplinary actions, and any strategy session concerning transactional negotiations with any referral source that is required by federal law to be conducted at arms length. [Amended into § 84-1410(1) by 2012 Neb. Laws LB 995.]

These examples are not exclusive; they are merely examples, and other reasons may exist. [Government Committee Hearing on LB 325](#), 84th Nebraska Legislature, First Session (1975) at page 3; 1975-76 Rep. Atty Gen. 150 (Opinion No. 116, dated August 29, 1975); Op. Atty Gen. No. 65 (April 17, 1985).

2. LB 898 from 2006 amended some of the provisions of § 84-1410 pertaining to the mechanics of holding a closed session. The subject matter of the closed session and reason necessitating the closed session shall be identified in the motion to hold a closed session. The vote to hold a closed session must be taken in open session, and the entire closed session motion, the vote of each member on the question of holding a closed session, and the time when the closed session commences and ends must be recorded in the minutes. If the motion to close passes, then the presiding officer shall restate on the record immediately prior to the closed session the limitation of the subject matter of the closed session. The public body holding a closed session shall restrict its consideration of matters during the closed session to only those purposes set forth in the motion to close as the reason for the closed session. The meeting must be reconvened in open session before any formal action may be taken, and "formal action" in that context is defined in § 84-1410(2) to mean a collective decision or a collective commitment or promise to make a decision on any question, motion, proposal, resolution, order, or ordinance or formation of a position or policy. Under an amendment to § 84-1410(2) effected by LB 621 in 1994, formal action by the body in that context does not include, "negotiating guidance given by members of the public body to

legal counsel or other negotiators in a closed [strategy] session authorized [for collective bargaining, real estate purchases, etc.] under subdivision 1(a) of [Section 84-1410]."

3. Any member of the public body can challenge the continuation of a closed session if he or she determines that the session has exceeded the original reason for the closed session, or if he or she contends that the closed session is neither clearly necessary for the protection of the public interest or the prevention of needless injury to the reputation of an individual. Such a challenge can only be overruled by a majority vote of the members of the public body. Such challenge and its disposition shall be recorded in the minutes.

4. History. One of the purposes for the initial open meetings statute, LB 325 from 1975, was to tighten restrictions on closed or executive sessions of public bodies. Introducer's Statement of Purpose for LB 325, 84th Nebraska Legislature, First Session (1975). The fourth example of reasons for closed meetings was added by LB 43 in 1988. The provisions dealing with pending or imminent litigation and defining formal action in a closed session were added as a part of LB 1019 in 1992.

5. It is not entirely clear what vote of the public body is necessary to go into closed session. The statute states that "an affirmative vote of a majority of [the body's] voting members" is necessary for a closed session. On its face, the normal meaning of this language would presumably be a majority of those members present and voting. This is particularly true since the later subsection (3) of § 84-1410 requires a "majority vote of the members of the public body" to overrule a challenge to the continuation of the closed session. However, the legislative history of LB 325 makes it quite clear that the legislators intended to make the requirement for a closed session a vote of the majority of the body rather than a vote of the majority of those present and voting. Floor Debate on LB 325, 84th Nebraska Legislature, First Session, May 14 and May 20, 1975, at 4616, 5015. Moreover, there is some indication that "voting" members in § 84-1410(1) refers to particular members of bodies such as the Board of Regents which has both voting and non-voting members. Government Committee Hearing on LB 325, 84th Nebraska Legislature, First Session (1975) at 27-28. The safer approach is to authorize a closed session of the public body by a majority vote of the members of the body rather than by a majority vote of just those members present.

6. The landmark case for what is permissible in a closed session is *Grein v. Board of Education of the School District of Fremont*, 216 Neb. 158, 343 N.W.2d 718 (1984). *Grein* involved a closed session by a school board for discussion of the low bid on a construction project. The supreme court held that the closed session was improper. That case indicates:

a. Provisions of the statute permitting closed sessions must be narrowly and strictly construed. See also *State ex rel. Upper Republican Natural Resources District v. District Judges of the District Court for Chase County*, 273 Neb. 148, 728 N.W.2d 275 (2007).

b. The public interest which is protected in § 84-1410(1) is "that shared by citizens in general and by the community at large concerning pecuniary or legal rights and liabilities." 216 Neb. at 165, 343 N.W.2d at 723. See also *Wasikowski v. The Nebraska Quality Jobs Board*, 264 Neb. 403, 648 N.W.2d 756 (2002).

c. Good faith motivation for a closed session is not a cure for non-compliance with the public meetings laws.

d. The prohibition against decisions or formal actions in a closed session proscribes crystallization of a secret decision and then ceremonial acceptance in open session.

e. There is a guiding principle with respect to closed sessions: "If a public body is uncertain about the type of session to be conducted, open or closed, bear in mind the policy of openness promoted by the Public Meetings Laws and opt for a meeting in the presence of the public." 216 Neb. at 168, 343 N.W.2d at 724.

7. *Pokomy v. City of Schuyler*, supra, indicates that there is nothing in the open meetings statutes which requires that negotiations for the purchase of land be conducted in open meeting, but deliberations of a public body as to whether an offer to purchase should be made must be done in an open meeting.

8. In a case involving the revocation of a landsurveyor's license, the supreme court held that a closed session was improper since there was no showing of either necessity or of the reasons set out in § 84-1410(1). *Simonds v. Board of Examiners of Land Surveyors*, 213 Neb. 259, 329 N.W.2d 92 (1983).

9. Neb. Rev. Stat. § 79-832 (1996), dealing with hearings involving cancellation, amendment or termination of a teacher's contract mandates a closed hearing upon an affirmative vote of a majority of the school board's members present and voting and upon specific request of the certificated employee or the certificated employee's representative. However, under that section, formal action by the school board requires that the school board reconvene in open session. *Stephens v. Board of Education of School District No. 5, Pierce County*, 230 Neb. 38, 429 N.W.2d 722 (1988).

10. The provisions of the open meetings statutes dealing with closed sessions, in part, reflect the Legislature's judgment of the appropriate balance between the public's interest in open discussion of governmental issues and the rights of individuals, such as state employees, to have their performance as employees considered in private if they so choose. *Meyers v. Board of Regents of the University of Nebraska*, 1 Neb. App. 893, 510 N.W.2d 450 (Neb. Ct. App. 1993).

11. If the primary purpose for a closed session of a public body is authorized under the open meetings statutes, then any necessary discussion of incidental matters is also authorized. *Meyer v. Board of Regents of the University of Nebraska*, 1 Neb. App. 893, 510 N.W.2d 450 (Neb. Ct. App. 1993). In the *Meyer* case, the Nebraska Court of Appeals indicated that the University Board of Regents could properly discuss the appointment of an interim president for the University during a closed session called to evaluate and consider the employment status of the president.

12. In *Wasikowski v. The Nebraska Quality Jobs Board*, 264 Neb. 403, 648 N.W.2d 756 (2002), the court held that if a person who is present at a meeting of a public body observes an alleged violation of the Open Meetings Act in the form of an improper closed session and fails to object, then that person waives his or her right to object to the closed session at a later date. However, that case appears to be legislatively overruled by LB 898 from 2006 which provides that it shall not be a defense to a citizen lawsuit under § 84-1414(3) that the citizen attended the meeting and failed to object at that time.

13. There is no absolute evidentiary privilege which applies to all communications made during a closed session of a public body, and communications made during such closed sessions are discoverable. *State ex rel. Upper Republican Natural Resources District v. District Judges of the District Court for Chase County*, 273 Neb. 148, 728 N.W.2d 275 (2007). However, to the extent that communications made during a closed session implicate other recognized privileges such as the attorney/client privilege, those communications are protected. *Id.*

14. The statutory provision allowing public bodies to hold closed sessions for strategy sessions regarding litigation or threatened litigation by necessity encompasses discussions and decisions regarding whether to make or reject a settlement offer. Such decisions regarding litigation strategy should not have to be discussed publicly, during an open session, in front of the body's opponent. *Becker v. Allen*, 1996 WL 106217, 1996 Neb. App. LEXIS 73 (Neb. Ct. App. 1996) (Not approved for publication). In addition, the strategic meetings which a public body has with its attorney when threatened with or engaged in litigation, in which the public body may give direction to its attorney, are protected by the attorney-client privilege. *Id.*

#### 15. Opinions of the Attorney General:

- a. A closed session is not proper simply because matters permitting a closed session might arise. Such a closed session is permitted only when such matters do arise and must be dealt with. Op. Att'y Gen. No. 94035 (May 11, 1994); Op. Att'y Gen. No. 11 (January 20, 1983).
- b. Discussions of legal matters between a county board and a county attorney involving pending litigation or legal consequences of specific action are suitable for a closed session. 1975-76 Rep. Att'y Gen. 150 (Opinion No. 116, dated August 29, 1975).
- c. A public body can go into a proper closed session for discussion of personnel matters and then reconvene for a public vote with no lengthy explanation of the rationale underlying the decision. Op. Att'y Gen. No. 89083 (October 12, 1989).
- d. The closed session exception for prevention of needless injury to reputation is for the protection of individual employees and not for the protection of governmental officers on the public body. *Id.*
- e. In Op. Att'y Gen. No. 98045 (November 4, 1998), the Attorney General indicated that detailed minutes of all matters discussed need not be maintained when a public body is meeting in closed or executive session, so long as the requirements of § 84-1410 pertaining specifically to the minute entries necessary for a closed session are met.
- f. A county clerk, county attorney and county treasurer acting as a group under § 32-567(3) to make an appointment to fill a vacancy on a county board may not go into closed session for evaluation of the merits of the candidates based upon the express language of § 84-1410(1). Op. Att'y Gen. No. 97050 (September 18, 1997).
- g. The Attorney General has indicated informally that developing testimony for an upcoming legislative hearing is not a proper reason for a state agency to go into closed session. On the other hand, the Attorney General has also indicated informally that discussion of "sensitive medical and financial information" pertaining to specific individuals who applied for admission to a state home could be conducted in a closed session so long as the actual vote on admission was done in an open meeting.

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#### CIRCUMVENTION OF THE OPEN MEETINGS ACT

J. Section 84-1410(4) prohibits a person or a public body from circumventing the purpose of the open meetings statutes by failing to invite a portion of its members to a meeting or by designating itself as a subcommittee of the whole body. That section also prohibits the use of any closed session, informal meeting, chance meeting, social gathering, email, fax or other electronic communication for the purpose of circumventing the requirements of the open meetings statutes.

1. This provision was added to the open meetings statutes by LB 43 in 1983. This section was directed at the intentional circumvention of the open meetings statutes rather than inadvertent acts. Government, Military and Veterans' Affairs Committee Hearing on LB 43, 88th Nebraska Legislature, First Session (1983) at 5.
2. 2004 Neb. Laws LB 1179 added emails, faxes and other electronic communications to the list of mediums which could not be used to circumvent the requirements of the Open Meetings Act.
3. Similar language prohibiting the use of telephone conference calls, emails, faxes, or other electronic communications to circumvent any of the public government purposes of the Open Meetings Act is contained in § 84-1411(3).
4. The Attorney General has indicated that intent is a necessary element of the conduct prohibited by § 84-1410 (4), and that members of a public body can communicate with other members of that body by electronic means, even if that communication is directed to a quorum of the body, so long as there is no course of communication which becomes sufficiently involved so as to evidence an intent or purpose to circumvent the Open Meetings Act. Op. Att'y Gen. No. 04007 (March 8, 2004).

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#### ACTIONS FOR ENFORCEMENT

K. Section 84-1414 sets out various enforcement options available to individuals who believe that the open meetings statutes have been violated.

1. Any motion, resolution, rule, ordinance, or formal action of a public body made or taken in violation of the public meetings statutes shall be declared void by the district court if the suit is commenced within 120 days of the meeting of the public body at which the alleged violation occurred. Any such motion or other action taken in substantial violation of the public meeting statutes shall be voidable by the district court if the suit is commenced after more than 120 days but within one year of the meeting of the public body in which the alleged violation occurred. A suit to void any final action shall be commenced within one year of the action.
2. Under § 84-1414(3), any citizen of this state may commence a suit in the district court of the county in which the public body ordinarily meets or in which the plaintiff resides for the purpose of requiring compliance with or preventing violations of the open meetings statutes, for the purpose of declaring an action of a public body void, or for the purpose of determining the applicability of the open meetings statutes to discussions or decisions of the public body. *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007). The court may order payment of reasonable attorney's fees and court costs to a successful plaintiff in a suit brought under § 84-1414(3). Under LB 898 from 2006, it shall not be a defense to such a suit that the citizen attended the meeting and failed to object to violations at such time.



3. The Attorney General and the county attorney of the county in which the public body ordinarily meets shall enforce the provisions of the open meetings statutes.
4. **History.** The original version of § 84-1414(1), which was a part of LB 325 passed in 1975, simply provided that actions taken in violation of the public meetings statutes should be void. The void/voidable distinction was added by LB 43 in 1983. The apparent intent of that later language was to allow a court to void an action by a public body taken when there was any violation of the open meetings statutes if the action was filed within four months of the meeting in question. After four months, the violation of the open meetings statutes would have to be substantial to allow a court to void the action of the public body. In any event, no action could be brought after one year of the public meeting in question. Floor Debate on LB 43, 88th Nebraska Legislature, First Session, March 22, 1983, at 1892.
5. The legislative history of LB 325 from 1975 indicates that the initial intent of that statute was to have the county attorney responsible for enforcement proceedings involving public bodies at a local level. The Attorney General would be responsible for enforcement against state entities. Floor Debate on LB 325, 84th Nebraska Legislature, First Session, May 14, 1975, at 4620.
6. The Nebraska Supreme Court has indicated that action by a public body which is proper under the open meetings statutes may cure defects in actions previously taken by the same public body. In such an instance, an action by a public body which previously might have been declared void will be declared proper. *Pokorny v. City of Schuyler*, supra. On the other hand, under those circumstances, the original improper meeting itself is still void. *Steenblock v. Elkhorn Township Board*, 245 Neb. 722, 515 N.W.2d 128 (1994). *Pokorny* also indicates that the effect of an invalid public meeting under the open meetings laws is the same as if the meeting had never occurred.
7. A county lacks capacity to maintain an action to declare its official conduct void for non-compliance with the open meetings statutes. *County of York v. Johnson*, 230 Neb. 403, 432 N.W.2d 215 (1988).
8. Reading of a city ordinance in accordance with a city charter constitutes "formal action" of a city council which may be voided in a lawsuit under § 84-1414(1). *City of Elkhorn v. City of Omaha*, 272 Neb. 867, 725 N.W.2d 792 (2007).
9. A number of Nebraska cases deal with waiver of rights under the Open Meetings Act by a failure to make a timely objection to violations of the Act. *Stoetzel & Sons, Inc. v. City of Hastings*, 265 Neb. 637, 658 N.W.2d 636 (2003) (if a person who attends a meeting of a public body believes that copies of documents discussed by the body should be made available to the public at the meeting, a timely objection should be made, or that person waives his or her right to object); *Wasikowski v. The Nebraska Quality Jobs Board*, 264 Neb. 403, 648 N.W.2d 756 (2002); *Otay v. State*, 240 Neb. 813, 485 N.W.2d 153 (1992); *Witt v. School District No. 70, Frontier County*, 202 Neb. 63, 273 N.W. 2d 669 (1979) (any person who has notice of a meeting and attends the meeting is required to object specifically to a lack of public notice at the meeting or waive his rights to object on that ground under the open meetings statutes); *Hauser v. Nebraska Police Standards Advisory Council*, 264 Neb. 944, 653 N.W.2d 240 (2002) (if a person present at a meeting observes and fails to object to an alleged open meetings violation in the form of a failure to conduct roll call votes before taking action on questions or motions pending, that person waives his or her right to object at a later date); *Alexander v. School District No. 17 of Thuston County*, 197 Neb. 251, 248 N.W.2d 335 (1976) (where teachers had notice of a termination hearing, appeared, and no objection was made to a failure of the school board to give proper notice under the open meetings statutes, those teachers waived any objection they might have had to violations of the open meetings law). Those cases appear to be legislatively overruled by LB 898 from 2006 which provides that it shall not be a defense to a citizen lawsuit under § 84-1414(3) that the citizen attended the meeting and failed to object at that time.
10. Actions for relief under the open meetings statutes are tried as equitable cases, given the fact that the relief sought is in the nature of a declaration that particular action taken in violation of the laws is void or voidable. Such cases are also considered as equitable cases on appeal. *Stoetzel & Sons Inc. v. City of Hastings*, 265 Neb. 637, 658 N.W.2d 636 (2003); *Hauser v. Nebraska Police Standards Advisory Council*, 264 Neb. 944, 653 N.W.2d 240 (2002); *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W. 2d 499 (Neb. Ct. App. 2009); *Hansmeyer v. Nebraska Public Power District*, 6 Neb. App. 889, 578 N.W.2d 476 (1998), *aff'd*, 256 Neb. 1, 588 N.W.2d 589 (1999).
11. The *Hansmeyer* case also discusses the distinction between "void" and "voidable" under § 84-1414. "Void" means ineffectual and having no legal force or binding effect, while "voidable" means that which may be avoided or declared void, not absolutely void. In *Hansmeyer*, the court considered factors such as whether any purpose would be served or whether decisions were made in secret without public discussion in determining whether a voidable vote by the Nebraska Public Power District should, in fact, be voided.
12. Once a meeting has been declared void pursuant to the Open Meetings Act, the members of the public body involved are prohibited from considering any information which they obtained at the illegal meeting. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009); *Alderman v. County of Arapahoe*, 11 Neb. App. 412, 653 N.W.2d 1 (2002).
13. The decision to award attorneys fees to a "successful plaintiff" in an action under § 84-1414 is discretionary with the trial court. *Hansmeyer v. Nebraska Public Power District*, 6 Neb. App. 889, 578 N.W.2d 476 (1998), *aff'd*, 256 Neb. 1, 588 N.W.2d 589 (1999). The court in the *Hansmeyer* case also held that the plaintiffs in that case were "successful plaintiffs" who could recover attorneys fees under § 84-1414 because there was a finding that a substantial violation of the open meetings statutes had occurred, and because the public body involved amended its practices to prepare proper agendas after the plaintiffs filed their action. The court reached that conclusion even though it ultimately determined that the improper action of the public body at issue should not be voided. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009) also contains a discussion regarding the basis for an award of attorneys fees in that case, including the court's analysis of why it reduced a fee award on appeal.
14. Voiding an entire meeting is a proper remedy for violations of the Open Meetings Act. *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009). The court in the *Wolf* case also specifically considered whether violations of the Open Meetings Act were "substantial" violations in determining whether it was appropriate to void actions of a county board when the enforcement lawsuit was filed more than 120 days after the meetings in question.
15. In *Wolf v. Grubbs*, 17 Neb. App. 292, 759 N.W.2d 499 (Neb. Ct. App. 2009) there was no evidence in the record which established that a county board had published notice of its meetings anywhere. The Court of Appeals held that in the absence of contrary evidence, it may be presumed that public officers faithfully performed their official duties. *Id.* In addition, absent evidence showing misconduct or disregard for the law, the regularity of official acts is also presumed. *Id.* In *Wolf*, the court also indicated that the plaintiffs had the burden at all times to show that it was more probable that notices of meetings were not posted than probable that they were.

16. The United States District Court for the District of Nebraska has indicated that it has supplemental jurisdiction over claims under § 84-1414 based upon 28 U.S.C. § 1367(a). *Buzek v. Pawnee County Nebraska*, 207 F. Supp. 2d 961 (D. Neb. 2002).

17. "Citizens," as well as members of the general public and reporters or other representatives of the news media, are the intended beneficiaries of the Open Meetings Act, and have standing to bring an action under that Act. *Schauer v. Grooms*, 280 Neb. 426, 786 N.W. 2d 909 (2010). This is true even though individual citizens may not be able to allege a particularized injury as a result of action by a public body or the pecuniary interest in the public body's action which might be necessary for common law standing. *Id.* An action under § 84-1414 is permissible when the ultimate result of the questionable meetings of the public body is annexation. *Id.*

18. The plaintiffs in *Pierce v. Drobny*, 279 Neb. 251, 777 N.W.2d 322 (2010), contended that a local school board held a number of secret meetings without notice or public participation to plan for a special election for the issuance of bonds for a new school. A resolution authorizing the special election was subsequently passed by the board at a public meeting, and at the special election, voters approved the school bond issue. The plaintiffs sought to void the board's resolution for the special election under the Open Meetings Act rather than filing an election contest. The Nebraska Supreme Court held that an election contest was the exclusive remedy under such circumstances, and that a separate challenge under the Open Meetings Act did not exist once the bond issue was voted upon by the public.

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#### CRIMINAL SANCTIONS

L. Section 84-1414(4) provides that any member of a public body who knowingly violates or conspires to violate the Open Meetings Act, or who attends or remains at a meeting knowing that the public body is in violation of any provision of that Act, shall be guilty of a Class IV misdemeanor for a first offense, and a Class III misdemeanor for a second or subsequent offense.

1. The legislative history of LB 325 from 1975 indicates that the criminal sanctions included in this section were originally directed at intentional behavior rather than at inadvertence. [Government Committee Hearing on LB 325](#), 84th Nebraska Legislature, First Session (1975) at 16.

2. The criminal sanctions for violation of the open meetings statutes were first increased as a result of LB 1019 passed in 1992. Also, that same bill in 1992 added language which made knowingly remaining at or attending a meeting in violation of the open meetings statutes a crime. The present language which applies criminal sanctions to those members of a public body who remain at a meeting knowing that the public body is in violation of the open meetings statutes was added by LB 621 in 1994.

3. Under Neb. Rev. Stat. § 28-106 (2008), a Class IV misdemeanor is punishable by a fine of \$100 to \$500 and no imprisonment. In addition, a Class III misdemeanor is punishable by up to 3 months imprisonment or up to a \$500 fine, or both. A Class III misdemeanor has no minimum penalty.

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EXHIBIT

G

## Education

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Master of Education in Educational Leadership  
Doane College, Lincoln, Nebraska

Graduate work in Curriculum and Instruction  
University of Nebraska, Lincoln

Bachelor of Science Degree, Secondary Education  
University of Nebraska, Lincoln

## Certification

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Nebraska Standard Administrative Certificate  
Secondary Principal Endorsement 7-12

Nebraska Standard Teaching Certificate  
Endorsement in Social Sciences 7-12

## Professional Experiences

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<b>Lincoln East High</b> , Lincoln Public Schools, Lincoln, Nebraska	
Learning Lab Coordinator	2009-2012
Interventionist	2008-2009
Study Skills Teacher Tutor Coordinator	2005-2008
Social Studies Teacher	1992-2011
<b>Mickle Junior High</b> , Lincoln Public Schools, Lincoln, Nebraska	1976-1992
8 <sup>th</sup> and 9 <sup>th</sup> grade Social Studies Teacher	

## Leadership Experience

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Lincoln East High School Improvement Steering Committee	
• Co-Chair School Improvement Committee	2009-2012
• Coordinated Teacher Tutor program for at-risk students	2005-2012
• Developed Study Skills program for at-risk students	2004-2005
• Developed Lincoln East High School profile statistics	2005
Special Education Summer School, Lincoln Public Schools, Lincoln, NE	Summer 2005
• Worked with Mary Ells, Assistant Director of Special Education	
• Coordinated six Special Education summer school sites	
• Organized Structured Teacher Autism workshop	
Student Services, Lincoln Public Schools	
• Shadowed Dr. Rich Krause, Pathfinder Education Program	Summer 2005



**Lincoln Public Schools, Lincoln, Nebraska**

- Backpack program volunteer, Holmes Elementary school 2012-Present
- TRACKS volunteer, Belmont Elementary School 2012-2013
- Multicultural Liaison 2008-2012
- Facilitator for Economic Standards Curriculum 2008-2009
- Alumni consultant, Lincoln Public Schools Foundation Capital Campaign 2008
- Curriculum writer; Criminal Justice, Civics, Economics 2004-2009
- Facilitator for new teacher orientation 2003-2009
- Participated in the Mentor Teacher program, mentoring new teachers 2000-2001
- TeamMates of Lincoln Steering Committee member 1991-1992

**Lincoln East High, Lincoln, Nebraska**

- Learning Lab Coordinator 2009-2012
- Interventionist for at-risk students 2008-2009
- Coordinator for Study Skills Teacher Tutors 2005-2008
- School Improvement Steering Committee member 2003-2012
- Distinguished Alumnae Committee Chair 2002-2012
- Technology Committee member 2003-2004

**Mickle Middle School, Lincoln, Nebraska**

- At-Risk Facilitator 1989-1992
- Social Studies Team Leader 1991-1992

**Leadership Training**

- Community Connections facilitator 2010
- Planned orientation for East High 9<sup>th</sup> grade transition program 2001-2012
- Gallup Strength Finders Coach 2005
- Selected National Trainer for the Constitutional Rights Foundation 2002
- Mentor Teacher summer trainer- Lincoln Public Schools 2000
- Attended Constitutional Rights Foundation Training the Trainers 1995

**Presentations – Lincoln Public Schools**

- Conducted various workshops on Economics standards 2007-2011
- Conducted History Alive II training workshop for teachers 2002
- Conducted Staff development in-service: Aligning Civics Objectives 1999
- Conducted workshop on Supreme Court for all social studies teachers 1999

**Extra Curricular/Community Leader Lincoln Public Schools, Lincoln, NE**

- TeamMate Mentor at Northeast and Lincoln East High 2012-Present
- TeamMate Substitute Technician 2014-2015
- Lincoln Public Schools Foundation Capital Campaign Consultant 2008-2012
- Prom sponsor 2008-2012
- Lincoln East Cheerleader Sponsor 1996-2000, 2004-2008
- Junior and Senior Parent Post Prom Chair at Lincoln East 2000, 2003
- Sponsor Lincoln East Spartan Organization 2001-2003
- Sponsor students on Close-Up trip to Washington, DC 1995, 2001
- Selected by the Mayor to participate in the Citizens' Police Academy 1995
- Lincoln East Student Council Sponsor 1992-1996

## Honors and Awards

Ogden, p.3

- Recognized by UNL as a teacher who played a significant role in student admissions to the University of Nebraska Lincoln 2010-2014
- Nominated East High Gold Star Finalist 2004
- Nominated American Lawyer Auxiliary Law Related Educator of the Year 1997
- Lincoln Public Schools Gold Star Award 1992
- Law Day Liberty Bell Award – Nebraska Bar Association 1991  
Given to the outstanding Law Related Educator of the Year

## National/State Conferences

- Multicultural Institute training 2004-2012
- Professional Learning Community Conference-Omaha 2006
- Balanced Leadership Conference, Lincoln Nebraska 2005
- Assessment Conference, Dr. Rick Stiggins, Lincoln, Nebraska 2005
- HOPE Conference, Lincoln, Nebraska 2004
- National Social Studies Convention, Phoenix, Arizona 2002
- Advanced Training: Constitutional Rights Foundation, Santa Monica, California 2002
- ASCD Conference “Assessing Realities Through Standards” Kansas City, Missouri 2001
- U.S. Supreme Court Institute –Washington, DC 1997  
One of 25 teachers nationally selected to attend
- Law Related Education Training, Santa Monica, California 1995
- National At-Risk Student Conference, Kansas City, Missouri 1990-1991

## Organization and Professional Affiliations

- Junior League of Lincoln Sustainer Co-Chair 2012- Present
- President Kappa Alpha Theta Corporation Board 2012- Present
- Kappa Alpha Theta Corporation Board Secretary 1999-2012
- Secretary of Rho 1887, Inc 2014-Present
- Association for Supervision and Curriculum Development 2003-2012
- Lincoln Education Association 1976-2012
- Nebraska State Education Association 1976-2012
- National Education Association 1976-2012
- Lincoln Public Schools Foundation Alumnae Correspondent 2004-2012
- National Cheerleading Association certified coach 1996-2009
- Nebraska State Bar Association Law Related Education Committee 1990-1998
- Mayor’s Advisory Board - Attention Center for Youth 1984-1988
- Junior League of Lincoln 1981-1993

**Professional Portfolio Available Upon Request**

**Credentials: Available upon request from  
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**Liz Miller, Associate Principal**

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**Julie Harder, Coordinator**

Lincoln East High  
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**Walter Powell, TeamMates Lincoln Chapter Coordinator**

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