

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

**EMPLOYER GASB 68 SCHEDULES  
SCHEDULE OF EMPLOYER ALLOCATIONS, AND  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**Issued on November 2, 2016**

NEBRASKA PUBLIC EMPLOYEE RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
SCHEDULE OF EMPLOYER ALLOCATION, AND  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

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NEBRASKA PUBLIC EMPLOYEE RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
SCHEDULE OF EMPLOYER ALLOCATION, AND  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

**KEY OFFICIALS AND AGENCY CONTACT INFORMATION**

**Public Employees Retirement Board Members**

Ron Ecklund  
Chairperson – Public Member  
Term Ending January 1, 2017

Elaine Stuhr  
Public Member  
Term Ending January 1, 2018

Janis Elliott  
Vice-Chair – School Member  
Term Ending January 1, 2019

Denis Blank  
State Member  
Term Ending January 1, 2020

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

Kelli Ackerman  
School Member  
Term Ending January 1, 2020

Pamela Lancaster  
County Member  
Term Ending January 1, 2021

Dennis Leonard  
State Patrol Member  
Term Ending January 1, 2020

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

**Nebraska Public Employees Retirement Systems Executive Management**

Phyllis Chambers  
Director

Randy Gerke  
Deputy Director

Nebraska Public Employees Retirement Systems  
1526 K Street, Suite 400  
P.O. Box 94816  
Lincoln, NE 68509  
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NEBRASKA PUBLIC EMPLOYEE RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
SCHEDULE OF EMPLOYER ALLOCATION, AND  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

**COMMENT AND RECOMMENDATION**

During our audit of the accompanying Schedule of Employer Allocations of the Nebraska Public Employees Retirement System (NPERS) County Employees Retirement Plan and the total for all entities of the columns titled Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the NPERS County Employees Retirement Plan, we noted a certain matter involving the internal control over financial reporting and other operational matters that is presented here. The following comment is required to be reported in accordance with Government Auditing Standards, Procedures to Calculate County Employer Contributions, which is considered to be a significant deficiency.

**Procedures to Calculate County Employer Contributions**

The preparation of the GASB 68 schedules rely largely on the accuracy of the employer contributions, so the allocation of Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense to the different counties can be relied upon.

The original GASB 68 schedules obtained from NPERS were not accurate due to the county contributions being misstated. This was caused by NPERS relying on a contractor to determine the employer contributions; however, this contractor did not have the receivable information necessary to accumulate the county contributions on an accrual basis. Upon becoming aware of these differences, NPERS recalculated the contribution figures and resubmitted the GASB 68 schedules.

Without adequate procedures in place to determine county employer contributions, there is an increased risk that the GASB 68 schedules may be materially misstated.

We recommend NPERS continue to utilize the newly implemented procedures to calculate county employer contributions.

*NPERS' Response: The original raw contribution data provided to the actuary for the GASB 68 report came from the plan record keeper. This data did not include all accrual information which was included in the financial statements. NPERS has strengthened the procedures for providing information needed by the actuaries for the GASB 68 report and will continue to use these procedures. As stated in the auditor's comment, this was corrected before the report was finalized.*

Draft copies of this report were furnished to NPERS to provide its management with an opportunity to review and to respond to the comment and recommendation contained herein. The formal response received has been incorporated into this report. A response that indicates corrective action has been taken was not verified at this time, but it will be verified in the next audit.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
EMPLOYER GASB 68 SCHEDULES

### INDEPENDENT AUDITOR'S REPORT

Nebraska Public Employees Retirement Board  
Lincoln, NE

#### **Report on the Schedules**

We have audited the accompanying Schedule of Employer Allocations of the Nebraska Public Employees Retirement System (NPERS) County Employees Retirement Plan, as of and for the year ended December 31, 2015, and the related notes. We have also audited the total for all entities of the columns titled Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the NPERS County Employees Retirement Plan as of and for the year ended December 31, 2015, and the related notes.

#### ***Management's Responsibility for the Schedules***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nebraska Public Employees Retirement System – County Employees Retirement Plans' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the schedules referred to previously present fairly, in all material respects, the employer allocations and Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense for all NPERS participating entities for the County Employees Retirement Plan as of and for the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of NPERS State and County Employees Retirement Plans as of and for the year ended December 31, 2015, and our report thereon, dated October 19, 2016, expressed an unmodified opinion on those financial statements.

### ***Restriction on Use***

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



Zachary Wells, CPA, CISA  
Audit Manager

September 29, 2016

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
**SCHEDULE OF EMPLOYER ALLOCATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Year Ended December 31, 2015	
	Actual Employer Contributions	Employer Allocated Proportion
Total	\$ 16,073,998	
2032 - Gosper County	43,301	0.269384%
2034 - Hall County	696,390	4.332403%
2036 - Scotts Bluff County	548,615	3.413055%
2040 - Cheyenne County	192,189	1.195651%
2042 - Banner County	31,135	0.193695%
2044 - Dodge County	222,062	1.381498%
2046 - Jefferson County	150,156	0.934154%
2048 - Platte County	398,509	2.479215%
2050 - Dawson County	352,489	2.192912%
2052 - Seward County	251,690	1.565823%
2054 - Morrill County	118,443	0.736860%
2056 - Buffalo County	518,869	3.228002%
2058 - Saunders County	369,899	2.301226%
2060 - Washington County	323,411	2.012013%
2062 - Kimball County	99,479	0.618883%
2089 - Saline County	196,048	1.219662%
2090 - Adams County	299,551	1.863577%
2091 - Box Butte County	114,270	0.710897%
2119 - Madison County	304,359	1.893485%
2121 - York County	250,816	1.560381%
2123 - Custer County	196,376	1.221699%
2125 - Sarpy County	2,060,127	12.816514%
2126 - Cuming County	107,009	0.665726%
2152 - Harlan County	81,349	0.506091%
2164 - Gage County	218,693	1.360541%
2165 - Richardson County	121,163	0.753781%
2167 - Hitchcock County	61,066	0.379908%
2168 - Red Willow County	135,189	0.841043%
2232 - Polk County	91,315	0.568089%
2234 - Lincoln County	392,878	2.444183%
2240 - Cedar County	137,231	0.853748%
2242 - Holt County	169,238	1.052870%
2243 - Frontier County	64,283	0.399921%
2244 - Webster County	90,266	0.561564%
2245 - Kearney County	101,971	0.634386%
2246 - Nemaha County	135,565	0.843382%
2247 - Franklin County	90,308	0.561826%
2248 - Dundy County	55,243	0.343677%
2249 - Phelps County	173,919	1.081992%
2775 - Antelope County	120,476	0.749507%
2776 - Arthur County	7,324	0.045562%

(Continued)

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
**SCHEDULE OF EMPLOYER ALLOCATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Year Ended December 31, 2015	
	Actual Employer Contributions	Employer Allocated Proportion
2777 - Blaine County	17,371	0.108070%
2778 - Boone County	107,089	0.666227%
2779 - Boyd County	33,240	0.206790%
2780 - Brown County	73,882	0.459640%
2781 - Burt County	110,159	0.685325%
2782 - Butler County	166,319	1.034708%
2783 - Cass County	433,521	2.697036%
2784 - Chase County	88,793	0.552400%
2785 - Cherry County	123,300	0.767075%
2786 - Clay County	139,244	0.866271%
2787 - Colfax County	138,020	0.858657%
2788 - Dakota County	267,836	1.666266%
2789 - Dawes County	121,909	0.758425%
2790 - Deuel County	59,054	0.367389%
2791 - Dixon County	92,035	0.572572%
2792 - Fillmore County	138,339	0.860641%
2793 - Furnas County	84,166	0.523619%
2794 - Garden County	79,712	0.495906%
2795 - Garfield County	34,499	0.214625%
2796 - Grant County	13,285	0.082649%
2797 - Greeley County	48,017	0.298727%
2798 - Hamilton County	168,712	1.049597%
2799 - Hayes County	32,478	0.202055%
2800 - Hooker County	21,669	0.134807%
2801 - Howard County	101,967	0.634358%
2802 - Johnson County	75,782	0.471458%
2803 - Keith County	143,697	0.893973%
2804 - Keya Paha County	20,342	0.126550%
2805 - Knox County	126,795	0.788819%
2806 - Logan County	21,927	0.136413%
2807 - Loup County	22,409	0.139409%
2808 - McPherson County	20,106	0.125084%
2809 - Merrick County	111,345	0.692705%
2810 - Nance County	88,686	0.551736%
2811 - Nuckolls County	68,291	0.424855%
2812 - Otoe County	211,239	1.314164%
2813 - Pawnee County	52,281	0.325250%
2814 - Perkins County	108,755	0.676588%
2815 - Pierce County	95,258	0.592622%
2816 - Rock County	53,168	0.330770%
2817 - Sheridan County	97,901	0.609063%
2818 - Sherman County	75,298	0.468448%
2819 - Sioux County	38,736	0.240987%
2820 - Stanton County	71,482	0.444706%

See the notes to the schedules.

(Continued)



NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
**SCHEDULE OF EMPLOYER ALLOCATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2015

Employer	Year Ended December 31, 2015	
	Actual Employer Contributions	Employer Allocated Proportion
2821 - Thayer County	119,422	0.742950%
2822 - Thomas County	18,814	0.117046%
2823 - Thurston County	102,645	0.638577%
2824 - Valley County	80,696	0.502029%
2825 - Wayne County	87,753	0.545931%
2826 - Wheeler County	30,232	0.188083%
2833 - Four Corners Health Department	22,070	0.137302%
2834 - Loup Basin Public Health Department	21,365	0.132914%
2835 - Panhandle Public Health Department	44,851	0.279031%
2836 - South Heartland District Health Department	26,264	0.163393%
2837 - Two Rivers Public Health Department	24,415	0.151889%
2838 - Three Rivers Public Health Department	36,086	0.224497%
2839 - Elkhorn Logan Valley Public Health Department	40,478	0.251821%
2840 - Northeast Nebraska Public Health Department	21,362	0.132901%
2841 - Southwest Nebraska Public Health Department	22,028	0.137044%
2842 - West Central District Health Department	48,830	0.303780%
2844 - Southeast District Health Department	24,691	0.153609%
2845 - Public Health Solutions	57,219	0.355971%
2846 - Sarpy/Cass Department of Health and Wellness	38,543	0.239787%
2847 - Stuhr Museum	35,977	0.223824%
2848 - Western Nebraska Regional Airport	17,384	0.108148%
2849 - Saunders Medical Center	592,859	3.688310%
2850 - Nemaha County Hospital	269,230	1.674942%

(Concluded)

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
	12/31/15 Net Pension Liability/(Asset)	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments		Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes in Proportion	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Recognition of Deferred Amounts from Changes in Proportionate Share		Total Employer Pension Expense
			Changes in Proportion	Investments						Proportionate Share	Deferred Amounts	
Total	\$ (642,886)	\$ 751,356	\$ 22,268,043	\$ 827,488	\$ 23,846,887	\$ 2,550,968	\$ 827,488	\$ 3,378,456	\$ 30,028,044	\$ 0	\$ 30,028,044	
2032 - Gosper County	(1,732)	2,024	59,987	9,482	71,493	6,872	2,703	9,575	80,891	974	81,865	
2034 - Hall County	(27,852)	32,552	964,741	0	997,293	110,518	79,763	190,281	1,300,936	(12,463)	1,288,473	
2036 - Scotts Bluff County	(21,942)	25,644	760,021	11,038	796,703	87,066	10,427	97,493	1,024,874	322	1,025,196	
2040 - Cheyenne County	(7,687)	8,984	266,248	2,898	278,130	30,501	17,855	48,356	359,031	(2,213)	356,818	
2042 - Banner County	(1,245)	1,455	43,132	3,587	48,174	4,941	0	4,941	58,163	576	58,739	
2044 - Dodge County	(8,881)	10,380	307,633	4,494	322,507	35,242	8,369	43,611	414,837	(763)	414,074	
2046 - Jefferson County	(6,006)	7,019	208,018	4,765	219,802	23,830	8,034	31,864	280,508	(663)	279,845	
2048 - Platte County	(15,939)	18,628	552,073	27,242	597,943	63,244	0	63,244	744,460	4,248	748,708	
2050 - Dawson County	(14,098)	16,477	488,319	12,527	517,323	55,940	6,927	62,867	658,489	708	659,197	
2052 - Seward County	(10,066)	11,765	348,678	11,959	372,402	39,944	28,886	68,830	470,186	(2,324)	467,862	
2054 - Morrill County	(4,737)	5,536	164,084	5,828	175,448	18,797	9,721	28,518	221,265	(471)	220,794	
2056 - Buffalo County	(20,752)	24,254	718,813	0	743,067	82,345	31,200	113,545	969,306	(5,036)	964,270	
2058 - Saunders County	(14,794)	17,290	512,438	1,936	531,664	58,704	5,484	64,188	691,013	(499)	690,514	
2060 - Washington County	(12,935)	15,117	448,036	20,091	483,244	51,326	8,946	60,272	604,168	2,110	606,278	
2062 - Kimball County	(3,979)	4,650	137,813	9,384	151,847	15,788	1,821	17,609	185,838	1,111	186,949	
2089 - Saline County	(7,841)	9,164	271,595	10,635	291,394	31,113	0	31,113	366,241	1,832	368,073	
2090 - Adams County	(11,981)	14,002	414,982	4,090	433,074	47,539	35,798	83,337	559,596	(4,734)	554,862	
2091 - Box Butte County	(4,570)	5,341	158,303	20,283	183,927	18,135	0	18,135	213,468	3,305	216,773	
2119 - Madison County	(12,173)	14,227	421,462	606	436,475	48,302	3,324	51,626	568,577	(482)	568,095	
2121 - York County	(10,031)	11,724	347,466	14,318	373,508	39,805	0	39,805	468,552	2,206	470,758	
2123 - Custer County	(7,854)	9,179	272,048	0	281,227	31,165	19,081	50,246	366,852	(2,938)	363,914	
2125 - Sarpy County	(82,401)	96,296	2,853,984	204,761	3,155,041	326,942	8,438	335,380	3,848,545	29,665	3,878,210	
2126 - Cuming County	(4,280)	5,002	148,244	5,940	159,186	16,982	205	17,187	199,904	868	200,772	
2152 - Harlan County	(3,254)	3,803	112,697	0	116,500	12,910	5,148	18,058	151,969	(798)	151,171	
2164 - Gage County	(8,747)	10,223	302,966	15,222	328,411	34,707	14,843	49,550	408,544	(250)	408,294	
2165 - Richardson County	(4,846)	5,664	167,852	1,092	174,608	19,229	3,286	22,515	226,346	(401)	225,945	
2167 - Hitchcock County	(2,442)	2,854	84,598	4,140	91,592	9,691	4,494	14,185	114,079	32	114,111	
2168 - Red Willow County	(5,407)	6,319	187,284	0	193,603	21,455	14,519	35,974	252,549	(2,260)	250,289	
2232 - Polk County	(3,652)	4,268	126,502	10,388	141,158	14,492	0	14,492	170,586	1,766	172,352	
2234 - Lincoln County	(15,713)	18,365	544,272	11,448	574,085	62,350	3,348	65,698	733,940	1,468	735,408	
2240 - Cedar County	(5,489)	6,415	190,113	872	197,400	21,779	564	22,343	256,364	35	256,399	
2242 - Holt County	(6,769)	7,911	234,454	0	242,365	26,858	17,610	44,468	316,156	(2,814)	313,342	
2243 - Frontier County	(2,571)	3,005	89,055	564	92,624	10,202	9,626	19,828	120,088	(1,366)	118,722	
2244 - Webster County	(3,610)	4,219	125,049	2,148	131,416	14,325	3,973	18,298	168,627	(359)	168,268	
2245 - Kearney County	(4,078)	4,766	141,265	11,038	157,069	16,183	1,588	17,771	190,494	1,403	191,897	
2246 - Nemaha County	(5,422)	6,337	187,805	4,939	199,081	21,514	9,007	30,521	253,251	(516)	252,735	
2247 - Franklin County	(3,612)	4,221	125,108	3,191	132,520	14,332	2,810	17,142	168,705	124	168,829	
2248 - Dundy County	(2,209)	2,582	76,530	0	79,112	8,767	15,603	24,370	103,199	(2,537)	100,662	
2249 - Phelps County	(6,956)	8,130	240,938	0	249,068	27,601	13,719	41,320	324,901	(2,087)	322,814	
2775 - Antelope County	(4,818)	5,631	166,901	14,611	187,143	19,120	6,539	25,659	225,062	1,091	226,153	
2776 - Arthur County	(293)	342	10,146	3,359	13,847	1,162	115	1,277	13,681	490	14,171	
2777 - Blaine County	(695)	812	24,065	211	25,088	2,757	2,967	5,724	32,451	(414)	32,037	
2778 - Boone County	(4,283)	5,006	148,356	14,986	168,348	16,995	98	17,093	200,055	2,573	202,628	
2779 - Boyd County	(1,329)	1,554	46,048	2,563	50,165	5,275	4,604	9,879	62,095	(257)	61,838	
2780 - Brown County	(2,955)	3,454	102,353	1,941	107,748	11,725	4,965	16,690	138,021	(563)	137,458	
2781 - Burt County	(4,406)	5,149	152,608	4,704	162,461	17,482	9,684	27,166	205,790	(659)	205,131	
2782 - Butler County	(6,652)	7,774	230,409	11,176	249,359	26,395	0	26,395	310,703	1,783	312,486	
2783 - Cass County	(17,339)	20,264	600,577	12,753	633,594	68,801	25,180	93,981	809,867	(1,624)	808,243	
2784 - Chase County	(3,551)	4,150	123,009	0	127,159	14,092	13,838	27,930	165,875	(2,108)	163,767	
2785 - Cherry County	(4,931)	5,763	170,813	23,405	199,981	19,568	16,333	35,901	230,338	736	231,074	
2786 - Clay County	(5,569)	6,509	192,902	0	199,411	22,098	5,801	27,899	260,124	(889)	259,235	
2787 - Colfax County	(5,520)	6,452	191,206	178	197,836	21,904	2,773	24,677	257,838	(390)	257,448	
2788 - Dakota County	(10,712)	12,520	371,045	5,074	388,639	42,506	13,588	56,094	500,347	(1,189)	499,158	
2789 - Dawes County	(4,876)	5,698	168,886	879	175,463	19,347	5,996	25,343	227,740	(759)	226,981	
2790 - Deuel County	(2,362)	2,760	81,810	0	84,570	9,372	2,324	11,696	110,320	(359)	109,961	
2791 - Dixon County	(3,681)	4,302	127,501	13,732	145,535	14,606	392	14,998	171,932	2,019	173,951	
2792 - Fillmore County	(5,533)	6,466	191,648	0	198,114	21,955	11,113	33,068	258,434	(1,859)	256,575	
2793 - Furnas County	(3,366)	3,934	116,600	1,438	121,972	13,357	5,070	18,427	157,233	(657)	156,576	
2794 - Garden County	(3,188)	3,726	110,429	0	114,155	12,650	7,837	20,487	148,911	(1,240)	147,671	

(Continued)

See the notes to the schedules.

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Employer	Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
	12/31/15 Net Pension Liability/(Asset)	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan		Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes in Proportion	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Recognition of Deferred Amounts from Changes in Proportionate Share	Total Employer Pension Expense	
			Investments	Changes in Proportion								
2795 - Garfield County	(1,380)	1,613	47,793	3,318	52,724	5,475	1,604	7,079	64,448	227	64,675	
2796 - Grant County	(531)	621	18,404	609	19,634	2,108	0	2,108	24,818	101	24,919	
2797 - Greeley County	(1,920)	2,245	66,521	6,451	75,217	7,620	0	7,620	89,702	1,055	90,757	
2798 - Hamilton County	(6,748)	7,886	233,725	12,274	253,885	26,775	0	26,775	315,173	1,880	317,053	
2799 - Hayes County	(1,299)	1,518	44,994	2,528	49,040	5,154	6,742	11,896	60,673	(588)	60,085	
2800 - Hooker County	(867)	1,013	30,019	743	31,775	3,439	617	4,056	40,480	34	40,514	
2801 - Howard County	(4,078)	4,766	141,259	1,440	147,465	16,182	3,264	19,446	190,485	(247)	190,238	
2802 - Johnson County	(3,031)	3,542	104,984	4,284	112,810	12,027	2,104	14,131	141,570	287	141,857	
2803 - Keith County	(5,747)	6,717	199,070	4,530	210,317	22,805	12,438	35,243	268,443	(1,107)	267,336	
2804 - Keya Paha County	(814)	951	28,180	904	30,035	3,228	0	3,228	38,000	153	38,153	
2805 - Knox County	(5,071)	5,927	175,655	2,619	184,201	20,123	20,480	40,603	236,867	(2,660)	234,207	
2806 - Logan County	(877)	1,025	30,377	6,851	38,253	3,480	805	4,285	40,962	902	41,864	
2807 - Loup County	(896)	1,047	31,044	619	32,710	3,556	101	3,657	41,862	92	41,954	
2808 - McPherson County	(804)	940	27,854	528	29,322	3,191	1,084	4,275	37,560	(74)	37,486	
2809 - Merrick County	(4,453)	5,205	154,252	21,225	180,682	17,671	29,594	47,265	208,006	(831)	207,175	
2810 - Nance County	(3,547)	4,146	122,861	10,972	137,979	14,075	1,398	15,473	165,676	1,427	167,103	
2811 - Nuckolls County	(2,731)	3,192	94,607	2,863	100,662	10,838	5,148	15,986	127,576	(288)	127,288	
2812 - Otoe County	(8,449)	9,874	292,639	35,444	337,957	33,524	22,365	55,889	394,618	1,524	396,142	
2813 - Pawnee County	(2,091)	2,444	72,427	0	74,871	8,297	1,377	9,674	97,666	(236)	97,430	
2814 - Perkins County	(4,350)	5,084	150,663	9,551	165,298	17,260	12,596	29,856	203,166	(725)	202,441	
2815 - Pierce County	(3,810)	4,453	131,965	3,116	139,534	15,118	0	15,118	177,953	519	178,472	
2816 - Rock County	(2,126)	2,485	73,656	3,717	79,858	8,438	2,013	10,451	99,324	336	99,660	
2817 - Sheridan County	(3,916)	4,576	135,626	13,282	153,484	15,537	9,295	24,832	182,890	412	183,302	
2818 - Sherman County	(3,012)	3,520	104,314	2,609	110,443	11,950	6,533	18,483	140,666	(543)	140,123	
2819 - Sioux County	(1,549)	1,811	53,663	4,626	60,100	6,148	0	6,148	72,364	726	73,090	
2820 - Stanton County	(2,859)	3,341	99,027	15,735	118,103	11,344	0	11,344	133,537	2,452	135,989	
2821 - Thayer County	(4,776)	5,582	165,440	6,655	177,677	18,952	2,891	21,843	223,093	710	223,803	
2822 - Thomas County	(752)	879	26,064	116	27,059	2,986	1,296	4,282	35,147	(206)	34,941	
2823 - Thurston County	(4,105)	4,798	142,199	970	147,967	16,290	11,090	27,380	191,752	(1,518)	190,234	
2824 - Valley County	(3,227)	3,772	111,792	1,288	116,852	12,807	0	12,807	150,749	197	150,946	
2825 - Wayne County	(3,510)	4,102	121,568	0	125,670	13,927	15,181	29,108	163,932	(2,420)	161,512	
2826 - Wheeler County	(1,209)	1,413	41,882	2,568	45,863	4,798	0	4,798	56,478	432	56,910	
2833 - Four Corners Health Department	(883)	1,032	30,574	4,381	35,987	3,503	0	3,503	41,229	721	41,950	
2834 - Loup Basin Public Health Department	(854)	999	29,597	380	30,976	3,391	3,488	6,879	39,911	(545)	39,366	
2835 - Panhandle Public Health Department	(1,794)	2,097	62,135	0	64,232	7,118	6,583	13,701	83,788	(1,040)	82,748	
2836 - South Heartland District Health Department	(1,050)	1,228	36,384	2,904	40,516	4,168	6,352	10,520	49,064	(463)	48,601	
2837 - Two Rivers Public Health Department	(976)	1,141	33,823	0	34,964	3,875	3,794	7,669	45,609	(579)	45,030	
2838 - Three Rivers Public Health Department	(1,443)	1,687	49,991	2,886	54,564	5,727	0	5,727	67,412	469	67,881	
2839 - Elkhorn Logan Valley Public Health Department	(1,619)	1,892	56,076	1,002	58,970	6,424	5,253	11,677	75,617	(625)	74,992	
2840 - Northeast Nebraska Public Health Department	(854)	999	29,594	3,219	33,812	3,390	685	4,075	39,908	371	40,279	
2841 - Southwest Nebraska Public Health Department	(881)	1,030	30,517	7,085	38,632	3,496	2,905	6,401	41,152	575	41,727	
2842 - West Central District Health Department	(1,953)	2,282	67,646	20,838	90,766	7,749	14,620	22,369	91,219	642	91,861	
2843 - Sandhills District Health Department (dissolved) 7/1/2014	0	0	0	17,144	17,144	0	0	0	0	2,743	2,743	
2844 - Southeast District Health Department	(988)	1,154	34,206	1,640	37,000	3,919	3,604	7,523	46,126	(373)	45,753	
2845 - Public Health Solutions	(2,288)	2,675	79,268	0	81,943	9,081	37,045	46,126	106,891	(5,644)	101,247	
2846 - Sarpy/Cass Department of Health and Wellness	(1,542)	1,802	53,396	4,267	59,465	6,117	0	6,117	72,003	733	72,736	
2847 - Stuhr Museum	(1,439)	1,682	49,841	2,395	53,918	5,710	155	5,865	67,210	390	67,600	
2848 - Western Nebraska Regional Airport	(695)	813	24,082	0	24,895	2,759	3,167	5,926	32,475	(522)	31,953	
2849 - Saunders Medical Center	(23,712)	27,712	821,314	0	849,026	94,088	23,484	117,572	1,107,527	(3,793)	1,103,734	
2850 - Nemaha County Hospital	(10,768)	12,585	372,977	14,996	400,558	42,727	0	42,727	502,952	2,413	505,365	

(Concluded)

Deferred outflows for contributions made after 12/31/15 are not reflected. Please consult GASB 68, Paragraph 89.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN

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

For the Year Ended December 31, 2015

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

Employers participating in the NPERS – County Employees Retirement Plan cost-sharing, multiple-employer defined benefit plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer provide employers with the required information for financial reporting.

The underlying financial information used to prepare the pension allocation schedules is based on NPERS County Employees Retirement Plan financial statements. NPERS financial statements for all plans are prepared using the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which apply to governmental accounting for fiduciary funds.

Employer contributions for pay periods beginning on or after January 1, 2015, and ending on or before December 31, 2015, were used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations.

The difference between employer contributions reported on the County Employees Retirement Plan Statement of Changes in Plan Net Position of \$16,068,670 and employer contributions reported on the Schedule of Employer Allocations Proportion by Employer of \$16,073,998 totals \$5,328. That variance is due to differences in the accrual of employer contributions receivable and is included in total pension expense.

The Employer Allocated Proportion on the Schedule of Employer Allocations represents each employer's actual contributions divided by the total actual employer contributions for all County employers. The percentages in this column are used to calculate each employer's proportionate share on the Schedule of Pension Amounts by Employer.

The Differences between Projected and Actual Earnings on Pension Plan Investments are to be recognized over a five-year period. The non-current amount is presented as a Deferred Outflow of Resources on the Schedule of Pension Amounts by Employer. The current amount is included in the Proportionate Share of Plan Pension Expense on the Schedule of Pension Amounts by Employer.

The Changes in Proportion, presented as a Deferred Outflow of Resources or Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer, are calculated as the difference between each employer's current year employer allocated proportion and

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN

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

(Continued)

**1. Summary of Significant Accounting Policies (Concluded)**

the previous fiscal year employer allocated proportion, multiplied by the previous year's collective Net Pension Liability/(Asset), less the amount to be recognized in the current period as Pension Expense. These amounts also include the prior year Deferred Outflows of Resources and Deferred Inflows of Resources less the amount to be recognized in the current period as pension expense. Prior year information can be found in the GASB 68 report prepared by the plan actuary as of December 31, 2014 (see Note 3). The change in proportion to be reported as pension expense in the current year is determined by spreading the total change over the average expected remaining service life of the entire plan membership at the beginning of the measurement period, which is 7.58 years. That amount is presented as the Net Recognition of Deferred Amounts from Changes in Proportionate Share found under Pension Expense on the Schedule of Pension Amounts by Employer.

The Differences Between Expected and Actual Experience are also to be recognized over the average expected remaining service life of the entire plan membership at the beginning of the measurement period, which is 7.58 years. The non-current amount is presented as a Deferred Outflow of Resources and Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer. The current amount is included in the Proportionate Share of Plan Pension Expense on the Schedule of Pension Amounts by Employer.

The column titled 12/31/15 Net Pension Liability/(Asset) on the Schedule of Pension Amounts by Employer represents a Net Pension Asset, as the plan was more than 100% funded at December 31, 2015.

A Schedule of Recognition Amounts by Employer showing Deferred Outflows of Resources and Deferred Inflows of Resources to be recognized in future years, by employer, has been prepared by the actuary in their GASB 68 report prepared as of December 31, 2015. NPERS anticipates County employers participating in the plan, and their auditors will use this report for County fiscal years ended December 31, 2016. As such, it is anticipated amounts will be deferred to fiscal years ending December 31, 2017, and beyond. The schedule also provides the sensitivity of the Net Pension Liability/(Asset) to changes in the discount rate, showing what the proportionate share of the Net Pension Liability/(Asset) would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate.

**2. Plan Description**

The Nebraska Public Employees Retirement Board (Board) was created in 1971 to administer the Nebraska retirement plans. In 1973, the State Legislature brought the County Employees Retirement Plan under the administration of the Board. This multiple-employer plan covers employees of 91 of the State's 93 counties and several

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN

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

(Continued)

**2. Plan Description** (Concluded)

county health districts. Douglas and Lancaster counties have separate retirement plans for their employees, as allowed by Neb. Rev. Stat. § 23-1118 (Supp. 2015). The County Employees Retirement Plan has been created in accordance with Internal Revenue Code Sections 401(a), 414(h), and 414(k). Participants should refer to Neb. Rev. Stat. §§ 23-2301 through 23-2332.01 (Reissue 2012, Cum. Supp. 2014, Supp. 2015) for the County Employees Retirement Act. Benefit and contribution provisions are established by State law and may be amended only by the Nebraska Legislature.

Prior to January 1, 2003, the County Plan consisted of a defined contribution plan. Effective January 1, 2003, a cash balance benefit was added to the County Employees Retirement Act. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003, elected either to continue participation in the defined contribution option or to begin participation in the cash balance benefit. The defined contribution option is closed to new entrants. On or after January 1, 2003, all new members of the County Plan become members of the cash balance benefit. The information in this report relates only to the cash balance benefit plan.

Participation in the County Employees Retirement Plan is required of all full-time employees upon employment and of all full-time elected officials upon taking office. All permanent part-time employees can elect voluntary participation upon reaching age 18. Part-time elected officials may exercise the option to join. During fiscal year 2015, there were 108 participating employers in the County Plan.

**3. Actuarial Methods and Assumptions**

The total pension liability/(asset) for the County Employees Retirement Plan was determined by an actuarial valuation as of the December 31, 2015, measurement date, using the entry age normal actuarial cost method. Inflation is assumed to be 3.25 percent. The long-term expected rate of return on pension plan investments used in the determination of the total pension liability is 7.75 percent.

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of the most recent actuarial experience study, which covered the five-year period ending June 30, 2011. The experience study report is dated August 20, 2012.

The supporting actuary information is included in the January 1, 2016, Actuarial Valuation Report and the December 31, 2015, GASB Statement No. 67 and 68 reports prepared by the actuary. Those reports can be obtained from <https://npers.ne.gov> under Member Info – Publications/Videos, by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE, 68509-4816, or by calling 402-471-2053.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN

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

(Concluded)

**4. Additional Financial Information**

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (including the unmodified audit opinion on the financial statements) is presented in a separate report prepared by NPERS. That report can be obtained from <https://npers.ne.gov> under Related Links – Retirement Plan Audits, by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE, 68509-4816, or by calling 402-471-2053.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
EMPLOYER GASB 68 SCHEDULES  
**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***

### INDEPENDENT AUDITOR'S REPORT

Nebraska Public Employees Retirement Board  
Lincoln, NE

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Employer Allocations of the Nebraska Public Employees Retirement System – County Employees Retirement Plan, as of and for the year ended December 31, 2015, and the related notes. We have also audited the total for all entities of the columns titled Net Pension Liability/(Asset), Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Employer Pension Expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the Nebraska Public Employees Retirement System – County Employees Retirement Plan, as of and for the year ended December 31, 2015, and the related notes, and have issued our report thereon dated September 29, 2016.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedules referred to previously, but not for the purpose of expressing an opinion on the effectiveness of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan's internal control.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan’s schedules will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the Comment and Recommendation section, that we consider to be a significant deficiency (Procedures to Calculate County Employer Contributions).

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan’s schedules are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and other matters, noncompliance with which could have a direct and material effect on the determination of schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, not to provide an opinion on the effectiveness of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Zachary Wells, CPA, CISA  
Audit Manager

September 29, 2016