

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, 2023 and
2022, 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

Opinion

We have audited the financial statements of the Omaha Public Power District Retirement Plan (the Plan), a component unit of the Omaha Public Power District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan, as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

FORVIS,LLP

Omaha, Nebraska
March 21, 2024

OMAHA PUBLIC POWER DISTRICT RETIREMENT PLAN

(A Component Unit of the Omaha Public Power District)

STATEMENTS OF FIDUCIARY NET POSITION AS OF DECEMBER 31, 2023 AND 2022 (DOLLAR AMOUNTS IN THOUSANDS)

ASSETS	2023	2022
Investments, at fair value	\$ 1,232,401	\$ 1,081,945
Accrued interest and dividends receivable	1,059	1,028
Receivable from broker	<u>5,543</u>	<u>336</u>
Total assets	<u>1,239,003</u>	<u>1,083,309</u>
LIABILITIES		
Accrued management fees and administrative expenses	518	475
Payable to broker	<u>35,211</u>	<u>20,633</u>
Total liabilities	<u>35,729</u>	<u>21,108</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u>\$ 1,203,274</u>	<u>\$ 1,062,201</u>

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, 2023 AND 2022
(DOLLAR AMOUNTS IN THOUSANDS)**

	2023	2022
ADDITIONS		
Contributions		
Employee	\$ 19,231	\$ 17,573
Employer	<u>111,502</u>	<u>55,798</u>
Total contributions	<u>130,733</u>	<u>73,371</u>
Investment income		
Interest and dividend income	16,282	16,128
Net appreciation/(depreciation) in fair value of investments	<u>111,885</u>	<u>(199,891)</u>
Total investment income/(loss)	128,167	(183,763)
Less: Investment expenses	<u>(6,186)</u>	<u>(5,701)</u>
Net investment income/(loss)	<u>121,981</u>	<u>(189,464)</u>
Total additions/(deductions)	<u>252,714</u>	<u>(116,093)</u>
DEDUCTIONS		
Benefits paid to participants	111,411	110,604
Administrative and other expenses	<u>230</u>	<u>238</u>
Total deductions	<u>111,641</u>	<u>110,842</u>
NET CHANGE	141,073	(226,935)
NET POSITION - RESTRICTED FOR PENSION BENEFITS		
Beginning of year	<u>1,062,201</u>	<u>1,289,136</u>
End of year	<u>\$ 1,203,274</u>	<u>\$ 1,062,201</u>

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)

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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, 2023 and 2022:

	2023	2022
Retirees and beneficiaries receiving benefits	2,348	2,316
Terminated Plan members entitled to but not yet receiving benefits	513	504
Active Plan members	<u>1,877</u>	<u>1,808</u>
Total	<u>4,738</u>	<u>4,628</u>

As of December 31, 2023, 90 former members were entitled to a return of contributions (with interest) totaling approximately \$0.9 million from the Plan. As of December 31, 2022, 83 former members were entitled to a return of contributions (with interest) totaling approximately \$0.9 million 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 870 active members with the Cash Balance provision as of January 1, 2023 and 734 active members with the Cash Balance provision as of January 1, 2022.

Under the Traditional provision, members at the normal retirement age of 65 with 5 years of service 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.

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.

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, employees contributed 9.0% of their covered payroll to the Plan for both the years ended December 31, 2023 and 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 employer contribution was \$111.5 million and \$55.8 million for the years ended December 31, 2023 and 2022, respectively. The employer contribution for the year ended December 31, 2023 included a discretionary additional contribution of \$50.0 million.

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 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, 2023 and 2022 is based on the results of an actuarial valuation date of January 1, 2023 and 2022, respectively, and rolled forward using generally accepted actuarial procedures. The Plan’s net pension liability was \$576.7 million and \$685.3 million as of December 31, 2023 and 2022, respectively. The following table summarizes the components of the net pension liability, in thousands.

	2023	2022
Total pension liability	\$ 1,779,976	\$ 1,747,503
Plan fiduciary net position	<u>(1,203,274)</u>	<u>(1,062,201)</u>
Net pension liability	<u>\$ 576,702</u>	<u>\$ 685,302</u>
Plan fiduciary net position as a percentage of the total pension liability	67.60%	60.78%

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 2021. The significant actuarial assumptions and methods used in the December 31, 2023 and 2022 valuations are as follows:

- The actuarial cost method used was the Entry Age Normal (Level Percent of Pay).
- The mortality table used for both healthy and disabled participants was the PUB-2010 General Table with generational projection using Scale MP-2021 for both 2023 and 2022.
- The investment return (discount rate) was 6.50% for 2023 and 2022.
- The inflation rate used was 2.5%.
- The average rate of compensation increase varies by age, ranging from 12.00% down to 2.50% for 2023 and 2022.
- 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 %	6.6%
Domestic fixed income	23.0	1.5
International developed equity	14.0	6.9
Emerging markets equity	10.0	8.3
Private credit	7.5	6.0
Private real estate	7.5	3.4
Emerging markets fixed income	5.0	3.5
High yield fixed income	3.0	3.5
Treasury inflation protected securities	2.0	1.4
Total	100%	

*Based on 2023 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, 2023, in thousands.

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Total pension liability	\$ 1,975,616	\$ 1,779,976	\$ 1,614,183
Plan fiduciary net position	<u>(1,203,274)</u>	<u>(1,203,274)</u>	<u>(1,203,274)</u>
Net pension liability	<u>\$ 772,342</u>	<u>\$ 576,702</u>	<u>\$ 410,909</u>

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, 2022, in thousands.

	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Total pension liability	\$ 1,941,450	\$ 1,747,503	\$ 1,583,412
Plan fiduciary net position	<u>(1,062,201)</u>	<u>(1,062,201)</u>	<u>(1,062,201)</u>
Net pension liability	<u>\$ 879,249</u>	<u>\$ 685,302</u>	<u>\$ 521,211</u>

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, 2023 and 2022 (dollar amounts in thousands):

	2023	2022
Money market funds	\$ 64,067	\$ 24,270
U.S. government securities	119,936	97,119
Corporate bonds and other debentures	57,382	64,766
Mutual funds	<u>143,906</u>	<u>125,563</u>
Collective investment funds		
Corbin Private Credit Manager Fund	14,436	6,061
Frontier Small Cap Growth Fund	34,580	28,019
Global Alpha Intl Small Cap Fund	43,233	40,624
Harrison St Core Property Fund LP	45,147	47,525
MFS International Equity Fund	105,176	88,281
NB Private Debt Fund	66,334	40,382
Neuberger Berman High Income Fund	39,361	35,055
Prisa LP Fund	42,060	47,314
State Street Russell 1000 Fund	203,345	202,920
State Street Global Advisors Daily Bond Market Fund	86,319	81,688
State Street Global Advisors US TIPS	27,751	26,708
Wellington Mid Cap Opportunities Fund	75,578	67,150
Wells Fargo Emerging Markets Equity	<u>63,790</u>	<u>58,500</u>
Total collective investment funds	<u>847,110</u>	<u>770,227</u>
Total investments	<u>\$ 1,232,401</u>	<u>\$ 1,081,945</u>

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, 2023 (dollar amounts in thousands):

	Fair Value	Portfolio Share
2024	\$ 25,939	14.6%
2025	4,727	2.7%
2026	7,363	4.2%
2027	8,510	4.8%
2028	14,414	8.1%
2029-2033	39,484	22.3%
2034-2038	6,130	3.5%
2039-2043	7,251	4.1%
2044-2048	17,219	9.7%
2049-2053	43,874	24.7%
Over 2053	<u>2,407</u>	1.3%
	<u>\$ 177,318</u>	

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, 2022 (dollar amounts in thousands):

	Fair Value	Portfolio Share
2023	\$ 20,738	12.8%
2024	8,434	5.2%
2025	8,468	5.2%
2026	9,308	5.8%
2027	12,937	8.0%
2028-2032	33,985	21.0%
2033-2037	12,963	8.0%
2038-2042	10,640	6.6%
2043-2047	19,805	12.2%
2048-2052	17,154	10.6%
Over 2052	<u>7,453</u>	4.6%
	<u>\$161,885</u>	

Money-weighted Rate of Return—For the years ended December 31, 2023 and 2022, the money-weighted rate of return was 11.6% and (14.9)%, 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, 2023 and 2022 (dollar amounts in thousands):

Rating	2023		2022	
	Fair Value	Portfolio Share	Fair Value	Portfolio Share
Aaa	\$ 50,759	28.6%	\$ 63,450	39.2%
Aa1	152	0.1%	95	0.1%
Aa2	530	0.3%	664	0.4%
Aa3	1,620	0.9%	1,078	0.7%
A1	8,256	4.7%	7,765	4.8%
A2	4,517	2.5%	6,519	4.0%
A3	6,584	3.7%	6,655	4.1%
Baa1	5,949	3.4%	8,634	5.3%
Baa2	8,011	4.5%	8,919	5.5%
Baa3	3,068	1.7%	5,137	3.2%
Ba1	48	0.0%	48	0.0%
Not Rated	87,824	49.6%	52,921	32.7%
	<u>\$ 177,318</u>		<u>\$ 161,885</u>	

The Plan’s investment in money market funds were rated Aaa-mf by Moody’s Investors Service and AAAm by S&P Global Ratings 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, 2023 and 2022, 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, 2023 and 2022 (in thousands):

	2023			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 64,067	\$ 64,067	\$ -	\$ -
U.S. government securities	119,936	-	119,936	-
Corporate bonds and other debentures	57,382	-	57,382	-
Mutual funds	<u>143,906</u>	<u>143,906</u>	<u>-</u>	<u>-</u>
Total fair value measurement by level	385,291	<u>\$207,973</u>	<u>\$177,318</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Collective investment funds	<u>847,110</u>			
Total investments measured at fair value	<u>\$ 1,232,401</u>			

	2022			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 24,270	\$ 24,270	\$ -	\$ -
U.S. government securities	97,119	-	97,119	-
Corporate bonds and other debentures	64,766	-	64,766	-
Mutual funds	<u>125,563</u>	<u>125,563</u>	<u>-</u>	<u>-</u>
Total fair value measurement by level	311,718	<u>\$ 149,833</u>	<u>\$ 161,885</u>	<u>\$ -</u>
Investments measured at NAV				
Collective investment funds	<u>770,227</u>			
Total investments measured at fair value	<u>\$ 1,081,945</u>			

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 pricing services 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 and Other Debentures held in the Plan are categorized as Level 2 assets.

Mutual Funds—Mutual funds are priced using active market exchanges. 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).

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective investment funds	\$ 392,994	None	Daily	N/A
Collective investment funds	105,175	None	Daily	5 days
Collective investment funds	63,790	None	Weekly	10 days
Collective investment funds	73,941	None	Monthly	5 days
Collective investment funds	43,233	None	Monthly	15 days
Collective investment funds	42,060	None	Quarterly	90 days
Collective investment funds	45,147	\$50,000	Quarterly	45 days
Collective investment funds	<u>80,770</u>	\$23,459	N/A*	N/A
Total investments, measured at NAV	<u>\$847,110</u>			

* It is expected that these funds will be liquidated beginning in 2025 through 2031.

	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective investment funds	\$ 378,466	None	Daily	N/A
Collective investment funds	88,281	None	Daily	5 days
Collective investment funds	58,500	None	Weekly	10 days
Collective investment funds	35,055	None	Monthly	5 days
Collective investment funds	28,019	None	Monthly	7 days
Collective investment funds	40,624	None	Monthly	15 days
Collective investment funds	47,525	None	Quarterly	45 days
Collective investment funds	47,314	None	Quarterly	90 days
Collective investment funds	<u>46,443</u>	\$54,000	N/A*	N/A
Total investments, measured at NAV	<u>\$ 770,227</u>			

* It is expected that these funds will be liquidated beginning in 2025 through 2031.

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**

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 28,158,166	\$ 26,666,330	\$ 22,973,378	\$ 22,716,748	\$ 21,501,907
Interest	111,854,124	110,196,437	109,624,705	107,613,279	103,173,808
Changes of benefit terms	-	1,934,399	-	-	-
Differences between expected and actual experience	3,871,284	(3,784,752)	8,370,200	8,289,357	3,067,470
Changes of assumptions	-	-	92,838,647	(6,001,121)	36,067,147
Benefit payments, including refunds of member contributions	<u>(111,410,889)</u>	<u>(110,604,548)</u>	<u>(105,821,462)</u>	<u>(102,514,928)</u>	<u>(100,723,691)</u>
Net change in total pension liability	32,472,685	24,407,866	127,985,468	30,103,335	63,086,641
Total pension liability—beginning	<u>1,747,503,023</u>	<u>1,723,095,157</u>	<u>1,595,109,689</u>	<u>1,565,006,354</u>	<u>1,501,919,713</u>
Total pension liability—ending (a)	<u>\$ 1,779,975,708</u>	<u>\$ 1,747,503,023</u>	<u>\$ 1,723,095,157</u>	<u>\$ 1,595,109,689</u>	<u>\$ 1,565,006,354</u>
Plan fiduciary net position					
Contributions—employer	\$ 111,501,796	\$ 55,798,020	\$ 151,500,000	\$ 59,093,356	\$ 59,201,071
Contributions—employee	19,231,362	17,573,093	15,645,344	13,971,037	12,506,113
Net investment income (loss)	121,980,896	(189,464,036)	70,247,205	132,005,634	164,635,982
Benefit payments, including refunds of member contributions	(111,410,889)	(110,604,548)	(105,821,462)	(102,514,928)	(100,723,691)
Administrative expense	<u>(229,892)</u>	<u>(238,329)</u>	<u>(187,671)</u>	<u>(146,413)</u>	<u>(79,854)</u>
Net change in plan fiduciary net position	141,073,273	(226,935,800)	131,383,416	102,408,686	135,539,621
Plan fiduciary net position—beginning	<u>1,062,200,518</u>	<u>1,289,136,318</u>	<u>1,157,752,902</u>	<u>1,055,344,216</u>	<u>919,804,595</u>
Plan fiduciary net position—ending (b)	<u>\$ 1,203,273,791</u>	<u>\$ 1,062,200,518</u>	<u>\$ 1,289,136,318</u>	<u>\$ 1,157,752,902</u>	<u>\$ 1,055,344,216</u>
Net pension liability—ending (a) - (b)	<u>\$ 576,701,917</u>	<u>\$ 685,302,505</u>	<u>\$ 433,958,839</u>	<u>\$ 437,356,787</u>	<u>\$ 509,662,138</u>
Plan fiduciary net position as a percentage of the total pension liability	67.60 %	60.78 %	74.82 %	72.58 %	67.43 %
Covered payroll	<u>\$ 214,340,174</u>	<u>\$ 199,011,518</u>	<u>\$ 192,259,765</u>	<u>\$ 188,012,871</u>	<u>\$ 179,470,796</u>
Net pension liability as a percentage of covered payroll	269.06 %	344.35 %	225.71 %	232.62 %	283.98 %

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**

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 21,156,012	\$ 21,135,220	\$ 23,405,603	\$ 23,223,863	\$ 22,491,463
Interest	101,316,483	99,174,190	103,395,370	100,697,894	93,639,180
Changes of benefit terms	-	908,991	1,268,369	-	-
Differences between expected and actual experience	17,570,127	4,993,871	2,892,565	(5,740,755)	97,567
Changes of assumptions	(14,834,059)	(1,305,928)	42,538,202	-	54,712,089
Benefit payments, including refunds of member contributions	<u>(97,375,419)</u>	<u>(91,372,009)</u>	<u>(85,752,135)</u>	<u>(81,441,485)</u>	<u>(79,774,649)</u>
Net change in total pension liability	27,833,144	33,534,335	87,747,974	36,739,517	91,165,650
Total pension liability—beginning	<u>1,474,086,569</u>	<u>1,440,552,234</u>	<u>1,352,804,260</u>	<u>1,316,064,743</u>	<u>1,224,899,093</u>
Total pension liability—ending (a)	<u>\$ 1,501,919,713</u>	<u>\$ 1,474,086,569</u>	<u>\$ 1,440,552,234</u>	<u>\$ 1,352,804,260</u>	<u>\$ 1,316,064,743</u>
Plan fiduciary net position					
Contributions—employer	\$ 53,562,735	\$ 53,072,549	\$ 50,711,451	\$ 46,568,073	\$ 53,008,063
Contributions—employee	11,417,074	10,890,197	11,957,120	12,375,160	11,719,603
Net investment income (loss)	(68,088,437)	143,069,974	58,548,604	(11,464,688)	32,113,983
Benefit payments, including refunds of member contributions	(97,375,419)	(91,372,009)	(85,752,135)	(81,441,485)	(79,774,649)
Administrative expense	<u>(96,965)</u>	<u>(95,092)</u>	<u>(134,140)</u>	<u>(110,972)</u>	<u>(193,000)</u>
Net change in plan fiduciary net position	(100,581,012)	115,565,619	35,330,900	(34,073,912)	16,874,000
Plan fiduciary net position—beginning	<u>1,020,385,607</u>	<u>904,819,988</u>	<u>869,489,088</u>	<u>903,563,000</u>	<u>886,689,000</u>
Plan fiduciary net position—ending (b)	<u>\$ 919,804,595</u>	<u>\$ 1,020,385,607</u>	<u>\$ 904,819,988</u>	<u>\$ 869,489,088</u>	<u>\$ 903,563,000</u>
Net pension liability—ending (a) - (b)	<u>\$ 582,115,118</u>	<u>\$ 453,700,962</u>	<u>\$ 535,732,246</u>	<u>\$ 483,315,172</u>	<u>\$ 412,501,743</u>
Plan fiduciary net position as a percentage of the total pension liability	61.24 %	69.22 %	62.81 %	64.27 %	68.66 %
Covered payroll	<u>\$ 181,775,498</u>	<u>\$ 185,006,376</u>	<u>\$ 197,775,181</u>	<u>\$ 201,893,206</u>	<u>\$ 196,343,670</u>
Net pension liability as a percentage of covered payroll	320.24 %	245.24 %	270.88 %	239.39 %	210.09 %

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
2023	\$ 61,502	\$ 111,502	\$ (50,000)	\$ 214,340	52.02%
2022	55,798	55,798	-	199,012	28.04%
2021	56,547	151,500	(94,953)	192,260	78.80%
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%

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
2023	11.6 %
2022	(14.9)%
2021	6.1%
2020	12.7%
2019	18.2%
2018	(6.8)%
2017	16.0%
2016	6.8%
2015	(1.3)%
2014	3.6%

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 and rolled forward to the Plan's year-end using generally accepted actuarial procedures.

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2023

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 with a fresh start as of January 1, 2021

Salary Increases: Varies by age

Investment Rate of Return: 6.50%

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-2021

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2022

Changes in Benefit Terms: Retirement eligibility for International Brotherhood of Electrical Workers Local No. 763 was changed to include age 62 and 10 years of service.

Actuarial Cost Method: Entry Age Normal with a 20-year closed amortization period for unfunded liability

Asset Valuation Method: 5-year smoothing with a fresh start as of January 1, 2021

Salary Increases: Varies by age

Investment Rate of Return: 6.50%

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-2021

Changes in Benefit Terms, Actuarial Methods and Assumptions used for 2021

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 with a fresh start as of January 1, 2021

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-2020

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