AUDIT REPORT
OF THE
NEBRASKA PUBLIC EMPLOYEES
RETIREMENT SYSTEMS – STATE AND
COUNTY EMPLOYEES RETIREMENT PLANS

PENSION TRUST FUNDS
OF THE STATE OF NEBRASKA

JANUARY 1, 2023, THROUGH DECEMBER 31, 2023

Issued on September 4, 2024

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

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BACKGROUND

The Nebraska Public Employees Retirement Board (Board) was created in 1971 to administer Nebraska retirement plans for school employees, State employees, judges, and the State Patrol. The Board assumed administration of the retirement system for Nebraska county employees in 1973.

The Board has eight members appointed by the Governor, with legislative approval, to five-year terms. Six of the appointed members must be active or retired participants in the retirement system. Those six members include the following:

- Two participants in the Nebraska School Employees Retirement System, consisting of one administrator and one teacher;
- One participant in the Nebraska Judges Retirement System;
- One participant in the Nebraska State Patrol Retirement System;
- One participant in the Nebraska County Employees Retirement System; and
- One participant in the State Employees Retirement System.

Two appointed members must meet the following requirements:

- Cannot be an employee of the State of Nebraska or any of its political subdivisions; and
- Must have at least 10 years of experience in the management of a public or private organization or at least 5 years of experience in the field of actuarial analysis or the administration of an employee benefit plan.

Furthermore, the State Investment Officer serves as a nonvoting, ex-officio Board member.

All appointed Board members must be Nebraska citizens. Members of the Board, excluding the State Investment Officer, are paid a $75 per diem, and all members are reimbursed for actual and necessary expenses in accordance with Neb. Rev. Stat. § 84-1502(3) (Cum. Supp. 2022). The Board hires a director to manage the day-to-day operations. Expenses are equitably distributed among the retirement systems. All expenses must be provided from investment income earned by various retirement funds, unless other fund sources to pay expenses are specified by law.

Source: 2022-2023 Nebraska Blue Book

The following Mission Statement, Vision, and Organizational Chart were taken from the Nebraska Public Employees' Retirement Systems 2024 Annual Report to the Legislative Retirement Committee, available on the Nebraska Public Employees Retirement Systems webpage, npers.ne.gov, under the "Member Info" and "Publications" sections.

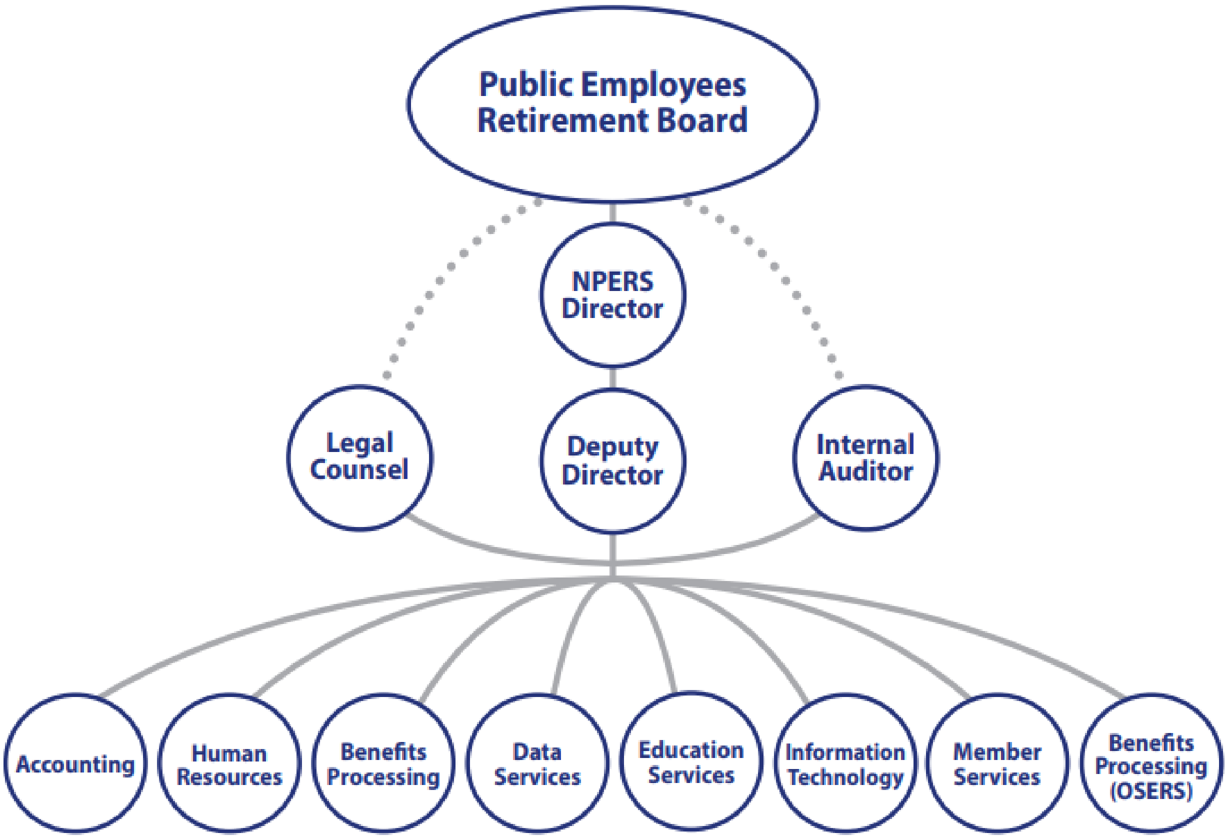
MISSION STATEMENT

The Nebraska Public Employees Retirement Systems recognizes the importance of a successful retirement and is dedicated to providing the highest quality service necessary to assist members in achieving this goal.

VISION

The Nebraska Public Employees Retirement Systems seeks to administer the retirement systems with exceptional service, integrity, and commitment for the exclusive benefit of our plan members and to ensure retirement security for their future.

ORGANIZATIONAL CHART



KEY OFFICIALS AND AGENCY CONTACT INFORMATION

Public Employees Retirement Board Members
As of December 31, 2023

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

Janis Elliott
Vice-Chair – School Member
Term Ending January 1, 2024

Jim Schulz
Public Member
Term Ending January 1, 2027

Charles Neumann
County Member
(Appointed February 2024)
Term Ending January 1, 2026

Luke Splattstoesser
State Patrol Member
(Appointed February 2024)
Term Ending January 1, 2028

Allen Simpson
State Member
Term Ending January 1, 2025

Thomas Zimmerman
Judge Member
Term Ending January 1, 2026

Gerald Clausen
Public Member
Term Ending January 1, 2028

Ellen Hung
Ex-Officio
(Appointed February 2024)
(State Investment Officer)

Nebraska Public Employees Retirement Systems Executive Management

John Murante
Director

Tag Herbek
Legal Counsel

Tyler Cummings
Deputy Director

Teresa Zulauf
Controller

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

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY RETIREMENT PLANS

INDEPENDENT AUDITOR'S REPORT

Nebraska Public Employees Retirement Board
Lincoln, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying Statements of Fiduciary Net Position and the related Statements of Changes in Fiduciary Net Position of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the NPERS – State and County Employees Retirement Plans' basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the NPERS – State and County Employees Retirement Plans, as of December 31, 2023, and the respective changes in financial position for the year then ended 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 Financial Statements section of our report. We are required to be independent of the NPERS – State and County Employees Retirement Plans 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the NPERS – State and County Employees Retirement Plans are intended to present the financial position and the changes in financial position of only that portion of the State that is attributable to the transactions of the NPERS – State and County Employees Retirement Plans. They do not purport to, and do not, present fairly the financial position of the State of Nebraska as of December 31, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the NPERS – State and County Employees Retirement Plans' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 financial statements.

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 financial statements, 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 financial statements.

- 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 – State and County Employees Retirement Plans' 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NPERS – State and County Employees Retirement Plans' 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.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the State Employer Net Pension Liability/(Asset), Schedule of Changes in the County Employers' Net Pension Liability/(Asset), Schedule of State Employer Contributions, Schedule of County Employer Contributions, Schedule of Investment Returns, and Notes to the Required Supplementary Information, on pages 33-42 herein, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board

who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted its Management Discussion and Analysis, which accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NPERS – State and County Employees Retirement Plans' basic financial statements. The Schedule of Administrative Expenses and the Schedule of Investment-Related Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Administrative Expenses and the Schedule of Investment-Related Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Administrative Expenses and the Schedule of Investment-Related Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2024, on our consideration of the NPERS – State and County Employees Retirement Plans' internal control over financial reporting 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.

Zachary Wells

August 28, 2024

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

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE EMPLOYEES RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION
ASSETS		
Cash in State Treasury	$ 313,424	$ 118,033
Receivables:		
Contributions	5,115,325	627,712
Interest and Dividends	5,754,404	204,305
Other Investment Receivables (Note 4)	98,990,732	34,107
Receivable from Defined Contribution Plan	622,085	-
Total Receivables	110,482,546	866,124
Pooled Investments, at Fair Market Value (Note 4):		
U.S. Treasury Notes	68,604,805	-
U.S. Treasury Bills	1,466,940	-
U.S. Treasury Strips	299,541	-
Government Agency Securities	3,106,885	-
Government Agency Strips	82,156	-
Corporate Bonds	212,482,303	-
International Bonds	12,991,728	-
Asset Backed Securities	36,862,068	-
Bank Loans	29,937,086	-
Short Term Investments	35,820,833	(1,136,512)
Commingled Funds	937,605,034	724,656,352
Mortgages	135,848,818	-
Opportunistic Credit	546,113	-
Municipal Bonds	970,287	-
Private Equity Funds	155,871,245	-
Equity Securities	489,953,652	-
Options	2,131	-
Rights and Warrants	639,312	-
Private Real Estate Funds	128,373,437	-
Total Investments	2,251,464,374	723,519,840
Invested Securities Lending Collateral (Note 4)	21,197,871	-
Capital Assets (Note 8):		
Equipment	463,030	527,744
Less: Accumulated Depreciation	(462,356)	(527,575)
Total Capital Assets, Net	674	169
Total Assets	2,383,458,889	724,504,166
LIABILITIES		
Compensated Absences Payable (Notes 6)	65,651	10,908
Other Investment Payables (Note 4)	142,007,250	20,816
Benefits Payable	7,136,532	-
Obligations Under Securities Lending (Note 4)	21,197,871	-
Payable to Cash Balance Benefit Plan	-	622,085
Total Liabilities	170,407,304	653,809
Fiduciary Net Position - Restricted for Pension Benefits	$ 2,213,051,585	$ 723,850,357

The accompanying notes are an integral part of the financial statements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023

	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION
ASSETS		
Cash in State Treasury	$ 111,735	$ 69,201
Receivables:		
Contributions	1,751,540	190,836
Interest and Dividends	1,955,828	58,697
Other Investment Receivables (Note 4)	33,397,429	9,597
Total Receivables	37,104,797	259,130
Pooled Investments, at Fair Market Value (Note 4):		
U.S. Treasury Notes	23,145,845	-
U.S. Treasury Bills	494,915	-
U.S. Treasury Strips	101,059	-
Government Agency Securities	1,048,199	-
Government Agency Strips	27,718	-
Corporate Bonds	71,687,142	-
International Bonds	4,383,141	-
Asset Backed Securities	12,436,501	-
Bank Loans	10,100,155	-
Short Term Investments	16,093,373	(374,473)
Commingled Funds	316,328,581	225,487,571
Mortgages	45,832,586	-
Opportunistic Credit	184,247	-
Municipal Bonds	327,355	-
Private Equity Funds	52,587,740	-
Equity Securities	165,300,247	-
Options	719	-
Rights and Warrants	215,691	-
Private Real Estate Funds	43,310,547	-
Total Investments	763,605,761	225,113,098
Invested Securities Lending Collateral (Note 4)	7,151,724	-
Capital Assets (Note 8):		
Equipment	264,743	263,902
Less: Accumulated Depreciation	(264,298)	(263,805)
Total Capital Assets, Net	445	97
Total Assets	807,974,462	225,441,526
LIABILITIES		
Compensated Absences Payable (Notes 6)	51,321	7,666
Other Investment Payables (Note 4)	47,894,874	9,236
Benefits Payable	3,256,610	-
Obligations Under Securities Lending (Note 4)	7,151,724	-
Total Liabilities	58,354,529	16,902
Fiduciary Net Position - Restricted for Pension Benefits	$ 749,619,933	$ 225,424,624

The accompanying notes are an integral part of the financial statements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE EMPLOYEES RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION
ADDITIONS		
Contributions:		
Member	$ 42,517,486	$ 5,313,846
Employer (Note 5)	66,349,931	8,287,342
Total Contributions	108,867,417	13,601,188
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	251,445,234	99,136,338
Interest and Dividends	43,023,050	2,582,347
Securities Lending Income	2,416,334	-
Total Investment Income	296,884,618	101,718,685
Investment Expenses:		
Investment Expense	8,050,883	327,141
Securities Lending Expense	2,141,196	-
Total Investment Expenses	10,192,079	327,141
Net Investment Income	286,692,539	101,391,544
Other Additions	6,600	3,000
Transfers In (Note 9)	8,387,489	-
Total Additions	403,954,045	114,995,732
DEDUCTIONS		
Benefits and Refunds	158,272,678	52,358,776
Administrative Expenses	1,749,273	241,630
Total Deductions	160,021,951	52,600,406
Transfers Out (Note 9)	-	8,387,489
Net Increase/(Decrease) in Fiduciary Net Position	243,932,094	54,007,837
Net Position - Restricted for Pension Benefits:		
Beginning of Year	1,969,119,491	669,842,520
End of Year	$ 2,213,051,585	$ 723,850,357

The accompanying notes are an integral part of the financial statements.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
COUNTY EMPLOYEES RETIREMENT PLAN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2023

	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION
ADDITIONS		
Contributions:		
Member	$ 16,432,364	$ 1,844,931
Employer (Note 5)	24,306,422	2,713,861
Total Contributions	40,738,786	4,558,792
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	82,881,719	30,628,181
Interest and Dividends	14,658,432	734,043
Securities Lending Income	815,221	-
Total Investment Income	98,355,372	31,362,224
Investment Expenses:		
Investment Expenses	2,719,148	93,883
Securities Lending Expense	722,395	-
Total Investment Expense	3,441,543	93,883
Net Investment Income	94,913,829	31,268,341
Other Additions	4,050	925
Transfers In (Note 9)	2,592,697	-
Total Additions	138,249,362	35,828,058
DEDUCTIONS		
Benefits and Refunds	52,413,533	18,054,738
Administrative Expenses	1,106,922	142,860
Total Deductions	53,520,455	18,197,598
Transfers Out (Note 9)	-	2,592,697
Net Increase/(Decrease) in Fiduciary Net Position	84,728,907	15,037,763
Net Position - Restricted for Pension Benefits:		
Beginning of Year	664,891,026	210,386,861
End of Year	$ 749,619,933	$ 225,424,624

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The Legislature created the Public Employees Retirement Board (Board) in 1971 to administer the existing Nebraska retirement systems. Currently, the Board is responsible for the administration of five retirement plans and the Deferred Compensation Plan. The following are the five retirement plans administered: the School Employees, State Patrol, Judges, State Employees, and County Employees Retirement Plans.

The Board is comprised of eight members appointed by the Governor, with legislative approval, to five-year terms. Six of the appointed members must be active or retired participants in the retirement system. Those six members include the following: two participants in the School Retirement System, consisting of one administrator and one teacher; one participant in the Nebraska Judges Retirement System; one participant in the Nebraska State Patrol Retirement System; one participant in the Nebraska County Employees Retirement System; and one participant in the State Employees Retirement System. Two appointed Board members must meet the following requirements: 1) not be an employee of the State of Nebraska or any of its political subdivisions; and 2) have at least 10 years of experience in the management of a public or private organization or at least 5 years of experience in the field of actuarial analysis or the administration of an employee benefit plan. The State Investment Officer serves as a nonvoting, ex-officio Board member.

NPERS is a part of the State of Nebraska reporting entity. The five retirement plans and the Deferred Compensation Plan are classified as pension trust fund types in the State of Nebraska Annual Comprehensive Financial Report.

Separate reports have been issued for the School Employees, Judges, and State Patrol Retirement Plans for the fiscal year ended June 30, 2023, and the Deferred Compensation Plan for the year ended December 31, 2022.

The financial statements reflect only the State and County Employees Retirement Plans and do not reflect all activity of NPERS.

C. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Pension funds were reported using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statements of Fiduciary Net Position.

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

The State and County Employees Retirement Plans' financial statements were prepared on the accrual basis of accounting. Under this measurement focus and basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

D. Cash in State Treasury

Cash in State Treasury represents the cash balance of a fund as reflected in the State's General Ledger and is under the control of the State Treasurer or other administrative bodies, as determined by law. This classification includes bank accounts and short-term investments. These short-term investments may have original maturities (remaining time to maturity at acquisition) greater than three months; however, cash is available and is considered cash for reporting purposes. Banks pledge collateral, as required by law, to guarantee State funds held in time and demand deposits.

All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council, which maintains an operating investment pool for such investments. Interest earned on these investments is allocated to funds based on their percentage of the investment pool.

E. Investments

Investments, as reported in the basic financial statements, include long-term investments. Law or legal instruments may restrict these investments. All investments are stated at fair value based on quoted market prices. For investments where no readily ascertainable fair value exists, management has received an estimate of fair value from the investment fund manager based, in part, on real estate appraisals. The State Treasurer is the custodian of all funds; however, investments are under the responsibility of the Nebraska Investment Council.

Although the investments of the plans are commingled, each plan's investments may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

F. Capital Assets

Capital assets consist of computer software and equipment. All capital assets are valued at cost when historical records are available and at estimated historical cost when no historical records exist.

Generally, equipment that has a cost in excess of $5,000 at the date of acquisition and has an expected useful life of more than one year are capitalized. Equipment is depreciated over 3 to 10 years, using the straight-line method.

G. Compensated Absences

All permanent employees working for NPERS earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees and Board members are not eligible for paid leave. The liability has been calculated using the vesting method in which leave amounts, for both employees currently eligible to receive termination payments and other employees expected to become eligible in the future to receive such payments upon termination, are included.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Concluded)

NPERS' employees accrue vested annual leave at a variable rate based on years of service. Generally, accrued annual leave cannot exceed 35 days at the end of a calendar year. Employees accrue sick leave at a variable rate based on years of service. In general, accrued sick leave cannot exceed 180 days. There is no maximum limit on the accumulation of sick leave days for employees under certain labor contracts. Sick leave is not vested except upon death or upon reaching the retirement eligibility age of 55, or of a younger age, if the employee meets all criteria necessary to retire under the primary retirement plan covering his/her State employment, at which time the State is liable for 25 percent of the employee's accumulated sick leave.

The Plans' financial statements recognize the expense and accrued liability when annual and compensatory leave is earned or when sick leave is expected to be paid as termination payments.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at calendar year end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Plan Descriptions and Contribution Information

The following summary description of the plans is provided for general information purposes. Participants should refer to Neb. Rev. Stat. §§ 84-1301 through 84-1333 (Reissue 2014, Cum. Supp. 2022, Supp. 2023) for the State Employees Retirement Plan and Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2022, Supp. 2023) for the County Employees Retirement Plan for more complete information.

A. Nebraska State Employees Retirement Plan

The single employer plan became effective by statute on January 1, 1964. The State Plan consists of a defined contribution option and a cash balance benefit. 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 State Plan become members of the cash balance benefit.

All permanent full-time employees are required to begin participation in the retirement system upon employment. Prior to April 2011, all permanent part-time employees who had attained the age of 20 could exercise the option to begin participation in the retirement system. Effective April 2011, the age requirement decreased to 18.

Contributions. Per statute, each member contributes 4.8 percent of his or her monthly compensation. The State matches a member's contribution at a rate of 156 percent. The employee's and employer's contributions are kept in separate accounts.

The employee's account is fully vested. The employer's account is fully vested after a total of three years of participation in the system, including credit for participation in another Nebraska governmental plan prior to actual contribution to the State Plan.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. Plan Descriptions and Contribution Information (Continued)

When employees terminate and are not fully vested, the amount contributed by the State is forfeited and used to reduce NPERS expenses. When forfeitures are not sufficient to pay administrative expenses, NPERS may also assess a charge in the form of basis points against plan assets. NPERS also uses plan assets when forfeitures are not sufficient in the cash balance benefit.

Defined Contribution Option. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

Cash Balance Benefit. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single-life annuity with five-year certain, payable monthly.

Members have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5 percent annually. Also available are additional forms of payment allowed under the State Plan, which are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

State Plan membership consisted of the following at December 31, 2023:

	Defined Contribution	Cash Balance
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-	2,790
Inactive Plan Members Entitled to but not yet Receiving Benefits	1,086	10,769
Active Plan Members	1,489	16,036
Total	2,575	29,595

The 2,790 retirees and beneficiaries receiving benefits include defined contribution members who elected an annuity. Defined contribution members may also choose from other forms of payment, such as withdrawal or lump-sum payment. Generally, these are one-time payouts. Therefore, these retired members are not shown above.

The NPERS employees are employees of the State of Nebraska and, therefore, participate in the State Plan. The following includes the defined contribution option and cash balance benefit contributions to the State Plan for the current and preceding two years for NPERS employees.

Calendar Year	Employee Contributions	Employer Contributions
2023	$ 128,497	$ 200,455
2022	$ 112,679	$ 175,778
2021	$ 109,787	$ 171,267

2. Plan Descriptions and Contribution Information (Continued)

B. Nebraska County Employees Retirement Plan

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, 13 county health districts, and 3 other miscellaneous political subdivisions. Douglas and Lancaster counties have separate retirement plans for their employees, as allowed under Neb. Rev. Stat. § 23-1118 (Reissue 2022). As of December 31, 2023, there were 107 participating employers.

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.

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. Prior to April 2011, all permanent part-time employees could elect voluntary participation upon reaching age 20. Effective April 2011, the age requirement for permanent part-time employees decreased to age 18. Part-time elected officials may exercise the option to join.

Contributions. Per statute, county employees and elected officials contribute 4.5 percent of their total compensation, and the county contributes 150 percent of the member rate. Present and future commissioned law enforcement personnel employed by such counties make additional contributions to a supplemental retirement plan. Commissioned law enforcement personnel in participating counties with fewer than 85,000 inhabitants contribute an extra 1 percent, or a total of 5.5 percent of their total compensation, which increased to 2 and 6.5 percent, respectively, as of September 2, 2023. Commissioned law enforcement personnel in participating counties with a population in excess of 85,000 inhabitants contribute an extra 2 percent, or a total of 6.5 percent of their total compensation, which increased to 3 and 7.5 percent, respectively, as of September 2, 2023. The county contributes 150 percent for the first 4.5 percent and the extra percent is matched at a 100 percent. The employee's and employer's contributions are kept in separate accounts.

The employee's account is fully vested. The employer's account is vested after a total of three years of participation in the system, including credit for participation in another Nebraska governmental plan prior to actual contribution to the County Plan.

When employees terminate and are not fully vested, the amount contributed by the county is forfeited and used to reduce NPERS expenses. When forfeitures are not sufficient to pay administrative expenses, NPERS may also assess a charge in the form of basis points against plan assets. NPERS also uses plan assets when forfeitures are not sufficient in the cash balance benefit.

Defined Contribution Option. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. Plan Descriptions and Contribution Information (Concluded)

Cash Balance Benefit. Upon attainment of age 55, regardless of service, the retirement allowance is equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single-life annuity with five-year certain, payable monthly.

Members will have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5 percent annually. Also available are additional forms of payment allowed under the County Plan that are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

County Plan membership consisted of the following at December 31, 2023:

	Defined Contribution	Cash Balance
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	-	1,004
Inactive Plan Members Entitled to but not yet Receiving Benefits	477	4,620
Active Plan Members	601	7,425
Total	1,078	13,049

The 1,004 retirees and beneficiaries receiving benefits include defined contribution members who elected an annuity. Defined contribution members may also choose from other forms of payment, such as withdrawal or lump-sum payment. Generally, these are one-time payouts. Therefore, these retired members are not shown above.

3. Funded Status and Funding Progress

The components of the net pension asset for each cash balance plan as of January 1, 2024, the most recent actuarial valuation date, were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a-b) Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)
State	$ 2,214,920,950	$ 2,213,051,585	$ 1,869,365	99.92%
County	$ 751,070,125	$ 749,619,933	$ 1,450,192	99.81%

The Total Pension Liability as of December 31, 2023, was determined based on an actuarial valuation prepared as of January 1, 2024. The key actuarial assumptions, as of the latest actuarial valuation date, are as follows:

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. Funded Status and Funding Progress (Continued)

	State Employees	County Employees
Valuation date	January 1, 2024	January 1, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed
Single equivalent amortization period	25 Years	25 Years
Asset valuation method	5 year smoothing	5 year smoothing
Actuarial assumptions:		
Inflation	2.35%	2.35%
Investment rate of return, net of investment expense and including inflation	7.00%	7.00%
Municipal bond index rate	3.38%	3.38%
Projected salary increases, including inflation	2.85% - 9.20%	2.85% - 9.35%
Interest credit rating	6.00%	6.00%
Cost-Of-Living Adjustments (COLA)	None, except 2.5% per year for retirees electing annuity payments with a COLA feature.	None, except 2.5% per year for retirees electing annuity payments with a COLA feature.

The State and County plans' pre-retirement mortality rates for active members were based on the Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The State and County plans' post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The State and County plans' post-retirement mortality rates for retired members were based on the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

3. Funded Status and Funding Progress (Continued)

The actuarial assumptions used in the valuation are 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 long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, which is responsible for investing the pension plan assets. The long-term expected real rate of return and target asset allocation were also the result of the most recent experience study. The State and County plans commingle their investments; thus, the target allocations are the same for each of the plans. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation, as of the most recent experience study, (see the discussion of the pension plans' investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Equity	27.0%	4.5%
Global Equity	19.0%	5.3%
Non-U.S. Equity	11.5%	5.8%
Fixed Income	30.0%	0.7%
Private Equity	5.0%	7.4%
Real Estate	7.5%	4.2%
Total	100.00%	

*Arithmetic mean, net of investment expenses.

Discount Rate. The discount rate used to measure the Total Pension Liability at December 31, 2023, was 7.00 percent, which is 0.10 percent less than the discount rate used to measure the Total Pension Liability at December 31, 2022. The discount rate is reviewed as part of the actuarial experience study, which was performed for the period January 1, 2016, through December 31, 2019. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and contributions from employers and non-employers will be made at the greater of the contractually required rates and the actuarially determined rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2123.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension asset of the plans calculated using the discount rate of 7.00 percent, as well as what the plans' net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

3. Funded Status and Funding Progress (Concluded)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability/(Asset):			
State	$ 211,090,501	$ 1,869,395	$ (171,898,481)
County	$ 72,334,884	$ 1,450,192	$ (57,826,396)

4. Investments

Investments. Listed below is a summary of the investment portfolio that comprises the Investments on the Statements of Fiduciary Net Position. All securities purchased or held must be in the custody of the State or deposited with an agent in the State's name. Neb. Rev. Stat. § 72-1239.01(3) (Cum. Supp. 2022) directs the appointed members of the Nebraska Investment Council to do the following:

> *[A]ct with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims by diversifying the investments of the assets of the retirement systems . . . .*

The pension plans' policy regarding the allocation of invested assets is established and may be amended by the Nebraska Investment Council. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. During the year, the Nebraska Investment Council's target investment allocation was:

Asset Class	Target Allocation
U.S. Equities	27.0%
International Equities	11.5%
Global Equities	19.0%
Fixed Income	30.0%
Private Equity	5.0%
Real Estate	7.5%
Total	100.00%

The table below presents all investments stated at fair value using valuation techniques to measure fair value, followed by a table presenting investments at fair value for financial statement purposes, with debt securities presented with effective duration.

The Plans utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the Plans have the ability to access at the measurement date. Instruments categorized in Level 1 consist primarily of a broadly traded range of equity and debt securities.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset.

4. Investments (Continued)

Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value using discounted cash flows and other income valuation approaches.

Plan Investments at December 31, 2023, at Fair Value Measurement Using:

	Fair Value	Level 1	Level 2	Level 3
Debt Securities				
Bank Loans	$ 40,037,241	$ -	$ 40,037,241	$ -
U.S. Treasury Notes	91,750,650	-	91,750,650	-
U.S. Treasury Bills	1,961,855	-	1,961,855	-
U.S. Treasury Strips	400,600	-	400,600	-
Government Agency Securities	4,155,084	-	4,155,084	-
Government Agency Strips	109,874	-	109,874	-
Corporate Bonds	284,169,445	-	284,169,445	-
International Bonds	17,374,869	-	17,374,869	-
Asset Backed Securities	49,298,569	-	49,298,569	-
Short Term Investments	50,133,782	422,654	49,711,128	-
Commingled Debt	193,229,953	153,866,675	39,363,278	-
Mortgages	181,681,404	-	181,681,404	-
Municipal Bonds	1,297,642	-	1,297,642	-
	915,600,968	154,289,329	761,311,639	-
Other Investments				
Commingled Funds	2,010,847,585	2,006,691,467	4,156,118	-
Equity Securities	655,253,899	655,253,899	-	-
Options	2,850	-	2,850	-
Rights and Warrants	855,003	-	855,003	-
Total Investments by Fair Value Level	3,582,560,305	$ 2,816,234,695	$ 766,325,610	$ -
Investments Measured at the Net Asset Value (NAV):		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Real Estate Funds:				
Core	117,159,988	-	Quarterly	90 days
Non-Core	54,523,996	34,410,865		
Opportunistic Credit	730,360	-		
Private Equity Funds	208,458,985	73,467,648		
Short Term Investments	269,439	-		
Total Investments Measured at Net Asset Value	$ 381,142,768	107,878,513		
Total	$ 3,963,703,073			
Securities Lending Collateral	28,349,595			
Total Investments at Fair Value	$ 3,992,052,668			

4. Investments (Continued)

Debt securities and other investments classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities and other investments classified in Level 2 are valued using the following approaches:

- U.S. Treasury Notes, U.S. Treasury Bills, U.S. Treasury Strips, Government Agency Securities, Government Agency Strips, and Short-Term Investments: quoted prices for identical securities in markets that are not active.
- Corporate Bonds, International Bonds, Municipal Bonds, Options, Rights and Warrants, and Equity Securities: quoted prices for similar securities in active markets.
- Asset Backed Securities, Bank Loans, and Mortgages: matrix pricing, based on accepted modeling and pricing conventions, of the securities' relationship to benchmark quoted prices.
- Commingled Funds: published fair value per share (unit) for each fund.

Debt securities and other investments, including Asset-Backed Securities, Corporate Bonds, and Mortgages, classified in Level 3, are valued using unobservable inputs, such as reviews, recommendations, and adjustments made by portfolio management, or the use of internal data to develop unobservable inputs if there is no objective information available without incurring undue cost and effort.

Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) have not been categorized in the fair value hierarchy. The fair value amounts at NAV presented in the above table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the consolidated statements of financial position. Investments valued using the net asset value per share are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Plans value these investments based on the partnerships' audited financial statements. If December 31 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than December 31. If December 31 valuations are not available, the value is progressed from the most recently available valuation, taking into account subsequent calls and distributions. The NAV table also presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the Plans' alternative investments. Investments measured by NAV are either short term in nature or intended to be held to maturity. Therefore, they do not bear a significant risk of being sold at amounts different than the NAV.

Other investments not classified. The $28,349,595 in Securities Lending Short-Term Collateral Investment Pool Investments, which are investments loaned to broker-dealers and banks under the securities lending program, were not classified for fair value measurement purposes.

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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

State and County Employees Retirement Plan Investments at December 31, 2023

	State and County Cash Balance Benefit		State and County Defined Contribution	
	Fair Value	Effective Duration	Fair Value	Effective Duration
Debt Securities				
U.S. Treasury Notes	$ 91,750,650	11.17	$ -	
U.S. Treasury Bills	1,961,855	0.00	-	
U.S. Treasury Strips	400,600	18.31	-	
Government Agency Securities	4,155,084	8.54	-	
Government Agency Strips	109,874	5.38	-	
Corporate Bonds	284,169,445	4.78	-	
International Bonds	17,374,869	6.83	-	
Asset Backed Securities	49,298,569	1.23	-	
Bank Loans	40,037,241	0.38	-	
Short Term Investments	51,914,206	0.00	(1,510,985)	0.00
Commingled Debt	177,629,795	4.51	15,600,158	6.03
Mortgages	181,681,404	4.98	-	
Municipal Bonds	1,297,642	9.17	-	
	901,781,234		14,089,173	
Other Investments				
Opportunistic Credit	730,360		-	
Private Equity Funds	208,458,985		-	
Equity Securities	655,253,899		-	
Commingled Funds	1,076,303,820		934,543,765	
Options	2,850		-	
Rights and Warrants	855,003		-	
Private Real Estate Funds	171,683,984		-	
Total Investments	3,015,070,135		948,632,938	
Invested Securities Lending Collateral	28,349,595		-	
Total	$ 3,043,419,730		$ 948,632,938	

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The State has contracts with investment managers that limit the effective duration compared to that of the portfolio's benchmark.

Credit Risk of Debt Securities. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State has contracts with investment managers that set minimum average quality ratings for its core fixed income accounts at an A. The maximum exposure to any single investment grade issuer, excluding the U.S. government, its agencies or instrumentalities, is five percent, and the maximum exposure to a single issuer below investment grade is three percent. The minimum credit rating of a derivatives counterparty is A. NPERS' rated debt investments, as of December 31, 2023, were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented on the following table using the Standard and Poor's rating scale.

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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Cash Balance Benefit/Defined Contribution Investments at December 31, 2023
Quality Ratings

	Fair Value	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Unrated
Cash Balance Benefit:												
Asset Backed Securities	$ 49,298,569	$ 31,552,927	$ 803,379	$ 687,831	$ 4,260,655	$ 5,309,798	$ 247,078	$ 215,101	$ 569,351	$ 483	$963,757	$ 4,688,209
Bank Loans	40,037,241	-	-	-	-	-	-	-	-	-	-	40,037,241
Mortgages	181,681,404	24,807,230	332,522	705,245	40,598	78,925	226,976	82,630	295,260	-	282,391	154,829,627
International Bonds	17,374,869	-	642,707	1,582,463	5,288,224	5,527,231	2,568,073	845,936	-	15,655	180,317	724,263
Corporate Bonds	284,169,445	535,895	2,934,771	42,721,572	146,333,758	53,974,617	26,366,315	4,585,059	1,595,235	153,091	-	4,969,132
Government Agency Securities	4,155,084	206,854	2,761,353	207,756	397,603	581,518	-	-	-	-	-	-
Municipal Bonds	1,297,642	259,817	718,762	25,037	-	294,026	-	-	-	-	-	-
Short Term Investments	51,366,151	-	-	-	-	-	-	-	-	-	-	51,366,151
Commingled Debt	177,629,795	-	-	-	-	-	-	-	-	-	-	177,629,795
Government Agency Strips	109,874	-	-	-	-	-	-	-	-	-	-	109,874
Defined Contribution:												
Short Term Investments	(1,232,369)	-	-	-	-	-	-	-	-	-	-	(1,232,369)
Commingled Debt	15,600,129	-	-	-	-	-	-	-	-	-	-	15,600,129

4. Investments (Continued)

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The State has contracts with investment managers that limit the maximum amount for an issuer, excluding U.S. Treasury, U.S. Agency, mortgages, and non-U.S. sovereign issuers, to five percent of the total account.

At December 31, 2023, the State and County Defined Contribution and Cash Balance Benefit Plans had no debt security investments, from a single entity, that comprised more than five percent of total investments.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The State does not have a formal policy to limit foreign currency risk. At December 31, 2023, the State and County Defined Contribution Plans did not have exposure to foreign currency risk. The State and County Cash Balance Benefit Plans’ exposure to foreign currency risk is presented on the following table.

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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Continued)

Cash Balance Benefit Plans' Foreign Currency at December 31, 2023

	Asset Backed Securities	Bank Loans	Corporate Bonds	International Bonds	Mortgages	Short Term Investments	Options	Equity Securities
Australian Dollar	$ -	$ -	$ -	$ -	$ -	$ 123,554	$ -	$ 1,008,883
Brazilian Real	-	-	-	695,054	-	29,767	-	5,919,537
Canadian Dollar	-	-	-	-	-	127,877	-	9,475,106
Czech Koruna	-	-	-	-	-	688	-	136,395
Danish Krone	-	-	-	-	-	28,297	-	9,095,458
Euro Currency	4,345,317	10,869,528	15,795,211	2,834,740	-	1,736,681	(4,230)	83,385,291
Hong Kong Dollar	-	-	-	-	-	4,664	-	10,915,142
Hungarian Forint	-	-	-	-	-	1,066	-	70,015
Indonesian Rupiah	-	-	-	-	-	16,470	-	295,952
Japanese Yen	-	-	-	-	-	144,720	-	32,557,677
Kuwaiti Dinar	-	-	-	-	-	7,868	-	1,039,981
Malaysian Ringgit	-	-	-	-	-	-	-	1,457,665
Mexican Peso	-	-	96,949	1,550,280	-	22,818	-	1,635,988
New Israeli Sheqel	-	-	-	-	-	9,054	-	1,716,801
New Zealand Dollar	-	-	-	-	-	434	-	-
Norwegian Krone	-	-	-	-	-	36,096	-	518,606
Philippine Peso	-	-	-	-	-	1,220	-	288,343
Polish Zloty	-	-	-	-	-	10,030	-	2,813,183
Pound Sterling	-	1,442,585	2,636,919	-	1,996,762	66,459	-	33,677,231
Singapore Dollar	-	-	-	-	-	582	-	14,075
Peruvian Nuevo Sol	-	-	249,602	-	-	-	-	-
South African Rand	-	-	-	1,088,292	-	1,909	-	1,429,627
South Korean Won	-	-	-	-	-	1	-	1,309,175
Swedish Krona	-	-	-	-	-	11,317	-	962,581
Swiss Franc	-	-	-	-	-	2,822	-	6,951,345
Thailand Baht	-	-	-	-	-	7,976	-	590,938
Turkish Lira	-	-	-	-	-	12,116	-	5,652,556
Uruguayan Peso	-	-	-	432,531	-	-	-	-
Yuan Renminbi	-	-	-	-	-	(13,875,439)	-	21,539,319
Yuan Renminbi Offshore	-	-	-	-	-	13,920,696	-	-
Total	$ 4,345,317	$ 12,312,113	$ 18,778,681	$ 6,600,897	$ 1,996,762	$ 2,449,743	$ (4,230)	$ 234,456,870

4. Investments (Continued)

Securities Lending Transactions. The State participates in securities lending transactions, where securities are loaned to broker-dealers and banks with a simultaneous agreement to return the collateral for the same securities in the future. The State's primary custodial bank administers the securities lending program and receives collateral in the forms of cash, United States government or government agency obligations, sovereign debt rated A or better, or convertible bonds at least equal in value to the market value of the loaned securities. Securities on loan at year-end consisted of United States government obligations, equity securities, corporate bonds, and non-US fixed income. At year-end, the State had no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The collateral securities cannot be pledged or sold by the State unless the borrower defaults. There are no restrictions on the amount of securities that can be loaned, and there were no losses resulting from borrower default during the year.

Either the State or the borrowers can terminate all securities loans on demand. Cash collateral is invested in one of the lending agent's short-term investment pools that had an average duration of seven days as of June 30, 2023. Because loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The custodian indemnifies the State against default by the borrower of securities, but it does not indemnify against the default by an issuer of a security held in the short-term investment funds where cash collateral is invested.

Derivative Instruments. Derivative instruments are financial contracts whose underlying values depend on the values of one or more underlying assets, reference rates, or financial indices. These instruments are used primarily to enhance performance and reduce the volatility of the portfolio, in accordance with the Nebraska Investment Council-approved Derivatives Policy.

The State invests in futures contracts, options, and swaps. Futures represent commitments to purchase or sell securities or money market instruments at a future date and at a specific price. Options represent the right, but not the obligation, to purchase or sell securities at a future date and at a specific price. The State invests in these contracts related to securities of the U.S. government or Government Agency obligations based on reference notes, which are traded on organized exchanges, thereby minimizing the State's credit risk. The net change in the contract value is settled daily in cash with the exchanges. Swaps represent an exchange of streams of payments over time according to specified terms.

At December 31, 2023, the State and County Defined Contribution Plans did not invest in derivative financial instruments. All changes in fair value of derivatives are reflected in Investment Income and the fair value of derivatives at December 31, 2023, is reflected in Investments. The fair value balances and notional amounts of investment derivative instruments for the year then ended for the State and County Cash Balance Benefit Plans are as follows:

(Continued on Next Page)

4. Investments (Continued)

DERIVATIVE INVESTMENTS AT DECEMBER 31, 2023

Derivative	Change in Fair Value	Fair Value	Notional
Credit Default Swaps	$ 652,789	$ 357,968	$ 17,326,531
Fixed Income Futures	(277,818)	-	29,364,356
Fixed Income Options	222,861	2,850	(4,751,230)
Foreign Currency Options	(2,065)	2,002	(414,694)
Futures Options	131,707	-	-
FX Forwards	(990,653)	(288,093)	48,384,897
Index Futures	73,138	-	-
Interest Rate Swaps	18,376	1,099,165	117,407,115
Rights	(896)	-	-
Total Return Swaps Equity	139,640	80,055	(1,017,744)
Warrants	(50,001)	855,003	185,600

The change in fair value denotes the net realized and unrealized gains and losses recognized during the period. The fair value of the derivative instruments at December 31, 2023, denotes the market value, with the exception of FX Forwards, which denotes the net realized and unrealized gains and losses recognized during the period. Furthermore, the notional amount for Futures and Options was calculated as contract size times the number of contracts.

The State and County Cash Balance Benefit Plans are exposed to credit risk on derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, it is the Nebraska Investment Council's policy to require counterparty collateral posting provisions in its non-exchange-traded derivative instruments. These terms require full collateralization of the fair value of derivative instruments in asset positions. Collateral posted is to be in the form of U.S. Treasury securities held by a third-party custodian. The Plans have never failed to access collateral when required.

The aggregate fair value of derivative instruments in asset positions at December 31, 2023, was $2,344,257. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. There is no collateral held or liabilities included in netting arrangements with those counterparties; therefore, the net exposure to credit risk is $2,344,257.

Although the State and County Cash Balance Benefit Plans execute derivative instruments with various counterparties, approximately 98 percent of the net exposure to credit risk is held with five counterparties. The counterparties are rated A+ or A-

The State and County Cash Balance Benefit Plans are exposed to interest rate risk on their interest rate swaps. Interest rate swaps are agreements between two counterparties to exchange future cash flows. These are generally fixed versus variable flows and can be either received or paid. These swaps are used to adjust interest rate and yield curve exposure and substitute for physical securities. Long swap positions (receive fixed) increase exposure to long-term interest rates; short positions (pay fixed) decrease exposure. Counterparty risk is limited to monthly exchanged or netted cash flows. All of the State and County Cash Balance Plans' interest rate swaps were fixed with a LIBOR (London Interbank Offered Rate) or SIFMA (Securities Industry and Financial Markets Association) reference rate.

(Continued on Next Page)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Investments (Concluded)

Foreign currency risk for derivative instruments at December 31, 2023, are as follows:

Derivative Instruments Foreign Currency at December 31, 2023

Currency	Options	Swaps	Forward Contracts
Australian Dollar	$ -	$ 34,504	$ (51,669)
Canadian Dollar	-	(61,496)	(3,422)
Danish Krone	-	-	(255)
Euro Currency	(4,230)	(12,824)	(241,277)
Indian Rupee	-	-	13
Indonesian Rupiah	-	-	(40)
Japanese Yen	-	447,231	(8,812)
Mexican Peso	-	4,204	(33,144)
New Taiwan Dollar	-	-	1,253
Pound Sterling	2,002	123,468	(45,396)
Peruvian Nuevo Sol	-	-	(493)
South African Rand	-	-	(6,789)
Turkish Lira	-	-	(1,272)
Yuan Renminbi Offshore	-	-	(129)
Total	$ (2,228)	$ 535,087	$ (288,094)

Other Receivables/Other Payables. Other receivables consisted of receivables for investments sold, receivables for foreign exchanges, tax reclaim receivables, unrealized appreciation/depreciation on income receivables, unrealized appreciation/depreciation on investment receivables, unrealized appreciation/depreciation on foreign exchange receivables, and other receivables as recorded by the custodial bank. Other payables consisted of payables for investments purchased, payables for foreign currency purchased, unrealized appreciation/depreciation on investments payable, unrealized appreciation/depreciation on foreign exchange payables, and other payables as recorded by the custodial bank.

Securities are recorded on a trade date basis. On the trade date, the Plans own the asset. However, if the security has not settled, payment has not been received or made. Receivables and payables for investments sold and purchased represent securities in which the asset had been recorded as of December 31, 2023, but the security had not settled.

Money-Weighted Rate of Return. For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.70% for the State and 14.36% for the County Cash Balance Plans. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Employer Contributions

Historically, employer contributions have been reported net of forfeitures. Forfeitures result when a member terminates prior to vesting in the employer contribution portion of his or her account. In accordance with Neb. Rev. Stat. § 23-2319.01(1) (Reissue 2022) and Neb. Rev. Stat. § 84-1321.01(1) (Cum. Supp. 2022) forfeitures are first used to pay administrative expenses of the Board. The balance of the Defined Contribution forfeiture accounts at December 31, 2023, was $0 for the State Plan and $0 for the County Plan. The balance of the Cash Balance Benefit forfeiture accounts was $1,543,265 for the State Plan and $401,353 for the County Plan.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. Compensated Absences

The liability for the vested portion of compensated absences for each plan at December 31, 2023, was as follows:

	State Cash Balance Benefit Employees	State Defined Contribution Employees	County Cash Balance Benefit Employees	County Defined Contribution Employees
Beginning Balance	$ 53,293	$ 8,797	$ 32,217	$ 6,973
Increases	18,753	3,167	22,970	1,530
Decreases	6,395	1,056	3,866	837
Ending Balance	$ 65,651	$ 10,908	$ 51,321	$ 7,666
Amounts Due within One Year	$ 8,535	$ 1,418	$ 6,672	$ 997

7. Contingencies and Commitments

Risk Management. NPERS is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. NPERS, as part of the primary government for the State, participates in the State's risk management program. The Nebraska Department of Administrative Services is responsible for maintaining the insurance and self-insurance programs for the State. The State generally self-insures for general liability, motor vehicle liability and physical damage, employee health care, employee indemnification, and worker's compensation. The State has chosen to purchase insurance for the following:

A. Life insurance for eligible employees.

B. Crime coverage, with a limit of $11,000,000 per occurrence and a deductible of $1,000,000 per occurrence to specific conditions, limits, and exclusions.

C. Real and personal property on a blanket basis for losses up to $200 million with an all other perils deductible of $1 million per loss occurrence. Newly acquired properties are covered up to $10 million for 90 days. If not reported after 90 days, the property is covered for $5 million under the miscellaneous unnamed location coverage. There is a wind and hail limit on the real and personal property of $76,250,000. The perils of flood, earthquake, and acts of terrorism have various coverage, sub-limits, and self-insurance. State agencies have the option to purchase building contents and inland marine coverage.

Details of the various insurance coverages are available from Nebraska Department of Administrative Services – Risk Management Division.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, or destruction of assets, errors or omissions, and natural disasters would be funded through the State General Fund or by individual agency assessments, as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Board's financial statements. Health care insurance is funded in the Insurance Trust Funds through a combination of employee and State contributions.

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. Contingencies and Commitments (Concluded)

Litigation. The potential amount of liability involved in litigation pending against the Board, if any, could not be determined at this time. However, it is NPERS' opinion that final settlement of those matters should not have an adverse effect on NPERS' ability to administer current programs. Any judgment against NPERS would have to be processed through the State Claims Board and be approved by the Legislature.

8. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
State Defined Contribution				
Equipment	$ 527,744	$ -	$ -	$ 527,744
Less: Accumulated Depreciation	527,533	42	-	527,575
Capital Assets, Net	$ 211	$ (42)	$ -	$ 169
State Cash Balance Benefit				
Equipment	$ 463,030	$ -	$ -	$ 463,030
Less: Accumulated Depreciation	462,193	163	-	462,356
Capital Assets, Net	$ 837	$ (163)	$ -	$ 674
County Defined Contribution				
Equipment	$ 263,902	$ -	$ -	$ 263,902
Less: Accumulated Depreciation	263,781	24	-	263,805
Capital Assets, Net	$ 121	$ (24)	$ -	$ 97
County Cash Balance Benefit				
Equipment	$ 264,743	$ -	$ -	$ 264,743
Less: Accumulated Depreciation	264,190	108	-	264,298
Capital Assets, Net	$ 553	$ (108)	$ -	$ 445

NOTES TO THE FINANCIAL STATEMENTS
(Concluded)

9. Transfers

Transfer activity for the year ended December 31, 2023, was as follows:

	State Cash Balance Benefit	State Defined Contribution
Annuity Balances from Defined Contribution to Cash Balance Benefit	$ 8,385,667	$ (8,385,667)
Miscellaneous Transfers	1,822	(1,822)
Total Transfers	$ 8,387,489	$ (8,387,489)

	County Cash Balance Benefit	County Defined Contribution
Annuity Balances from Defined Contribution to Cash Balance Benefit	$ 2,600,239	$ (2,600,239)
Miscellaneous Transfers	(7,542)	7,542
Total Transfers	$ 2,592,697	$ (2,592,697)

The annuity balances represent the transfer of balances of members who elected an annuity in the defined contribution option. Since NPERS pays the annuities, the balances are transferred to the cash balance benefit in order for the annuity to be processed. Miscellaneous transfers consist of members who had previous balances in the defined contribution option but were rehired after January 1, 2003. They are required to be in the cash balance benefit; therefore, their defined contribution balance was transferred to the cash balance benefit.

10. Equal Retirement Benefit Fund

On January 1, 1984, the Equal Retirement Benefit Fund (ERBF) was created for the State and County Retirement Plans. Each State agency and county participating in the retirement system makes contributions to the fund at least annually, in addition to regular retirement contributions.

Upon retirement, members with an accumulated account balance based on contributions made prior to January 1, 1984, have the option to convert to an annuity, at which time they are eligible to receive a benefit from the fund. The ERBF benefit is included in the member's regular retirement annuity and is included in the benefit payments reported in the financial statements. The balances of the funds are not included in the financial statements. As of December 31, 2023, there was $405,573 in the State ERBF and a balance of $477,690 in the County ERBF.

11. Subsequent Events

The Board granted a 2.48% dividend for the State Cash Balance Benefit Plan and a 1.20% dividend for the County Cash Balance Benefit Plan for calendar year 2023 on May 20, 2024. All eligible State and County Cash Balance Benefit Plan members will receive the dividend on August 2, 2024. The dividend for the State Cash Balance Benefit Plan totaled $41,122,991 plus interest up to the date it was paid. The dividend for the County Cash Balance Benefit Plan totaled $7,517,592 plus interest up to the date it was paid.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF CHANGES IN THE STATE EMPLOYER NET PENSION LIABILITY/(ASSET)
STATE EMPLOYEES CASH BALANCE BENEFIT RETIREMENT PLAN
AS OF DECEMBER 31, 2023
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 97,639,148	$ 84,172,378	$ 77,800,741	$ 66,765,739	$ 61,853,977	$ 61,061,110	$ 64,050,683	$ 61,768,235	$ 57,304,924	$ 54,920,902
Interest	145,257,062	134,353,270	126,535,395	121,384,492	116,719,477	108,435,469	102,758,618	98,053,908	89,967,248	85,695,932
Benefit term changes	-	107,253,060	68,135,274	33,745,768	-	56,311,516	31,484,516	-	35,892,320	-
Difference between expected and actual experience	(11,189,943)	(10,313,532)	(15,112,129)	(14,022,451)	(10,589,929)	(3,987,151)	(18,938,806)	(14,007,040)	720,728	(11,217,240)
Assumption changes	13,568,175	12,811,624	11,780,941	21,516,477	-	-	42,820,238	-	-	-
Transfers	8,387,489	5,848,530	6,512,820	9,317,802	5,371,677	7,735,118	3,591,366	5,115,400	5,849,328	4,195,885
Benefit payments, including member refunds	(158,272,678)	(152,819,703)	(132,839,323)	(112,330,647)	(113,827,088)	(121,911,299)	(94,358,979)	(84,773,402)	(85,278,057)	(73,527,209)
Net change in Total Pension Liability	95,389,253	181,305,627	142,813,719	126,377,180	59,528,114	107,644,763	131,407,636	66,157,101	104,456,491	60,068,270
Total Pension Liability - beginning	2,119,531,697	1,938,226,070	1,795,412,351	1,669,035,171	1,609,507,057	1,501,862,294	1,370,454,658	1,304,297,557	1,199,841,066	1,139,772,796
Total Pension Liability - ending (a)	$ 2,214,920,950	$ 2,119,531,697	$ 1,938,226,070	$ 1,795,412,351	$ 1,669,035,171	$ 1,609,507,057	$ 1,501,862,294	$ 1,370,454,658	$ 1,304,297,557	$ 1,199,841,066
Plan Fiduciary Net Position										
Employer contributions	$ 66,349,931	$ 61,842,606	$ 52,713,963	$ 51,505,962	$ 48,889,798	$ 46,580,471	$ 45,437,713	$ 44,894,300	$ 43,339,706	$ 41,455,919
Employee contributions	42,517,486	39,603,801	33,833,051	33,007,021	31,334,445	29,854,372	29,127,571	28,775,358	27,798,721	26,603,709
Net investment income	286,699,139	(262,554,721)	328,390,307	221,996,967	286,205,172	(63,590,687)	237,283,016	112,758,193	14,784,129	83,523,713
Benefit payments, including member refunds	(158,272,678)	(152,819,703)	(132,839,323)	(112,330,647)	(113,827,088)	(121,911,299)	(94,358,979)	(84,773,402)	(85,278,057)	(73,527,209)
Administrative expenses	(1,749,273)	(1,635,685)	(1,496,593)	(1,519,944)	(1,373,893)	(1,398,690)	(1,293,454)	(1,134,239)	(1,079,197)	(910,460)
Transfers	8,387,489	5,848,530	6,512,820	9,317,802	5,371,677	7,735,118	3,591,366	5,115,400	5,849,328	4,195,885
Net change in Plan Fiduciary Net Position	243,932,094	(309,715,172)	287,114,225	201,977,161	256,600,111	(102,730,715)	219,787,233	105,635,610	5,414,630	81,341,557
Plan Fiduciary Net Position - beginning	1,969,119,491	2,278,834,663	1,991,720,438	1,789,743,277	1,533,143,166	1,635,873,881	1,416,086,648	1,310,451,038	1,305,036,408	1,223,694,851
Plan Fiduciary Net Position - ending (b)	$ 2,213,051,585	$ 1,969,119,491	$ 2,278,834,663	$ 1,991,720,438	$ 1,789,743,277	$ 1,533,143,166	$ 1,635,873,881	$ 1,416,086,648	$ 1,310,451,038	$ 1,305,036,408
Net Pension Liability/(Asset) - ending (a) - (b)	$ 1,869,365	$ 150,412,206	$ (340,608,593)	$ (196,308,087)	$ (120,708,106)	$ 76,363,891	$ (134,011,587)	$ (45,631,990)	$ (6,153,481)	$ (105,195,342)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	99.92%	92.90%	117.57%	110.93%	107.23%	95.26%	108.92%	103.33%	100.47%	108.77%
Covered payroll	$ 886,083,480	$ 825,889,503	$ 703,979,207	$ 687,846,715	$ 652,908,627	$ 622,068,256	$ 606,807,065	$ 599,549,947	$ 578,788,809	$ 553,631,397
Employers' Net Pension Liability/(Asset) as a percentage of covered payroll	0.21%	18.21%	-48.38%	-28.54%	-18.49%	12.28%	-22.08%	-7.61%	-1.06%	-19.00%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF CHANGES IN THE COUNTY EMPLOYERS' NET PENSION LIABILITY/(ASSET)
COUNTY EMPLOYEES CASH BALANCE BENEFIT RETIREMENT PLAN
AS OF DECEMBER 31, 2023
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 36,861,874	$ 34,513,169	$ 33,851,595	$ 27,295,084	$ 26,124,594	$ 25,625,451	$ 25,927,269	$ 24,325,759	$ 21,667,314	$ 20,333,501
Interest	48,876,554	45,065,873	42,509,928	39,247,354	37,261,345	33,168,144	31,644,765	29,509,568	26,074,912	24,388,848
Benefit term changes	695,086	34,882,396	13,076,477	14,555,363	-	32,324,341	1,838,521	-	17,061,497	-
Difference between expected and actual experience	(2,939,837)	(7,950,766)	(9,140,951)	(4,950,342)	(4,751,826)	(2,191,990)	(7,230,377)	(5,428,286)	865,544	(3,432,132)
Assumption changes	4,511,819	4,290,014	4,002,909	13,301,086	-	-	7,781,664	-	-	-
Transfers	2,592,697	2,400,327	4,302,374	3,453,930	1,618,132	1,885,618	619,284	1,678,510	826,843	835,282
Benefit payments, including member refunds	(52,413,533)	(49,246,394)	(39,083,554)	(29,649,425)	(39,518,999)	(32,810,743)	(21,934,437)	(22,092,412)	(23,080,849)	(17,750,010)
Net change in Total Pension Liability	38,184,660	63,954,619	49,518,778	63,253,050	20,733,246	58,000,821	38,646,689	27,993,139	43,415,261	24,375,489
Total Pension Liability - beginning	712,885,465	648,930,846	599,412,068	536,159,018	515,425,772	457,424,951	418,778,262	390,785,123	347,369,862	322,994,373
Total Pension Liability - ending (a)	$ 751,070,125	$ 712,885,465	$ 648,930,846	$ 599,412,068	$ 536,159,018	$ 515,425,772	$ 457,424,951	$ 418,778,262	$ 390,785,123	$ 347,369,862
Plan Fiduciary Net Position										
Employer contributions	$ 24,306,422	$ 22,583,699	$ 21,051,278	$ 20,161,779	$ 19,124,880	$ 18,289,442	$ 17,752,388	$ 16,935,811	$ 16,068,670	$ 15,268,274
Employee contributions	16,432,364	15,238,007	14,234,691	13,625,158	12,923,475	12,368,734	12,000,061	11,352,667	10,966,403	10,327,540
Net investment income	94,917,879	(87,685,972)	107,453,528	73,218,241	91,644,439	(20,161,536)	72,075,672	33,115,136	4,846,001	23,627,946
Benefit payments, including member refunds	(52,413,533)	(49,246,394)	(39,083,554)	(29,649,425)	(39,518,999)	(32,810,743)	(21,934,437)	(22,092,412)	(23,080,849)	(17,750,010)
Administrative expenses	(1,106,922)	(875,824)	(889,862)	(811,821)	(755,388)	(728,112)	(750,056)	(649,709)	(545,137)	(527,732)
Transfers	2,592,697	2,400,327	4,302,374	3,453,930	1,618,132	1,885,618	619,284	1,678,510	826,843	835,282
Net change in Plan Fiduciary Net Position	84,728,907	(97,586,157)	107,068,455	79,997,862	85,036,539	(21,156,597)	79,762,912	40,340,003	9,081,931	31,781,300
Plan Fiduciary Net Position - beginning	664,891,026	762,477,183	655,408,728	575,410,866	490,374,327	511,530,924	431,768,012	391,428,009	382,346,078	350,564,778
Plan Fiduciary Net Position - ending (b)	$ 749,619,933	$ 664,891,026	$ 762,477,183	$ 655,408,728	$ 575,410,866	$ 490,374,327	$ 511,530,924	$ 431,768,012	$ 391,428,009	$ 382,346,078
Net Pension Liability/(Asset) - ending (a) - (b)	$ 1,450,192	$ 47,994,439	$ (113,546,337)	$ (55,996,660)	$ (39,251,848)	$ 25,051,445	$ (54,105,973)	$ (12,989,750)	$ (642,886)	$ (34,976,216)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	99.81%	93.27%	117.50%	109.34%	107.32%	95.14%	111.83%	103.10%	100.16%	110.07%
Covered payroll	$ 350,236,628	$ 325,413,530	$ 303,332,536	$ 290,515,548	$ 275,574,640	$ 263,536,628	$ 255,798,098	$ 244,031,859	$ 231,537,032	$ 220,003,948
Employers' Net Pension Liability/(Asset) as a percentage of covered payroll	0.41%	14.75%	-37.43%	-19.27%	-14.24%	9.51%	-21.15%	-5.32%	-0.28%	-15.90%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS

STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

SCHEDULE OF STATE EMPLOYER CONTRIBUTIONS

STATE EMPLOYEES CASH BALANCE BENEFIT RETIREMENT PLAN

AS OF DECEMBER 31, 2023

(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 53,962,484	$ 39,642,696	$ 36,466,123	$ 34,942,613	$ 36,171,138	$ 29,859,276	$ 29,915,588	$ 32,975,247	$ 28,476,409	$ 31,280,174
Actual employer contributions	66,349,931	61,842,606	52,713,963	51,505,962	48,889,798	46,580,471	45,437,713	44,894,300	43,339,706	41,455,919
Annual contribution deficiency (excess)	$ (12,387,447)	$ (22,199,910)	$ (16,247,840)	$ (16,563,349)	$ (12,718,660)	$ (16,721,195)	$ (15,522,125)	$ (11,919,053)	$ (14,863,297)	$ (10,175,745)
Covered payroll	$ 886,083,480	$ 825,889,503	$ 703,979,207	$ 687,846,715	$ 652,908,627	$ 622,068,256	$ 606,807,065	$ 599,549,947	$ 578,788,809	$ 553,631,397
Actual contributions as a percentage of covered payroll	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF COUNTY EMPLOYER CONTRIBUTIONS
COUNTY EMPLOYEES CASH BALANCE BENEFIT RETIREMENT PLAN
AS OF DECEMBER 31, 2023
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 20,103,582	$ 15,619,849	$ 16,258,624	$ 14,060,953	$ 14,384,996	$ 11,279,368	$ 12,303,889	$ 12,836,076	$ 10,419,166	$ 10,934,196
Actual employer contributions	24,306,422	22,583,699	21,051,278	20,161,779	19,124,880	18,289,442	17,752,388	16,935,811	16,068,670	15,268,274
Annual contribution deficiency (excess)	$ (4,202,840)	$ (6,963,850)	$ (4,792,654)	$ (6,100,826)	$ (4,739,884)	$ (7,010,074)	$ (5,448,499)	$ (4,099,735)	$ (5,649,504)	$ (4,334,078)
Covered payroll	$ 350,236,628	$ 325,413,530	$ 303,332,536	$ 290,515,548	$ 275,574,640	$ 263,536,628	$ 255,798,098	$ 244,031,859	$ 231,537,032	$ 220,003,948
Actual contributions as a percentage of covered payroll	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF INVESTMENT RETURNS
AS OF DECEMBER 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense:										
State Employee Retirement Plan	14.70%	-11.61%	16.61%	12.49%	18.87%	-3.93%	16.85%	8.61%	1.14%	6.83%
County Employee Retirement Plan	14.36%	-11.57%	16.40%	12.70%	18.89%	-3.96%	16.60%	8.40%	1.27%	6.68%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Last 10 Years

State Cash Balance Benefit Retirement Plan

The following changes were made by the Nebraska Legislature and reflected in the valuation performed as of January 1:

2023: The Board granted a dividend of 7.50% in 2022, which was first reflected in the January 1, 2023, valuation.

2022: The Board granted a dividend of 5.25% in 2021, which was first reflected in the January 1, 2022, valuation.

2021: The Board granted a dividend of 3.00% in 2020, which was first reflected in the January 1, 2021, valuation.

2019: The Board granted a dividend of 5.46% in 2018, which was first reflected in the January 1, 2019, valuation.

2018: The Board granted a dividend of 3.07% in 2017, which was first reflected in the January 1, 2018, valuation.

2016: The Board granted a dividend of 4.53% in 2015, which was first reflected in the January 1, 2016, valuation.

The following changes were made in the actuarial assumptions:

January 1, 2024, valuation:

- Price inflation assumption was lowered from 2.45% to 2.35%.
- Investment return assumption was lowered from 7.10% to 7.00%.
- Interest crediting rate on Cash Balance accounts decreased from 6.05% to 6.00%.
- General wage inflation was lowered from 2.95% to 2.85%.

January 1, 2023, valuation:

- Price inflation assumption was lowered from 2.55% to 2.45%.
- Investment return assumption was lowered from 7.20% to 7.10%.
- Interest crediting rate on Cash Balance accounts decreased from 6.10% to 6.05%.
- General wage inflation was lowered from 3.05% to 2.95%.

January 1, 2022, valuation:

- Price inflation assumption was lowered from 2.65% to 2.55%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

State Cash Balance Benefit Retirement Plan (Continued)

- Investment return assumption was lowered from 7.30% to 7.20%.
- Interest crediting rate on Cash Balance accounts decreased from 6.15% to 6.10%.
- General wage inflation was lowered from 3.15% to 3.05%.

January 1, 2021, valuation:

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- Interest crediting rate on Cash Balance accounts decreased from 6.25% to 6.15%.
- General wage inflation was lowered from 3.50% to 3.15%.
- Salary merit increases were adjusted to better reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.21% of pay.
- Retirement and termination rates were adjusted to better reflect observed experience.
- Mortality assumptions were changed for active members to the Pub-2010 General Members (Above Median) Mortality Table (100% of male, 95% of female rates), set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- Mortality assumptions were changed for beneficiaries to the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.
- Mortality assumptions were changed for retired members to the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

January 1, 2018, valuation:

- Investment return assumption was lowered from 7.75% to 7.50%.
- Price inflation assumption was lowered from 3.25% to 2.75%.
- General wage growth was lowered from 4.00% to 3.50%.
- Covered payroll growth assumption decreased from 4.00% to 3.50%.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

State Cash Balance Benefit Retirement Plan (Concluded)

- Individual salary increase assumption was lowered by 0.50% in order to remain consistent with the general wage growth assumption.
- Assumed cash balance interest crediting rate was lowered from 6.75% to 6.25%.
- Mortality assumption was changed to the RP-2014 White Collar Mortality Table, with adjustments made to better reflect observed experience. Generational mortality improvements are modeled using a System-specific projection scale.
- Retirement rates were adjusted to better reflect observed experience.
- Termination rates were changed to a service-based assumption.

County Cash Balance Benefit Retirement Plan

The following changes were made by the Nebraska Legislature and reflected in the valuation performed as of January 1:

2024: Legislative Bill 103 increased the additional contribution rates for commissioned law enforcement officers by 1%.

2023: The Board granted a dividend of 6.50% in 2022, which was first reflected in the January 1, 2023, valuation.

2022: The Board granted a dividend of 2.50% in 2021, which was first reflected in the January 1, 2022, valuation.

2021: The Board granted a dividend of 3.00% in 2020, which was first reflected in the January 1, 2021, valuation.

2019: The Board granted a dividend of 8.42% in 2018, which was first reflected in the January 1, 2019, valuation.

2018: The Board granted a dividend of 0.51% in 2017, which was first reflected in the January 1, 2018, valuation.

2016: The Board granted a dividend of 5.81% in 2015, which was first reflected in the January 1, 2016, valuation.

2015: The Board granted a dividend of 0.29% in 2014, which was first reflected in the January 1, 2015, valuation.

The following changes were made in the actuarial assumptions:

January 1, 2024, valuation:

- Price inflation assumption was lowered from 2.45% to 2.35%.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

County Cash Balance Benefit Retirement Plan (Continued)

- Investment return assumption was lowered from 7.10% to 7.00%.
- Interest crediting rate on Cash Balance accounts decreased from 6.05% to 6.00%.
- General wage inflation was lowered from 2.95% to 2.85%.

January 1, 2023, valuation:

- Price inflation assumption was lowered from 2.55% to 2.45%.
- Investment return assumption was lowered from 7.20% to 7.10%.
- Interest crediting rate on Cash Balance accounts decreased from 6.10% to 6.05%.
- General wage inflation was lowered from 3.05% to 2.95%.

January 1, 2022, valuation:

- Price inflation assumption was lowered from 2.65% to 2.55%.
- Investment return assumption was lowered from 7.30% to 7.20%.
- Interest crediting rate on Cash Balance accounts decreased from 6.15% to 6.10%.
- General wage inflation was lowered from 3.15% to 3.05%.

January 1, 2021, valuation:

- Price inflation assumption was lowered from 2.75% to 2.65%.
- Investment return assumption was lowered from 7.50% to 7.30%.
- Interest crediting rate on Cash Balance accounts decreased from 6.25% to 6.15%.
- General wage inflation was lowered from 3.50% to 3.15%.
- Salary merit increases were adjusted to better reflect observed experience.
- An explicit assumption for administrative expenses was adopted as a component of the actuarial contribution rate and was set to 0.27% of pay.
- Retirement and termination rates were adjusted to better reflect observed experience.
- The lump sum election rate for retirees was decreased from 60% to 50%.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Concluded)

County Cash Balance Benefit Retirement Plan (Concluded)

- Mortality assumptions were changed for active members to the Pub-2010 General Members (Above Median) Mortality Tables (100% of male rates, 95% of female rates), set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

- Mortality assumptions were changed for beneficiaries to the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

- Mortality assumptions were changed for retired members to the Pub-2010 General Members (Above Median) Retiree Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

January 1, 2018, valuation:

- Investment return assumption was lowered from 7.75% to 7.50%.

- Price inflation assumption was lowered from 3.25% to 2.75%.

- General wage growth was lowered from 4.00% to 3.50%.

- Covered payroll growth assumption decreased from 4.00% to 3.50%.

- Individual salary increase assumption was lowered by 0.50% in order to remain consistent with the general wage growth assumption.

- Assumed cash balance interest crediting rate was lowered from 6.75% to 6.25%.

- Mortality assumption was changed to the RP-2014 White Collar Mortality Table, with adjustments made to better reflect observed experience. Generational mortality improvements are modeled using a System-specific projection scale.

- Termination rates were changed to a service-based assumption.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION	TOTAL
Personnel					
Personal Services	$ 513,888	$ 85,448	$ 399,042	$ 59,999	$ 1,058,377
Travel	3,979	529	2,710	328	7,546
Professional and Technical Services					
Professional	1,451	266	677	113	2,507
Actuary	37,600	-	42,600	-	80,200
Computer Support Services	180,306	29,945	142,622	20,997	373,870
Accounting and Auditing	52,366	8,728	40,240	6,063	107,397
Communications					
Printing	10,718	1,637	7,235	1,104	20,694
Other Expenses					
Postage	14,011	2,929	9,309	2,126	28,375
Supplies	5,984	1,048	4,397	722	12,151
Hardware and Software	5,065	780	3,859	692	10,396
Repairs	21	4	14	3	42
Rent	28,511	4,767	21,240	3,169	57,687
Record Keeping Fees	678,287	76,620	308,704	32,238	1,095,849
Check Charge and Distribution Fee	132,371	18,810	65,876	10,160	227,217
Statement Fees	48,010	4,406	22,477	1,989	76,882
Miscellaneous	36,705	5,713	35,920	3,157	81,495
Total Administrative Expenses	$ 1,749,273	$ 241,630	$ 1,106,922	$ 142,860	$ 3,240,685

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF INVESTMENT-RELATED EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION	TOTAL
BlackRock Financial Management, Inc.	$ 62,573	$ 31,430	$ 21,139	$ 9,130	$ 124,272
Dimensional Fund Advisors, Inc.	27,178	272	9,160	52	36,662
Northern Trust Asset Management	4,372	-	1,475	-	5,847
Total Domestic Equity	**94,123**	**31,702**	**31,774**	**9,182**	**166,781**
BlackRock Financial Management, Inc.	158,985	4,813	53,702	977	218,477
Baird Advisors	169,446	-	57,236	-	226,682
Barings	259,238	-	87,565	-	346,803
Franklin Templeton Investments	5,924	-	2,001	-	7,925
Loomis Sayles & Company, L.P.	189,128	-	63,884	-	253,012
Pacific Investment Management Company, LLC	432,397	4,087	146,054	782	583,320
T. Rowe Price Associates, Inc.	-	147,257	-	42,701	189,958
Total Fixed Income	**1,215,118**	**156,157**	**410,442**	**44,460**	**1,826,177**
Arrowstreet Capital LP	698,021	-	235,787	-	933,808
Dodge & Cox	621,947	-	210,090	-	832,037
GQG Partners	349,592	-	118,113	-	467,705
MFS Institutional Advisors, Inc.	91,551	5,268	30,855	1,008	128,682
Wellington Management Company, LLP	319,806	-	108,025	-	427,831
Total Global Equity	**2,080,917**	**5,268**	**702,870**	**1,008**	**2,790,063**
BlackRock Financial Management, Inc.	89,745	7,608	30,314	1,724	129,391
Total International Equity	**89,745**	**7,608**	**30,314**	**1,724**	**129,391**
Almanac Realty Investors, LLC	137,097	-	46,309	-	183,406
Clarion Partners	225,547	-	76,185	-	301,732
Goldman Sachs Asset Management	-	7,432	-	1,423	8,855
Kayne Anderson	75,328	-	25,444	-	100,772
Landmark Partners	199,124	-	67,262	-	266,386
Morgan Stanley	57,901	-	19,556	-	77,457
Oaktree Capital Management, L.P.	150,010	-	50,667	-	200,677
PGIM Real Estate	340,573	-	115,040	-	455,613
Rockpoint Group, L.L.C.	454	-	153	-	607
Rockwood Capital Partners, LLC	122,443	-	41,359	-	163,802
Torchlight Investors	135,113	-	45,638	-	180,751
UBS Realty Investors, LLC	220,895	-	74,615	-	295,510
Total Real Estate	**1,664,485**	**7,432**	**562,228**	**1,423**	**2,235,568**

(Continued)

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS
SCHEDULE OF INVESTMENT-RELATED EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	STATE CASH BALANCE BENEFIT	STATE DEFINED CONTRIBUTION	COUNTY CASH BALANCE BENEFIT	COUNTY DEFINED CONTRIBUTION	TOTAL
Ares Management, LLC	53,993	-	18,238	-	72,231
Beecken Petty O'Keefe & Company	3,821	-	1,290	-	5,111
Bridgepoint Advisers Limited	260,858	-	88,108	-	348,966
CVC Capital Partners	11,223	-	3,791	-	15,014
(The) Energy & Minerals Group	27,315	-	9,226	-	36,541
Francisco Partners	230,926	-	77,987	-	308,913
Genstar Capital Partners LLC	228,783	-	77,279	-	306,062
Leonard Green & Partners, L.P.	50,633	-	17,105	-	67,738
HarbourVest Partners, LLC	339,595	-	114,713	-	454,308
Lightyear Capital, LLC	1,702	-	575	-	2,277
Lincolnshire Management, Inc.	876	-	296	-	1,172
McCarthy Capital Corporation	188,581	-	63,699	-	252,280
Merit Capital Partners	3,296	-	1,113	-	4,409
New Enterprise Associates	145,229	-	49,056	-	194,285
New Mountain Capital, LLC	179,274	-	60,557	-	239,831
Pathway Capital Management	20,087	-	6,785	-	26,872
Pine Brook Partners	24,379	-	8,235	-	32,614
Presidio Partners (formally CMEA Capital)	6,007	-	2,029	-	8,036
Quantum Energy Partners	98,915	-	33,412	-	132,327
Sun Capital Partners, Inc.	501	-	169	-	670
(The) Jordan Company	178,890	-	60,421	-	239,311
The Rohatyn Group Management, L.P.	(5,274)	-	(1,780)	-	(7,054)
Wayzata Investment Partners, LLC	2,398	-	810	-	3,208
Wynnchurch Capital	172,715	-	58,337	-	231,052
Total Private Equity	**2,224,723**	**-**	**751,451**	**-**	**2,976,174**
Nebraska Investment Council Fees	177,886	59,838	59,857	18,688	316,269
Custody Expenses	59,690	59,136	20,227	17,398	156,451
Miscellaneous Expenses	444,196	-	149,985	-	594,181
Total Other Expenses	**681,772**	**118,974**	**230,069**	**36,086**	**1,066,901**
Total Investment-Related Expenses	**$ 8,050,883**	**$ 327,141**	**$ 2,719,148**	**$ 93,883**	**$ 11,191,055**

(Concluded)

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS
STATE AND COUNTY EMPLOYEES RETIREMENT PLANS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Nebraska Public Employees Retirement Board
Lincoln, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Nebraska Public Employees Retirement Systems (NPERS) – State and County Employees Retirement Plans, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the NPERS – State and County Employees Retirement Plans' basic financial statements, and have issued our report thereon dated August 28, 2024. The report was modified to emphasize that the financial statements present only the funds of the NPERS – State and County Employees Retirement Plans.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the NPERS – State and County Employees Retirement Plans' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NPERS – State and County Employees Retirement Plans' internal control. Accordingly, we do not express an opinion on the effectiveness of the NPERS – State and County Employees Retirement Plans' 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the NPERS – State and County Employees Retirement Plans' financial statements 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 have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the NPERS – State and County Employees Retirement Plans' financial statements are free from 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 financial statements. 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 – State and County Employees Retirement Plans' 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 – State and County Employees Retirement Plans' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zachary Wells

August 28, 2024

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