

 Platte River Power Authority	<h1>Policy</h1>	Version #: 2.1 Original effective date: 08/27/2009 Next review date: 05/31/2028
	TITLE: Additional pension funding expense recognition	Page 1 of 2

Purpose:

The funding of the Platte River Power Authority Defined Benefit Plan is based on cost estimates developed on an actuarial basis. Platte River's Defined Benefit Plan - Funding Policy has two components: a base contribution and, if necessary, an additional funding charge. To lessen the rate impact of the additional funding charge in any one year, the amortization method of expensing the additional funding charge over multiple years is preferred. Governmental Accounting Standards Board Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, Regulated Operations, paragraph 476-500 (GASB 62) allows certain expenses or revenues to be recognized when included in wholesale rates charged to the owner communities rather than when normally recorded. Any accounting treatment implementing GASB 62 must receive prior approval from the board of directors. Platte River will use GASB 62, as outlined in the "Policy" section below, to record the additional funding charge.

Policy:

This policy applies to the expense recognition of additional funding for the pension plan. The additional funding charge will be recorded as an item on Statement of Net Position when incurred and amortized over a ten-year period. Each subsequent year's additional funding charge, if any, will be added on to the calculation and amortized over an additional ten-year period.

Implementing parties and assigned responsibilities:

Accounting management, director of finance and chief financial officer review this policy. Staff will bring necessary revisions before the Platte River Board of Directors for approval.

Associated items (if applicable):

Additional Pension Funding Expense Recognition Procedure
Resolution No. 10-18

Definitions (if applicable):

--

 Platte River Power Authority	<h1>Policy</h1>	Version #: 2.1 Original effective date: 08/27/2009 Next review date: 05/31/2028
	TITLE: Additional pension funding expense recognition	Page 2 of 2

Document owner: Accounting management DS <i>SSH</i>	Original effective date: 08/27/2009
Authority: Board of directors DS <i>SNW</i>	Review frequency: Every 5 years
Counsel review: General counsel DS <i>SDK</i>	Next review date: 05/31/2028
Reviews: DS <i>SKN</i> DS <i>DS</i>	

Version	Date	Action	Author	Change tracking (new, review, revision)
1.0	08/19/2009	Original Policy	Ed Doherty	New
1.1	01/23/2018	Moved to new form	Tracy Thompson	New Form
2.0	05/31/2018	Reviewed and revised, approved by resolution	Shelley Nywall	Revised
2.1	04/24/2023	Reviewed by Jason Harris, Shelley Nywall and Dave Smalley; minor updates to terminology and clarifications	Jason Harris	Review