

**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, 2021

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Issued on October 6, 2022

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
As of December 31, 2021**

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

Allen Simpson
State Member
Term Ending January 1, 2025

Kelli Ackerman
Vice-Chair – School Member
Term Ending January 1, 2025

Jim Schulz
Public Member
Term Ending January 1, 2027

Thomas Zimmerman
Judge Member
Term Ended January 1, 2026

Mike Jahnke
State Patrol Member
Term Ending January 1, 2023

Gerald Clausen
Public Member
(Joined September 21, 2021)
Term Ending January 1, 2023

Pamela Lancaster
County Member
Term Ending January 1, 2026

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

Nebraska Public Employees Retirement Systems Executive Management

Randy Gerke
Director

Orron Hill
Deputy Director and
Legal Counsel

Teresa Zulauf
Controller

Nebraska Public Employees Retirement Systems
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Lincoln, NE 68509-4816
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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 Audit of the Schedules

Opinion

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, 2021, 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, 2021, and the related notes.

In our opinion, the Schedules referred to above 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, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Schedules section of the report. We are required to be independent of NPERS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedules

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

Auditor's Responsibilities for the Audit of the Schedules

Our objectives are 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, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NPERS – County Employees Retirement Plan – Cash Balance Benefit's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Financial Statement Report

We have audited, in accordance with GAAS and *Government Auditing Standards*, the financial statements of NPERS – State and County Employees Retirement Plans as of and for the year ended December 31, 2021, and our report thereon, dated September 20, 2022, expressed an unmodified opinion on those financial statements.

Other Matter – 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, on our consideration of the NPERS – County Employees Retirement Plan – Cash Balance Benefit's internal control over financial reporting of the 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 financial reporting 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.



September 29, 2022

Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF EMPLOYER ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Employer	Year Ended December 31, 2021	
	Actual Employer Contributions	Employer Allocated Proportion
Total	\$ 21,051,278	
2032 - Gosper County	70,669	0.335697%
2034 - Hall County	997,007	4.736085%
2036 - Scotts Bluff County	711,101	3.377947%
2040 - Cheyenne County	257,696	1.224136%
2042 - Banner County	37,706	0.179114%
2044 - Dodge County	349,318	1.659366%
2046 - Jefferson County	267,166	1.269119%
2048 - Platte County	491,893	2.336641%
2050 - Dawson County	463,483	2.201685%
2052 - Seward County	437,348	2.077535%
2054 - Morrill County	186,408	0.885495%
2056 - Buffalo County	715,642	3.399518%
2058 - Saunders County	410,630	1.950619%
2060 - Washington County	465,012	2.208949%
2062 - Kimball County	146,793	0.697311%
2089 - Saline County	275,015	1.306406%
2090 - Adams County	398,626	1.893594%
2091 - Box Butte County	154,701	0.734877%
2119 - Madison County	384,411	1.826071%
2121 - York County	341,225	1.620925%
2123 - Custer County	274,795	1.305361%
2125 - Sarpy County	2,732,130	12.978457%
2126 - Cuming County	141,367	0.671537%
2152 - Harlan County	99,642	0.473331%
2164 - Gage County	282,535	1.342126%
2165 - Richardson County	200,599	0.952906%
2167 - Hitchcock County	80,523	0.382510%
2168 - Red Willow County	161,804	0.768621%
2232 - Polk County	131,139	0.622949%
2234 - Lincoln County	513,620	2.439853%
2240 - Cedar County	198,717	0.943966%
2242 - Holt County	203,903	0.968602%
2243 - Frontier County	83,068	0.394599%
2244 - Webster County	124,730	0.592506%
2245 - Kearney County	131,936	0.626734%
2246 - Nemaha County	183,519	0.871772%
2247 - Franklin County	121,078	0.575156%
2248 - Dundy County	80,302	0.381459%
2249 - Phelps County	212,088	1.007481%
2775 - Antelope County	184,036	0.874227%
2776 - Arthur County	16,599	0.078850%
2777 - Blaine County	23,575	0.111989%
2778 - Boone County	132,617	0.629970%

See 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, 2021

Employer	Year Ended December 31, 2021	
	Actual Employer Contributions	Employer Allocated Proportion
2779 - Boyd County	40,831	0.193960%
2780 - Brown County	109,774	0.521460%
2781 - Burt County	140,997	0.669778%
2782 - Butler County	239,780	1.139026%
2783 - Cass County	594,862	2.825775%
2784 - Chase County	127,326	0.604838%
2785 - Cherry County	152,563	0.724720%
2786 - Clay County	186,502	0.885941%
2787 - Colfax County	190,205	0.903532%
2788 - Dakota County	306,301	1.455024%
2789 - Dawes County	167,101	0.793782%
2790 - Deuel County	71,388	0.339116%
2791 - Dixon County	122,046	0.579758%
2792 - Fillmore County	176,503	0.838444%
2793 - Furnas County	113,971	0.541399%
2794 - Garden County	108,265	0.514291%
2795 - Garfield County	48,424	0.230027%
2796 - Grant County	24,145	0.114699%
2797 - Greeley County	61,116	0.290318%
2798 - Hamilton County	188,140	0.893723%
2799 - Hayes County	41,786	0.198495%
2800 - Hooker County	25,629	0.121745%
2801 - Howard County	133,455	0.633953%
2802 - Johnson County	119,313	0.566774%
2803 - Keith County	199,012	0.945368%
2804 - Keya Paha County	29,760	0.141369%
2805 - Knox County	167,799	0.797098%
2806 - Logan County	32,752	0.155581%
2807 - Loup County	28,721	0.136435%
2808 - McPherson County	24,294	0.115403%
2809 - Merrick County	160,836	0.764019%
2810 - Nance County	113,576	0.539521%
2811 - Nuckolls County	108,678	0.516256%
2812 - Otoe County	325,362	1.545571%
2813 - Pawnee County	71,483	0.339567%
2814 - Perkins County	131,257	0.623511%
2815 - Pierce County	129,165	0.613572%
2816 - Rock County	70,435	0.334588%
2817 - Sheridan County	149,940	0.712261%
2818 - Sherman County	110,552	0.525155%
2819 - Sioux County	61,719	0.293183%
2820 - Stanton County	95,343	0.452908%
2821 - Thayer County	158,049	0.750782%
2822 - Thomas County	25,039	0.118943%
2823 - Thurston County	162,743	0.773077%

See 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, 2021

Employer	Year Ended December 31, 2021	
	Actual Employer Contributions	Employer Allocated Proportion
2824 - Valley County	95,356	0.452972%
2825 - Wayne County	136,235	0.647157%
2826 - Wheeler County	41,815	0.198634%
2833 - Four Corners Health Department	38,934	0.184946%
2834 - Loup Basin Public Health Department	39,141	0.185931%
2835 - Panhandle Public Health Department	82,255	0.390735%
2836 - South Heartland District Health Department	47,563	0.225938%
2837 - Two Rivers Public Health Department	47,604	0.226132%
2838 - Three Rivers Public Health Department	63,954	0.303802%
2839 - Elkhorn Logan Valley Public Health Department	71,591	0.340079%
2840 - Northeast Nebraska Public Health Department	33,859	0.160843%
2841 - Southwest Nebraska Public Health Department	38,392	0.182376%
2842 - West Central District Health Department	47,873	0.227411%
2843 - Sandhills District Health Department (dissolved) 7/1/2014	-	0.000000%
2844 - Southeast District Health Department	48,721	0.231439%
2845 - Public Health Solutions	54,568	0.259217%
2846 - Sarpy/Cass Department of Health and Wellness	45,472	0.216004%
2847 - Stuhr Museum	48,748	0.231568%
2848 - Western Nebraska Regional Airport	30,899	0.146778%
2849 - Saunders Medical Center	-	0.000000%
2850 - Nemaha County Hospital	315,188	1.497240%

See notes to the Schedules.

(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, 2021**

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense				
	12/31/21 Net Pension Liability/(Asset) (NPL)	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments			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		
			Pension Plan Investments	Changes of Assumptions	Changes in Proportion			Pension Plan Investments	Changes in Proportion			Total Employer Pension Expense		
2795 - Garfield County	(261,187)	152	26,908	33,769	2,674	63,503	40,101	201,572	3,959	245,632	4,300	246	4,546	
2796 - Grant County	(130,237)	76	13,417	16,839	358	30,690	19,996	100,510	2,213	122,719	2,144	(545)	1,599	
2797 - Greeley County	(329,645)	192	33,961	42,621	2,688	79,462	50,612	254,404	737	305,753	5,426	1,695	7,121	
2798 - Hamilton County	(1,014,790)	592	104,547	131,204	10,732	247,075	155,806	783,165	2,129	941,100	16,705	3,751	20,456	
2799 - Hayes County	(225,384)	131	23,220	29,140	937	53,428	34,604	173,940	4,520	213,064	3,710	(1,688)	2,022	
2800 - Hooker County	(138,237)	81	14,242	17,873	872	33,068	21,224	106,685	2,062	129,971	2,276	(210)	2,066	
2801 - Howard County	(719,830)	420	74,159	93,068	5,344	172,991	110,519	555,530	288	666,337	11,849	1,633	13,482	
2802 - Johnson County	(643,551)	375	66,301	83,206	378	150,260	98,808	496,661	8,958	604,427	10,594	(2,707)	7,887	
2803 - Keith County	(1,073,431)	626	110,589	138,786	2,858	252,859	164,809	828,422	4,176	997,407	17,670	(691)	16,979	
2804 - Keya Paha County	(160,519)	94	16,537	20,754	814	38,199	24,645	123,881	1,394	149,920	2,642	(175)	2,467	
2805 - Knox County	(905,076)	528	93,244	117,019	1,068	211,859	138,961	698,493	4,769	842,223	14,899	(3,386)	11,513	
2806 - Logan County	(176,657)	103	18,200	22,840	1,473	42,616	27,123	136,335	1,825	165,283	2,908	366	3,274	
2807 - Loup County	(154,917)	90	15,960	20,030	695	36,775	23,785	119,557	461	143,803	2,550	284	2,834	
2808 - McPherson County	(131,036)	76	13,500	16,942	676	31,194	20,119	101,127	331	121,577	2,157	83	2,240	
2809 - Merrick County	(867,516)	506	89,375	112,163	1,833	203,877	133,194	669,506	9,007	811,707	14,281	(3,804)	10,477	
2810 - Nance County	(612,606)	357	63,113	79,205	5,116	147,791	94,056	472,780	1,625	568,461	10,084	1,947	12,031	
2811 - Nuckolls County	(586,190)	342	60,391	75,790	107	136,630	90,001	452,393	9,065	551,459	9,650	(3,181)	6,469	
2812 - Otoe County	(1,754,939)	1,024	180,800	226,900	3,760	412,484	269,444	1,354,377	17,810	1,641,631	28,889	(2,862)	26,027	
2813 - Pawnee County	(385,566)	225	39,722	49,851	1,161	90,959	59,198	297,561	459	357,218	6,347	275	6,622	
2814 - Perkins County	(707,974)	413	72,938	91,536	7,987	172,774	108,699	546,380	899	655,978	11,654	2,106	13,760	
2815 - Pierce County	(696,689)	406	71,775	90,076	2,126	164,383	106,966	537,670	4,906	649,542	11,468	(106)	11,362	
2816 - Rock County	(379,912)	222	39,140	49,120	3,004	91,486	58,330	293,198	398	351,926	6,254	999	7,253	
2817 - Sheridan County	(808,746)	472	83,320	104,565	6,118	194,475	124,171	624,151	4,396	752,718	13,313	(284)	13,029	
2818 - Sherman County	(596,294)	348	61,432	77,096	561	139,437	91,552	460,191	1,916	553,659	9,816	(1,267)	8,549	
2819 - Sioux County	(332,899)	194	34,296	43,041	307	77,838	51,112	256,915	5,419	313,446	5,480	(1,280)	4,200	
2820 - Stanton County	(514,260)	300	52,981	66,490	5,908	125,679	78,957	396,881	1,884	477,722	8,465	2,095	10,560	
2821 - Thayer County	(852,485)	497	87,826	110,220	1,572	200,115	130,886	657,907	5,807	794,600	14,033	(309)	13,724	
2822 - Thomas County	(135,055)	79	13,914	17,462	3,143	34,598	20,736	104,229	1,639	126,604	2,223	(281)	1,942	
2823 - Thurston County	(877,801)	512	90,434	113,493	3,526	207,965	134,773	677,444	10,813	823,030	14,450	(4,819)	9,631	
2824 - Valley County	(514,333)	300	52,988	66,499	7,603	127,390	78,968	396,937	374	476,279	8,467	1,562	10,029	
2825 - Wayne County	(734,823)	429	75,704	95,007	1,213	172,353	112,821	567,101	8,011	687,933	12,096	(4,812)	7,284	
2826 - Wheeler County	(225,542)	132	23,236	29,161	1,264	53,793	34,629	174,062	1,131	209,822	3,713	222	3,935	
2833 - Four Corners Health Department	(209,999)	122	21,635	27,151	1,691	50,599	32,242	162,067	5,724	200,033	3,457	108	3,565	
2834 - Loup Basin Public Health Department	(211,118)	123	21,750	27,296	468	49,637	32,414	162,930	4,239	199,583	3,475	(1,350)	2,125	
2835 - Panhandle Public Health Department	(443,665)	259	45,708	57,362	3,361	106,690	68,118	342,399	5,093	415,610	7,303	(1,000)	6,303	
2836 - South Heartland District Health Department	(256,544)	150	26,430	33,169	192	59,941	39,389	197,988	6,586	243,963	4,223	(1,925)	2,298	
2837 - Two Rivers Public Health Department	(256,765)	150	26,453	33,198	-	59,801	39,422	198,158	8,189	245,769	4,227	(2,907)	1,320	
2838 - Three Rivers Public Health Department	(344,956)	201	35,539	44,600	1,745	82,085	52,963	266,220	8,358	327,541	5,678	(846)	4,832	
2839 - Elkhorn Logan Valley Public Health Department	(386,147)	225	39,782	49,926	3,279	93,212	59,287	298,010	10,377	367,674	6,357	(1,307)	5,050	
2840 - Northeast Nebraska Public Health Department	(182,631)	107	18,815	23,613	3,942	46,477	28,040	140,946	6,825	175,811	3,006	297	3,303	
2841 - Southwest Nebraska Public Health Department	(207,081)	121	21,334	26,774	4,178	52,407	31,794	159,815	8,491	200,100	3,409	327	3,736	
2842 - West Central District Health Department	(258,217)	151	26,602	33,385	12,235	72,373	39,645	199,279	7,858	246,782	4,251	3,520	7,771	
2843 - Sandhills District Health Department (dissolved) 7/1/2014	-	-	-	-	-	926	-	-	-	-	-	-	2,503	2,503
2844 - Southeast District Health Department	(262,791)	153	27,074	33,977	1,337	62,541	40,348	202,809	9,991	253,148	4,326	(1,781)	2,545	
2845 - Public Health Solutions	(294,331)	172	30,323	38,055	7,617	76,167	45,190	227,151	5,205	277,546	4,845	(2,672)	2,173	
2846 - Sarpy/Cass Department of Health and Wellness	(245,265)	143	25,268	31,711	2,930	60,052	37,657	189,283	1,582	228,522	4,037	1,549	5,586	
2847 - Stuhr Museum	(262,937)	153	27,089	33,996	1,506	62,744	40,370	202,922	5,572	248,864	4,328	(127)	4,201	
2848 - Western Nebraska Regional Airport	(166,661)	97	17,170	21,548	1,146	39,961	25,588	128,621	2,654	156,863	2,743	(1,032)	1,711	
2849 - Saunders Medical Center	-	-	-	-	194,801	194,801	-	-	38,876	38,876	-	68,087	68,087	68,087
2850 - Nemaha County Hospital	(1,700,061)	992	175,146	219,805	18,177	414,120	261,019	1,312,025	1,107	1,574,151	27,985	6,406	34,391	34,391

(Concluded)

Deferred Outflows for contributions made after 12/31/21 are not reflected. Please consult GASB 68, Paragraph 89.

See notes to the Schedules.

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, 2021

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, 2021, and ending on or before December 31, 2021, 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 reports prepared by the plan actuary as of December 31, 2014, through December 31, 2020 (see Note 3). The change in proportion to be reported as pension expense in 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 5.72 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.

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 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 5.72 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 12/31/2021 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, 2021.

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 the GASB Statement No. 68 report prepared as of December 31, 2021. NPERS anticipates County employers participating in the plan, and their auditors, will use this report for County fiscal years ended December 31, 2022. As such, it is anticipated that amounts will be deferred to fiscal years ending December 31, 2022, 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 (6.2%) or one percentage point higher (8.2%) than the current rate (7.2%).

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. 2020).

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. 2020) 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.

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 2021, there were 107 participating employers in the County Plan.

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)

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, 2021, measurement date, using the entry age normal actuarial cost method. Inflation is assumed to be 2.55 percent. The long-term expected rate of return on pension plan investments used in the determination of the total pension liability is 7.20 percent.

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of the actuarial experience study, which covered the four-year period ending December 31, 2019. The experience study report is dated December 21, 2020.

The supporting actuary information is included in the January 1, 2022, Actuarial Valuation Report and the December 31, 2021, 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 the Nebraska 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 (*Government Auditing Standards*), 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, 2021, 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, 2021, and the related notes, and have issued our report thereon dated September 29, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, and 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.



Zachary Wells, CPA, CISA
Assistant Deputy Auditor
Lincoln, Nebraska

September 29, 2022