

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

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

FOR THE YEAR ENDED DECEMBER 31, 2018

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Issued on August 29, 2019

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN – CASH BALANCE BENEFIT
SCHEDULE OF EMPLOYER ALLOCATIONS, AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

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

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Public Employees Retirement Board Members

Janis Elliot
Chairperson – School Member
Term Ending January 1, 2024

Open
Public Member

Kelli Ackerman
Vice-Chair – School Member
Term Ending January 1, 2020

Allen Simpson
State Member
Term Ending January 1, 2020

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

Jim Schulz
Public Member
Term Ending January 1, 2022

Pamela Lancaster
County Member
Term Ending January 1, 2021

Mike Jahnke
State Patrol Member
Term Ending January 1, 2020

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

Nebraska Public Employees Retirement Systems Executive Management

Randy Gerke
Director

Orron Hill
Deputy Director

Teresa Zulauf
Controller

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS COUNTY EMPLOYEES RETIREMENT PLAN – CASH BALANCE BENEFIT 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 – Cash Balance Benefit, as of and for the year ended December 31, 2018, 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 – Cash Balance Benefit as of and for the year ended December 31, 2018, and related notes.

Management's Responsibility for the Schedules

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 the 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 the 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 the 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 the 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 NPERS – County Employees Retirement Plan – Cash Balance Benefit'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 the 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, employer contributions, 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 – Cash Balance Benefit as of and for the year ended December 31, 2018, in accordance 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, 2018, and our report thereon, dated August 29, 2019, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2019, on our consideration of NPERS – County Employees Retirement Plan – Cash Balance Benefit's internal control over the preparation of these Schedules and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the preparation of these schedules and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NPERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NPERS' internal control over financial reporting and compliance.

Restriction on Use

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

August 19, 2019



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, 2018

Employer	Year Ended December 31, 2018	
	Actual Employer Contributions	Employer Allocated Proportion
Total	\$ 18,289,442	
2032 - Gosper County	55,578	0.303880%
2034 - Hall County	886,767	4.848521%
2036 - Scotts Bluff County	627,794	3.432551%
2040 - Cheyenne County	224,986	1.230140%
2042 - Banner County	32,941	0.180111%
2044 - Dodge County	272,180	1.488181%
2046 - Jefferson County	189,860	1.038083%
2048 - Platte County	434,669	2.376610%
2050 - Dawson County	423,053	2.313101%
2052 - Seward County	317,423	1.735551%
2054 - Morrill County	150,877	0.824943%
2056 - Buffalo County	603,055	3.297283%
2058 - Saunders County	377,924	2.066349%
2060 - Washington County	378,730	2.070758%
2062 - Kimball County	107,060	0.585365%
2089 - Saline County	255,299	1.395880%
2090 - Adams County	346,485	1.894452%
2091 - Box Butte County	124,633	0.681445%
2119 - Madison County	354,057	1.935855%
2121 - York County	287,053	1.569501%
2123 - Custer County	222,496	1.216529%
2125 - Sarpy County	2,367,139	12.942657%
2126 - Cuming County	116,888	0.639103%
2152 - Harlan County	87,326	0.477468%
2164 - Gage County	256,429	1.402061%
2165 - Richardson County	171,414	0.937230%
2167 - Hitchcock County	69,774	0.381497%
2168 - Red Willow County	152,319	0.832823%
2232 - Polk County	116,500	0.636981%
2234 - Lincoln County	438,413	2.397081%
2240 - Cedar County	173,063	0.946246%
2242 - Holt County	206,251	1.127706%
2243 - Frontier County	67,868	0.371080%
2244 - Webster County	102,441	0.560111%
2245 - Kearney County	114,553	0.626332%
2246 - Nemaha County	150,287	0.821716%
2247 - Franklin County	102,920	0.562727%
2248 - Dundy County	66,122	0.361532%
2249 - Phelps County	186,916	1.021988%
2775 - Antelope County	144,156	0.788190%
2776 - Arthur County	9,628	0.052641%
2777 - Blaine County	20,590	0.112580%
2778 - Boone County	123,457	0.675016%

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, 2018

Employer	Year Ended December 31, 2018	
	Actual Employer Contributions	Employer Allocated Proportion
2779 - Boyd County	39,727	0.217211%
2780 - Brown County	85,413	0.467008%
2781 - Burt County	121,811	0.666016%
2782 - Butler County	204,338	1.117244%
2783 - Cass County	529,788	2.896689%
2784 - Chase County	108,742	0.594559%
2785 - Cherry County	144,220	0.788542%
2786 - Clay County	151,453	0.828092%
2787 - Colfax County	159,634	0.872823%
2788 - Dakota County	285,081	1.558718%
2789 - Dawes County	142,474	0.778995%
2790 - Deuel County	60,865	0.332785%
2791 - Dixon County	109,269	0.597444%
2792 - Fillmore County	159,611	0.872693%
2793 - Furnas County	94,617	0.517329%
2794 - Garden County	90,285	0.493645%
2795 - Garfield County	36,330	0.198641%
2796 - Grant County	17,347	0.094845%
2797 - Greeley County	50,461	0.275905%
2798 - Hamilton County	188,167	1.028831%
2799 - Hayes County	40,437	0.221094%
2800 - Hooker County	24,051	0.131502%
2801 - Howard County	109,190	0.597009%
2802 - Johnson County	97,434	0.532734%
2803 - Keith County	158,209	0.865027%
2804 - Keya Paha County	24,754	0.135347%
2805 - Knox County	146,253	0.799656%
2806 - Logan County	28,838	0.157677%
2807 - Loup County	23,687	0.129511%
2808 - McPherson County	22,028	0.120440%
2809 - Merrick County	140,511	0.768261%
2810 - Nance County	103,316	0.564895%
2811 - Nuckolls County	87,420	0.477983%
2812 - Otoe County	256,102	1.400270%
2813 - Pawnee County	56,730	0.310178%
2814 - Perkins County	113,698	0.621660%
2815 - Pierce County	106,185	0.580581%
2816 - Rock County	58,794	0.321465%
2817 - Sheridan County	125,002	0.683468%
2818 - Sherman County	90,365	0.494083%
2819 - Sioux County	52,545	0.287299%
2820 - Stanton County	89,161	0.487502%
2821 - Thayer County	134,541	0.735622%
2822 - Thomas County	25,954	0.141907%
2823 - Thurston County	136,019	0.743703%
2824 - Valley County	93,161	0.509371%

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, 2018

Employer	Year Ended December 31, 2018	
	Actual Employer Contributions	Employer Allocated Proportion
2825 - Wayne County	111,258	0.608318%
2826 - Wheeler County	35,275	0.192868%
2833 - Four Corners Health Department	20,363	0.111339%
2834 - Loup Basin Public Health Department	24,953	0.136436%
2835 - Panhandle Public Health Department	46,918	0.256530%
2836 - South Heartland District Health Department	30,294	0.165638%
2837 - Two Rivers Public Health Department	33,055	0.180731%
2838 - Three Rivers Public Health Department	39,601	0.216526%
2839 - Elkhorn Logan Valley Public Health Department	36,791	0.201161%
2840 - Northeast Nebraska Public Health Department	16,590	0.090710%
2841 - Southwest Nebraska Public Health Department	17,532	0.095859%
2842 - West Central District Health Department	39,224	0.214464%
2844 - Southeast District Health Department	24,420	0.133521%
2845 - Public Health Solutions	47,200	0.258071%
2846 - Sarpy/Cass Department of Health and Wellness	36,458	0.199341%
2847 - Stuhr Museum	37,061	0.202634%
2848 - Western Nebraska Regional Airport	22,456	0.122781%
2849 - Saunders Medical Center	330,584	1.807510%
2850 - Nemaha County Hospital	298,017	1.629447%

(Concluded)

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN – CASH BALANCE BENEFIT

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

For the Year Ended December 31, 2018

1. Summary of Significant Accounting Policies

A. Basis of Presentation

Employers participating in the NPERS – County Employees Retirement Plan – Cash Balance Benefit 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 – Cash Balance Benefit 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, 2018, and ending on or before December 31, 2018, 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, December 31, 2016, and December 31, 2017 (see Note 3). The change in proportion to be reported as pension expense in

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN – CASH BALANCE BENEFIT

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

(Continued)

1. Summary of Significant Accounting Policies (Concluded)

the current year is determined by spreading the total change over the average expected remaining service life of the entire plan membership at the beginning of the measurement period, which is 6.44 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 6.44 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 12/31/18 Net Pension Liability/(Asset) on the Schedule of Pension Amounts by Employer represents a Net Pension Liability, as the plan was not more than 100% funded at December 31, 2018.

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, 2018. NPERS anticipates County employers participating in the plan, and their auditors will use this report for County fiscal years ended December 31, 2019. As such, it is anticipated amounts will be deferred to fiscal years ending December 31, 2019, 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 (7.5%).

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 (Cum. Supp. 2018).

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. 2018) for the County Employees Retirement Act and certain supplementary statutes. 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 – CASH BALANCE BENEFIT

**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 2018, there were 108 participating employers in the County Plan. Effective July 1, 2018, Saunders Medical Center was no longer participating in the plan, leaving 107 remaining participating employers.

3. Actuarial Methods and Assumptions

The total pension liability/(asset) for the County Employees Retirement Plan – Cash Balance Benefit was determined by an actuarial valuation as of the December 31, 2018, 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, 2019, 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, 2019, Actuarial Valuation Report and the December 31, 2018, 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.



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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN – CASH BALANCE BENEFIT
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
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 (NPERS) – County Employees Retirement Plan – Cash Balance Benefit, as of and for the year ended December 31, 2018, 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 – Cash Balance Benefit, as of and for the year ended December 31, 2018, and the related notes, and have issued our report thereon dated August 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the NPERS – County Employees Retirement Plan – Cash Balance Benefit’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the schedules referred to previously, but not for the purpose of expressing an opinion on the effectiveness of the NPERS – County Employees Retirement Plan – Cash Balance Benefit’s internal control. Accordingly, we do not express an opinion on the effectiveness of the NPERS – County Employees Retirement Plan – Cash Balance Benefit’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 NPERS – County Employees Retirement Plan – Cash Balance Benefit’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 NPERS – County Employees Retirement Plan – Cash Balance Benefit’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 NPERS – County Employees Retirement Plan – Cash Balance Benefit’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 NPERS – County Employees Retirement Plan – Cash Balance Benefit’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

August 19, 2019



Zachary Wells, CPA, CISA
Audit Manager
Lincoln, Nebraska