

**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, 2022

**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 September 13, 2023

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

	<u>Page</u>
Background Information Section	
Key Officials and Agency Contact Information	1
Financial Section	
Independent Auditor’s Report	2 - 4
County Employees Retirement Plan – Cash Balance Benefit Schedules:	
Schedule of Employer Allocations	5 - 7
Schedule of Pension Amounts by Employer	8 - 9
Notes to the Schedule of Employer Allocations, and the Schedule of Pension Amounts by Employer	10 - 12
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 <i>Government Auditing Standards</i>	13 - 14

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

KEY OFFICIALS AND AGENCY CONTACT INFORMATION

**Public Employees Retirement Board Members
As of December 31, 2022**

Janis Elliot
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
Term Ending January 1, 2023

Pamela Lancaster
County Member
Term Ending January 1, 2026
(Resigned December 19, 2022)

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

Nebraska Public Employees Retirement Systems Executive Management

Randy Gerke
Director

Orron Hill
Legal Counsel

Teresa Zulauf
Controller

Nebraska Public Employees Retirement Systems
1526 K Street, Suite 400
P.O. Box 94816
Lincoln, NE 68509-4816
npers.ne.gov



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
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 Audit of the Schedules

Opinions

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, 2022, 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, 2022, and the related notes.

In our opinion, the accompanying 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, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 opinions.

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 Schedules.

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, 2022, and our report thereon, dated September 6, 2023, 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 6, 2023, on our consideration of 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 the 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 6, 2023

A handwritten signature in black ink that reads "Zachary Wells". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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, 2022

Employer	Year Ended December 31, 2022	
	Actual Employer Contributions	Employer Allocated Proportion
Total	\$ 22,583,698	
2032 - Gosper County	68,265	0.302277%
2034 - Hall County	1,052,598	4.660872%
2036 - Scotts Bluff County	744,326	3.295854%
2040 - Cheyenne County	256,080	1.133914%
2042 - Banner County	39,927	0.176794%
2044 - Dodge County	407,029	1.802313%
2046 - Jefferson County	272,785	1.207884%
2048 - Platte County	529,321	2.343818%
2050 - Dawson County	477,759	2.115504%
2052 - Seward County	452,532	2.003799%
2054 - Morrill County	159,830	0.707721%
2056 - Buffalo County	766,770	3.395235%
2058 - Saunders County	509,129	2.254408%
2060 - Washington County	511,504	2.264925%
2062 - Kimball County	173,718	0.769220%
2089 - Saline County	303,051	1.341902%
2090 - Adams County	462,588	2.048327%
2091 - Box Butte County	151,211	0.669558%
2119 - Madison County	398,254	1.763457%
2121 - York County	371,563	1.645273%
2123 - Custer County	264,899	1.172966%
2125 - Sarpy County	2,941,211	13.023600%
2126 - Cuming County	150,105	0.664662%
2152 - Harlan County	102,774	0.455081%
2164 - Gage County	295,089	1.306646%
2165 - Richardson County	209,932	0.929573%
2167 - Hitchcock County	82,558	0.365560%
2168 - Red Willow County	176,270	0.780520%
2232 - Polk County	124,828	0.552735%
2234 - Lincoln County	600,918	2.660850%
2240 - Cedar County	220,957	0.978390%
2242 - Holt County	259,840	1.150563%
2243 - Frontier County	82,597	0.365739%
2244 - Webster County	121,822	0.539426%
2245 - Kearney County	148,176	0.656121%
2246 - Nemaha County	182,483	0.808029%

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, 2022

Employer	Year Ended December 31, 2022	
	Actual Employer Contributions	Employer Allocated Proportion
2247 - Franklin County	122,108	0.540689%
2248 - Dundy County	85,028	0.376500%
2249 - Phelps County	220,846	0.977900%
2775 - Antelope County	203,865	0.902706%
2776 - Arthur County	19,673	0.087113%
2777 - Blaine County	24,441	0.108222%
2778 - Boone County	138,102	0.611514%
2779 - Boyd County	41,864	0.185372%
2780 - Brown County	118,360	0.524094%
2781 - Burt County	154,040	0.682086%
2782 - Butler County	247,943	1.097886%
2783 - Cass County	661,223	2.927878%
2784 - Chase County	133,963	0.593184%
2785 - Cherry County	167,026	0.739586%
2786 - Clay County	207,139	0.917205%
2787 - Colfax County	190,955	0.845544%
2788 - Dakota County	333,494	1.476703%
2789 - Dawes County	163,502	0.723980%
2790 - Deuel County	72,673	0.321796%
2791 - Dixon County	140,585	0.622506%
2792 - Fillmore County	181,985	0.805825%
2793 - Furnas County	124,066	0.549361%
2794 - Garden County	116,267	0.514829%
2795 - Garfield County	51,701	0.228932%
2796 - Grant County	22,524	0.099735%
2797 - Greeley County	60,753	0.269013%
2798 - Hamilton County	224,045	0.992065%
2799 - Hayes County	42,113	0.186476%
2800 - Hooker County	25,068	0.111001%
2801 - Howard County	142,318	0.630181%
2802 - Johnson County	131,698	0.583154%
2803 - Keith County	204,805	0.906869%
2804 - Keya Paha County	33,814	0.149727%
2805 - Knox County	184,050	0.814969%
2806 - Logan County	34,309	0.151920%
2807 - Loup County	31,511	0.139530%
2808 - McPherson County	25,029	0.110828%
2809 - Merrick County	165,236	0.731660%

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, 2022

Employer	Year Ended December 31, 2022	
	Actual Employer Contributions	Employer Allocated Proportion
2810 - Nance County	127,309	0.563723%
2811 - Nuckolls County	114,995	0.509197%
2812 - Otoe County	327,750	1.451267%
2813 - Pawnee County	78,457	0.347407%
2814 - Perkins County	148,427	0.657232%
2815 - Pierce County	136,966	0.606483%
2816 - Rock County	77,345	0.342483%
2817 - Sheridan County	144,785	0.641106%
2818 - Sherman County	124,875	0.552942%
2819 - Sioux County	63,253	0.280084%
2820 - Stanton County	121,061	0.536057%
2821 - Thayer County	154,048	0.682118%
2822 - Thomas County	27,451	0.121553%
2823 - Thurston County	184,822	0.818387%
2824 - Valley County	117,936	0.522216%
2825 - Wayne County	143,105	0.633664%
2826 - Wheeler County	42,580	0.188545%
2833 - Four Corners Health Department	48,310	0.213916%
2834 - Loup Basin Public Health Department	41,947	0.185741%
2835 - Panhandle Public Health Department	92,971	0.411672%
2836 - South Heartland District Health Department	39,785	0.176166%
2837 - Two Rivers Public Health Department	69,261	0.306686%
2838 - Three Rivers Public Health Department	66,013	0.292304%
2839 - Elkhorn Logan Valley Public Health Department	68,992	0.305495%
2840 - Northeast Nebraska Public Health Department	35,434	0.156902%
2841 - Southwest Nebraska Public Health Department	43,865	0.194231%
2842 - West Central District Health Department	45,892	0.203207%
2843 - Sandhills District Health Department (dissolved) 7/1/2014	-	0.000000%
2844 - Southeast District Health Department	34,636	0.153368%
2845 - Public Health Solutions	64,284	0.284648%
2846 - Sarpy/Cass Department of Health and Wellness	47,523	0.210431%
2847 - Stuhr Museum	65,663	0.290753%
2848 - Western Nebraska Regional Airport	35,679	0.157984%
2849 - Saunders Medical Center	-	0.000000%
2850 - Nemaha County Hospital	327,457	1.449971%

(Concluded)

See notes to the Schedules.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED DECEMBER 31, 2022**

Employer	Deferred Outflows of Resources						Deferred Inflows of Resources				Pension Expense		
	12/31/22 Net Pension Liability (NPL) (ASSET)	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
2804 - Keya Paha County	71,861	-	170,370	21,310	550	192,230	28,000	87,921	3,234	119,155	82,211	(816)	81,395
2805 - Knox County	391,140	-	927,331	115,993	485	1,043,809	152,402	478,554	6,869	637,825	447,478	(3,558)	443,920
2806 - Logan County	72,913	-	172,866	21,622	1,716	196,204	28,410	89,208	1,062	118,680	83,415	271	83,686
2807 - Loup County	66,967	-	158,767	19,859	382	179,008	26,093	81,933	1,238	109,264	76,612	9	76,621
2808 - McPherson County	53,191	-	126,108	15,774	1,753	143,635	20,725	65,079	180	85,984	60,853	370	61,223
2809 - Merrick County	351,156	-	832,536	104,135	10,650	947,321	136,823	429,635	3,751	570,209	401,735	(2,770)	398,965
2810 - Nance County	270,556	-	641,445	80,233	2,852	724,530	105,418	331,021	7,722	444,161	309,525	(93)	309,432
2811 - Nuckolls County	244,386	-	579,401	72,473	2,094	653,968	95,222	299,003	5,785	400,010	279,586	(2,802)	276,784
2812 - Otoe County	696,527	-	1,651,357	206,555	27,423	1,885,335	271,392	852,192	12,414	1,135,998	796,852	3,879	800,731
2813 - Pawnee County	166,736	-	395,305	49,446	576	445,327	64,966	203,999	2,575	271,540	190,752	(37)	190,715
2814 - Perkins County	315,435	-	747,847	93,542	4,548	845,937	122,905	385,930	10,324	519,159	360,868	1,086	361,954
2815 - Pierce County	291,078	-	690,101	86,319	3,183	779,603	113,415	356,130	3,465	473,010	333,003	(21)	332,982
2816 - Rock County	164,373	-	389,702	48,745	2,115	440,562	64,046	201,108	2,389	267,543	188,048	122	188,170
2817 - Sheridan County	307,695	-	729,497	91,247	24,145	844,889	119,889	376,461	2,201	498,551	352,014	4,631	356,645
2818 - Sherman County	265,381	-	629,178	78,699	400	708,277	103,402	324,691	8,497	436,590	303,606	(2,963)	300,643
2819 - Sioux County	134,425	-	318,700	39,864	3,749	362,313	52,377	164,467	3,450	220,294	153,787	(835)	152,952
2820 - Stanton County	257,278	-	609,965	76,296	3,644	689,905	100,245	314,776	24,287	439,308	294,334	(4,376)	289,958
2821 - Thayer County	327,379	-	776,164	97,084	20,568	893,816	127,559	400,543	4,120	532,222	374,533	3,300	377,833
2822 - Thomas County	58,339	-	138,312	17,300	2,464	158,076	22,731	71,377	1,592	95,700	66,741	(280)	66,461
2823 - Thurston County	392,780	-	931,220	116,479	2,731	1,050,430	153,041	480,561	18,732	652,334	449,354	(7,111)	442,243
2824 - Valley County	250,635	-	594,215	74,326	5,894	674,435	97,656	306,648	19,958	424,262	286,735	(2,893)	283,842
2825 - Wayne County	304,123	-	721,029	90,188	4,626	815,843	118,498	372,091	4,118	494,707	347,928	(2,593)	345,335
2826 - Wheeler County	90,491	-	214,540	26,835	3,758	245,133	35,259	110,715	652	146,626	103,525	551	104,076
2833 - Four Corners Health Department	102,668	-	243,409	30,446	765	274,620	40,003	125,613	12,717	178,333	117,456	(2,200)	115,256
2834 - Loup Basin Public Health Department	89,145	-	211,350	26,436	156	237,942	34,734	109,068	2,969	146,771	101,985	(891)	101,094
2835 - Panhandle Public Health Department	197,580	-	468,430	58,592	2,223	529,245	76,984	241,736	9,509	328,229	226,038	(1,759)	224,279
2836 - South Heartland District Health Department	84,550	-	200,455	25,073	14,287	239,815	32,944	103,446	4,525	140,915	96,728	1,228	97,956
2837 - Two Rivers Public Health Department	147,192	-	348,970	43,650	-	392,620	57,351	180,088	28,585	266,024	168,393	(7,740)	160,653
2838 - Three Rivers Public Health Department	140,290	-	332,605	41,603	3,772	377,980	54,662	171,643	5,958	232,263	160,496	(411)	160,085
2839 - Elkhorn Logan Valley Public Health Department	146,621	-	347,614	43,480	11,482	402,576	57,129	179,388	7,573	244,090	167,739	1,073	168,812
2840 - Northeast Nebraska Public Health Department	75,304	-	178,535	22,331	3,129	203,995	29,341	92,134	5,072	126,547	86,151	437	86,588
2841 - Southwest Nebraska Public Health Department	93,220	-	221,010	27,644	2,065	250,719	36,322	114,054	10,038	160,414	106,647	(481)	106,166
2842 - West Central District Health Department	97,528	-	231,224	28,922	12,884	273,030	38,000	119,324	5,766	163,090	111,575	5,713	117,288
2843 - Sandhills District Health Department (dissolved) 7/1/2014	-	-	-	-	-	-	-	-	-	-	-	-	926
2844 - Southeast District Health Department	73,608	-	174,513	21,828	22,721	219,062	28,680	90,059	7,647	126,386	84,210	3,541	87,751
2845 - Public Health Solutions	136,615	-	323,893	40,513	4,150	368,556	53,230	167,147	8,750	229,127	156,293	(1,871)	154,422
2846 - Sarpy/Cass Department of Health and Wellness	100,995	-	239,444	29,950	3,170	272,564	39,351	123,566	1,202	164,119	115,542	1,327	116,869
2847 - Stuhr Museum	139,545	-	330,840	41,382	752	372,974	54,372	170,732	21,301	246,405	159,645	(4,189)	155,456
2848 - Western Nebraska Regional Airport	75,824	-	179,766	22,485	776	203,027	29,544	92,769	4,802	127,115	86,745	(1,397)	85,348
2849 - Saunders Medical Center	-	-	-	-	110,257	110,257	-	-	24,700	24,700	-	70,368	70,368
2850 - Nemaha County Hospital	695,905	-	1,649,883	206,371	26,269	1,882,523	271,150	851,431	652	1,123,233	796,140	7,963	804,103

Deferred Outflows for contributions made after 12/31/22 are not reflected. Please consult GASB 68, Paragraph 89.

(Concluded)

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, 2022

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, 2022, and ending on or before December 31, 2022, 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, 2021 (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 5.53 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 5.53 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 12/31/2022 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, 2022.

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, 2022. NPERS anticipates County employers participating in the plan, and their auditors will use this report for County fiscal years ended December 31, 2023. As such, it is anticipated amounts will be deferred to fiscal years ending December 31, 2023, 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 (6.1%) or one percentage point higher (8.1%) than the current rate (7.1%).

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 (Reissue 2022).

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 2022) 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 2022, 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, 2022, measurement date, using the entry age normal actuarial cost method. Inflation is assumed to be 2.45 percent. The long-term expected rate of return on pension plan investments used in the determination of the total pension liability is 7.10 percent.

The actuarial assumptions used in the January 1, 2023, 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, 2023, Actuarial Valuation Report and the December 31, 2022, 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, 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 Member Info – Publications, by writing to the Nebraska Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE, 68509-4816, or by calling 402-471-2053.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
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 (*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, 2022, 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, 2022, and the related notes, and have issued our report thereon dated September 6, 2023.

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.

September 6, 2023



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