Omaha Public Power District Retirement Plan

(A Component Unit of the Omaha Public Power District)

Financial Statements as of and for the Years Ended December 31, 2020 and 2019, Supplemental Schedules, and Independent Auditor's Report

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN
(A Component Unit of the Omaha Public Power District)

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Independent Auditor's Report

Board of Directors
Omaha Public Power District
Omaha, Nebraska

We have audited the accompanying financial statements of the Omaha Public Power District Retirement Plan (the Plan), a component unit of Omaha Public Power District, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 entity'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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2020 and 2019, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 the management's discussion and analysis that 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 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. Our opinion on the basic financial statements is not affected by this missing information.

BKD, LLP

Omaha, Nebraska
March 18, 2021

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN

(A Component Unit of the Omaha Public Power District)

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2020 AND 2019
(DOLLAR AMOUNTS IN THOUSANDS)

ASSETS	**2020**	**2019**
Investments, at fair value		
Money market funds	21,269	14,229
U.S. government securities	65,091	79,271
Corporate bonds and other debentures	68,060	44,843
Mutual funds	152,438	139,765
Collective investment funds	857,367	783,709
Total investments	1,164,225	1,061,817
Receivables		
Accrued interest and dividends receivable	731	589
Receivable from broker	14,080	3,325
Total receivables	14,811	3,914
Total assets	1,179,036	1,065,731
LIABILITIES		
Accrued management fees and administrative expenses	581	555
Payable to broker	20,702	9,832
Total liabilities	21,283	10,387
NET POSITION - RESTRICTED FOR PENSION BENEFITS	$ 1,157,753	$ 1,055,344

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

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN
(A Component Unit of the Omaha Public Power District)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(DOLLAR AMOUNTS IN THOUSANDS)

	2020	2019
ADDITIONS		
Contributions		
Employee	$ 13,971	$ 12,506
Employer	59,093	59,201
Total contributions	73,064	71,707
Investment income		
Interest and dividends	13,573	12,663
Net appreciation in fair value of investments	123,110	156,674
Total investment income	136,683	169,337
Less: Investment expenses	(4,677)	(4,701)
Net investment income	132,006	164,636
Total additions	205,070	236,343
DEDUCTIONS		
Benefits paid to participants	102,515	100,724
Administrative expenses	146	80
Total deductions	102,661	100,804
NET CHANGE	102,409	135,539
NET POSITION - RESTRICTED FOR PENSION BENEFITS		
Beginning of year	1,055,344	919,805
End of year	$ 1,157,753	$ 1,055,344

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The financial statements of the Omaha Public Power District Retirement Plan (the "Plan") have been prepared in accordance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards Board ("GASB") Codification Section Pe5, *Pension Plans Administered through Trusts That Meet Specified Criteria – Defined Benefits*. Omaha Public Power District ("OPPD") is not subject to the Employee Retirement Income Security Act ("ERISA") of 1974. The Plan is a fiduciary component unit of OPPD.

Method Used to Value Investments and Income Recognition—Investments are reported at fair value. Investments in securities traded on a national securities exchange are valued at the last reported trade price on the last business day of the year. Collective investment funds are valued at fair value as determined by the issuer of the collective investment funds based on the fair market value of underlying investments. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on sales of investments and unrealized appreciation and depreciation in fair value of investments are based upon beginning of year market values, or cost if acquired during the year. Interest income is recorded as earned on the accrual basis. Dividend income is recorded on the ex-dividend date.

Broker Receivable and Payable—These amounts are related to pending trades of securities.

Contributions—Contributions from employees are recorded when received by the Plan, which is generally the period in which employees provide services to OPPD. Employer contributions are recorded when due and the employer has made a formal commitment to provide the contributions.

Payment of Benefits—Benefit payments to participants, net of member refunds, are recorded upon distribution.

Expenses of the Plan—Expenses such as trustee fees and investment management fees for investments are deducted from investment income. Administrative expenses consist of actuary fees and audit fees.

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 Plan net position and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits and changes therein at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties—The Plan utilizes various investment instruments, including money market funds, U.S. government securities, corporate bonds and other debentures, mutual funds, and collective investment funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

2. PLAN DESCRIPTION

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General—Substantially all employees of OPPD participate in the Plan, a single-employer, defined benefit plan, which provides retirement and death benefits to Plan members and their beneficiaries. The Plan was established and may be amended at the direction of OPPD's Board of Directors and is administered by OPPD. Ad-hoc cost-of-living adjustments may be provided to retirees and beneficiaries at the discretion of the Board of Directors. The Board of Directors performs the duties of a governing board for the Plan.

Membership in the Plan consisted of the following at January 1, 2020 and 2019:

	2020	**2019**
Retirees and beneficiaries receiving benefits	2,258	2,219
Terminated Plan members entitled to but not yet receiving benefits	522	516
Active Plan members	1,796	1,762
Total	4,576	4,497

As of December 31, 2020, 67 former non-vested members were entitled to a return of contributions (with interest) totaling approximately $653,000 from the Plan. As of December 31, 2019, 59 former non-vested members were entitled to a return of contributions (with interest) totaling approximately $573,000 from the Plan.

Pension Benefits—The Plan was amended as of January 1, 2008 to allow members the choice between the Traditional (as defined) or Cash Balance (as defined) provision for calculating benefits. Employees were allowed to make a one-time irrevocable election to have benefits determined based on the Cash Balance provision instead of the Traditional provision.

Effective January 1, 2013, all new employees are only eligible for the Cash Balance provision. There were 579 active members with the Cash Balance provision as of January 1, 2020 and 455 active members with the Cash Balance provision as of January 1, 2019.

Under the Traditional provision, members at the normal retirement age of 65 are entitled to annual pension benefits equal to 2.25% of their average compensation (as defined by the Plan document) times years of credited service (as defined by the Plan document). For individuals associated with businesses that OPPD acquired, adjustments are made based on their past contract/agreement of benefits receivable, where applicable. If an eligible employee is married at the time of retirement, a 50% joint and survivorship provision is included as part of normal retirement unless the eligible employee elects to waive this benefit and the member's spouse consents in writing to the waiver. For married employees, this benefit is then decreased by 1/6 of 1% for each month in excess of 120 months by which the spouse's age is less than the employee's. The benefit is subject to an upper and lower limit (as defined by the Plan document).

Eligible employees that reach the age of 62 and have 10 years of service may elect early retirement with no reduction to benefits.

Eligible employees may also elect to retire under the Rule of 90. The Rule of 90 stipulates that any member who has attained a combination of age and years of service totaling 90 or more may elect early retirement with no reduction in benefits.

The plan was amended as of January 1, 2013 to change the early retirement option from the Rule of 70 to the Rule of 75 (for those employees who were not previously grandfathered). Eligible employees may also elect to retire under the Rule of 75, which stipulates that any member who has attained a combination of age and years of service totaling 75 or more may elect early-immediate or early-deferred retirement. Under the early-immediate retirement option, benefits are reduced by the lesser of 3% per year from age 62, or 3% per point from 90 age and years of service points. The minimum age for the Rule of 75 is 50 for members of the International Brotherhood of Electrical Workers Local No. 763 and 55 for all other members.

Eligible grandfathered employees may also elect to retire under the Rule of 70. The Rule of 70 stipulates that any member who has attained a combination of age (minimum age of 50) and years of service (minimum of 10 years) totaling 70 or more may elect early-immediate or early-deferred retirement. Under the early-immediate retirement option, benefits are reduced by the lesser of 3% per year from age 62, or 3% per point from 90 age and years of service points.

Under the Cash Balance provision, members can receive the total vested value of their Cash Balance Account at separation from employment with OPPD. A Cash Balance Account, which is solely a bookkeeping account, is established for each member under this provision. The Cash Balance Account is credited with an opening balance (if any), an amount equal to a percentage of the member's compensation received during the calendar year based on benefit points, and 6% interest based on the balance of the Cash Balance Account as of the beginning of the calendar year. Benefit points are the sum of the member's age and completed years of continuous service. The accrual percentages range from 7% for less than 30 benefit points to 16% based on 80 and over benefit points. In addition to a lump sum payment, members who elect this option can also receive their benefit through the purchase of a lifetime annuity, with a 50% joint and survivorship provision, if applicable.

Death Benefits—Pension provisions include death benefits to a surviving spouse of an active member with five or more years of continuous service. Under the Traditional provision, the surviving spouse is entitled to 50% of the benefit to which the employee would have been entitled to had the employee retired on the day immediately preceding death. The benefit is reduced by 1/6 of 1% for each month that the surviving spouse is more than ten years younger than the employee. The surviving spouse may receive death benefits for life. Under the Cash Balance provision, the surviving spouse is entitled to an amount equal to 100% of the member's Cash Balance Account.

Survivor benefits are payable to an employee's dependent spouse and dependent children upon the employee's death equal to 20% to 50% of the employee's base pay at the time of death. Such benefits are offset by surviving spouse benefits, workers' compensation survivor payments and social security benefits.

Vesting—Employee contributions are immediately 100% vested. An employee's deferred retirement allowance is 100% vested after five years of continuous service (as defined by the Plan document).

Funding Policy—Whether enrolled in the Traditional or the Cash Balance provision, substantially all employees contributed 7.7% and 7.2% of their covered payroll to the Plan for the years ended December 31, 2020 and 2019, respectively. The contribution rate for employees increased to 8.3% on January 1, 2021, and will increase to 9.0% on January 1, 2022. OPPD is obligated to contribute the balance of the funds needed on an actuarially determined basis, and OPPD has met this funding requirement. The actuarially determined contribution ("ADC") was fully funded in the amount of $59,093,000 and $59,201,000 for 2020 and 2019, respectively.

Plan Termination—While OPPD has not expressed any intent to terminate the Plan, it is free to do so at any time, by action of its Board of Directors, provided such action does not abrogate the terms of existing collective bargaining agreements. Should the Plan be terminated at some future time, any assets remaining in the Trust will be used solely to meet the Plan's obligation to provide benefits to or for the benefit of covered members and their beneficiaries.

3. INCOME TAX STATUS

The Plan operates as a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code ("IRC"). The Internal Revenue Service ("IRS") has determined and informed OPPD by a letter dated September 10, 2014, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

4. NET PENSION LIABILITY

The net pension liability is the Plan's total pension liability determined in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, less the Plan's fiduciary net position. The total pension liability as of December 31, 2020 and 2019, respectively, is based on the results of an actuarial valuation date of January 1, 2020 and 2019, respectively, and rolled forward using generally accepted actuarial procedures. The Plan's net pension liability was $437,357,000 and $509,662,000 as of December 31, 2020 and 2019, respectively. The following table summarizes the components of the net pension liability, in thousands.

	2020	2019
Total pension liability	$1,595,110	$1,565,006
Plan fiduciary net position	(1,157,753)	(1,055,344)
Net pension liability	$ 437,357	$ 509,662
Plan fiduciary net position as a percentage of the total pension liability	72.58%	67.43%

Actuarial valuation of the Plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial assumptions are based on a study of the experience of the covered group. The last actuarial expense study was performed during 2016. The significant actuarial assumptions and methods used in the December 31, 2020 and 2019 valuations are as follows:

- The actuarial cost method used was the Entry Age Normal.
- The amortization method used was a 20-year closed amortization period.
- The method used for the asset valuation was five-year smoothing.
- The mortality table used for both healthy and disabled participants was the PUB-2010 General Table with generational projection using Scale MP-2019 for 2020 and Scale MP-2018 for 2019.
- The investment return (discount rate) was 7.00%.
- The inflation rate used was 2.5%.
- The average rate of compensation increase varies by age, ranging from 13.00% down to 3.00%.
- There were no ad-hoc cost-of-living adjustments.

Discount Rate—The discount rate is determined using the expected long-term rate of return of each asset class, including inflation and additional yields due to active investment management. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that OPPD contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 following table summarizes the Target Allocation and Long-Term Expected Real Rate of Return, presented in geometric means, for each major Asset Class in the Retirement Plan.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic equity	28.0 %	6.2%
Domestic fixed income	23.0	1.1
International developed equity	14.0	6.8
Emerging markets equity	10.0	8.7
Global fixed income	7.5	1.2
Private real estate	7.5	4.3
Emerging markets fixed income	5.0	4.0
High yield fixed income	3.0	3.5
Treasury inflation protected securites	2.0	1.1
Total	100%	

*Based on 2020 forward-looking capital market assumptions.

Sensitivity – The following table presents the impact of a 1% discount rate change of the Total Pension Liability and the Net Pension Liability as of December 31, 2020, in thousands.

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total pension liability	$ 1,770,084	$ 1,595,110	$ 1,447,297
Plan fiduciary net position	(1,157,753)	(1,157,753)	(1,157,753)
Net pension liability	$ 612,331	$ 437,357	$ 289,544

The following table presents the impact of a 1% discount rate change of the Total Pension Liability and the Net Pension Liability as of December 31, 2019, in thousands.

	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Total pension liability	$ 1,738,613	$ 1,565,006	$ 1,418,609
Plan fiduciary net position	(1,055,344)	(1,055,344)	(1,055,344)
Net pension liability	$ 683,269	$ 509,662	$ 363,265

5. INVESTMENTS

The Plan has a formal investment policy with specific financial objectives. The investment policy maintains diversification with the intent to minimize the risk of large losses to the Plan. Certain asset allocations are established for U.S. equities, non-U.S. equities and fixed income investments. The types of investments approved for purchase are specified in the policy and all investments are made according to the laws of the State of Nebraska. Plan performance is reviewed periodically with the investment managers. The investment managers are required to meet certain performance standards measured against benchmarks. Investment managers that fail to meet these minimum standards are subject to termination.

The following table presents the fair value of investments as of December 31, 2020 and 2019 (dollar amounts in thousands):

	2020	2019
Money market funds	$ 21,269	$ 14,229
U.S. government securities	65,091	79,271
Corporate bonds and other debentures	68,060	44,843
Mutual funds	152,438	139,765
Collective investment funds		
AQR International Equity Fund	84,344	89,559
Colchester Global Bond Fund	88,026	79,268
Global Alpha Intl Small Cap Fund	44,646	-
Harrison St Core Property Fund LP	38,398	36,521
Lord Abbett Intl Small Cap Trust	-	39,774
Neuberger Berman High Income Fund	37,716	35,534
Prisa LP Fund	37,045	36,495
State Street Russell 1000 Fund	204,858	189,677
State Street Global Advisors Daily Bond Market Fund	95,538	93,366
State Street Global Advisors US TIPS	28,645	25,808
Voya Small Cap Growth Fund	37,261	29,340
Wellington Mid Cap Opportunities Fund	79,444	63,497
Wells Fargo Emerging Markets Equity	81,446	64,870
Total collective investment funds	857,367	783,709
Total investments	$1,164,225	$1,061,817

Maturities— Fair values by maturities for U.S. government securities and corporate bonds and other debentures in the Plan were as follows as of December 31, 2020 (dollar amounts in thousands):

	Fair Value	Portfolio Share
2021	$ 12,758	9.6%
2022	5,296	4.0%
2023	9,121	6.9%
2024	6,281	4.7%
2025	11,810	8.9%
2026-2030	39,392	29.6%
2031-2035	13,361	10.0%
2036-2040	8,938	6.7%
2041-2045	7,627	5.7%
2046-2050	14,988	11.3%
Over 2050	3,579	2.6%
	$133,151	

Fair values by maturities for U.S. government securities and corporate bonds and other debentures in the Plan were as follows as of December 31, 2019 (dollar amounts in thousands):

	Fair Value	Portfolio Share
2020	$ 7,797	6.3%
2021	6,847	5.5%
2022	4,487	3.6%
2023	9,869	8.0%
2024	17,823	14.4%
2025-2029	29,964	24.1%
2030-2034	7,779	6.3%
2035-2039	4,471	3.6%
2040-2044	6,612	5.3%
2045-2049	27,292	22.0%
Over 2049	1,173	0.9%
	$124,114	

Money-weighted Rate of Return—For the years ended December 31, 2020 and 2019, the money-weighted rate of return was 12.7% and 18.2%, respectively. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Credit Risk—Fair values by ratings from Moody's Investors Service for U.S. government securities and corporate bonds and other debentures in the Plan were as follows as of December 31, 2020 and 2019 (dollar amounts in thousands):

	2020		2019	
Rating	Fair Value	Portfolio Share	Fair Value	Portfolio Share
Aaa	$ 35,399	26.6%	$ 44,313	35.7%
Aa1	843	0.6%	587	0.5%
Aa2	915	0.7%	1,013	0.8%
Aa3	1,595	1.2%	2,673	2.2%
A1	2,699	2.0%	1,484	1.2%
A2	10,424	7.8%	8,007	6.5%
A3	7,212	5.4%	4,533	3.7%
Baa1	10,226	7.7%	3,142	2.5%
Baa2	10,883	8.2%	5,473	4.4%
Baa3	5,343	4.0%	2,263	1.8%
Ba1	357	0.3%	302	0.2%
Ba2	315	0.2%	-	0.0%
B1	-	0.0%	41	0.0%
Not Rated	46,940	35.3%	50,283	40.5%
	$ 133,151		$ 124,114	

The Plan's investment in money market funds were rated Aaa-mf by Moody's Investors Service and AAAm by Standard & Poor's Rating Services for both years.

Custodial Risk— Custodial credit risk is the risk that, in the event of the failure of a depository financial institution or counterparty to the transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All investment securities are delivered under contractual trust agreements, maintained in the name of the Trust, and not in the title of a third party.

Concentration Risk— This is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. As of December 31, 2020 and 2019, there were no individually held investments that made up more than 5 percent of the Trust's portfolio.

6. FAIR VALUE MEASUREMENTS

The Plan accounts for fair value in accordance with GASB Statement No.72, *Fair Value Measurement and Application* (GASB 72), which defines fair value, establishes methods for measuring fair value by applying one of three observable valuation approaches (market approach, income approach and cost approach) and establishes required disclosures about fair value measurements.

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

GASB 72 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities and the lowest priority to unobservable inputs. Financial assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement. The three levels of fair value hierarchy defined in GASB 72 are as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs are other than quoted market prices in the active markets included in Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Pricing inputs include significant inputs that are unobservable and cannot be corroborated by market data. Level 3 assets and liabilities are valued based on internally developed models and assumptions or methodologies using significant unobservable inputs.

The fair value of investments is externally provided by the trustee or the investment managers that manage the funds. The trustee utilizes third-party pricing services to assist in their valuations.

The following tables summarize in accordance with the fair value hierarchy the Plan's assets that are accounted for and reported at fair value on a recurring basis by level as of December 31, 2020 and 2019 (in thousands):

	2020			
	Total	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 21,269	$ 21,269		
U.S. government securities	65,091	-	65,091	-
Corporate bonds and other debentures	68,060	-	68,060	-
Mutual funds	152,438	152,438	-	-
Total fair value measurement by level	306,858	$ 173,707	$ 133,151	$ -
Investments measured at net asset value (NAV)				
Collective investment funds	857,367			
Total investments measured at fair value	$ 1,164,225			

	2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 14,229	$ 14,229		
U.S. government securities	79,271	-	79,271	-
Corporate bonds and other debentures	44,843	-	44,843	-
Mutual funds	139,765	139,765	-	-
Total fair value measurement by level	278,108	$ 153,994	$ 124,114	$ -
Investments measured at NAV				
Collective investment funds	783,709			
Total investments measured at fair value	$ 1,061,817			

VALUATION METHODOLOGIES

Money Market Funds—The fair value of shares in money market funds are valued with an NAV of $1, which approximates fair value. They are priced on inputs obtained from Bloomberg, a pricing service whose prices are obtained from direct feeds from exchanges that are either directly or indirectly observable and are categorized as Level 1 assets.

U.S. Government Securities—The fair value of U.S. government securities is derived from quoted prices on similar assets in active or non-active markets, from other observable inputs such as interest rates, yield curves, or credit spreads, and inputs that are derived from or corroborated by observable market data. U.S. treasury and other federal agency securities held in the Plan are categorized as Level 2 assets.

Corporate Bonds and Other Debentures—For fixed-income securities, multiple prices and price types are obtained from pricing vendors whenever possible, which enables cross-provider validation in addition to checks for unusual daily movements. The fair values of fixed-income securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences. Corporate bonds held in the Plan are categorized as Level 2 assets.

Mutual Funds—Mutual funds are priced using active market exchanges, and sources include Interactive Data Pricing and Reference Data LLC. The fair values of shares in mutual funds are based on inputs that are quoted prices in active markets for identical assets and; therefore, have been categorized as Level 1 assets.

Investments Measured at NAV—The following tables summarize the fair value measurement of investments calculated at NAV per share (or its equivalent) as of December 31 (in thousands).

	2020			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Collective investment funds	$ 530,090	None	Daily	N/A
Collective investment funds	81,446	None	Weekly	10 days
Collective investment funds	88,026	None	Semi-monthly	5 days
Collective investment funds	82,362	None	Monthly	5 days
Collective investment funds	38,398	None	Quarterly	45 days
Collective investment funds	37,045	None	Quarterly	90 days
Total investments, measured at NAV	$ 857,367			

	2019			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Collective investment funds	$ 491,247	None	Daily	N/A
Collective investment funds	64,870	None	Weekly	10 Days
Collective investment funds	79,268	None	Semi-monthly	5 days
Collective investment funds	35,534	None	Monthly	5 Days
Collective investment funds	39,774	None	Monthly	10 Days
Collective investment funds	36,521	None	Quarterly	45 days
Collective investment funds	36,495	None	Quarterly	90 days
Total investments, measured at NAV	$ 783,709			

Collective Investment Funds—These investments invest in equities and fixed income securities including treasuries, agencies, corporate debt, mortgage-backed securities, non-U.S. debt, and real estate. The fair value of these investments has been determined using the NAV per share (or its equivalent) of the investment.

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REQUIRED SUPPLEMENTARY INFORMATION

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN
(A Component Unit of the Omaha Public Power District)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEARS ENDED DECEMBER 31

	2020	2019	2018	2017
Total pension liability				
Service cost	$ 22,716,748	$ 21,501,907	$ 21,156,012	$ 21,135,220
Interest	107,613,279	103,173,808	101,316,483	99,174,190
Changes of benefit terms	-	-	-	908,991
Differences between expected and actual experience	8,289,357	3,067,470	17,570,127	4,993,871
Changes of assumptions	(6,001,121)	36,067,147	(14,834,059)	(1,305,928)
Benefit payments, including refunds of member contributions	(102,514,928)	(100,723,691)	(97,375,419)	(91,372,009)
Net change in total pension liability	30,103,335	63,086,641	27,833,144	33,534,335
Total pension liability—beginning	1,565,006,354	1,501,919,713	1,474,086,569	1,440,552,234
Total pension liability—ending (a)	$ 1,595,109,689	$ 1,565,006,354	$ 1,501,919,713	$ 1,474,086,569
Plan fiduciary net position				
Contributions—employer	$ 59,093,356	$ 59,201,071	$ 53,562,735	$ 53,072,549
Contributions—employee	13,971,037	12,506,113	11,417,074	10,890,197
Net investment income (loss)	132,005,634	164,635,982	(68,088,437)	143,069,974
Benefit payments, including refunds of member contributions	(102,514,928)	(100,723,691)	(97,375,419)	(91,372,009)
Administrative expense	(146,413)	(79,854)	(96,965)	(95,092)
Net change in plan fiduciary net position	102,408,686	135,539,621	(100,581,012)	115,565,619
Plan fiduciary net position—beginning	1,055,344,216	919,804,595	1,020,385,607	904,819,988
Plan fiduciary net position—ending (b)	$ 1,157,752,902	$ 1,055,344,216	$ 919,804,595	$ 1,020,385,607
Net pension liability—ending (a) – (b)	$ 437,356,787	$ 509,662,138	$ 582,115,118	$ 453,700,962
Plan fiduciary net position as a percentage of the total pension liability	72.58 %	67.43 %	61.24 %	69.22 %
Covered payroll	$ 188,012,871	$ 179,470,796	$ 181,775,498	$ 185,006,376
Net pension liability as a percentage of covered payroll	232.62 %	283.98 %	320.24 %	245.24 %
Discount Rate—ending	7.00 %	7.00 %	7.00 %	7.00 %

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See accompanying independent auditor's report and notes to required supplementary information.

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN
(A Component Unit of the Omaha Public Power District)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEARS ENDED DECEMBER 31

	2016	2015	2014
Total pension liability			
Service cost	$ 23,405,603	$ 23,223,863	$ 22,491,463
Interest	103,395,370	100,697,894	93,639,180
Changes of benefit terms	1,268,369	-	-
Differences between expected and actual experience	2,892,565	(5,740,755)	97,567
Changes of assumptions	42,538,202	-	54,712,089
Benefit payments, including refunds of member contributions	(85,752,135)	(81,441,485)	(79,774,649)
Net change in total pension liability	87,747,974	36,739,517	91,165,650
Total pension liability—beginning	1,352,804,260	1,316,064,743	1,224,899,093
Total pension liability—ending (a)	$ 1,440,552,234	$ 1,352,804,260	$ 1,316,064,743
Plan fiduciary net position			
Contributions—employer	$ 50,711,451	$ 46,568,073	$ 53,008,063
Contributions—employee	11,957,120	12,375,160	11,719,603
Net investment income (loss)	58,548,604	(11,464,688)	32,113,983
Benefit payments, including refunds of member contributions	(85,752,135)	(81,441,485)	(79,774,649)
Administrative expense	(134,140)	(110,972)	(193,000)
Net change in plan fiduciary net position	35,330,900	(34,073,912)	16,874,000
Plan fiduciary net position—beginning	869,489,088	903,563,000	886,689,000
Plan fiduciary net position—ending (b)	$ 904,819,988	$ 869,489,088	$ 903,563,000
Net pension liability—ending (a) – (b)	$ 535,732,246	$ 483,315,172	$ 412,501,743
Plan fiduciary net position as a percentage of the total pension liability	62.81 %	64.27 %	68.66 %
Covered payroll	$ 197,775,181	$ 201,893,206	$ 196,343,670
Net pension liability as a percentage of covered payroll	270.88 %	239.39 %	210.09 %
Discount Rate—ending	7.00 %	7.75 %	7.75 %

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See accompanying independent auditor's report and notes to required supplementary information.

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN

(A Component Unit of the Omaha Public Power District)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31
(DOLLAR AMOUNTS IN THOUSANDS)

The annual required contributions were based on actuarial valuations as of January 1 each year and rolled forward using generally accepted actuarial procedures.

	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2020	$ 59,093	$ 59,093	-	$ 188,013	31.43%
2019	59,201	59,201	-	179,471	32.99%
2018	53,563	53,563	-	181,775	29.47%
2017	53,073	53,073	-	185,006	28.69%
2016	50,711	50,711	-	197,775	25.64%
2015	46,568	46,568	-	201,893	23.07%
2014	53,008	53,008	-	196,344	27.00%
2013	52,387	52,387	-	194,100	26.99%
2012	53,463	53,463	-	188,675	28.34%
2011	47,585	47,585	-	192,169	24.76%

See accompanying independent auditor's report and notes to required supplementary information.

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN
(A Component Unit of the Omaha Public Power District)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
FOR THE YEARS ENDED DECEMBER 31

	Annual Money-Weighted Rate of Return
2020	12.7%
2019	18.2%
2018	(6.8)%
2017	16.0%
2016	6.8%
2015	(1.3)%
2014	3.6%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

See accompanying independent auditor's report and notes to required supplementary information.

OMAHA PUBLIC POWER DISTRICT
RETIREMENT PLAN

(A Component Unit of the Omaha Public Power District)

Notes to Required Supplementary Information

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, one-year prior to the end of the fiscal year in which contributions are reported.

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2020
Changes in Benefit Terms: None.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.00%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the PUB-2010 General table with generational projection using Scale MP-2019

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2019
Changes in Benefit Terms: None.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.00%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the PUB-2010 General table with generational projection using Scale MP-2018

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2018
Changes in Benefit Terms: None.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.00%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the RP-2014 Aggregate Table projected back to 2006 using Scale MP-2014 and projected forward using Scale MP-2017 with generational projection

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2017
Changes in Benefit Terms: Effective January 1, 2018, the plan was amended to increase cash balance pay credits.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.00%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the RP-2014 Aggregate Table projected back to 2006 using Scale MP-2014 and projected forward using Scale MP-2016 with generational projection

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2016
Changes in Benefit Terms: The Rule of 70 grandfathering for exempt employees was extended from December 1, 2012 to December 1, 2013.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.00%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the RP-2014 Aggregate Table projected back to 2006 using Scale MP-2014 and projected forward using Scale MP-2015 with generational projection

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2015
Changes in Benefit Terms: None.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.75%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the RP-2014 Aggregate Table projected back to 2006 using Scale MP-2014 and projected forward using Scale MP-2014 with generational projection

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2014
Changes in Benefit Terms: None.

Actuarial Cost Method: Entry Age Normal with a 15-year closed amortization period for unfunded liability
Asset Valuation Method: 5-year smoothing
Salary Increases: Varies by age
Investment Rate of Return: 7.75%
Retirement Rates: Varies by age and service
Mortality Rates: The mortality table used for both healthy and disabled participants was the RP-2014 Aggregate Table projected back to 2006 using Scale MP-2014 and projected forward using Scale MP-2013 with generational projection