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

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, 2019

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

TABLE OF CONTENTS

	Page
Background Information Section	
Key Officials and Agency Contact Information	1
Financial Section	
Independent Auditor's Report	2 - 3
County Employees Retirement Plan – Cash Balance Benefit 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 Performed	
in Accordance with Government Auditing Standards	12 - 13

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 Open
Chairperson – School Member Public Member
Term Ending January 1, 2024

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

J. Russell Derr Jim Schulz

Judge Member Public Member

Term Ending January 1, 2020 Term Ending January 1, 2022

Pamela Lancaster Mike Jahnke
County Member State Patrol Member
Term Ending January 1, 2021 Term Ending January 1, 2020

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

Nebraska Public Employees Retirement Systems Executive Management

Randy Gerke Orron Hill Teresa Zulauf
Director Deputy Director 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 – 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

Sochany Wells

Audit Manager Lincoln, Nebraska

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

SCHEDULE OF EMPLOYER ALLOCATIONS

	Year Ended December 31, 2018						
	Actual Employer	Employer Allocated					
Employer	Contributions	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 - Custer County 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%					
•	69,774	0.381497%					
2167 - Hitchcock County 2168 - Red Willow County	152,319	0.832823%					
•		0.636981%					
2232 - Polk County 2234 - Lincoln County	116,500 438,413						
•		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%					

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

SCHEDULE OF EMPLOYER ALLOCATIONS

	Year Ended Dece	ember 31, 2018		
	Actual Employer	Employer Allocated		
Employer	Contributions	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%		
2780 - Clay County 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				
•	89,161 134,541	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%		

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

SCHEDULE OF EMPLOYER ALLOCATIONS

	Year Ended December 31, 2018						
	Actual Employer	Employer Allocated					
Employer	Contributions	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

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense			
Employer	12/31/18 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	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
Total	\$ 25,051,445			•	•	\$ 59,217,208	\$ 11,541,622		\$ 1,365,944		\$ 49,107,180	•	
2032 - Gosper County	76,126	1,242	157,353	17,204	6,567	182,366	35,073	72.915	9,150	117.138	149,227	(338)	148.889
2034 - Hall County	1,214,625	19,820	2,510,620	274,490	-	2,804,930	559,598	1,163,387	132,625	1,855,610	2,380,972	(29,789)	2,351,183
2036 - Scotts Bluff County	859,904	14,032	1,777,414	194,328	35,379	2,021,153	396,172	823,630	60,183	1,279,985	1,685,629	(3,601)	1,682,028
2040 - Cheyenne County	308,168	5,029	636,981	69,642	4,556	716,208	141,978	295,168	20,464	457,610	604,087	(3,718)	600,369
2042 - Banner County	45,120	736	93,264	10,197	4,057	108,254	20,788 171,760	43,217	20.525	64,005	88,447 730,804	1,027	89,474
2044 - Dodge County 2046 - Jefferson County	372,811 260,055	6,084 4,244	770,597 537,531	84,251 58,769	12,665 2,593	873,597 603,137	119,812	357,084 249,085	38,625 26,739	567,469 395,636	509,773	(4,818) (4,936)	725,986 504,837
2048 - Platte County	595,375	9,715	1,230,636	134,547	30,048	1,404,946	274,299	570,260	20,739	844,559	1,167,086	7,405	1,174,491
2050 - Dawson County	579,465	9,456	1,197,750	130,952	6,815	1,344,973	266,969	555,021	27,788		1,135,899	(3,818)	1,132,081
2052 - Seward County	434,781	7,095	898,688	98,255	9,914	1,013,952	200,311	416,440	42,196	658,947	852,280	(6,987)	845,293
2054 - Morrill County	206,660	3,372	427,165	46,703	2,810	480,050	95,212	197,942	19,949	313,103	405,106	(3,466)	401,640
2056 - Buffalo County	826,017	13,479	1,707,371	186,670	2,094	1,909,614	380,560	791,173	35,497	1,207,230	1,619,203	(8,124)	1,611,079
2058 - Saunders County 2060 - Washington County	517,650 518,755	8,447 8,465	1,069,979 1,072,262	116,983 117,232	36,670 12,732	1,232,079	238,490 238,999	495,814 496,872	2,982 23,548	737,286 759,419	1,014,726 1,016,891	6,784 (743)	1,021,510
2060 - Washington County 2062 - Kimball County	518,755 146,642	2,393	303,109	33,139	9,902	1,210,691 348,543	238,999 67,561	496,872 140,456	23,548		1,016,891	2,088	1,016,148 289,544
2089 - Saline County	349,688	5,706	722,803	79,025	5,139	812,673	161,107	334,937	29,842	525,886	685,477	(3,906)	681,571
2090 - Adams County	474,588	7,744	980,969	107,251	16,878	1,112,842	218,650	454,568	41,569	714,787	930,312	(6,429)	923,883
2091 - Box Butte County	170,712	2,786	352,860	38,579	23,911	418,136	78,650	163,511	5,747	247,908	334,638	4,489	339,127
2119 - Madison County	484,960	7,914	1,002,408	109,595	7,515	1,127,432	223,429	464,502	10,905	698,836	950,644	(1,316)	949,328
2121 - York County	393,183	6,416	812,706	88,854	14,551	922,527	181,146	376,597	15,074		770,738	1,007	771,745
2123 - Custer County	304,758	4,973	629,933	68,872	4,213	707,991	140,407	291,902	16,466		597,403	(3,172)	594,231
2125 - Sarpy County 2126 - Cuming County	3,242,324 160,105	52,910 2,613	6,701,859 330,935	732,724 36,182	143,849 8,629	7,631,342 378,359	1,493,788 73,763	3,105,553 153,351	65,750 2,175	4,665,091 229,289	6,355,776 313,845	23,458 1,514	6,379,234 315,359
2152 - Harlan County	119,613	1,952	247,238	27,031	4,525	280,746	75,765 55,108	114,567	3,306	172,981	234,471	1,514	234,566
2164 - Gage County	351,237	5,732	726,003	79,375	12,531	823,641	161,821	336,420	25,008	523,249	688,513	(2,557)	685,956
2165 - Richardson County	234,790	3,831	485,308	53,060	594	542,793	108,172	224,885	31,971	365,028	460,247	(6,524)	453,723
2167 - Hitchcock County	95,571	1,560	197,544	21,598	5,279	225,981	44,031	91,539	8,450	144,020	187,342	(385)	186,957
2168 - Red Willow County	208,634	3,405	431,245	47,149	5,941	487,740	96,121	199,833	14,874	310,828	408,976	(2,207)	406,769
2232 - Polk County	159,573	2,604	329,836	36,062	5,090	373,592	73,518	152,842	10,996	237,356	312,803	(498)	312,305
2234 - Lincoln County 2240 - Cedar County	600,503 237,048	9,799 3,868	1,241,236 489,977	135,706 53,570	16,698 473	1,403,439 547,888	276,662 109,212	575,172 227,049	9,604 15,320	861,438 351,581	1,177,139 464,675	2,352 (3,018)	1,179,491 461,657
2240 - Cedar County 2242 - Holt County	282,507	4,610	583,939	63,843	565	652,957	130,156	270,590	23,614		553,785	(5,586)	548,199
2243 - Frontier County	92,961	1,517	192,149	21.008	7,595	222,269	42,829	89,039	10,873	142,741	182.227	(878)	181,349
2244 - Webster County	140,316	2,290	290,032	31,710	3,270	327,302	64,646	134,397	5,131	204,174	275,055	(515)	274,540
2245 - Kearney County	156,905	2,560	324,322	35,459	9,424	371,765	72,289	150,286	4,181	226,756	307,574	1,560	309,134
2246 - Nemaha County	205,852	3,359	425,494	46,520	7,622	482,995	94,839	197,168	6,422	298,429	403,522	281	403,803
2247 - Franklin County	140,971	2,300	291,387	31,858	3,266	328,811	64,948	135,025	4,684	204,657	276,339	(97)	276,242
2248 - Dundy County 2249 - Phelps County	90,569 256,023	1,478 4,178	187,205 529,197	20,467 57,858	1,346 10,322	210,496 601,555	41,727 117,954	86,748 245,223	11,048 10,834	139,523 374,011	177,538 501,869	(2,970) (557)	174,568 501,312
2775 - Antelope County	197,453	3,222	408,134	44,622	16,504	472,482	90,970	189,124	15,999	296,093	387,058	(170)	386,888
2776 - Arthur County	13,187	215	27,258	2,980	2,463	32,916	6,076	12,631	1,428	20,135	25,851	324	26,175
2777 - Blaine County	28,203	460	58,295	6,374	100	65,229	12,994	27,013	2,409		55,285	(572)	54,713
2778 - Boone County	169,101	2,759	349,531	38,215	8,673	399,178	77,908	161,968	2,649	242,525	331,481	2,277	333,758
2779 - Boyd County	54,414	888	112,474	12,297	1,905	127,564	25,070	52,119	4,344	81,533	106,666	(517)	106,149
2780 - Brown County	116,992	1,909	241,822	26,439	1,718	271,888	53,900	112,057	5,367	171,324	229,334	(960)	228,374
2781 - Burt County	166,847	2,723	344,871	37,705	6,470	391,769	76,869	159,808	5,296	241,973	327,062	111	327,173
2782 - Butler County 2783 - Cass County	279,886 725,662	4,567 11,841	578,522 1,499,939	63,251 163,991	5,827 7,408	652,167 1,683,179	128,948 334,325	268,079 695,051	12,271 51,647	409,298 1,081,023	548,647 1,422,482	(801) (8,966)	547,846 1,413,516
2784 - Chase County	148,946	2.431	307,869	33,660	7,408	344,742	68,622	142,663	14,135	225,420	291.971	(3,283)	288,688
2785 - Cherry County	197,541	3,223	408,316	44,642	17,529	473,710	91,011	189,208	13,676		387,231	409	387,640
2786 - Clay County	207,449	3,385	428,796	46,881	6,360	485,422	95,575	198,698	3,209	297,482	406,653	415	407,068
2787 - Colfax County	218,655	3,568	451,958	49,413	113	505,052	100,738	209,431	4,792	314,961	428,619	(988)	427,631
2788 - Dakota County	390,481	6,372	807,122	88,244	24,398	926,136	179,901	374,010	8,604	562,515	765,442	2,603	768,045
2789 - Dawes County	195,150	3,184	403,373	44,101	423	451,081	89,909	186,917	6,373	283,199	382,542	(1,383)	381,159
2790 - Deuel County	83,367	1,360	172,320	18,840	6,527	199,047	38,409	79,851	2,286	120,546	163,421	820	164,241
2791 - Dixon County	149,668 218,622	2,442 3,567	309,363 451,890	33,823 49,406	7,471	353,099 504,863	68,955 100,723	143,355 209,400	4,149 7,756	216,459 317,879	293,388 428,555	1,245 (2,274)	294,633 426,281
2792 - Fillmore County 2793 - Furnas County	218,622 129,598	2,115	451,890 267,879	29,288	3,620	302,902	100,723 59,708	209,400 124,131	7,756 4,874	188,713	428,555 254,046	(2,274)	426,281 253,452
2.75 Turnus County	129,390	2,113	207,079	27,200	3,020	302,302	39,700	124,131	4,074	100,713	234,040	(594)	233,432

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

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

FOR THE YEAR ENDED DECEMBER 31, 2018

		Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense			
	12/21/19	Differences	Net Difference					Net Difference Between				Net December of	
	12/31/18 Net Pension	Between Expected and	Between Projected and Actual Earnings on			Total Deferred	Differences Between	Projected and Actual		Total Deferred	Proportionate	Net Recognition of Deferred Amounts	
	Liability/(Asset)	Actual	Pension Plan	Changes of	Changes in	Outflows of	Expected and Actual	Earnings on Pension	Changes in	Inflows of	Share of Plan	from Changes in	Total Employer
Employer	(NPL)	Experience	Investments	Assumptions	Proportion	Resources	Experience	Plan Investments	Proportion	Resources	Pension Expense	Proportionate Share	Pension Expense
2794 - Garden County	123,665	2,018	255,615	27,947	2,192	287,772	56,975	118,449	7,078	182,502	242,415	(1,279)	241,136
2795 - Garfield County	49,762	812	102,859	11,246	5,264	120,181	22,926	47,663	1,181	71,770	97,547	776	98,323
2796 - Grant County	23,760	388	49,112	5,369	306	55,175	10,947	22,758	2,628	36,333	46,576	(396)	46,180
2797 - Greeley County	69,118	1,128	142,867	15,620	6,746	166,361	31,844	66,203		98,047	135,489	1,767	137,256
2798 - Hamilton County	257,737	4,206	532,741	58,245	11,261	606,453	118,744	246,865	2,942	368,551	505,230	2,300	507,530
2799 - Hayes County 2800 - Hooker County	55,387 32,943	904 538	114,485 68,093	12,517 7,445	3,184 1,897	131,090 77,973	25,518 15,177	53,051 31,553	11,397 2,111	89,966 48,841	108,573 64,577	(1,555) 21	107,018 64,598
2801 - Howard County	149,559	2,441	309,138	33,799	6,495	351,873	68,905	143,250	1,776	213,931	293,174	936	294,110
2802 - Johnson County	133,458	2,178	275,856	30,160	2,331	310,525	61,486	127,828	12,436	201,750	261,611	(1,895)	259,716
2803 - Keith County	216,702	3,536	447,921	48,972	6,270	506,699	99,838	207,561	6,967	314,366	424,790	(282)	424,508
2804 - Keya Paha County	33,906	553	70,084	7,662	987	79,286	15,621	32,476	2,593	50,690	66,465	(239)	66,226
2805 - Knox County	200,325	3,269	414,071	45,271	3,400	466,011	92,293	191,875	17,692	301,860	392,689	(3,379)	389,310
2806 - Logan County	39,500	645	81,647	8,927	3,728	94,947	18,198	37,834	4,508	60,540	77,431	137	77,568
2807 - Loup County	32,444	529	67,062	7,332	1,869	76,792	14,948	31,076	56	46,080	63,599	395	63,994
2808 - McPherson County	30,172	492	62,365	6,818	1,091	70,766	13,901	28,899	625	43,425	59,145	72	59,217
2809 - Merrick County	192,460	3,141	397,814	43,494	10,535	454,984	88,670	184,342	29,923	302,935	377,271	(3,332)	373,939
2810 - Nance County	141,514	2,309	292,509	31,981	9,382	336,181	65,198	135,545	4,554	205,297	277,404	1,257	278,661
2811 - Nuckolls County	119,742	1,954	247,505	27,060	1,381	277,900	55,167	114,691	13,003	182,861	234,724	(2,221)	232,503
2812 - Otoe County	350,788	5,724	725,076	79,274	19,283	829,357	161,614	335,990	24,479	522,083	687,633	(1,236)	686,397
2813 - Pawnee County	77,704	1,268	160,614	17,560	2,185	181,627	35,800	74,426	935	111,161	152,320	183	152,503
2814 - Perkins County	155,735	2,541	321,903	35,194	15,280	374,918	71,750	149,165	6,068	226,983	305,280	1,239	306,519
2815 - Pierce County	145,444	2,373	300,632	32,869	6,220	342,094	67,008	139,309	4,344	210,661	285,107	604	285,711
2816 - Rock County	80,532	1,314	166,458	18,199	3,396	189,367	37,102	77,135	1,589	115,826	157,862	575	158,437
2817 - Sheridan County	171,219	2,794	353,908	38,693	7,228	402,623	78,883	163,996	15,458	258,337	335,632	(1,783)	333,849
2818 - Sherman County	123,775 71,973	2,020	255,842 148,767	27,972	1,259 2,448	287,093 168,654	57,025 33,159	118,554 68,936	7,165	182,744 108,934	242,630 141.084	(1,321)	241,309 140,443
2819 - Sioux County 2820 - Stanton County	122,126	1,174 1,993	252,434	16,265 27,599	9,629	291,655	56,266	116,975	6,839 6,048	179,289	239,398	(641) 1,294	240,692
2821 - Thayer County	184,284	3,007	380,914	41,646	6,730	432,297	84,903	176,510	2,706	264,119	361,243	1,097	362,340
2822 - Thomas County	35,550	580	73,481	8,034	62	82,157	16,378	34,050	4,645	55,073	69,687	(1,000)	68,687
2823 - Thurston County	186,308	3,040	385,098	42,103	469	430,710	85,835	178,449	26,815	291,099	365,212	(5,405)	359,807
2824 - Valley County	127,605	2.082	263,758	28,837	697	295,374	58,790	122,222	1.058	182,070	250,138	(31)	250,107
2825 - Wayne County	152,392	2,487	314,994	34,439	1,574	353,494	70,210	145,964	21,134	237,308	298,728	(4,766)	293,962
2826 - Wheeler County	48,316	788	99,869	10,919	2,177	113,753	22,260	46,278	1,743	70,281	94,712	239	94,951
2833 - Four Corners Health Department	27,892	455	57,653	6,303	6,091	70,502	12,850	26,715	-	39,565	54,675	1,498	56,173
2834 - Loup Basin Public Health Department	34,179	558	70,648	7,724	1,647	80,577	15,747	32,737	5,105	53,589	67,000	(840)	66,160
2835 - Panhandle Public Health Department	64,264	1,049	132,834	14,523	3,345	151,751	29,608	61,554	3,557	94,719	125,975	(393)	125,582
2836 - South Heartland District Health Department	41,495	677	85,769	9,377	2,025	97,848	19,117	39,744	4,669	63,530	81,340	(545)	80,795
2837 - Two Rivers Public Health Department	45,276	739	93,585	10,232	-	104,556	20,859	43,366	7,355	71,580	88,752	(1,625)	87,127
2838 - Three Rivers Public Health Department	54,243	885	112,120	12,258	6,091	131,354	24,991	51,955	6,285	83,231	106,330	380	106,710
2839 - Elkhorn Logan Valley Public Health Department	50,394	822	104,163	11,388	8,469	124,842	23,217	48,268	4,207	75,692	98,784	760	99,544
2840 - Northeast Nebraska Public Health Department	22,724	371	46,971	5,135	10,027	62,504	10,469	21,766	3,397	35,632	44,545	1,407	45,952
2841 - Southwest Nebraska Public Health Department	24,014	392	49,637	5,427	11,856	67,312	11,064	23,001	1,399	35,464	47,074	2,061	49,135
2842 - West Central District Health Department	53,726	877	111,052	12,141	35,056	159,126	24,753	51,460	9,689	85,902	105,317	4,587	109,904
2843 - Sandhills District Health Department (dissolved) 7/1/2014	22 440	- -	69,139	7.550	8,915	8,915	15 410	22.020	2 506	51.044	65.500	2,743 92	2,743
2844 - Southeast District Health Department 2845 - Public Health Solutions	33,449 64,651	546 1.055	133,632	7,559 14,610	4,502 17,962	81,746 167,259	15,410 29,786	32,038 61,923	3,596 20,113	51,044 111,822	65,568 126,731	(2,184)	65,660 124,547
2845 - Public Health Solutions 2846 - Sarpy/Cass Department of Health and Wellness	49,938	1,055	133,632	11,285	9,007	167,259	29,786	61,923 47,831	20,113	70,838	97,891	(2,184)	124,547
2846 - Sarpy/Cass Department of Health and Wellness 2847 - Stuhr Museum	50,763	828	103,221	11,472	4,557	121,783	23,387	48,621	86	72,094	99,508	1,092	100,600
2848 - Western Nebraska Regional Airport	30,763	502	63,577	6,951	764	71,794	14,171	29,461	6,217	49,849	60,294	(1,229)	59,065
2849 - Saunders Medical Center	452,807	7,389	935,950	102,329	448,433	1,494,101	208,616	433,706	39,571	681,893	887,617	75,608	963,225
2850 - Nemaha County Hospital	408,200	6,661	843,746	92,248	15,922	958,577	188,065	390,981	2,472	581,518	800,175	3,580	803,755
	,=	.,,,,		. ,			,	,	,	/	,	- ,	,

 $Deferred\ outflows\ for\ contributions\ made\ after\ 12/31/18\ are\ not\ reflected.\ Please\ consult\ GASB\ 68, Paragraph\ 89.$

(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. <u>Summary of Significant Accounting Policies</u> (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)

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.



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 – 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

Jachary Wells

Audit Manager Lincoln, Nebraska