

**AUDIT REPORT
OF THE
NEBRASKA PUBLIC EMPLOYEES RETIREMENT
SYSTEMS – COUNTY EMPLOYEES RETIREMENT PLAN**

**EMPLOYER GASB STATEMENT NO. 68 SCHEDULES
SCHEDULE OF EMPLOYER ALLOCATIONS, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

FOR THE YEAR ENDED DECEMBER 31, 2017

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on August 29, 2018

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN
SCHEDULE OF EMPLOYER ALLOCATION, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

TABLE OF CONTENTS

	<u>Page</u>
Background Information Section	
Key Officials and Agency Contact Information	1
Financial Section	
Independent Auditor's Report	2 - 3
County Employees Retirement Plan Schedules:	
Schedule of Employer Allocations	4 - 6
Schedule of Pension Amounts by Employer	7 - 8
Notes to the Schedule of Employer Allocations, and the Schedule of Pension Amounts by Employer	9 - 11
Government Auditing Standards Section	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12 - 13

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN
SCHEDULE OF EMPLOYER ALLOCATION, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Public Employees Retirement Board Members

Janis Elliott
Chairperson – School Member
Term Ending January 1, 2019

Open
Public Member

Dennis Leonard
Vice-Chair – State Patrol Member
Term Ending January 1, 2020

Denis Blank
State Member
Term Ending January 1, 2020

J. Russell Derr
Judge Member
Term Ending January 1, 2020

Kelli Ackerman
School Member
Term Ending January 1, 2020

Pamela Lancaster
County Member
Term Ending January 1, 2021

Jim Schulz
Public Member
Term Ending January 1, 2022

Michael W. Walden-Newman
Ex-Officio (State Investment Officer)

Nebraska Public Employees Retirement Systems Executive Management

Randy Gerke
Director

Orron Hill
Deputy Director &
Legal Counsel

Teresa Zulauf
Controller

Nebraska Public Employees Retirement Systems
1526 K Street, Suite 400
P.O. Box 94816
Lincoln, NE 68509
npers.ne.gov



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS COUNTY EMPLOYEES RETIREMENT PLAN EMPLOYER GASB STATEMENT NO. 68 SCHEDULES

INDEPENDENT AUDITOR'S REPORT

Nebraska Public Employees Retirement Board
Lincoln, Nebraska

Report on the Schedules

We have audited the accompanying Schedule of Employer Allocations of the Nebraska Public Employees Retirement Systems (NPERS) – County Employees Retirement Plan, as of and for the year ended December 31, 2017, and the related notes. We have also audited the total for all entities of the columns titled Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the NPERS County Employees Retirement Plan as of and for the year ended December 31, 2017, and related notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer are free from material misstatement.

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

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

Opinions

In our opinion, the schedules referred to previously present fairly, in all material respects, the employer allocations and Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense for all NPERS participating entities for the County Employees Retirement Plan as of and for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of NPERS State and County Employees Retirement Plans as of and for the year ended December 31, 2017, and our report thereon, dated August 15, 2018, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of NPERS management, members of the Retirement Board, and NPERS County Employees Retirement Plan employers and their auditors, and it is not intended to be, and should not be, used by anyone other than these specified parties.

August 23, 2018



Zachary Wells, CPA, CISA
Audit Manager
Lincoln, Nebraska

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer	Year Ended December 31, 2017	
	Actual Employer Contributions	Employer Allocated Proportion
Total	\$ 17,752,389	
2032 - Gosper County	50,125	0.282356%
2034 - Hall County	832,106	4.687290%
2036 - Scotts Bluff County	568,564	3.202748%
2040 - Cheyenne County	212,200	1.195332%
2042 - Banner County	32,669	0.184029%
2044 - Dodge County	252,733	1.423655%
2046 - Jefferson County	168,965	0.951786%
2048 - Platte County	424,131	2.389147%
2050 - Dawson County	398,022	2.242074%
2052 - Seward County	311,210	1.753058%
2054 - Morrill County	141,037	0.794470%
2056 - Buffalo County	572,269	3.223615%
2058 - Saunders County	372,648	2.099143%
2060 - Washington County	353,628	1.992000%
2062 - Kimball County	103,983	0.585741%
2089 - Saline County	240,199	1.353054%
2090 - Adams County	326,401	1.838634%
2091 - Box Butte County	124,877	0.703438%
2119 - Madison County	348,339	1.962208%
2121 - York County	267,343	1.505954%
2123 - Custer County	211,323	1.190393%
2125 - Sarpy County	2,266,215	12.765688%
2126 - Cuming County	111,903	0.630354%
2152 - Harlan County	85,578	0.482065%
2164 - Gage County	235,538	1.326794%
2165 - Richardson County	156,533	0.881760%
2167 - Hitchcock County	63,231	0.356185%
2168 - Red Willow County	145,678	0.820612%
2232 - Polk County	109,803	0.618524%
2234 - Lincoln County	419,714	2.364270%
2240 - Cedar County	163,417	0.920533%
2242 - Holt County	192,828	1.086206%
2243 - Frontier County	61,658	0.347321%
2244 - Webster County	97,027	0.546557%
2245 - Kearney County	110,314	0.621402%
2246 - Nemaha County	147,959	0.833458%
2247 - Franklin County	97,536	0.549425%
2248 - Dundy County	65,188	0.367208%
2249 - Phelps County	178,902	1.007762%
2775 - Antelope County	138,076	0.777791%
2776 - Arthur County	9,819	0.055313%
2777 - Blaine County	19,656	0.110723%
2778 - Boone County	119,299	0.672016%

See the notes to the schedules.

(Continued)

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer	Year Ended December 31, 2017	
	Actual Employer Contributions	Employer Allocated Proportion
2779 - Boyd County	39,062	0.220037%
2780 - Brown County	80,678	0.454461%
2781 - Burt County	120,774	0.680326%
2782 - Butler County	195,956	1.103829%
2783 - Cass County	495,207	2.789524%
2784 - Chase County	106,134	0.597856%
2785 - Cherry County	143,573	0.808753%
2786 - Clay County	149,442	0.841816%
2787 - Colfax County	152,675	0.860027%
2788 - Dakota County	284,829	1.604454%
2789 - Dawes County	137,957	0.777120%
2790 - Deuel County	61,261	0.345083%
2791 - Dixon County	105,412	0.593794%
2792 - Fillmore County	154,137	0.868261%
2793 - Furnas County	90,363	0.509018%
2794 - Garden County	86,387	0.486621%
2795 - Garfield County	36,282	0.204381%
2796 - Grant County	15,091	0.085006%
2797 - Greeley County	49,601	0.279407%
2798 - Hamilton County	180,440	1.016425%
2799 - Hayes County	34,225	0.192791%
2800 - Hooker County	22,016	0.124016%
2801 - Howard County	107,219	0.603968%
2802 - Johnson County	89,648	0.504991%
2803 - Keith County	153,414	0.864188%
2804 - Keya Paha County	22,353	0.125915%
2805 - Knox County	137,056	0.772041%
2806 - Logan County	26,210	0.147640%
2807 - Loup County	23,178	0.130562%
2808 - McPherson County	21,529	0.121272%
2809 - Merrick County	132,681	0.747398%
2810 - Nance County	102,838	0.579289%
2811 - Nuckolls County	80,085	0.451123%
2812 - Otoe County	245,356	1.382101%
2813 - Pawnee County	54,865	0.309056%
2814 - Perkins County	114,873	0.647087%
2815 - Pierce County	99,816	0.562269%
2816 - Rock County	56,698	0.319382%
2817 - Sheridan County	120,867	0.680849%
2818 - Sherman County	87,272	0.491607%
2819 - Sioux County	50,718	0.285697%
2820 - Stanton County	87,479	0.492771%
2821 - Thayer County	132,694	0.747470%
2822 - Thomas County	24,297	0.136865%
2823 - Thurston County	121,856	0.686419%
2824 - Valley County	90,238	0.508316%

See the notes to the schedules.

(Continued)

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer	Year Ended December 31, 2017	
	Actual Employer Contributions	Employer Allocated Proportion
2825 - Wayne County	101,400	0.571193%
2826 - Wheeler County	33,572	0.189114%
2833 - Four Corners Health Department	20,064	0.113021%
2834 - Loup Basin Public Health Department	21,882	0.123265%
2835 - Panhandle Public Health Department	45,470	0.256137%
2836 - South Heartland District Health Department	29,222	0.164610%
2837 - Two Rivers Public Health Department	29,519	0.166280%
2838 - Three Rivers Public Health Department	34,602	0.194917%
2839 - Elkhorn Logan Valley Public Health Department	34,702	0.195477%
2840 - Northeast Nebraska Public Health Department	13,809	0.077786%
2841 - Southwest Nebraska Public Health Department	20,542	0.115715%
2842 - West Central District Health Department	54,576	0.307430%
2844 - Southeast District Health Department	22,312	0.125684%
2845 - Public Health Solutions	53,364	0.300600%
2846 - Sarpy/Cass Department of Health and Wellness	37,436	0.210879%
2847 - Stuhr Museum	37,065	0.208792%
2848 - Western Nebraska Regional Airport	18,359	0.103419%
2849 - Saunders Medical Center	623,692	3.513284%
2850 - Nemaha County Hospital	287,415	1.619023%

(Concluded)

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Employer	Deferred Outflows of Resources						Deferred Inflows of Resources				Pension Expense				
	12/31/17 Net Pension Liability/(Asset) (NPL)	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments		Changes of Assumptions	Changes in Proportion	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments		Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Recognition of Deferred Amounts from Changes in Proportionate Share		Total Employer Pension Expense
Total	\$ (54,105,973)	\$ 522,980	\$ 10,748,935	\$ 6,721,492	\$ 1,058,029	\$ 19,051,436	\$ 11,858,234	\$ 32,159,898	\$ 1,058,029	\$ 45,076,161	\$ 11,006,680	\$ -	\$ -	\$ 11,006,680	
2032 - Gosper County	(152,771)	1,477	30,350	18,979	8,272	59,078	33,482	90,805	5,149	129,436	31,078		601	31,679	
2034 - Hall County	(2,536,104)	24,514	503,834	315,056	-	843,404	555,830	1,507,428	117,139	2,180,397	515,915	(22,759)	6,419	493,156	
2036 - Scotts Bluff County	(1,732,878)	16,750	344,261	215,272	43,383	619,666	379,789	1,030,000	7,257	1,417,046	352,516		6,419	358,935	
2040 - Cheyenne County	(646,746)	6,251	128,485	80,344	5,648	220,728	141,745	384,418	15,500	541,663	131,566	(2,200)		129,366	
2042 - Banner County	(99,571)	962	19,781	12,369	3,984	37,096	21,823	59,184	-	81,007	20,255		856	21,111	
2044 - Dodge County	(770,282)	7,445	153,028	95,691	15,719	271,883	168,820	457,846	28,377	655,043	156,697	(2,004)		154,693	
2046 - Jefferson County	(514,973)	4,978	102,307	63,974	3,317	174,576	112,865	306,093	8,166	427,124	104,760	(1,173)		103,587	
2048 - Platte County	(1,292,671)	12,495	256,808	160,586	33,933	463,822	283,311	768,347	-	1,051,658	262,966		6,858	269,824	
2050 - Dawson County	(1,213,096)	11,726	240,999	150,701	8,719	412,145	265,870	721,049	13,565	1,000,484	246,778		(721)	246,057	
2052 - Seward County	(948,509)	9,168	188,435	117,832	7,827	323,262	207,882	563,782	52,012	823,676	192,953	(7,750)		185,203	
2054 - Morrill County	(429,856)	4,155	85,397	53,400	3,816	146,768	94,210	255,501	15,865	365,576	87,445	(2,137)		85,308	
2056 - Buffalo County	(1,744,168)	16,859	346,504	216,675	2,580	582,618	382,264	1,036,711	23,420	1,442,395	354,813	(4,912)		349,901	
2058 - Saunders County	(1,135,762)	10,978	225,636	141,094	35,079	412,787	248,921	675,082	3,816	927,819	231,046		5,354	236,400	
2060 - Washington County	(1,077,791)	10,418	214,119	133,892	16,783	375,212	236,216	640,625	6,226	883,067	219,253		2,691	221,944	
2062 - Kimball County	(316,921)	3,063	62,961	39,371	12,199	117,594	69,459	188,374	1,191	259,024	64,471		2,072	66,543	
2089 - Saline County	(732,083)	7,076	145,439	90,945	6,971	250,431	160,448	435,141	23,554	619,143	148,926	(2,039)		146,887	
2090 - Adams County	(994,811)	9,616	197,634	123,584	20,376	351,210	218,030	591,303	35,821	845,154	202,373	(3,995)		198,378	
2091 - Box Butte County	(380,602)	3,679	75,612	47,282	23,558	150,131	83,415	226,225	7,081	316,721	77,425		3,530	80,955	
2119 - Madison County	(1,061,672)	10,262	210,916	131,890	1,530	354,598	232,683	631,044	13,637	877,364	215,974	(2,465)		213,509	
2121 - York County	(814,811)	7,876	161,874	101,223	18,329	289,302	178,580	484,313	-	662,893	165,756		3,778	169,534	
2123 - Custer County	(644,074)	6,226	127,955	80,012	5,119	219,312	141,160	382,829	13,205	537,194	131,023	(2,032)		128,991	
2125 - Sarpy County	(6,907,000)	66,755	1,372,172	858,044	181,047	2,478,018	1,513,785	4,105,431	29,792	5,649,008	1,405,077		31,172	1,436,249	
2126 - Cuming County	(341,059)	3,297	67,756	42,369	10,560	123,982	74,749	202,721	135	277,605	69,381		1,896	71,277	
2152 - Harlan County	(260,826)	2,521	51,817	32,402	4,231	90,971	57,164	155,032	4,208	216,404	53,059	(105)		52,954	
2164 - Gage County	(717,875)	6,939	142,616	89,180	15,819	254,554	157,334	426,696	9,717	593,747	146,036		725	146,761	
2165 - Richardson County	(477,085)	4,611	94,780	59,267	760	159,418	104,561	283,573	23,085	411,219	97,053	(4,105)		92,948	
2167 - Hitchcock County	(192,717)	1,863	38,286	23,941	6,681	70,771	42,237	114,549	3,128	159,914	39,204		719	39,923	
2168 - Red Willow County	(444,000)	4,292	88,207	55,157	7,320	154,976	97,310	263,908	15,031	376,249	90,322	(1,675)		88,647	
2232 - Polk County	(334,658)	3,235	66,485	41,574	6,856	118,150	73,346	198,917	8,076	280,339	68,079		307	68,386	
2234 - Lincoln County	(1,279,211)	12,365	254,134	158,914	20,990	446,403	280,361	760,347	2,330	1,043,038	260,228		3,783	264,011	
2240 - Cedar County	(498,063)	4,814	98,947	61,874	606	166,241	109,159	296,042	11,250	416,451	101,320	(1,897)		99,423	
2242 - Holt County	(587,702)	5,681	116,756	73,009	671	196,117	128,805	349,323	17,652	495,780	119,555	(3,776)		115,779	
2243 - Frontier County	(187,921)	1,816	37,333	23,345	9,216	71,710	41,186	111,698	6,700	159,584	38,229		158	38,387	
2244 - Webster County	(295,720)	2,858	58,749	36,737	4,032	102,376	64,812	175,772	2,601	243,185	60,158		76	60,234	
2245 - Kearney County	(336,216)	3,250	66,794	41,767	11,894	123,705	73,687	199,842	3,707	277,236	68,396		1,775	70,171	
2246 - Nemaha County	(450,951)	4,359	89,588	56,021	6,259	156,227	98,833	268,039	8,076	374,948	91,736	(231)		91,505	
2247 - Franklin County	(297,272)	2,873	59,057	36,930	4,176	103,036	65,152	176,695	1,956	243,803	60,473		483	60,956	
2248 - Dundee County	(198,681)	1,920	39,471	24,682	-	66,073	43,544	118,094	14,266	175,904	40,417	(3,218)		37,199	
2249 - Phelps County	(545,259)	5,270	108,324	67,737	12,472	193,803	119,503	324,095	9,545	453,143	110,921		63	110,984	
2775 - Antelope County	(420,831)	4,068	83,604	52,279	20,325	160,276	92,232	205,137	17,069	359,438	85,609		284	85,893	
2776 - Arthur County	(29,928)	289	5,946	3,718	2,339	12,292	6,559	17,789	1,731	26,079	6,088		207	6,295	
2777 - Blaine County	(59,908)	579	11,902	7,442	137	20,060	13,130	35,608	2,496	51,234	12,187	(491)		11,696	
2778 - Boone County	(363,601)	3,515	72,235	45,170	11,533	132,453	79,689	216,120	2,390	298,199	73,967		2,408	76,375	
2779 - Boyd County	(119,053)	1,151	23,652	14,790	1,677	41,270	26,093	70,764	5,427	102,284	24,219	(640)		23,579	
2780 - Brown County	(245,891)	2,377	48,850	30,547	2,163	83,937	53,891	146,154	3,249	203,294	50,021	(413)		49,608	
2781 - Burt County	(368,097)	3,558	73,128	45,728	4,040	126,454	80,675	218,792	6,774	306,241	74,881	(513)		74,368	
2782 - Butler County	(597,237)	5,773	118,650	74,194	7,610	206,227	130,895	354,990	11,087	496,972	121,495		(216)	121,279	
2783 - Cass County	(1,509,299)	14,589	299,844	187,498	9,848	511,779	330,788	897,108	32,959	1,260,855	307,034	(4,293)		302,741	
2784 - Chase County	(323,476)	3,127	64,263	40,185	-	107,575	70,895	192,270	17,562	280,727	65,804		(3,427)	62,377	
2785 - Cherry County	(437,584)	4,230	86,932	54,360	16,291	161,813	95,904	260,094	17,705	373,703	89,017		(472)	88,545	
2786 - Clay County	(455,473)	4,403	90,486	56,583	3,824	115,296	99,825	270,727	4,112	374,664	92,656	(183)		92,473	
2787 - Colfax County	(465,326)	4,498	92,444	57,807	150	154,899	101,984	276,584	2,224	380,792	94,660	(430)		94,230	
2788 - Dakota County	(868,105)	8,391	172,462	107,843	16,505	305,201	190,260	515,991	10,950	717,201	176,597		609	177,206	
2789 - Dawes County	(420,468)	4,064	83,532	52,234	575	140,405	92,153	249,921	7,381	349,455	85,535	(1,301)		84,234	
2790 - Deuel County	(186,711)	1,805	37,093	23,195	4,448	66,541	40,921	110,978	2,840	154,739	37,982		284	38,266	
2791 - Dixon County	(321,278)	3,105	63,827	39,912	9,558	116,402	70,413	190,964	3,966	265,343	65,357		1,404	66,761	
2792 - Fillmore County	(469,781)	4,541	93,329	58,360	-	156,230	102,960	279,232	8,785	390,977	95,567	(2,081)		93,486	

(Continued)

See the notes to the schedules.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Employer	12/31/17 Net Pension Liability/(Asset) (NPL)	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense			
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes in Proportion	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Recognition of Deferred Amounts from Changes in Proportionate Share	Total Employer Pension Expense
2793 - Furnas County	(275,409)	2,662	54,714	34,214	4,369	95,959	60,361	163,700	3,883	227,944	56,026	(232)	55,794
2794 - Garden County	(263,291)	2,545	52,307	32,708	2,701	90,261	57,705	156,497	6,894	221,096	53,561	(973)	52,588
2795 - Garfield County	(110,582)	1,069	21,969	13,737	4,800	41,575	24,236	65,729	1,552	91,517	22,496	526	23,022
2796 - Grant County	(45,993)	445	9,137	5,714	407	15,703	10,080	27,338	362	37,780	9,356	33	9,389
2797 - Greeley County	(151,176)	1,461	30,033	18,780	7,529	57,803	33,133	89,857	-	122,990	30,753	1,614	32,367
2798 - Hamilton County	(549,947)	5,316	109,255	68,319	14,102	196,992	120,530	326,881	-	447,411	111,875	2,841	114,716
2799 - Hayes County	(104,311)	1,008	20,723	12,958	4,078	38,767	22,862	62,001	5,898	90,761	21,220	(321)	20,899
2800 - Hooker County	(67,100)	649	13,330	8,336	2,338	24,653	14,706	39,883	429	55,018	13,650	347	13,997
2801 - Howard County	(326,783)	3,159	64,920	40,596	5,973	114,648	71,620	194,235	2,272	268,127	66,477	633	67,110
2802 - Johnson County	(273,230)	2,641	54,281	33,943	2,982	93,847	59,883	162,405	7,191	229,479	55,583	(685)	54,898
2803 - Keith County	(467,577)	4,520	92,891	58,086	7,915	163,412	102,477	277,922	8,658	389,057	95,118	(245)	94,873
2804 - Keya Paha County	(68,128)	659	13,535	8,463	1,241	23,898	14,931	40,494	438	55,863	13,859	172	14,031
2805 - Knox County	(417,720)	4,038	82,986	51,893	4,338	143,255	91,550	248,288	14,254	354,092	84,976	(2,175)	82,801
2806 - Logan County	(79,882)	772	15,870	9,924	4,769	31,335	17,507	47,481	2,593	67,581	16,250	575	16,825
2807 - Loup County	(70,642)	683	14,034	8,776	1,984	25,477	15,482	41,989	71	57,542	14,371	349	14,720
2808 - McPherson County	(65,615)	634	13,035	8,151	1,104	22,924	14,381	39,001	799	54,181	13,348	36	13,384
2809 - Merrick County	(404,387)	3,909	80,337	50,236	14,272	148,754	88,628	240,362	31,134	360,124	82,264	(2,422)	79,842
2810 - Nance County	(313,430)	3,030	62,267	38,937	7,636	111,870	68,693	186,299	5,593	260,585	63,760	629	64,389
2811 - Nuckolls County	(244,084)	2,359	48,491	30,322	1,875	83,047	53,495	145,081	8,175	206,751	49,654	(1,050)	48,604
2812 - Otoe County	(747,799)	7,228	148,561	92,898	24,670	273,357	163,893	444,482	25,999	634,374	152,123	(444)	151,679
2813 - Pawnee County	(167,218)	1,616	33,220	20,773	2,653	58,262	36,649	99,392	905	136,946	34,017	232	34,249
2814 - Perkins County	(350,113)	3,384	69,555	43,494	11,554	127,987	76,733	208,103	8,244	293,080	71,223	130	71,353
2815 - Pierce County	(304,221)	2,941	60,438	37,793	7,622	108,794	66,675	180,825	-	247,500	61,887	1,402	63,289
2816 - Rock County	(172,805)	1,670	34,330	21,467	4,368	61,835	37,873	102,713	1,401	141,987	35,153	666	35,819
2817 - Sheridan County	(368,380)	3,561	73,184	45,763	9,246	131,754	80,737	218,960	18,524	318,221	74,939	(1,669)	73,270
2818 - Sherman County	(265,989)	2,571	52,843	33,043	1,709	90,166	58,296	158,100	8,241	224,637	54,110	(1,213)	52,897
2819 - Sioux County	(154,579)	1,494	30,709	19,203	3,174	54,580	33,879	91,880	7,756	133,515	31,446	(571)	30,875
2820 - Stanton County	(266,619)	2,577	52,968	33,122	10,831	99,498	58,434	158,475	7,436	224,345	54,238	1,064	55,302
2821 - Thayer County	(404,426)	3,909	80,345	50,241	5,201	139,696	88,637	240,386	3,408	332,431	82,272	580	82,852
2822 - Thomas County	(74,052)	716	14,712	9,199	80	24,707	16,230	44,016	4,247	64,493	15,064	(780)	14,284
2823 - Thurston County	(371,394)	3,590	73,783	46,138	636	124,147	81,397	220,752	16,301	318,450	75,552	(2,907)	72,645
2824 - Valley County	(275,029)	2,658	54,639	34,166	894	92,357	60,277	163,474	990	224,741	55,949	15	55,964
2825 - Wayne County	(309,050)	2,987	61,397	38,393	1,869	104,646	67,733	183,695	15,771	267,199	62,869	(3,147)	59,722
2826 - Wheeler County	(102,322)	989	20,328	12,711	2,778	36,806	22,426	60,819	1,051	84,296	20,815	403	21,218
2833 - Four Corners Health Department	(61,151)	591	12,149	7,597	7,117	27,454	13,402	36,347	-	49,749	12,440	1,425	13,865
2834 - Loup Basin Public Health Department	(66,694)	645	13,250	8,285	2,040	24,220	14,617	39,642	2,640	56,899	13,567	(266)	13,301
2835 - Panhandle Public Health Department	(138,585)	1,340	27,532	17,216	4,009	50,097	30,373	82,373	4,503	117,249	28,192	(376)	27,816
2836 - South Heartland District Health Department	(89,064)	861	17,694	11,064	2,672	32,291	19,520	52,938	5,573	78,031	18,118	(500)	17,618
2837 - Two Rivers Public Health Department	(89,967)	870	17,873	11,176	-	29,919	19,718	53,475	4,922	78,115	18,302	(995)	17,307
2838 - Three Rivers Public Health Department	(105,462)	1,019	20,952	13,101	7,630	42,702	23,114	62,685	1,377	87,176	21,454	1,322	22,776
2839 - Elkhorn Logan Valley Public Health Department	(105,765)	1,022	21,012	13,139	10,275	45,448	23,180	62,865	3,657	89,702	21,516	1,008	22,524
2840 - Northeast Nebraska Public Health Department	(42,087)	407	8,361	5,228	12,116	26,112	9,224	25,016	449	34,689	8,562	1,971	10,533
2841 - Southwest Nebraska Public Health Department	(62,609)	605	12,438	7,778	8,842	29,663	13,722	37,214	1,901	52,837	12,736	1,195	13,931
2842 - West Central District Health Department	(166,338)	1,608	33,045	20,664	16,557	71,874	36,456	98,869	12,709	148,034	33,838	533	34,371
2843 - Sandhills District Health Department (dissolved) 7/1/2014	-	-	-	-	11,658	11,658	-	-	-	-	-	2,743	2,743
2844 - Southeast District Health Department	(68,003)	657	13,510	8,448	5,558	28,173	14,904	40,420	2,360	57,684	13,834	434	14,268
2845 - Public Health Solutions	(162,643)	1,572	32,311	20,205	9,479	63,567	35,646	96,673	25,757	158,076	33,086	(4,039)	29,047
2846 - Sarpy/Cass Department of Health and Wellness	(114,098)	1,103	22,667	14,174	7,841	45,785	25,007	67,818	-	92,825	23,211	1,571	24,782
2847 - Stuhr Museum	(112,969)	1,092	22,443	14,034	3,943	41,512	24,759	67,147	109	92,015	22,981	824	23,805
2848 - Western Nebraska Regional Airport	(55,956)	541	11,116	6,951	907	19,515	12,264	33,259	2,152	47,675	11,383	(385)	10,998
2849 - Saunders Medical Center	(1,900,896)	18,374	377,641	236,145	53,975	686,135	416,613	1,129,869	48,507	1,594,989	386,696	1,229	387,925
2850 - Nemaha County Hospital	(875,988)	8,467	174,028	108,823	19,957	311,275	191,988	520,676	-	712,664	178,201	4,035	182,236

(Concluded)

Deferred outflows for contributions made after 12/31/17 are not reflected. Please consult GASB 68, Paragraph 89.

See the notes to the schedules.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN

**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

For the Year Ended December 31, 2017

1. Summary of Significant Accounting Policies

A. Basis of Presentation

Employers participating in the NPERS – County Employees Retirement Plan cost-sharing, multiple-employer defined benefit plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer provide employers with the required information for financial reporting.

The underlying financial information used to prepare the pension allocation schedules is based on NPERS County Employees Retirement Plan financial statements. NPERS financial statements for all plans are prepared using the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which apply to governmental accounting for fiduciary funds.

Employer contributions for pay periods beginning on or after January 1, 2017, and ending on or before December 31, 2017, were used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations.

The Employer Allocated Proportion on the Schedule of Employer Allocations represents each employer's actual contributions divided by the total actual employer contributions for all County employers. The percentages in this column are used to calculate each employer's proportionate share on the Schedule of Pension Amounts by Employer.

The Differences between Projected and Actual Earnings on Pension Plan Investments are to be recognized over a five-year period. The non-current amount is presented as a Deferred Outflow of Resources and a Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer. The current amount is included in the Proportionate Share of Plan Pension Expense on the Schedule of Pension Amounts by Employer.

The Changes in Proportion, presented as a Deferred Outflow of Resources or Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer, are calculated as the difference between each employer's current year employer allocated proportion and the previous fiscal year employer allocated proportion, multiplied by the previous year's collective Net Pension Liability/(Asset), less the amount to be recognized in the current period as Pension Expense. These amounts also include the prior year Deferred Outflows of Resources and Deferred Inflows of Resources less the amount to be recognized in the current period as pension expense. Prior year information can be found in the GASB Statement No. 68 report prepared by the plan actuary as of December 31, 2014, December 31, 2015, and December 31, 2016 (see Note 3). The change in proportion to be reported as pension expense in the current year is determined by spreading the

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN

**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

total change over the average expected remaining service life of the entire plan membership at the beginning of the measurement period, which is 7.34 years. That amount is presented as the Net Recognition of Deferred Amounts from Changes in Proportionate Share found under Pension Expense on the Schedule of Pension Amounts by Employer.

The Differences Between Expected and Actual Experience are also to be recognized over the average expected remaining service life of the entire plan membership at the beginning of the measurement period, which is 7.34 years. The non-current amount is presented as a Deferred Outflow of Resources and Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer. The current amount is included in the Proportionate Share of Plan Pension Expense on the Schedule of Pension Amounts by Employer.

The column titled 12/31/17 Net Pension Liability/(Asset) on the Schedule of Pension Amounts by Employer represents a Net Pension Asset, as the plan was more than 100% funded at December 31, 2017.

A Schedule of Recognition Amounts by Employer showing Deferred Outflows of Resources and Deferred Inflows of Resources to be recognized in future years, by employer, has been prepared by the actuary in their GASB Statement No. 68 report prepared as of December 31, 2017. NPERS anticipates County employers participating in the plan, and their auditors will use this report for County fiscal years ended December 31, 2018. As such, it is anticipated amounts will be deferred to fiscal years ending December 31, 2018, and beyond. The schedule also provides the sensitivity of the Net Pension Liability/(Asset) to changes in the discount rate, showing what the proportionate share of the Net Pension Liability/(Asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

2. Plan Description

The Nebraska Public Employees Retirement Board (Board) was created in 1971 to administer the Nebraska retirement plans. In 1973, the State Legislature brought the County Employees Retirement Plan under the administration of the Board. This multiple-employer plan covers employees of 91 of the State's 93 counties and several county health districts. Douglas and Lancaster counties have separate retirement plans for their employees, as allowed by Neb. Rev. Stat. § 23-1118 (Supp. 2017). The County Employees Retirement Plan has been created in accordance with Internal Revenue Code Sections 401(a), 414(h), and 414(k). Participants should refer to Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2016, Supp. 2017) for the County Employees Retirement Act. Benefit and contribution provisions are established by State law and may be amended only by the Nebraska Legislature.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN

**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**
(Concluded)

2. Plan Description (Concluded)

Prior to January 1, 2003, the County Plan consisted of a defined contribution plan. Effective January 1, 2003, a cash balance benefit was added to the County Employees Retirement Act. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003, elected either to continue participation in the defined contribution option or to begin participation in the cash balance benefit. The defined contribution option is closed to new entrants. On or after January 1, 2003, all new members of the County Plan become members of the cash balance benefit. The information in this report relates only to the cash balance benefit plan.

Participation in the County Employees Retirement Plan is required of all full-time employees upon employment and of all full-time elected officials upon taking office. All permanent part-time employees can elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join. During calendar year 2017, there were 108 participating employers in the County Plan.

3. Actuarial Methods and Assumptions

The total pension liability/(asset) for the County Employees Retirement Plan was determined by an actuarial valuation as of the December 31, 2017, measurement date, using the entry age normal actuarial cost method. Inflation is assumed to be 2.75 percent. The long-term expected rate of return on pension plan investments used in the determination of the total pension liability is 7.50 percent.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of the actuarial experience study, which covered the four-year period ending December 31, 2015. The experience study report is dated November 17, 2016.

The supporting actuary information is included in the January 1, 2018, Actuarial Valuation Report and the December 31, 2017, GASB Statement No. 67 and 68 reports prepared by the actuary. Those reports can be obtained from <https://npers.ne.gov> under Member Info – Publications/Videos, by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE, 68509-4816, or by calling 402-471-2053.

4. Additional Financial Information

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (including the unmodified audit opinion on the financial statements) is presented in a separate report prepared by NPERS. That report can be obtained from <https://npers.ne.gov> under Related Links – Retirement Plan Audits, by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE, 68509-4816, or by calling 402-471-2053.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN
EMPLOYER GASB STATEMENT NO. 68 SCHEDULES
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Nebraska Public Employees Retirement Board
Lincoln, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Employer Allocations of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan, as of and for the year ended December 31, 2017, and the related notes. We have also audited the total for all entities of the columns titled Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan, as of and for the year ended December 31, 2017, and the related notes, and have issued our report thereon dated August 23, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedules referred to previously, but not for the purpose of expressing an opinion on the effectiveness of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan's internal control.

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

of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan’s schedules will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



Zachary Wells, CPA, CISA
Audit Manager
Lincoln, Nebraska

August 23, 2018