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May 16, 2024

To: The Officials of Greenfield Power and Light
Greenfield Power and Light
Hancock County, Indiana

We have reviewed the audit report of Greenfield Power and Light, a department of the City of Greenfield, which was opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Greenfield Power and Light as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA**

FINANCIAL STATEMENTS
December 31, 2023

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA

FINANCIAL STATEMENTS
December 31, 2023

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GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
SCHEDULE OF OFFICIALS
December 31, 2023 (Unaudited)

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Chuck Fewell	01-01-23 to 12-31-23
Clerk Treasurer	Lori Elmore	01-01-23 to 12-31-23
Chairman of the Board of Public Works	Chuck Fewell	01-01-23 to 12-31-23
President Pro Tempore of the Common Council	Dan Riley	01-01-23 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

The Officials of
Greenfield Power & Light
Hancock County, Indiana

Opinion

We have audited the accompanying financial statements of the business-type activities of the Greenfield Power & Light (Utility), a department of the City of Greenfield, Indiana (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Utility's basic financial statements as listed in the Table of Contents

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Utility as of December 31, 2023, and the changes in financial position and cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Utility, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Utility of the City of Greenfield, Indiana are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the business-type activities of the City that is attributable to the transactions of the Utility. They do not purport to, and do not, present fairly the financial position of the City of Greenfield, Indiana as of December 31, 2023, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. The City's financial statements are separately prepared and presented on a regulatory basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to this matter.

(Continued)

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 Utility's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Utility'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 Utility'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.

Other Matters

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 Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the Utility's Proportionate Share of the Net Pension Liability - PERF on page 20 and the Schedule of the Utility's Contributions - PERF on page 21 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.

Other Information

Management is responsible for the other information included with the financial statement. The other information is comprised of the Schedule of Officials, marked as unaudited on the table of contents, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.


Crowe LLP

Indianapolis, Indiana
April 30, 2024

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
STATEMENT OF NET POSITION
December 31, 2023

	<u>2023</u>
ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	
Operating fund	\$ 1,682,024
Designated:	
Cash reserve fund	1,380,597
Availability fund	<u>204,384</u>
Total cash and cash equivalents - unrestricted	3,267,005
Cash and cash equivalents – restricted:	
Customer deposits fund	343,000
Unrestricted investments - Operating fund	3,310,930
Accounts receivable (net of allowance)	2,530,080
Inventories	<u>1,695,836</u>
Total current assets	<u>11,146,851</u>
Non-current assets	
Cash and cash equivalents – designated:	
Depreciation fund	1,447,668
Capital assets:	
Capital assets, not being depreciated	2,191,414
Capital assets, being depreciated	41,718,400
Accumulated depreciation	<u>(17,987,831)</u>
Total capital assets	<u>25,921,983</u>
Total noncurrent assets	<u>27,369,651</u>
Total assets	<u>38,516,502</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	<u>435,151</u>
Total assets and deferred outflow of resources	<u>\$ 38,951,653</u>
LIABILITIES	
Current liabilities:	
Accounts payable – purchased power	\$ 4,881,761
Other accounts payable and accrued expenses	147,827
Taxes payable	191,179
Customer deposits	<u>343,000</u>
Total current liabilities	5,563,767
Noncurrent liabilities:	
Net pension liability - PERF	<u>1,059,325</u>
Total liabilities	<u>6,623,092</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	<u>22,471</u>
NET POSITION	
Net investment in capital assets	25,921,983
Unrestricted	<u>6,384,107</u>
Total net position	<u>32,306,090</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 38,951,653</u>

See accompanying notes to financial statements.

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year ended December 31, 2023

	<u>2023</u>
Operating revenues:	
Residential sales	\$ 12,998,021
Commercial sales	24,368,422
Municipal sales	629,732
Penalties	107,663
Other	<u>79,313</u>
Total operating revenues	38,183,151
 Operating expenses:	
Power production	31,710,384
Distribution	2,807,477
Customer accounts	1,211,940
Administration and general	<u>1,413,222</u>
Total operating expenses before depreciation	37,143,023
 Depreciation	<u>1,333,539</u>
Total operating expenses	<u>38,476,562</u>
 Operating loss	 (293,411)
 Nonoperating revenues (expenses):	
Interest income (loss) from investments	187,155
Loss on disposal of assets	<u>(558,587)</u>
Total nonoperating revenues (expenses)	<u>(371,432)</u>
 Loss before capital contributions	 (664,843)
 Capital contributions	 <u>859,089</u>
 Change in net position	 194,246
 Net position – beginning of year	 <u>32,111,844</u>
 Net position – end of year	 <u>\$ 32,306,090</u>

See accompanying notes to financial statements.

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
STATEMENT OF CASH FLOWS
Year ended December 31, 2023

	<u>2023</u>
Cash flows from operating activities:	
Receipts from customers	\$ 37,762,323
Payments to suppliers and others	(33,614,520)
Payments to employees for services and benefits	<u>(2,343,096)</u>
Net cash provided by operating activities	1,804,707
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(2,766,954)
Capital contributions	<u>859,089</u>
Net cash used by capital and related financing activities	(1,907,865)
Cash flows from investing activities:	
Maturities of investments	510,046
Purchases of investments	(556,230)
Interest received on investments	<u>187,155</u>
Net cash provided by investing activities	<u>140,971</u>
Net increase (decrease) in cash and cash equivalents	37,813
Cash and cash equivalents, January 1	<u>5,019,860</u>
Cash and cash equivalents, December 31	<u>\$ 5,057,673</u>
Identification of cash and cash equivalents on statement of net position:	
Current assets - undesignated	\$ 1,682,024
Current assets – designated	1,584,981
Current assets – restricted	343,000
Non-current assets - designated	<u>1,447,668</u>
Total cash and cash equivalents, December 31	<u>\$ 5,057,673</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (293,411)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,333,539
(Increase) decrease in assets:	
Accounts receivable	(370,263)
Inventories	443,765
Increase in deferred outflows	(52,954)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	660,820
Customer deposits	39,480
Taxes payable	24,446
Net Pension Liability	77,151
Increase (decrease) in deferred inflows	<u>(57,866)</u>
Total adjustments	<u>2,098,118</u>
Net cash provided by operating activities	<u>\$ 1,804,707</u>

See accompanying notes to financial statements.

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The financial statements reflect only the activity of the Greenfield Power and Light (“Utility”) and are not intended to present fairly the position of the City of Greenfield (“City”), and the results of its operations and cash flows of its enterprise funds. The Utility, whose operations are controlled by the City, represents a portion of the City’s enterprise funds.

The financial statements of the City are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

Financial Statements: Business-type activity financial statements consist of the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Business-type activities rely to a significant extent on fees and charges for support.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The accounts of the business-type activity are maintained, and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

Use of Estimates in Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflow of resources at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents: Cash equivalents consist of short-term, liquid investments which are readily convertible into cash or which have an original maturity of three months or less.

Designated Cash and Cash Equivalents: Certain resources are set aside for a cash reserve fund, depreciation fund, and availability fund.

Investments: Investments are reported at fair value based on quoted market prices.

Inventories: All inventories are valued at cost using the first in/first out (FIFO) method.

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivables and Allowance for Uncollectible Accounts: Customer receivables are generated monthly at the end of each billing cycle. The allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the collection policy. The Utility's policy is to write off customer accounts when any of the following has occurred: 1) When after pursuit of all legal collection action has been completed and no contact is made, 2) Bankruptcy proceedings have been finalized, or 3) the debtor has deceased.

The allowance for uncollectible accounts was \$557,576 at December 31, 2023. Bad debt expense was \$50,565 for the year ended December 31, 2023.

Capital Assets: Capital assets are stated at cost or acquisition value at date of gift, if donated. The Utility capitalizes additions and improvements that have a useful life beyond one year. Depreciation is charged as an operating expense using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives used in computing depreciation on capital assets as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$2,500	Straight-line	67 years
Improvements other than buildings	\$2,500	Straight-line	22-40 years
Machinery and equipment	\$2,500	Straight-line	7-28 years
Transportation equipment	\$2,500	Straight-line	10 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Net Pension Liability: The Utility has recorded a net pension liability reflecting their proportionate share of the difference between the total pension liabilities and the fiduciary net positions of the Indiana Public Retirement System (INPRS) PERF Plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of INPRS PERF Plan and additions to/deductions from the INPRS PERF Plan fiduciary net position have been determined on the same basis as they are reported by the INPRS system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources and Deferred Inflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period(s). Deferred inflows of resources represent an acquisition of net position that applies to a future period(s). These amounts will not be recognized as expense or revenue until the applicable period. The Utility's activities are related to recognition of changes in its defined benefit plan's net pension liability that will be amortized in future periods.

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the statement of net position. Net position is reported as restricted when there are legal limitations imposed on their use by laws or regulations of other governments or external restrictions by creditors or grantors. Net investment in capital assets consists of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Asset Spending Policy: Restricted assets are released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events. When expenditures are incurred for which both restricted and unrestricted resources are available, it is the policy to apply restricted resources first, then unrestricted resources as needed.

Revenue Recognition: The Utility records revenue as billed to its customers and does not recognize any unbilled revenues that occur between meter readings. This accounting for revenue follows the rate making process of the Indiana Utility Regulatory Commission.

Rate Structure: The current rate structure was approved by the City Council of the City of Greenfield on June 8, 2022, ordinance No. 2022-21.

Energy Cost Adjustment Factor: Pursuant to Rate Tariffs approved by the Indiana Utility Regulatory Commission in Cause #39381, an Energy Cost Adjustment Factor is used by the Utility to recover the cost of power delivered to customers. Changes in the cost of power are tracked and a quarterly adjustment factor is used to reconcile variances in the cost of energy. Capacity and energy sales to IMPA are deducted from the cost of the energy purchased.

Contract: The Utility has a long-term power supply contract with the Indiana Municipal Power Agency ("IMPA") that runs through April 1, 2050. Under the contract, IMPA is required to supply and the Utility is required to purchase from IMPA all of its energy requirements.

Implementation of Accounting Standards: The Utility adopted the following accounting standards during the year, which were determined to have no material impact on the Utility's financial position, results of operations, or disclosures:

GASB issued Statement No. 94, *PublicPrivate and PublicPublic Partnerships and Availability Payment Arrangements*. This Statement defines publicprivate and publicpublic partnership arrangements (PPPs) and an service concession arrangement (SCA). The new Statement provides accounting and financial reporting requirements for PPPs that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement also defines availability payment arrangements (APAs) and provides guidance for accounting and financial reporting for APAs.

GASB issued Statement No. 96, *Subscription Based Information Technology Arrangements*. This Statement establishes accounting and financial reporting requirements related to subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 99, *Omnibus 2022*, effective for periods beginning after June 15, 2022. There was no impact on the Utility's financial statements as a result of the implementation of this standard.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2023, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2023. Management has performed their analysis through April 30, 2024, the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

Custodial Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Utility does not have a deposit policy for custodial credit risk.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The Utility has an institutional money market deposit accounts valued at \$90,279 included with cash and cash equivalents as of December 31, 2023.

	<u>Book Value</u>	<u>Bank Balance</u>
Cash and cash equivalents at December 31, 2023	<u>\$ 5,057,673</u>	<u>\$ 5,508,652</u>

Investments: The Utility may invest public funds in accordance with Indiana Code 5-13-9.

Investments consisted of the following as of December 31, 2023:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>-----Maturities (in Years)-----</u>	
			<u>Less than 1</u>	<u>1 - 3</u>
Certificates of Deposits	\$ 80,000	\$ 79,288	\$ 79,288	-
U.S. Treasury Bills	1,640,152	1,662,586	-	1,662,586
U.S. Treasury Notes	591,255	599,164	-	599,164
U.S. Government Agency Bonds	999,524	991,319	753,817	237,502
	<u>\$ 3,310,930</u>	<u>\$ 3,332,357</u>	<u>\$ 833,105</u>	<u>\$ 2,499,252</u>

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Utility has U.S. Government Agency Bonds to consider for credit risk with ratings of AA+.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer.

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The following table shows the Utility's investment in issuers and the representative percentage of total investments at December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% (rounded)</u>
Negotiable Cert. of Deposit:		
First Internet Bank	\$ 79,288	2%
U.S. Government Agency Bonds:		
Federal Home Loan Bank	753,817	23%
Federal Farm Credit Banks	237,502	7%
U.S. Treasury Bills		
United States Treasury	599,164	18%
U.S. Treasury Notes		
United States Treasury	<u>1,662,586</u>	<u>50%</u>
	<u>\$ 3,332,357</u>	<u>100%</u>

Fair Values: The Utility categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The government obligations of the Utility are valued using the securities' relationship to other benchmark quoted securities or on models using market information (Level 2 inputs).

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Construction in progress	\$ 348,527	\$ 1,304,311	\$ -	\$ 1,652,838
Land	<u>204,775</u>	<u>333,801</u>	<u>-</u>	<u>538,576</u>
Total capital assets not being depreciated	<u>553,302</u>	<u>1,638,112</u>	<u>-</u>	<u>2,191,414</u>
Capital assets, being depreciated				
Buildings	2,594,901	13,400	-	2,608,301
Improvements other than buildings	28,190,412	326,301	(890,197)	27,626,516
Machinery and equipment	8,353,849	322,862	-	8,676,711
Transportation equipment	<u>2,464,951</u>	<u>466,279</u>	<u>(124,360)</u>	<u>2,806,870</u>
Total	<u>41,604,113</u>	<u>1,128,842</u>	<u>(1,014,557)</u>	<u>41,718,398</u>
Less accumulated depreciation for:				
Buildings	(706,688)	(36,127)	-	(742,815)
Improvements other than buildings	(10,367,254)	(880,435)	357,895	(10,889,794)
Machinery and equipment	(4,969,200)	(261,525)	-	(5,230,725)
Transportation equipment	<u>(1,067,118)</u>	<u>(155,452)</u>	<u>98,075</u>	<u>(1,124,495)</u>
Total	<u>(17,110,260)</u>	<u>(1,333,539)</u>	<u>(455,970)</u>	<u>(17,987,829)</u>
Total capital assets, being depreciated, net	<u>24,493,853</u>	<u>(204,697)</u>	<u>(558,587)</u>	<u>23,730,569</u>
Total capital assets, net	<u>\$ 25,047,155</u>	<u>\$ 1,433,415</u>	<u>\$ (558,587)</u>	<u>\$ 25,921,983</u>

Construction in progress at December 31, 2023 consisted of the costs related to various customer infrastructure projects.

NOTE 4 - RISK MANAGEMENT

The Utility is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk as of December 31, 2023.

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 - RELATED PARTY TRANSACTIONS

The Utility has entered into transactions with the City of Greenfield, Indiana which has been determined to be a related-party of the Utility. The Utility paid the City \$1,263,219 for following services during 2023:

- \$540,000 for payment in lieu of taxes
- \$530,833 for health insurance
- \$176,741 for employee pensions
- \$15,645 for other miscellaneous expenses

NOTE 6 - PENSION PLAN - PUBLIC EMPLOYEE'S RETIREMENT FUND (PERF)

The Utility contributes to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS). The Utility is reported under the submission unit of the City of Greenfield, which contributes to PERF on behalf of the Utility. The Utility's proportionate share of the City's PERF contributions was approximately 23.51% and was based on the Utility's PERF contributions as a proportion of total City PERF contributions.

Public Employees' Retirement System - Defined Benefit Plan

Plan Description: PERF Defined Benefit (DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to fulltime employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), a member-funded account.

Retirement Benefits Provided: A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five year annual salary multiplied by 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. Historically, eligible members receive a one-time check (13th check) with the dollar amount tied to years of service.

(Continued)

GREENFIELD POWER & LIGHT
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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - PENSION PLAN - PUBLIC EMPLOYEE'S RETIREMENT FUND (PERF) (Continued)

Disability and survivor benefits provided: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month). If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death.

If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joints with Two-Thirds Benefits, or Joint with One-Half Survivor Benefits.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2023, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members, with 0.66 percent funding a supplemental reserve account for postretirement benefits. No member contributions are required for the defined benefit plan.

The contribution requirement, which was made by the Utility, was \$212,042 for 2023. These total contributions represent 11.2% of covered payroll for 2023.

The following represents the Utility's annual required contributions for the last two years:

<u>Year Ended December 31,</u>	<u>Annual Required Percentage Contribution</u>	<u>Percentage Contribution</u>
2023	\$ 212,042	100%

Financial Report: INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial Assumptions: The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

- Measurement Date – June 30, 2023
- Asset valuation date – June 30, 2023
- Liability valuation date – June 30, 2022 – The TPL as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year to June 30, 2023, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Inflation – 2.00%
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Investment rate of return – 6.25%, net of investment expenses
- COLA – As of June 30, 2023: Members in pay status were granted a 1.0% COLA on January 1, 2022 and no COLA on January 1, 2023. Therefore, the COLA assumption will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.

(Continued)

GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
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December 31, 2023

NOTE 6 - PENSION PLAN - PUBLIC EMPLOYEE'S RETIREMENT FUND (PERF) (Continued)

- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019 was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2021 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.

The long-term return expectation for the INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate.

The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	<u>Target Asset Allocation</u>	<u>Geometric Basis Long-Term Expected Real Rate of Return*</u>
Public Equity	20.0%	3.6%
Private Equity	15.0%	7.7%
Fixed Income – Ex Inflation-Linked	20.0%	1.4%
Fixed Income – Inflation-Linked	15.0%	(0.3)%
Commodities	10.0%	0.9%
Real Assets	10.0%	3.7%
Absolute Return	5.0%	2.1%
Risk Parity	20.0%	3.8%
Cash and Cash Overlay	N/A	(1.7)%

*The defined benefit plan's target allocation for total exposure is 115%. For the long-term expected rate of return calculation, an additional -15% is allocated to the cash and cash overlay global asset class.

Changes in Assumptions from the Prior Year: There were no changes in actuarial assumptions from the prior year.

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GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
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NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 - PENSION PLAN - PUBLIC EMPLOYEE'S RETIREMENT FUND (PERF) (Continued)

Discount Rate: Total pension liability for the defined benefit pension plan was calculated using the discount rate of 6.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.25 percent). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

Sensitivity: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of each defined benefit pension plan calculated using the discount rate 6.25% percent for 2023, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
<u>2023</u>			
Proportionate share of the Collective Net Pension Liability	\$ 1,726,362	\$ 1,059,325	\$ 503,146

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The Utility is reported under the submission unit of the City of Greenfield which transmits PERF contributions to the Plan on behalf of the Utility.

At December 31, 2023, the City reported a liability of \$4,505,195 for its proportionate share of the net pension liability. It was determined the Utility's proportionate share of City's PERF contributions for the June 30, 2023 measurement date was approximately 23.51% resulting in the Utility reporting a liability of \$1,059,325 for its proportionate share of the City's net pension liability. The City's proportionate share of the net pension liability was based on the City's wages as a proportion of total wages for the PERF Hybrid Plan. The City's proportionate share used at the June 30, 2023 measurement date was .00030 percent. This represents a decrease from the prior measurement date.

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GREENFIELD POWER & LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 - PENSION PLAN - PUBLIC EMPLOYEE'S RETIREMENT FUND (PERF) (Continued)

For the year ended December 31, 2023, the Utility recognized pension expense of \$206,132 which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of (\$8,914).

At December 31, 2023, the Utility reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,673	\$ 22,471
Net difference between projected and actual earnings on pension plan investments	242,800	-
Changes in assumptions	57,767	-
Changes in proportion and differences between employer contributions and proportionate share of PERF contributions	<u>6,890</u>	<u>-</u>
Total that will be recognized in pension expense (income) based on table below	329,130	22,471
Pension contributions subsequent to measurement date	<u>106,021</u>	<u>-</u>
Total	<u>\$ 435,151</u>	<u>\$ 22,471</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2023 measurement date is recognized as a reduction of net pension liability in the year ending December 31, 2024. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. A change in an employer's proportionate share represents the change as of the current year measurement date versus the prior year measurement date, which is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 101,007
2025	13,039
2026	159,542
2027	<u>33,071</u>
	<u>\$ 306,659</u>

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GREENFIELD POWER & LIGHT
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NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 - PENSION PLAN - PUBLIC EMPLOYEE'S RETIREMENT FUND (PERF) (Continued)

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law. The plan provides supplemental defined contribution benefits under the PERF Hybrid plan.

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account (see Defined Benefit Plans section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

REQUIRED SUPPLEMENTARY INFORMATION

GREENFIELD POWER AND LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UTILITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - PERF
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Utility's proportion of the net pension liability	0.00030	0.00031	0.00024	0.00024	0.00024	0.00024	0.00024	0.00024
Utility's proportionate share of the net pension liability	\$ 1,059,325	\$ 982,174	\$ 433,109	\$ 784,021	\$ 805,978	\$ 796,601	\$ 1,077,787	\$ 1,073,800
Utility's covered payroll	\$ 1,798,143	\$ 1,792,232	\$ 1,453,286	\$ 1,272,982	\$ 1,238,518	\$ 1,254,015	\$ 1,159,188	\$ 1,150,350
Utility's proportionate share of the net pension liability as a percentage of its covered payroll	58.9%	42.2%	29.8%	61.6%	65.1%	63.5%	93.0%	93.3%
Plan fiduciary net position as a percentage of the total pension liability	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%

Notes: The amounts presented for each calendar year were determined as of the June 30 fiscal year-end that occurred within the calendar year.

- Asset valuation date – June 30, 2023
- Liability valuation date – June 30, 2022 – The TPL as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year to June 30, 2023, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%
- COLA – No COLA was granted for the 2023-2025 biennium. Thereafter, the following COLAs, compounded annually, were assumed; 0.4% beginning on January 1, 2026, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1 2039
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Utility is presenting information for those years for which information is available.

Measurement date: Actuarial valuation reports from the prior fiscal year.

GREENFIELD POWER AND LIGHT
A DEPARTMENT OF THE CITY OF GREENFIELD
HANCOCK COUNTY, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UTILITY'S CONTRIBUTIONS - PERF
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 212,042	\$ 201,392	\$ 196,597	\$ 162,768	\$ 142,574	\$ 138,714	\$ 140,450	\$ 129,829
Contributions in relation to the statutorily required contribution	<u>(212,042)</u>	<u>(201,392)</u>	<u>(196,597)</u>	<u>(162,768)</u>	<u>(142,574)</u>	<u>(138,714)</u>	<u>(140,450)</u>	<u>(129,829)</u>
Annual contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
The Utility's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%	100%	100%	100%
Utility's covered payroll	\$ 1,893,232	\$ 1,389,661	\$ 1,799,955	\$ 1,453,286	\$ 1,272,982	\$ 1,238,518	\$ 1,254,015	\$ 1,159,188
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Utility is presenting information for those years for which information is available.

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Actuarial cost method: Entry age normal (Level Percent of Payroll)

Amortization method: Level dollar

Remaining amortization period: 20 years, closed

Asset valuation method: 5 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.

Inflation: 2.0%

Salary increases: 2.65% - 8.65% based on service

Investment rate of return: 6.25%

Mortality: Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Other information:

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/18 was 9.89%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 10.03%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/20 was 7.83%. In addition, SEA 373-2018 mandated that the cost of any expected post retirement benefit increases after 6/30/2018 be broken out into separate surcharges. The surcharges used in the fiscal year ended 6/30/20 are 0.43% for 7/1/19-12/31/19 and 0.44% for 1/1/20-6/30/20. However, the INPRS Board approved a State employer contribution rate of 11.2%, which includes both the base benefit and surcharge rates. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.