

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

**EMPLOYER GASB STATEMENT NO. 68 SCHEDULES  
SCHEDULE OF EMPLOYER ALLOCATIONS, AND  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**Issued on August 25, 2017**

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

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Background Information Section</b>	
Key Officials and Agency Contact Information	1
<b>Financial Section</b>	
Independent Auditor's Report	2 - 3
County Employees Retirement Plan Schedules:	
Schedule of Employer Allocations	4 - 6
Schedule of Pension Amounts by Employer	7 - 8
Notes to the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer	9 - 12
<b>Government Auditing Standards Section</b>	
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 <i>Government Auditing Standards</i>	13 - 14

NEBRASKA PUBLIC EMPLOYEES 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**

Janis Elliott  
Chairperson – School Member  
Term Ending January 1, 2019

Elaine Stuhr  
Public Member  
Term Ending January 1, 2018

Dennis Leonard  
Vice-Chair – State Patrol Member  
Term Ending January 1, 2020

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

Jim Schulz  
Public Member  
Term Ending January 1, 2022

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  
[npers.ne.gov](http://npers.ne.gov)



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.nebraska.gov

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
EMPLOYER GASB STATEMENT NO. 68 SCHEDULES

### INDEPENDENT AUDITOR'S REPORT

Nebraska Public Employees Retirement Board  
Lincoln, Nebraska

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

We have audited the accompanying Schedule of Employer Allocations of the Nebraska Public Employees Retirement Systems (NPERS) – County Employees Retirement Plan, as of and for the year ended December 31, 2016, 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, 2016, and related notes.

#### ***Management's Responsibility for the Financial Statements***

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 Systems – County Employees Retirement Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Employer Allocations and 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, 2016, in conformity 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, 2016, and our report thereon, dated August 23, 2017, 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, and 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.

August 23, 2017



Zachary Wells, CPA  
Audit Manager  
Lincoln, Nebraska

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
**SCHEDULE OF EMPLOYER ALLOCATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2016

Employer	Year Ended December 31, 2016	
	Actual Employer Contributions	Employer Allocated Proportion
Total	\$ 16,938,315	
2032 - Gosper County	49,363	0.291428%
2034 - Hall County	750,818	4.432659%
2036 - Scotts Bluff County	563,884	3.329045%
2040 - Cheyenne County	205,917	1.215685%
2042 - Banner County	31,542	0.186219%
2044 - Dodge County	220,095	1.299392%
2046 - Jefferson County	160,115	0.945284%
2048 - Platte County	412,209	2.433589%
2050 - Dawson County	371,607	2.193884%
2052 - Seward County	279,467	1.649909%
2054 - Morrill County	133,125	0.785939%
2056 - Buffalo County	543,919	3.211177%
2058 - Saunders County	371,008	2.190348%
2060 - Washington County	340,490	2.010174%
2062 - Kimball County	102,415	0.604633%
2089 - Saline County	212,222	1.252910%
2090 - Adams County	327,701	1.934674%
2091 - Box Butte County	128,236	0.757076%
2119 - Madison County	333,383	1.968218%
2121 - York County	255,499	1.508410%
2123 - Custer County	203,376	1.200685%
2125 - Sarpy County	2,197,705	12.974759%
2126 - Cuming County	112,260	0.662755%
2152 - Harlan County	81,050	0.478502%
2164 - Gage County	224,990	1.328293%
2165 - Richardson County	142,195	0.839485%
2167 - Hitchcock County	62,159	0.366971%
2168 - Red Willow County	134,373	0.793306%
2232 - Polk County	102,894	0.607464%
2234 - Lincoln County	407,263	2.404388%
2240 - Cedar County	152,419	0.899845%
2242 - Holt County	184,602	1.089847%
2243 - Frontier County	63,100	0.372526%
2244 - Webster County	93,869	0.554184%
2245 - Kearney County	102,804	0.606930%
2246 - Nemaha County	139,513	0.823651%
2247 - Franklin County	94,076	0.555401%
2248 - Dundy County	61,491	0.363026%
2249 - Phelps County	176,654	1.042927%
2775 - Antelope County	141,077	0.832887%
2776 - Arthur County	8,484	0.050088%
2777 - Blaine County	18,614	0.109891%
2778 - Boone County	115,412	0.681365%

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, 2016

Employer	Year Ended December 31, 2016	
	Actual Employer Contributions	Employer Allocated Proportion
2779 - Boyd County	36,232	0.213903%
2780 - Brown County	77,071	0.455009%
2781 - Burt County	116,120	0.685547%
2782 - Butler County	184,307	1.088106%
2783 - Cass County	473,878	2.797671%
2784 - Chase County	95,958	0.566514%
2785 - Cherry County	133,583	0.788641%
2786 - Clay County	142,508	0.841335%
2787 - Colfax County	145,405	0.858436%
2788 - Dakota County	283,885	1.675992%
2789 - Dawes County	129,765	0.766102%
2790 - Deuel County	57,316	0.338383%
2791 - Dixon County	98,088	0.579090%
2792 - Fillmore County	145,858	0.861113%
2793 - Furnas County	89,313	0.527286%
2794 - Garden County	81,014	0.478287%
2795 - Garfield County	36,908	0.217894%
2796 - Grant County	14,394	0.084981%
2797 - Greeley County	48,558	0.286678%
2798 - Hamilton County	174,909	1.032623%
2799 - Hayes County	31,547	0.186247%
2800 - Hooker County	22,079	0.130352%
2801 - Howard County	104,334	0.615963%
2802 - Johnson County	81,859	0.483275%
2803 - Keith County	148,473	0.876552%
2804 - Keya Paha County	21,919	0.129404%
2805 - Knox County	131,057	0.773731%
2806 - Logan County	23,121	0.136499%
2807 - Loup County	23,339	0.137787%
2808 - McPherson County	21,237	0.125380%
2809 - Merrick County	116,915	0.690237%
2810 - Nance County	95,645	0.564665%
2811 - Nuckolls County	73,327	0.432907%
2812 - Otoe County	228,943	1.351630%
2813 - Pawnee County	53,277	0.314534%
2814 - Perkins County	111,696	0.659428%
2815 - Pierce County	100,113	0.591045%
2816 - Rock County	55,136	0.325508%
2817 - Sheridan County	107,491	0.634600%
2818 - Sherman County	82,492	0.487016%
2819 - Sioux County	43,458	0.256569%
2820 - Stanton County	83,111	0.490670%
2821 - Thayer County	127,384	0.752047%
2822 - Thomas County	21,217	0.125259%
2823 - Thurston County	109,456	0.646203%
2824 - Valley County	85,965	0.507518%

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, 2016

Employer	Year Ended December 31, 2016	
	Actual Employer Contributions	Employer Allocated Proportion
2825 - Wayne County	98,469	0.581336%
2826 - Wheeler County	33,019	0.194937%
2833 - Four Corners Health Department	21,627	0.127682%
2834 - Loup Basin Public Health Department	20,551	0.121327%
2835 - Panhandle Public Health Department	46,113	0.272241%
2836 - South Heartland District Health Department	26,824	0.158361%
2837 - Two Rivers Public Health Department	27,734	0.163733%
2838 - Three Rivers Public Health Department	31,750	0.187446%
2839 - Elkhorn Logan Valley Public Health Department	38,467	0.227100%
2840 - Northeast Nebraska Public Health Department	20,968	0.123787%
2841 - Southwest Nebraska Public Health Department	23,107	0.136419%
2842 - West Central District Health Department	49,188	0.290396%
2844 - Southeast District Health Department	22,012	0.129954%
2845 - Public Health Solutions	56,327	0.332540%
2846 - Sarpy/Cass Department of Health and Wellness	39,031	0.230428%
2847 - Stuhr Museum	35,742	0.211011%
2848 - Western Nebraska Regional Airport	18,351	0.108340%
2849 - Saunders Medical Center	565,120	3.336342%
2850 - Nemaha County Hospital	280,867	1.658174%

(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, 2016**

Employer	12/31/16 Net Pension Liability/(Asset) (NPL)	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense		
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes in Proportion	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes in Proportion	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Recognition of Deferred Amounts from Changes in Proportionate Share	Total Employer Pension Expense
Total	\$ (12,989,750)	\$ 637,168	\$ 16,508,489	\$ 969,368	\$ 18,115,025	\$ 6,796,088	\$ 2,003,780	\$ 969,368	\$ 9,769,236	\$ 16,714,093	\$ -	\$ 16,714,093
2032 - Gosper County	(37,856)	1,857	48,110	8,041	58,008	19,806	5,840	6,253	31,899	48,710	337	49,047
2034 - Hall County	(575,791)	28,243	731,765	-	760,008	301,247	88,821	85,571	475,639	740,879	(15,358)	725,521
2036 - Scotts Bluff County	(432,435)	21,212	549,575	24,441	595,228	226,245	66,707	8,842	301,794	556,420	2,748	559,168
2040 - Cheyenne County	(157,914)	7,746	200,691	2,398	210,835	82,619	24,360	18,792	125,771	203,191	(2,792)	200,399
2042 - Banner County	(24,189)	1,187	30,742	4,373	36,302	12,656	3,731	-	16,387	31,125	792	31,917
2044 - Dodge County	(168,788)	8,279	214,510	18,773	241,562	88,308	26,037	6,923	121,268	217,182	1,608	218,790
2046 - Jefferson County	(122,790)	6,023	156,052	4,041	166,116	64,242	18,941	8,675	91,858	157,996	(984)	157,012
2048 - Platte County	(316,117)	15,506	401,749	31,309	448,564	165,389	48,764	-	214,153	406,752	5,566	412,318
2050 - Dawson County	(284,980)	13,979	362,177	10,623	386,779	149,098	43,961	5,908	198,967	366,688	680	367,368
2052 - Seward County	(214,319)	10,513	272,375	9,893	292,781	112,129	33,061	39,820	185,010	275,767	(4,752)	271,015
2054 - Morrill County	(102,092)	5,008	129,747	4,822	139,577	53,413	15,748	17,188	86,349	131,363	(1,889)	129,474
2056 - Buffalo County	(417,124)	20,461	530,117	3,066	553,644	218,234	64,345	26,164	308,743	536,719	(4,550)	532,169
2058 - Saunders County	(284,521)	13,956	361,593	21,807	397,356	148,858	43,890	4,650	197,398	366,097	2,703	368,800
2060 - Washington County	(261,117)	12,808	331,849	16,956	361,613	136,613	40,279	7,586	184,478	335,982	2,163	338,145
2062 - Kimball County	(78,540)	3,853	99,816	10,555	114,224	41,091	12,116	1,506	54,713	101,059	1,523	102,582
2089 - Saline County	(162,750)	7,983	206,837	8,803	223,623	85,149	25,106	6,059	116,314	209,413	872	210,285
2090 - Adams County	(251,309)	12,327	319,385	3,384	335,096	131,482	38,767	43,314	213,563	323,363	(6,787)	316,576
2091 - Box Butte County	(98,342)	4,824	124,982	16,978	146,784	51,452	15,170	8,415	75,037	126,538	1,971	128,509
2119 - Madison County	(255,667)	12,541	324,923	514	337,978	133,762	39,439	16,369	189,570	328,970	(2,640)	326,330
2121 - York County	(195,939)	9,611	249,016	21,583	280,210	102,513	30,225	-	132,738	252,117	3,707	255,824
2123 - Custer County	(155,966)	7,650	198,215	3,829	209,694	81,600	24,059	16,143	121,802	200,684	(2,331)	198,353
2125 - Sarpy County	(1,685,388)	82,670	2,141,940	173,642	2,398,252	881,777	259,984	35,818	1,177,579	2,168,605	25,093	2,193,698
2126 - Cuming County	(86,090)	4,223	109,411	5,578	119,212	45,041	13,280	170	58,491	110,773	954	111,727
2152 - Harlan County	(62,156)	3,049	78,993	5,028	87,070	32,519	9,588	4,350	46,457	79,977	(1)	79,976
2164 - Gage County	(172,542)	8,463	219,281	18,787	246,531	90,272	26,616	12,280	129,168	222,012	681	222,693
2165 - Richardson County	(109,047)	5,349	138,586	926	144,861	57,052	16,821	18,337	92,210	140,312	(2,876)	137,436
2167 - Hitchcock County	(47,669)	2,338	60,581	5,782	68,701	24,940	7,353	3,811	36,104	61,336	406	61,742
2168 - Red Willow County	(103,048)	5,055	130,963	8,699	144,717	53,914	15,896	12,259	82,069	132,594	(881)	131,713
2232 - Polk County	(78,908)	3,871	100,283	8,622	112,776	41,284	12,172	7,175	60,631	101,532	629	102,161
2234 - Lincoln County	(312,324)	15,320	396,928	16,723	428,971	163,404	48,179	2,839	214,422	401,872	2,617	404,489
2240 - Cedar County	(116,888)	5,734	148,551	739	155,024	61,154	18,031	8,866	88,051	150,401	(1,296)	149,105
2242 - Holt County	(141,568)	6,944	179,917	-	186,861	74,067	21,838	21,534	117,439	182,158	(3,882)	178,276
2243 - Frontier County	(48,390)	2,374	61,498	5,459	69,331	25,317	7,465	8,163	40,945	62,264	(575)	61,689
2244 - Webster County	(71,987)	3,531	91,487	3,166	98,184	37,663	11,105	3,287	52,055	92,627	(146)	92,481
2245 - Kearney County	(78,839)	3,867	100,195	14,364	118,426	41,247	12,162	1,314	54,723	101,443	2,196	103,639
2246 - Nemaha County	(106,990)	5,248	135,972	7,682	148,902	55,976	16,504	7,638	80,118	137,666	54	137,720
2247 - Franklin County	(72,145)	3,539	91,688	3,811	99,038	37,746	11,129	2,383	51,258	92,830	309	93,139
2248 - Dundy County	(47,156)	2,313	59,930	-	62,243	24,672	7,274	16,592	48,538	60,677	(3,096)	57,581
2249 - Phelps County	(135,474)	6,645	172,171	7,119	185,935	70,878	20,898	11,632	103,408	174,316	(959)	173,357
2775 - Antelope County	(108,190)	5,307	137,497	12,391	155,195	56,604	16,689	20,606	93,899	139,210	(1,317)	137,893
2776 - Arthur County	(6,506)	319	8,269	2,849	11,437	3,404	1,004	919	5,327	8,372	359	8,731
2777 - Blaine County	(14,275)	700	18,141	174	19,015	7,468	2,202	2,847	12,517	18,367	(467)	17,900
2778 - Boone County	(88,508)	4,341	112,483	12,398	129,222	46,306	13,653	2,842	62,801	113,884	2,136	116,020
2779 - Boyd County	(27,785)	1,363	35,312	2,120	38,795	14,537	4,286	5,201	24,024	35,752	(462)	35,290
2780 - Brown County	(59,105)	2,899	75,115	2,490	80,504	30,923	9,117	4,107	44,147	76,051	(929)	75,622
2781 - Burt County	(89,051)	4,368	113,173	3,891	121,432	46,590	13,737	8,252	68,579	114,583	(665)	113,918
2782 - Butler County	(141,342)	6,933	179,630	9,393	195,956	73,949	21,803	9,731	105,483	181,867	241	182,108
2783 - Cass County	(363,410)	17,826	461,853	10,550	490,229	190,132	56,059	39,692	285,883	467,605	(4,530)	463,075
2784 - Chase County	(73,589)	3,610	93,523	-	97,133	38,501	11,352	14,302	64,155	94,688	(2,516)	92,172
2785 - Cherry County	(102,442)	5,025	130,193	19,848	155,066	53,597	15,803	17,442	86,842	131,814	113	131,927
2786 - Clay County	(109,287)	5,361	138,892	4,544	148,797	57,178	16,859	4,912	78,949	140,622	(169)	140,453
2787 - Colfax County	(111,509)	5,470	141,715	187	147,372	58,340	17,201	2,352	77,893	143,480	(384)	143,096
2788 - Dakota County	(217,707)	10,679	276,681	4,198	291,558	113,902	33,583	13,296	160,781	280,127	(1,470)	278,657
2789 - Dawes County	(99,515)	4,881	126,472	727	132,080	52,065	15,351	6,483	73,899	128,047	(981)	127,066
2790 - Deuel County	(43,955)	2,156	55,862	5,286	63,304	22,997	6,780	1,965	31,742	56,558	479	57,037

See the notes to the schedules.

(Continued)

**NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN - CASH BALANCE BENEFIT  
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Employer	12/31/16 Net Pension Liability/(Asset) (NPL)	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense		
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments		Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments		Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Recognition of Deferred Amounts from Changes in Proportionate Share	
			Changes in Proportion				Changes in Proportion				Proportionate Share	Total Employer Pension Expense
2791 - Dixon County	(75,222)	3,690	95,599	11,645	110,934	39,355	11,604	1,512	52,471	96,790	1,831	98,621
2792 - Fillmore County	(111,856)	5,487	142,157	-	147,644	58,522	17,255	9,340	85,117	143,927	(1,873)	142,054
2793 - Furnas County	(68,493)	3,360	87,047	1,220	91,627	35,835	10,566	4,864	51,265	88,131	(763)	87,368
2794 - Garden County	(62,128)	3,047	78,958	3,210	85,215	32,505	9,584	6,597	48,686	79,941	(731)	79,210
2795 - Garfield County	(28,304)	1,388	35,971	2,814	40,173	14,808	4,366	1,923	21,097	36,419	133	36,552
2796 - Grant County	(11,039)	541	14,029	508	15,078	5,775	1,703	425	7,903	14,204	34	14,238
2797 - Greeley County	(37,239)	1,827	47,326	7,591	56,744	19,483	5,744	-	25,227	47,916	1,403	49,319
2798 - Hamilton County	(134,135)	6,580	170,470	13,487	190,537	70,178	20,691	-	90,869	172,594	2,370	174,964
2799 - Hayes County	(24,193)	1,187	30,747	4,972	36,906	12,658	3,732	5,717	22,107	31,129	(131)	30,998
2800 - Hooker County	(16,932)	831	21,519	1,427	23,777	8,859	2,612	523	11,994	21,787	163	21,950
2801 - Howard County	(80,012)	3,925	101,686	4,543	110,154	41,861	12,343	2,768	56,972	102,953	284	103,237
2802 - Johnson County	(62,776)	3,079	79,781	3,633	86,493	32,844	9,684	3,894	46,422	80,775	(54)	80,721
2803 - Keith County	(113,862)	5,585	144,705	6,922	157,212	59,571	17,564	10,548	87,683	146,508	(604)	145,904
2804 - Keya Paha County	(16,809)	825	21,363	751	22,939	8,794	2,593	520	11,907	21,629	71	21,700
2805 - Knox County	(100,506)	4,930	127,731	4,915	137,576	52,583	15,504	17,367	85,454	129,322	(2,224)	127,098
2806 - Logan County	(17,731)	870	22,534	5,810	29,214	9,277	2,735	682	12,694	22,815	899	23,714
2807 - Loup County	(17,898)	878	22,747	807	24,432	9,364	2,761	86	12,211	23,030	139	23,169
2808 - McPherson County	(16,287)	799	20,698	437	21,934	8,521	2,512	973	12,006	20,956	(83)	20,873
2809 - Merrick County	(89,660)	4,398	113,948	18,009	136,355	46,909	13,831	25,097	85,837	115,367	(760)	114,607
2810 - Nance County	(73,349)	3,598	93,218	9,304	106,120	38,375	11,315	3,513	53,203	94,379	1,054	95,433
2811 - Nuckolls County	(56,234)	2,758	71,466	2,369	76,593	29,421	8,675	5,833	43,929	72,356	(521)	71,835
2812 - Otoe County	(175,573)	8,612	223,134	30,057	261,803	91,858	27,084	25,329	144,271	225,913	442	226,355
2813 - Pawnee County	(40,857)	2,004	51,925	1,953	55,882	21,376	6,303	1,141	28,820	52,572	73	52,645
2814 - Perkins County	(85,658)	4,202	108,862	11,227	124,291	44,815	13,213	10,420	68,448	110,217	(229)	109,988
2815 - Pierce County	(76,775)	3,766	97,573	2,884	104,223	40,168	11,843	-	52,011	98,788	565	99,353
2816 - Rock County	(42,283)	2,074	53,736	4,033	59,843	22,122	6,522	1,707	30,351	54,406	488	54,894
2817 - Sheridan County	(82,433)	4,043	104,763	11,264	120,070	43,128	12,716	12,343	68,187	106,068	(325)	105,743
2818 - Sherman County	(63,262)	3,103	80,399	2,159	85,661	33,098	9,759	8,924	51,781	81,400	(1,079)	80,321
2819 - Sioux County	(33,328)	1,635	42,356	3,900	47,891	17,437	5,141	2,839	25,417	42,883	276	43,159
2820 - Stanton County	(63,737)	3,126	81,002	13,283	97,411	33,346	9,832	8,376	51,554	82,011	1,125	83,136
2821 - Thayer County	(97,689)	4,792	124,152	5,506	134,450	51,110	15,069	4,110	70,289	125,698	447	126,145
2822 - Thomas County	(16,271)	798	20,678	98	21,574	8,513	2,510	2,569	13,592	20,936	(443)	20,493
2823 - Thurston County	(83,940)	4,117	106,678	803	111,598	43,917	12,948	10,795	67,660	108,007	(1,738)	106,269
2824 - Valley County	(65,925)	3,234	83,784	1,091	88,109	34,491	10,170	1,001	45,662	84,827	38	84,865
2825 - Wayne County	(75,514)	3,704	95,970	-	99,674	39,508	11,649	19,213	70,370	97,165	(3,442)	93,723
2826 - Wheeler County	(25,322)	1,242	32,181	2,136	35,559	13,248	3,906	1,249	18,403	32,582	234	32,816
2833 - Four Corners Health Department	(16,586)	814	21,078	5,413	27,305	8,677	2,558	-	11,235	21,341	999	22,340
2834 - Loup Basin Public Health Department	(15,760)	773	20,029	2,433	23,235	8,245	2,431	2,885	13,561	20,279	(210)	20,069
2835 - Panhandle Public Health Department	(35,363)	1,735	44,943	1,238	47,916	18,502	5,455	5,543	29,500	45,503	(844)	44,659
2836 - South Heartland District Health Department	(20,571)	1,009	26,143	3,319	30,471	10,762	3,173	5,387	19,322	26,469	(318)	26,151
2837 - Two Rivers Public Health Department	(21,269)	1,043	27,030	-	28,073	11,127	3,281	5,374	19,782	27,366	(921)	26,445
2838 - Three Rivers Public Health Department	(24,349)	1,194	30,945	9,169	41,308	12,739	3,756	-	16,495	31,330	1,539	32,869
2839 - Elkhorn Logan Valley Public Health Department	(29,500)	1,447	37,491	5,334	44,272	15,434	4,551	4,455	24,440	37,958	89	38,047
2840 - Northeast Nebraska Public Health Department	(16,080)	789	20,435	4,390	25,614	8,413	2,480	567	11,460	20,690	634	21,324
2841 - Southwest Nebraska Public Health Department	(17,720)	869	22,521	6,122	29,512	9,271	2,734	2,403	14,408	22,801	593	23,394
2842 - West Central District Health Department	(37,722)	1,850	47,940	20,110	69,900	19,736	5,819	12,095	37,650	48,537	1,028	49,565
2843 - Sandhills District Health Department (dissolved) 7/1/2014	-	-	-	-	14,401	-	-	-	-	-	2,743	2,743
2844 - Southeast District Health Department	(16,881)	828	21,453	5,703	27,984	8,832	2,604	2,982	14,418	21,721	310	22,031
2845 - Public Health Solutions	(43,196)	2,119	54,897	4,269	61,285	22,600	6,663	31,401	60,664	55,581	(4,967)	50,614
2846 - Sarpy/Cass Department of Health and Wellness	(29,932)	1,468	38,040	5,241	44,749	15,660	4,617	-	20,277	38,514	1,003	39,517
2847 - Stuhr Museum	(27,410)	1,344	34,835	4,317	40,496	14,340	4,228	132	18,700	35,269	760	36,029
2848 - Western Nebraska Regional Airport	(14,073)	690	17,885	-	18,575	7,363	2,171	2,680	12,214	18,108	(528)	17,580
2849 - Saunders Medical Center	(433,382)	21,258	550,780	64,140	636,178	226,741	66,853	19,691	313,285	557,639	6,372	564,011
2850 - Nemaha County Hospital	(215,393)	10,565	273,739	15,639	299,943	112,691	33,226	-	145,917	277,149	2,897	280,046

(Concluded)

Deferred outflows for contributions made after 12/31/16 are not reflected. Please consult GASB 68, Paragraph 89.

See the notes to the schedules.

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, 2016

**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, 2016, and ending on or before December 31, 2016, 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 \$16,935,811 and employer contributions reported on the Schedule of Employer Allocations Proportion by Employer of \$16,938,315 totals \$2,504. 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 and a Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer. The current amount is included in the Proportionate Share of Plan Pension Expense on the Schedule of Pension Amounts by Employer.

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 Changes in Proportion, presented as a Deferred Outflow of Resources or Deferred Inflow of Resources on the Schedule of Pension Amounts by Employer, are calculated as the difference between each employer's current year employer allocated proportion and the previous fiscal year employer allocated proportion, multiplied by the previous year's collective Net Pension Liability/(Asset), less the amount to be recognized in the current period as Pension Expense. These amounts also include the prior year Deferred Outflows of Resources and Deferred Inflows of Resources less the amount to be recognized in the current period as pension expense. Prior year information can be found in the GASB Statement No. 68 report prepared by the plan actuary as of December 31, 2014, and December 31, 2015, (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 7.31 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 7.31 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 12/31/16 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, 2016.

A Schedule of Recognition Amounts by Employer showing Deferred Outflows of Resources and Deferred Inflows of Resources to be recognized in future years, by employer, has been prepared by the actuary in their GASB Statement No. 68 report prepared as of December 31, 2016. NPERS anticipates County employers participating in the plan, and their auditors will use this report for County fiscal years ended December 31, 2017. 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.

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**

The Nebraska Public Employees Retirement Board (Board) was created in 1971 to administer the Nebraska retirement plans. In 1973, the State Legislature brought the County Employees Retirement Plan under the administration of the Board. This multiple-employer plan covers employees of 91 of the State's 93 counties and several county health districts. Douglas and Lancaster counties have separate retirement plans for their employees, as allowed by Neb. Rev. Stat. § 23-1118 (Cum. Supp. 2016). The County Employees Retirement Plan has been created in accordance with Internal Revenue Code Sections 401(a), 414(h), and 414(k). Participants should refer to Neb. Rev. Stat. §§ 23-2301 through 23-2334 (Reissue 2012, Cum. Supp. 2016) 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 calendar year 2016, 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, 2016, 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, 2017, valuation were based on the results of the actuarial experience study, which covered the five-year period ending June 30, 2011. The experience study report is dated August 20, 2012.

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN

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

(Concluded)

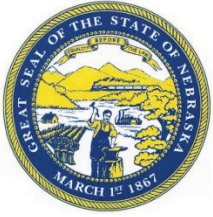
**3. Actuarial Methods and Assumptions** (Concluded)

At the October 17, 2016, Board Meeting, the Nebraska Public Employees Retirement Board voted to accept the economic and demographic assumptions recommended by the actuary outlined in the 2016 Experience Study with an effective date of January 1, 2018, for the County Employees Retirement Plan. The assumptions that will be effective January 1, 2018, include inflation assumed to be 2.75 percent and the long-term expected rate of return on pension plan investments to be 7.50 percent.

The supporting actuary information is included in the January 1, 2017, Actuarial Valuation Report and the December 31, 2016, GASB Statement No. 67 and 68 reports prepared by the actuary. Those reports can be obtained from <https://npers.ne.gov> under Member Info – Publications/Videos, by writing to Public Employees Retirement Systems, P.O. Box 94816, Lincoln, NE, 68509-4816, or by calling 402-471-2053.

**4. Additional Financial Information**

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



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
www.auditors.nebraska.gov

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS  
COUNTY EMPLOYEES RETIREMENT PLAN  
EMPLOYER GASB STATEMENT NO. 68 SCHEDULES  
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT 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, the Schedule of Employer Allocations of the Nebraska Public Employees Retirement Systems – County Employees Retirement Plan, as of and for the year ended December 31, 2016, 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 Systems – County Employees Retirement Plan, as of and for the year ended December 31, 2016, and the related notes, and have issued our report thereon dated August 23, 2017.

### **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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, not to provide an opinion on the effectiveness of the 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.

August 23, 2017



Zachary Wells, CPA  
Audit Manager  
Lincoln, Nebraska