

CITY OF SPRINGFIELD, ILLINOIS
ELECTRIC LIGHT AND POWER FUND
(AN ENTERPRISE FUND OF THE CITY OF SPRINGFIELD)

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
FEBRUARY 28, 2023

800 East Monroe Street
Springfield, IL 62701
Phone: 217.789.2000
Fax: 217.789.2109
www.springfield.il.us

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	<u>1</u>
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	<u>6</u>
Statement of Revenues, Expenses, and Changes in Net Position	<u>8</u>
Statement of Cash Flows	<u>9</u>
Notes to Financial Statements	<u>10</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	<u>38</u>
Schedule of the Fund's Proportionate Share of the Net Pension Liability/(Asset)	<u>39</u>
Retiree Benefit Plan	
Schedule of Fund's Proportionate Share of the Total OPEB Liability and Related Ratios	<u>41</u>
SUPPLEMENTAL SCHEDULE	
Long-Term Debt Requirements	
Electric Revenue Refunding Bonds of 2015	<u>44</u>
Loan Payable of 2022	<u>45</u>

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Fund's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

July 28, 2023

Members of the City Council
Electric Light and Power Fund
City of Springfield, Illinois

Opinions

We have audited the accompanying financial statements of the Electric Light and Power Fund, and enterprise fund of the City of Springfield, Illinois, as of and for the year ended February 28, 2023, and the related notes to the financial statements, which collectively comprise the Fund'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 respective financial position of the Electric Light and Power Fund, and enterprise fund of the City of Springfield, Illinois, as of and for the year ended February 28, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Fund, 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 opinions.

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 Fund'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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Fund'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 Fund'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 management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension and other post-employment benefit (OPEB) reporting, 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 a 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 opinions on the basic financial statements are not affected by this missing information.

Electric Light and Power Fund
City of Springfield, Illinois
July 28, 2023

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Electric Light and Power Fund, and enterprise fund of the City of Springfield, Illinois' basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Statement of Net Position
February 28, 2023**

See Following Page

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Statement of Net Position
February 28, 2023

ASSETS	
Current Assets	
Cash and Investments	\$ 53,778,246
Receivables - Net of Allowances	
Billed	20,156,272
Unbilled	8,105,669
Accrued Interest	99,924
Due from Primary Government	3,261,489
Inventories	21,503,497
Prepays	1,995,658
Total Current Assets	<u>108,900,755</u>
Restricted Assets	
Restricted Cash and Investments	62,854,459
Accrued Interest	34,891
Total Restricted Assets	<u>62,889,350</u>
Noncurrent Assets	
Capital Assets	
Property, Plant and Equipment	
Construction in Progress	29,658,486
Plant Capital Assets	1,380,808,869
Accumulated Depreciation	(750,470,320)
Total Property, Plant and Equipment	<u>659,997,035</u>
Nonutility Property	
Nondepreciable	4,986,658
Total Capital Assets	<u>664,983,693</u>
Other Assets	
Prepaid Insurance	310,961
Total Noncurrent Assets	<u>665,294,654</u>
Total Assets	<u>837,084,759</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	31,598,560
Deferred Items - RBP	3,614,344
Deferred Items - Asset Retirement Obligation	14,390,302
Unamortized Loss on Refunding	6,514,581
Total Deferred Outflows of Resources	<u>56,117,787</u>
Total Assets and Deferred Outflows of Resources	<u><u>893,202,546</u></u>

The notes to the financial statements are an integral part of this statement.

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 14,354,166
Unearned Revenues	1,518,059
Accrued Payroll	1,385,455
Deposits Payable	1,837,473
Due to Primary Government	2,674,849
Current Portion of Long-Term Liabilities	
Workers' Compensation	229,179
Compensated Absences	3,285,356
Total Current Liabilities	<u>25,284,537</u>
Current Liabilities Payable from Restricted Assets	
Revenue Bonds Payable	15,945,000
Loans Payable	306,050
Accrued Interest Payable	10,320,493
Total Current Liabilities Payable from Restricted Assets	<u>26,571,543</u>
Noncurrent Liabilities	
Workers' Compensation	444,876
Compensated Absences Payable	1,572,100
Net Pension Liability - IMRF	49,520,833
Total OPEB Liability - RBP	68,433,319
Revenue Bonds Payable	447,408,784
Loans Payable	866,999
Asset Retirement Obligation	24,514,775
Total Noncurrent Liabilities	<u>592,761,686</u>
Total Liabilities	<u>644,617,766</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	259,383
Deferred Items - RBP	<u>38,701,521</u>
Total Deferred Inflows of Resources	<u>38,960,904</u>
Total Liabilities and Deferred Inflows of Resources	<u>683,578,670</u>

NET POSITION

Net Investment in Capital Assets	211,524,985
Restricted - Debt Service	31,665,512
Restricted - System Repairs and Improvements	16,314,910
Unrestricted	<u>(49,881,531)</u>
Total Net Position	<u>209,623,876</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>893,202,546</u></u>

The notes to the financial statements are an integral part of this statement.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended February 28, 2023

Operating Revenues	
Charges for Services, Net of Sales Tax Expense	<u>\$ 202,276,211</u>
Operating Expenses	
Fuel Costs	24,768,386
Operations and Maintenance	40,714,656
Purchased Power	34,058,143
Transmission	7,140,154
Distribution	18,901,327
Accounting and Collection	7,622,524
Customer Service	600,391
Administrative and General	11,132,357
IMRF Pension	1,354,474
Other Post-Employment Benefits	(4,533,052)
Depreciation	30,586,083
Asset Retirement Obligation	<u>2,715,151</u>
Total Operating Expenses	<u>175,060,594</u>
Operating Income	<u>27,215,617</u>
Nonoperating Revenues (Expenses)	
Investment Income	1,518,749
Other Income (Expenses)	4,825
Nonutility Income	67,711
Interest Expense	(18,942,030)
Amortization of Surety Premium	<u>(18,292)</u>
	<u>(17,369,037)</u>
Income (Loss) Before Transfers and Contributions	9,846,580
Contribution Revenue	389,084
Transfers Out	<u>(9,807,118)</u>
Change in Net Position	428,546
Net Position - Beginning	<u>209,195,330</u>
Net Position - Ending	<u><u>209,623,876</u></u>

The notes to the financial statements are an integral part of this statement.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Statement of Cash Flows

For the Fiscal Year Ended February 28, 2023

<hr/> <hr/>	
Cash Flows from Operating Activities	
Receipts from Customers	\$ 209,822,078
Payments to Employees	(144,937,938)
Payments to Suppliers	(2,186,050)
	<u>62,698,090</u>
Cash Flows from Capital and Related	
Financing Activities	
Purchase of Capital Assets	(20,042,592)
Disposal of Capital Assets	14,400
Nonutility Operations - Net	67,711
Contribution Revenue	389,084
Issuance of Debt	1,479,099
Retirement of Debt	(15,491,050)
Interest Expense	(21,224,253)
	<u>(54,807,601)</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	<u>(9,807,118)</u>
Cash Flows from Investing Activities	
Investment Income	<u>1,518,749</u>
Net Change in Cash and Investments	(397,880)
Cash and Investments	
Beginning	<u>117,030,585</u>
Ending	<u><u>116,632,705</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating (Loss)	27,197,325
Adjustments to Reconcile Operating Income to	
Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation and Amortization	33,319,526
Other Income	4,825
(Increase) Decrease in Current Assets	7,541,042
Increase (Decrease) in Current Liabilities	(5,364,628)
Net Cash Provided by Operating Activities	<u><u>62,698,090</u></u>

The notes to the financial statements are an integral part of this statement.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Electric Light and Power Fund (the Fund), an Enterprise Fund of the City of Springfield, Illinois (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Fund's accounting policies established in GAAP and used by the Fund are described below.

REPORTING ENTITY

The Electric Light and Power Fund is a fund of the City and is classified as an Enterprise Fund (proprietary fund type). Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The financial statements present only the financial position, changes in financial position, and cash flows of the City's Electric Light and Power Fund. These financial statements are not intended to present fairly the financial position, changes in financial position and cash flows of the City in conformity with GAAP.

The Fund's Board of Managers administers the fund but the City owns the Fund, approves operating revenues and expenses and has ultimate authority over Fund operations.

BASIS OF PRESENTATION

In the Statement of Net Position, the Fund's activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term obligations.

The Fund uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Fund utilizes a single proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The Fund’s basic financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, including an estimate of electric revenue unbilled at the end of each accounting period, and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Fund are charges for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, the cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the 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.

Restricted Cash and Investments

Restricted asset accounts are utilized in the Electric Light and Power Fund to comply with revenue bond ordinances. When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then, unrestricted resources, as they are needed.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR
EQUITY - Continued**

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. The Fund records an allowance as not all amounts are expected to be fully collectible. The Fund reports accounts and interest as its major receivables.

Inventories

Inventories of materials and supplies are stated at the lower of cost or market, with cost determined on an average cost basis. Inventory is used for maintenance of utility plant, not for resale.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided using the straight-line method over the following estimated useful lives of the assets:

Utility Plant	15 - 50 Years
Equipment	5 - 50 Years

Depreciation provided during the year ended February 28, 2023 was approximately 2.22 percent of depreciable utility plant at February 28, 2023.

Nonutility and Other Property

Nonutility and other property represents property acquired for the proposed John H. Hunter Lake project. The cost of farmland, including legal and other acquisition costs, are capitalized assets. Rental revenue and operating expenses are reported on the statements of revenue, expenses and changes in net position.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

Electric Light and Power Fund employees are granted vacation and sick pay in varying amounts. In the event of termination, a nonunion employee is reimbursed for accumulated vacation days up to the equivalent of two years vacation. A union employee normally must take vacation accrued during the fiscal year of accrual. Vested or accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees.

Certain union employees may accumulate up to 90 days of sick leave to be paid upon death or retirement. Nonunion employees may accumulate an unlimited number of days of sick leave. A portion of accumulated sick leave is to be paid upon death or retirement as decided by the City Council. No sick leave is paid upon termination. An actuarially determined liability is recognized for the portion of accumulated sick leave benefits estimated to be payable upon death or retirement.

Long-Term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

The Fund considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund position is available.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

OPERATING REVENUES AND EXPENSES

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Retail revenue is billed monthly based on rates adopted by the City Council. In addition to the base rates established by ordinance, a fuel adjustment factor is also applied. During fiscal year 2023, the average monthly fuel adjustment factor was a charge of \$0.00649 per kilowatt-hour. For the year ended February 28, 2023, retail customers of the electric system paid an average price of \$0.1346 per kilowatt-hour. Retail customer class average prices per kilowatt-hour for the 2023 fiscal years was as follows:

	<u>Average Prices</u>
Residential	\$0.1254
Commercial General	0.1416
Larger General	0.1267

CONTRIBUTION REVENUE AND RELATED PROJECT COSTS

In accordance with *GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions*, the Electric Light and Power Fund is required to recognize capital contributions from nonexchange transactions as revenues. Contributions are payments received from contractors and other businesses and individuals for special electric construction projects and contributions from other City funds for certain capital projects. Costs of the projects are capitalized and depreciated, or expensed as appropriate.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Annually, the City adopts a budget for the Fund. The budget is adopted using the modified accrual basis of accounting.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - Statutes authorize the Fund to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$80,562,403 and the bank balances totaled \$80,323,885. Additionally, at year-end, the Fund has \$22,005,624 invested in the Illinois Funds, which is measured at net asset value per share as determined by the pool, and \$14,064,678 in certificates of deposit, which are measured using level 2 inputs. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Following are the components of the Fund's cash, cash equivalents and investments:

	Unrestricted	Restricted	Total
Cash and Cash Equivalents	\$ 41,981,884	38,580,519	80,562,403
Certificates of Deposit	10,052,646	4,012,032	14,064,678
Illinois Funds	1,743,716	20,261,908	22,005,624
	53,778,246	62,854,459	116,632,705

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the master revenue bond ordinance, the Fund limits investments to those with a maturity of ten years or less. City policy places further limits stating that the City will not directly invest in securities with a maturity of greater than five years three months from the date of purchase. Reserve funds, however, may be invested in securities exceeding five years three months if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. At year-end, the Fund does not have any investments subject to interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City is empowered by statute to invest in certain types of securities as provided in the Public Funds Investment Act, 30 Illinois Compiled Statutes 235/1 et seq. The Fund may only invest in certain securities in accordance with a master revenue bond ordinance. Investments are restricted to U.S. Government issued or secured debt, insured or collateralized certificates of deposits, highly rated state and municipal debt, and state pooled investments. Investments may not mature beyond five years. The Fund's investments in the Illinois Funds is rated AAmmf by Fitch Ratings and the certificates of deposits ratings are not available.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 105 percent of the market value of the principal and interest of the deposit. The collateral is to be held by an independent third party with whom the entity has a current custody agreement. The City's bank balances are covered by the Federal Deposit Insurance Corporation (FDIC), Federal Home Loan Bank of Chicago irrevocable Letter of Credit, Insured Cash Sweep (ICS) accounts maintained in a deposit placement service, or collateral held at Independent Bankers Bank, Federal Reserve Bank of Chicago or Associated Bank Corporation. At year end, the entire bank balance was covered by collateral, federal depository or equivalent insurance.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The City's investment policy calls for diversification of its investments by security type and institution. With the exception of U.S. Treasury notes and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City's investment policy is written to encompass all City investments. Diversification levels in the policy are for the total investment portfolio. At year-end, the Fund does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

TRANSFERS OUT - PAYMENTS TO THE PRIMARY GOVERNMENT

The Electric Light and Power Fund makes payment in lieu of tax contributions to the primary government whereas the City passed Ordinance 628-11-04, later amended by Ordinances 729-10-05, 355-05-08, and 117-02-09, defining and codifying the financial relationships between City agencies, departments, and funds as to place a limit on the Office of Public Utilities' contributions/payments from the Electric Fund to the City's General Fund. During fiscal year 2016, the PILOT transfer calculation for the Electric Fund was amended by Ordinance 337-10-15. Transfers shall be made in an amount approved through the annual appropriation ordinance. Transfers are capped at the amount available after providing for System expenses, current annual debt service payments, required deposits to the Renewal, Replacement and Improvement Account and other required deposits to other funds and accounts of the Electric Light Revenue Fund ("Amount Available"). In addition, transfers were capped at 3.35% of "operating revenues, electric revenues and other revenues" as defined in the preceding year's annual audit. The transfer cap increased to 3.75% in March 2019. During fiscal year 2021, the PILOT transfer calculation for the Electric Fund was amended by Ordinance 067-02-21. This increased the transfer cap to 4.50% in March 2021 and 5.00% in March 2022.

During fiscal year 2023, the annual appropriation ordinance budgeted transfer amount was \$10,126,408, which was higher than the 5.00% of fiscal year 2022 revenues cap amount of \$9,807,118, but lower than the amount available of \$53,778,246. The transfer amount paid was \$9,807,118. The program allocation and the contributions to the primary government are shown as a transfer out, in the Statement of Revenues, Expenses and Changes in Net Position.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DUE TO/FROM PRIMARY GOVERNMENT

The following are the amounts due to/from the primary government as of year-end:

	Due from Primary Government	Due to Primary Government
General	\$ 188,131	111,094
Self-Insurance	552	15,380
Unemployment	—	5,009
Sewer	72,806	2,351,000
Recycling	—	169,404
Water	3,000,000	22,962
	<u>3,261,489</u>	<u>2,674,849</u>

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

CAPITAL ASSETS

Nonutility Property

As of February 28, 2023, the Electric Light and Power Fund had acquired approximately 1,300 acres of farmland near Springfield for \$4,986,658. The land was acquired to construct the proposed John H. Hunter Lake, which would supplement the present Lake Springfield's potable water supply and provide cooling water for the Fund's generating system. Costs incurred for the project are classified as nonutility property, pending a final decision on the proposed project.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Property, plant, and equipment capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Construction in Progress	\$ 17,442,513	18,589,569	6,373,596	29,658,486
Plant Capital Assets				
Production	868,501,275	588,673	—	869,089,948
Transmission	87,895,483	1,710,229	79,000	89,526,712
Distribution	337,472,860	3,525,827	80,500	340,918,187
General Purpose	73,648,114	2,001,890	222,576	75,427,428
Waste Water Treatment	1,491,085	—	—	1,491,085
Excess Cost of Property				
Acquired from CILCO Over Value	4,355,509	—	—	4,355,509
	1,373,364,326	7,826,619	382,076	1,380,808,869
Less Accumulated Depreciation				
Production	369,859,678	19,066,390	—	388,926,068
Transmission	65,708,677	1,527,099	71,800	67,163,976
Distribution	225,021,774	7,379,261	73,300	232,327,735
General Purpose	53,910,168	2,605,905	222,576	56,293,497
Waste Water Treatment	1,396,107	7,428	—	1,403,535
Excess Cost of Property				
Acquired from CILCO Over Value	4,355,509	—	—	4,355,509
	720,251,913	30,586,083	367,676	750,470,320
Total Net Plant Capital Assets	653,112,413	(22,759,464)	14,400	630,338,549
Total Net Capital Assets	670,554,926	(4,169,895)	6,387,996	659,997,035

LONG-TERM DEBT

Revenue Bonds Payable

The City issues revenue bonds to undertake acquisition and construction of major improvements to the electric system. Revenue bonds are limited obligations of the City and do not constitute an indebtedness or a pledge of the full faith and credit or the taxing power of the City. The bonds are not secured by a lien or security interest in the physical assets of the electric system. The bonds are secured by lien on and security interest in the net revenues of the electric system. Revenue bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Revenue Bonds of 2015, due in annual installments of \$11,300,000 to \$28,225,000, plus interest at 3.5% to 5.0% through March 1, 2040.	\$ 456,345,000	—	15,185,000	441,160,000

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Loans Payable

The City enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the City. Loans payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Loan Payable of 2022, due in annual installments of \$306,050, plus interest at 2.25% through February 15, 2027.	\$ —	1,479,099	306,050	1,173,049

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Revenue Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2024	\$ 15,945,000	20,237,900	306,050	26,760
2025	16,745,000	19,420,650	306,050	19,833
2026	17,575,000	18,562,650	306,050	12,797
2027	18,460,000	17,661,775	254,899	5,814
2028	19,380,000	16,715,775	—	—
2029	20,350,000	15,722,525	—	—
2030	21,370,000	14,679,525	—	—
2031	22,435,000	13,752,662	—	—
2032	23,220,000	12,779,550	—	—
2033	24,385,000	11,589,425	—	—
2034	25,600,000	10,339,800	—	—
2035	26,880,000	9,027,800	—	—
2036	28,225,000	7,791,300	—	—
2037	29,355,000	6,566,300	—	—
2038	30,675,000	5,215,575	—	—
2039	32,055,000	3,804,075	—	—
2040	33,500,000	2,329,025	—	—
2041	35,005,000	787,625	—	—
Totals	441,160,000	206,983,937	1,173,049	65,204

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Revenue Bond Disclosures

The bond ordinances for the bond issues establish certain reserve accounts and restrict transactions of these accounts. A description of these accounts and a schedule of activity for the bonds are as follows:

Emergency Repair Account. Established to pay for emergency repairs and replacements and to pay bond principal and interest when no other funds are available. Amount on deposit is to be not less than \$4,000,000 or such other amount as the City Council may determine based upon the recommendation of an independent consulting engineer. Deposit deficiencies shall be funded in equal installments over 24 consecutive months.

Renewal, Replacement and Improvement Account. Established to pay the cost of extraordinary maintenance, necessary repairs, and replacements or contingencies; routine maintenance, but only when no other funds are available; improvements and extensions or acquisitions for the system, including equipment; and payment of principal and interest on first the outstanding senior lien bonds and then the outstanding junior lien bonds if sufficient funds are not available in the respective bond and interest accounts. Monthly funding is required at no less than one-twelfth of 10 percent of revenue for the preceding fiscal year less costs of fuel and purchased power. However, monthly funding may fall to one-fifteenth of 10 percent as long as, at the end of each year, the total monthly deposits for the year amount to 10 percent of net revenue less costs for fuel and purchased power.

Electric Rebate Account. Established to account for funds required to be deposited in order for the interest paid on the electric revenue bonds to remain tax-exempt. Amounts are to be deposited on each anniversary date equal to the actuarial bond fund earnings for the year less allowable bond fund earnings which represent excess earnings on the gross funds for each computation period. Amounts on deposit must be paid to the U.S. Government on various anniversary dates.

2015 Senior Lien Bond and Interest Account. Established to pay 2015 Senior Lien Bond principal and interest when due. Amounts deposited monthly to accumulate at a rate equal to a fractional amount of the current portion of long-term debt due plus a fractional amount of the next semiannual interest payment.

2015 Senior Lien Debt Service Reserve Account. Established to pay 2015 Senior Lien Bond principal and interest if sufficient funds are not available from other sources. Amount on deposit is to equal the Maximum Annual Debt Service on the 2015 Outstanding Senior Lien Bonds. Deposit deficiencies shall be funded in equal installments over twelve consecutive months.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Revenue Bond Disclosures - Continued

	Emergency Repair	Renewal Replacement and Improvement	Electric Rebate	MISO J-750 Deposits
Restricted Cash and Investments - Beginning	\$ 4,256,534	7,178,523	5,311	752,126
Additions (Deductions)				
Interest Income	100,697	140,382	126	43,415
Compliance Deposits	—	15,049,739	—	—
Loan Proceeds	—	—	—	—
Principal and Interest Payments	—	—	—	—
Transfers (to) from Restricted Accounts	—	—	—	—
Transfers (to) from Unrestricted Accounts	—	(12,322,089)	—	—
Restricted Cash and Investments - Ending	4,357,231	10,046,555	5,437	795,541
	CWLP Commercial Vehicle Fund	2015 Senior Lien Bond and Interest	2015 Senior Lien Debt Service	Totals
Restricted Cash and Investments - Beginning	\$ —	26,044,516	19,494,288	57,731,298
Additions (Deductions)				
Interest Income	3,580	201,161	416,984	906,345
Compliance Deposits	—	36,581,520	—	51,631,259
Loan Proceeds	1,478,637	—	—	1,478,637
Principal and Interest Payments	—	(36,201,150)	—	(36,201,150)
Transfers (to) from Restricted Accounts	—	—	—	—
Transfers (to) from Unrestricted Accounts	(369,841)	—	—	(12,691,930)
Restricted Cash and Investments - Ending	1,112,376	26,626,047	19,911,272	62,854,459
Accrued Interest Receivable				34,891
				62,889,350

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Revenue Bond Disclosures - Continued

Various other agreements associated with the bond ordinances require the following:

- Additional senior lien revenue bonds can be issued if:
 1. The net revenue (all revenue of the System after deduction of the reasonable and necessary expenses of operation and maintenance but before depreciation, interest, and amortization), as shown in the financial statements audited by an independent certified public accountant for the last completed fiscal year prior to the issuance of such bonds, is equal to at least 125 percent of the combined maximum annual principal and interest requirements on the bonds then outstanding which remain outstanding after the additional bonds are issued. Additionally, if the rates of the System are changed, the rates in effect at the time of the issuance of any such bonds can be used to adjust the net revenues for the immediately preceding fiscal year, as determined by an Officer's Certificate, or
 2. The adjusted net revenue during any twelve consecutive months within the eighteen months immediately preceding the issuance of new bonds is at least 125 percent of the current debt service on all bonds then outstanding which remain outstanding after the additional bonds are issued, as determined by an Officer's Certificate.
- Junior lien revenue bonds can be issued if:
 1. The net revenue (all revenue of the System after deduction of the reasonable and necessary expenses of operation and maintenance but before depreciation, interest, and amortization), as shown in the financial statements audited by an independent certified public accountant for the last completed fiscal year prior to the issuance of such bonds, is equal to at least 125 percent of the combined maximum annual principal and interest requirements on the bonds then outstanding which remain outstanding after the additional bonds are issued. Additionally, if the rates of the System are changed, the rates in effect at the time of the issuance of any such bonds can be used to adjust the net revenues for the immediately preceding fiscal year, as determined by an Officer's Certificate, or
 2. The adjusted net revenue during any twelve consecutive months within the eighteen months immediately preceding the issuance of new bonds is at least 125 percent of the maximum annual debt service on all outstanding bonds as computed immediately after the issuance of the proposed junior lien bonds on all bonds then outstanding which remain outstanding after the additional bonds are issued as determined by an Officer's Certificate.
- Electric charges are to be collected from the various City departments except the Street Department for street lighting purposes.
- Disposals of utility plant can only be of a routine operational nature.
- An annual operating budget for the Electric Light and Power Fund shall be adopted by the City.
- Investments are restricted as shown in the Deposits and Investments footnote (Note 3).
- Net revenue as defined in the bond ordinances must equal 1.25 times principal and interest for each fiscal year after reduction for reserve account requirements. The bond ordinances exclude principal and interest on subordinate lien debt for the purpose of this test.

As of February 28, 2023, the City was in compliance with the debt covenants of the bond ordinances. Net revenue equaled 1.62 times the principal and interest.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

ASSET RETIREMENT OBLIGATION

The Fund has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation for the closure of existing lime ponds, the Dallman ash pond and the Lakeside ash pond at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO were based on a study by an outside engineering consulting firm in 2019 and have been adjusted for inflation. The estimated remaining useful lives of the lime ponds, the Dallman ash pond and the Lakeside ash pond are approximately five years.

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities during the fiscal year were as follows:

Type of Liabilities	Beginning Balances	Additions	Deduction	Ending Balances	Current Portion
Workers Comp Payable	\$ 718,994	231,572	276,511	674,055	229,179
Compensated Absences	4,837,492	3,858,154	3,838,190	4,857,456	3,285,356
Net Pension Liability/(Asset) - IMRF	(33,029,660)	82,550,493	—	49,520,833	—
Total OPEB Liability - RBP	90,049,705	—	21,616,386	68,433,319	—
Revenue Bonds	456,345,000	—	15,185,000	441,160,000	15,945,000
Unamortized Bond Premium	24,476,007	—	2,282,223	22,193,784	—
Loans Payable	—	1,479,099	306,050	1,173,049	306,050
Asset Retirement Obligation	23,700,230	814,545	—	24,514,775	—
	567,097,768	88,933,863	43,504,360	612,527,271	19,765,585

PLEDGED REVENUE

The Electric Light and Power Fund has pledged future net revenues, net of operations and maintenance costs, to repay \$616.12 million in electric revenue bonds issued in 2006, 2007 and 2008. Proceeds from these bonds provided financing for various electric system projects including the construction of Dallman Unit 4. The bonds are payable solely from electric net revenues and are payable through March 1, 2037. Annual principal and interest payments on the bonds are required to be 80 percent or less of net revenues as per the bond ordinance.

During fiscal year 2016, the issuance of the Series 2015 Senior Lien Bonds refunded a portion of the 2006, 2007 and 2008 Electric Revenue Bonds. The Series 2015 Bonds are payable solely from electric net revenues and are payable through March 1, 2040. As of February 28, 2023, the total principal and interest remaining to be paid on the bonds is \$648,143,937. For fiscal year ended February 28, 2023, the total principal and interest paid and total net revenues were \$36,201,150 and \$59,300,317, respectively.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET INVESTMENT IN CAPITAL ASSETS

Capital Assets - Net of Accumulated Depreciation	\$ 664,983,693
Plus: Unamortized Loss	6,514,581
Plus: Unspent Bond Proceeds	4,553,544
Less Capital Related Debt:	
Revenue Bonds	(441,160,000)
Loans Payable	(1,173,049)
Unamortized Premium	<u>(22,193,784)</u>
Net Investment in Capital Assets	<u>211,524,985</u>

NOTE 4 - OTHER INFORMATION

RELATED PARTY TRANSACTIONS

The Electric Light and Power Fund provides electric service to the other departments of the City at normal rates, except that the Fund provides street lighting services to the City at no charge.

During the year ended February 28, 2023, certain employees performed services for both the Electric Light and Power Fund and the Water Fund. Salaries and employee expenses for such individuals are generally allocated 85 percent to the Electric Light and Power Fund and 15 percent to the Water Fund based on the Massachusetts Formula, which gives equal weighting to each Fund's revenue, property and labor.

The Electric Light and Power Fund, the Water Fund and the Sewer Fund jointly bill customers for services. Each of these funds records its billed accounts receivable from customers each month.

Beginning in fiscal year 2019, the Electric Fund pays a shared service amount for certain mayoral, legal, human resource, purchasing and accounts payable services provided by the City's Corporate Fund. For the fiscal year ended February 28, 2023, the Electric Fund's allocated portion of these shared service expenses totaled \$1,068,341.

The Electric Light and Power Fund provides information technology and support services to the General (Corporate) Fund and certain other City funds at no charge.

City Ordinance (628-11-4), as amended, defines and limits the contributions and payments made from the Electric Light and Power Fund and defines other inter-fund financial policies. Section 1 of the ordinance lists the contributions and payments that are allowable. One of the listed items is electricity and maintenance for street lamps and traffic signals. For the fiscal year ended February 28, 2023, the Electric Light and Power Fund provided \$1,849,987 as free or below-cost electric service to the City for street lighting and traffic signals.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 4 - OTHER INFORMATION - Continued

DEFERRED COMPENSATION

Certain employees paid by the Electric Light and Power Fund participate in a deferred compensation plan (the Plan) established in accordance with the requirements of the Internal Revenue Code Section 457 and sponsored by the City. Participation in the Plan is available to all employees of the City. The Electric Light and Power Fund has no administration responsibility, investment responsibility, or liability for losses under the Plan.

IMPAIRMENT OF DALLMAN 33

On November 12, 2019, Dallman Unit 33 suffered a failure causing damage to turbine bearings and seals which resulted in the unit being taken out of service. As of February 29, 2020, the unit remained out of service. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, an impairment gain of \$4,551,788 was recognized for the year ended February 29, 2020.

As of February 28, 2023, Dallman Unit 33 remains out of service. In a letter dated March 14, 2022, Midcontinent Independent System Operator, Inc. (MISO) acknowledges that the City of Springfield, IL (CWLP) will suspend Dallman Unit 3, effective September 1, 2022.

RISK MANAGEMENT

The City is self-insured for medical benefits. The Electric Light and Power Fund makes monthly contributions to the City's Self Insurance Fund for medical claims based on a budgeted per-member amount. Any unpaid claims or incurred, but not reported, claims are a liability of the Self Insurance Fund.

The City is also self-insured for certain general liability claims and workers' compensation claims. The Electric Light and Power Fund maintains cash and investment reserves to fund such claims. If needed, budgetary provisions may be established to provide additional funding. The Electric Light and Power Fund is responsible for actual general liability claims up to \$900,000 and for all workers' compensation claims. Changes in the balances of claims liabilities are as follows:

	2023	2022
Claims Payable - Beginning	\$ 718,994	1,040,566
Incurred Claims	231,572	78,992
Claims Paid	(276,511)	(400,564)
Claims Payable - Ending	674,055	718,994

Under the Master Bond Ordinance, the City is required to maintain insurance for the System of the kinds and in the amounts customarily carried by private parties operating similar properties; provided, however, that the City may self-insure over all or a part of such risks by establishing reasonable reserves or budgetary provisions. The City uses a combination of insurance policies and self-insurance to comply with the provisions of the Master

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Bond Ordinance. The City has property coverage contracts with ACE American Insurance, National Union Fire Insurance Company of Pittsburgh, Pa., Princeton Excess and Surplus Lines Insurance Company, Lloyd's of London, and Lloyd's StarStone, all of which provide property insurance coverage for the facilities of the System, including the Dallman Units 31, 32, 33 and Unit 4, Interstate, all substations and large transformers, which expire on July 14, 2023, have a combined liability limit of \$350,000,000. Settlement amounts have not exceeded insurance coverage for the current and three prior fiscal years. In addition, the City has established, within the General Account of the Electric Light and Power Fund, an Insurance Reserve Account which is used to pay for losses incurred by the System which are not covered by insurance policies and are less than \$900,000. As of February 28, 2023, the amount on deposit in the System's Insurance Reserve Account was \$1,087,508.

Monies received pursuant to casualty insurance policies maintained by the City, for the benefit of the System, are required to be deposited to the credit of the Renewal, Replacement and Improvement Account and used to repair or replace the loss or damage with respect to which the monies were received or, at the option of the City, deposited into the Special Redemption Fund established under the Master Bond Ordinance and used (a) to pay principal of or interest or redemption premium on any bonds when there are no other funds for such purpose or, if not needed for the purposes set forth in this clause (a), then (b) to redeem or purchase bonds subject, in the case of purchases, to the certain limitations provided in the Master Bond Ordinance. The City maintains a self-insurance program for general liability for the System and for workers' compensation which covers the Department as well as other City agencies and departments.

COMMITMENTS

City Council approved a Resource Management Agreement with The Energy Authority (TEA), giving TEA the exclusive right to market the City's excess generation capacity, effective March 1, 2003. Under this agreement, the City pays a monthly resource management fee to TEA. The City paid resource management fees of \$829,918 to TEA during the year ended February 28, 2023.

The City is a transmission-owning member of Midcontinent Independent System Operator (MISO) and participates in the energy market operated by MISO (the "MISO Energy Market") under a Resource Management Agreement with TEA. The City has designated TEA to be the Market Participant for the transaction of power sales and purchases in the MISO Energy Market on behalf of the City. The MISO Energy Market consists of both Day Ahead and Real Time energy markets. Participation in the MISO Energy Market gives the System the ability to offer excess generating capacity for sale into the MISO Energy Market and also provides the opportunity for economical power purchases to accommodate the System's native load needs at certain times of the year. Net (purchases) sales to MISO totaled (\$30,111,439) for the year ended February 28, 2023. Net sales to MISO are included with operating revenues.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

The Fund is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Fund's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Fund.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Fund expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

The City, as a whole, contributes to three defined benefit pension plans. The Fund only contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. Participating employees are covered by the Illinois Municipal Retirement Fund (IMRF) through the City. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

The Fund's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the City and the Fund combined. All disclosures for an agent plan can be found in the City's Annual Comprehensive Financial Report. Contributions are paid by the City and are reimbursed by the Fund.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2022, the measurement date, membership for the entire City consisted of:

Inactive Plan Members Currently Receiving Benefits	1,741
Inactive Plan Members Entitled to but not yet Receiving Benefits	418
Active Plan Members	<u>861</u>
Total	<u><u>3,020</u></u>

Contributions. As set by statute, regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended February 28, 2023, the Fund's contribution was 12.79% of covered payroll.

Net Pension Liability/(Asset). The City's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund'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 benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Fund calculated using the discount rate as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 90,655,837	49,520,833	16,238,440

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

At February 28, 2023, the Fund reported a liability of \$49,520,833, for its proportionate share of the net pension liability. The Fund's proportion of the net pension liability was based on the Fund's actual contributions to the plan for the year ended February 28, 2023, relative to the actual contributions of the City as a whole. At February 28, 2023, the Fund's proportion was 50.13% of the total contribution.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended February 28, 2023, the Fund recognized pension expense of \$5,603,052. At February 28, 2023, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Totals
Difference Between Expected and Actual Experience	\$ 3,155,983	—	3,155,983
Change in Assumptions	—	(259,383)	(259,383)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	27,941,424	—	27,941,424
Total Expense to be Recognized in Future Periods	31,097,407	(259,383)	30,838,024
Contributions Made Subsequent to the Measurement Date	501,153	—	501,153
Total Deferred Amounts Related to IMRF	31,598,560	(259,383)	31,339,177

\$501,153 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended February 29, 2024.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (987,037)
2025	5,588,591
2026	9,501,909
2027	16,734,561
2028	—
Thereafter	—
Totals	<u>30,838,024</u>

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), is a single-employer defined benefit OPEB plan administered by the City. Retired employees of the City of Springfield and their dependents are eligible to participate in the plan. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with ILCS, which creates an OPEB for retirees, commonly referred to as an implicit rate subsidy. To be eligible for benefits, an employee must qualify for retirement under the City's retirement plans. Per ordinance (624.09.05), the City pays 75% of the total premium costs per retiree who stays on the City insurance for life. Refunds, rebates subrogation funds 2.50% of the premium costs. The employees and retirees pay the difference in coverage premiums, or 22.50%. Disabled and retired employees are required to pay 100% of the premiums for such coverage.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

General Information about the OPEB Plan - Continued

Plan Membership. As of February 28, 2023, the measurement date, membership for the entire City consisted of:

Inactive Plan Members Currently Receiving Benefits	531
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>1253</u>
Total	<u><u>1784</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of February 28, 2023, and was determined by an actuarial valuation as of the same date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the February 28, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.75%
Discount Rate	4.06%
Healthcare Cost Trend Rates	Initial rate of 5.50%, grading down to the ultimate trend rate of 5.00%
Retirees' Share of Benefit-Related Costs	100% of the benefit costs

The discount rate was based on an index of 20-year general obligation bonds with an average AA credit rating.

Mortality rates were based on the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are then improved generationally using MP-2016 Improvement Rates.

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Electric Fund OPEB Liability
	<u> </u>
Balance at February 28, 2022	<u>\$ 90,049,705</u>
Changes for the Year:	
Service Cost	3,315,541
Interest on the Total OPEB Liability	2,101,015
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(24,757,771)
Benefit Payments	<u>(2,275,171)</u>
Net Changes	<u>(21,616,386)</u>
Balance at February 28, 2023	<u><u>68,433,319</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 4.06%, while the prior valuation used 2.37%. The following presents the total OPEB liability of the Electric Fund, calculated using the discount rate, as well as what the total OPEB liability of the Fund would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	\$ 81,796,913	68,433,319	58,073,731

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Notes to the Financial Statements
February 28, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Electric Fund, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability of the Fund would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
	1% Decrease (Varies)		
Total OPEB Liability	\$ 57,250,461	68,433,319	83,136,938

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended February 28, 2023, the Electric Fund recognized OPEB revenue of \$2,257,880. At February 28, 2023, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	(2,188,549)	(2,188,549)
Change in Assumptions	3,614,344	(36,512,972)	(32,898,628)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	3,614,344	(38,701,521)	(35,087,177)

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

**Notes to the Financial Statements
February 28, 2023**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (7,786,070)
2025	(7,786,070)
2026	(5,736,567)
2027	(2,865,088)
2028	(3,219,497)
Thereafter	<u>(7,693,885)</u>
Total	<u><u>(35,087,177)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
February 28, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 5,923,990	\$ 5,923,990	\$ —	\$ 37,998,356	15.59%
2017	6,222,670	6,222,670	—	38,668,902	16.09%
2018	5,933,873	5,933,873	—	38,164,828	15.55%
2019	6,011,514	6,011,514	—	38,488,059	15.62%
2020	5,342,390	5,342,390	—	38,660,854	13.82%
2021	5,931,281	5,931,281	—	36,344,214	16.32%
2022	5,463,174	5,463,174	—	34,920,445	15.64%
2023	4,248,578	4,248,578	—	33,216,935	12.79%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

Illinois Municipal Retirement Fund

Schedule of the Fund's Proportionate Share of the Net Pension Liability/(Asset)

February 28, 2023

	<u>12/31/15</u>
Electric Light and Power's Proportion of Net Pension Liability/(Asset)	54.30%
Electric Light and Power's Proportionate Share of Net Pension Liability/(Asset)	\$ 57,559,109
Electric Light and Power's Covered-Employee Payroll	38,153,775
Electric Light and Power's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	150.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	83.47%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
54.40%	54.14%	55.15%	54.43%	53.93%	52.83%	50.13%
58,349,565	21,770,339	69,534,428	34,302,623	6,256,844	(33,029,660)	49,520,833
38,471,166	38,170,554	39,711,516	38,814,145	36,699,241	35,323,270	33,214,569
151.67%	57.03%	175.10%	88.38%	17.05%	(93.51%)	149.09%
83.73%	93.92%	81.72%	91.30%	98.66%	108.72%	86.95%

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

Retiree Benefit Plan

**Schedule of Fund's Proportionate Share of the Total OPEB Liability and Related Ratios
February 28, 2023**

	<u>2/28/19</u>
Total OPEB Liability	
Service Cost	\$ 3,638,233
Interest	4,009,025
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(35,179,123)
Benefit Payments	(2,433,714)
Net Change in Total OPEB Liability	(29,965,579)
Total OPEB Liability - Beginning	<u>113,827,134</u>
Total OPEB Liability - Ending	<u><u>83,861,555</u></u>
Covered-Employee Payroll	\$ 36,090,040
Total OPEB Liability as a Percentage of Covered-Employee Payroll	232.37%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Change of assumption related to the discount rate were made in 2019 through 2023.

2/29/20	2/28/21	2/28/22	2/28/23
3,632,955	77,363,296	2,510,199	3,315,541
4,949,110	51,672,309	1,661,775	2,101,015
—	—	—	—
(3,178,948)	—	(1,201,764)	—
8,320,339	(65,742,955)	969,955	(24,757,771)
(3,902,477)	(69,155,759)	(1,709,885)	(2,275,171)
9,820,979	(5,863,109)	2,230,280	(21,616,386)
83,861,555	93,682,534	87,819,425	90,049,705
93,682,534	87,819,425	90,049,705	68,433,319
39,730,809	36,498,607	34,817,670	33,763,961
235.79%	240.61%	258.63%	202.68%

SUPPLEMENTAL SCHEDULES

ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS

Long-Term Debt Requirements
Electric Revenue Refunding Bonds of 2015
February 28, 2023

Date of Issue	December 2, 2015
Date of Maturity	March 1, 2040
Authorized Issue	\$507,735,000
Denomination of Bonds	\$5,000
Interest Rate	3.50% - 5.00%
Interest Dates	March 1 and September 1
Principal Maturity Date	March 1
Payable at	BNY Mellon

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2024	\$ 15,945,000	20,237,900	36,182,900
2025	16,745,000	19,420,650	36,165,650
2026	17,575,000	18,562,650	36,137,650
2027	18,460,000	17,661,775	36,121,775
2028	19,380,000	16,715,775	36,095,775
2029	20,350,000	15,722,525	36,072,525
2030	21,370,000	14,679,525	36,049,525
2031	22,435,000	13,752,662	36,187,662
2032	23,220,000	12,779,550	35,999,550
2033	24,385,000	11,589,425	35,974,425
2034	25,600,000	10,339,800	35,939,800
2035	26,880,000	9,027,800	35,907,800
2036	28,225,000	7,791,300	36,016,300
2037	29,355,000	6,566,300	35,921,300
2038	30,675,000	5,215,575	35,890,575
2039	32,055,000	3,804,075	35,859,075
2040	33,500,000	2,329,025	35,829,025
2041	35,005,000	787,625	35,792,625
	<u>441,160,000</u>	<u>206,983,937</u>	<u>648,143,937</u>

**ELECTRIC LIGHT AND POWER FUND
CITY OF SPRINGFIELD, ILLINOIS**

Long-Term Debt Requirements

Loan Payable of 2022

February 28, 2023

Date of Issue	August 1, 2022
Date of Maturity	February 15, 2027
Authorized Issue	\$1,479,099
Interest Rate	2.25%
Interest Dates	February 15
Principal Maturity Date	February 15
Payable at	INB National Association

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2024	\$ 306,050	26,760	332,810
2025	306,050	19,833	325,883
2026	306,050	12,797	318,847
2027	254,899	5,814	260,713
	<u>1,173,049</u>	<u>65,204</u>	<u>1,238,253</u>