Prilago. · PDF p.99 Excerpt

The pension plan has established a framework to consistently measure the fair value of the pension plan's assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance. This framework has been provided by establishing valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The pension plan's assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

Credit Risk

Generally, credit risk is the risk that an investment issuer will not fulfill its obligation. Credit risk is measured by the assignment of a rating by a nationally recognized rating agency. The GERS's Investment Policy allows for the average credit quality of the bond portfolio to be rated A or higher and investments in all corporate fixed income securities rated below BBB are not to exceed 15% of the entire fixed income portfolio. The investments in the securities of U.S. Treasury obligations and U.S. government agencies were all rated AA+ by Standard & Poor's and Aa2 to A3 by Moody's Investors Services. The corporate bonds were rated A+ to BBB+ by Standard & Poor's and Aa to Baa by Moody's. The mortgage backed securities were not rated.

Concentration of Credit Risk

The GERS's investment policy states that the plan's assets shall be diversified to reduce the risk of large losses. There are no significant investments other than U.S. Government guaranteed obligations in any one organization that represent 5 percent or more of the GERS's investments.

Investment Valuation

The following table presents fair value hierarchy for the GERS investments at fair value as of September 30, 2024:

		Fair Value Measurements Using		
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Investments by fair value level:				
Money market funds	$ 2,753,182	$ 2,753,182	$ -	$ -
Debt securities:				
U.S. Treasuries	8,994,911	-	8,994,911	-
Mortgage backed securities	11,671,659	-	11,671,659	-
Corporate bonds	2,022,171	-	2,022,171	-
Total debt securities	22,688,741	-	22,688,741	-
Equity securities				
Common stock	28,270,716	28,270,716	-	-
Foreign stock	13,725,423	10,141,810	3,288,521	295,092
Total equity securities	41,996,139	38,412,526	3,288,521	295,092
Total investments at fair value	**67,438,062**	**41,165,708**	**25,977,262**	**295,092**
Investments measured at Net Asset Value (a)				
Core real estate fund	13,546,533	-	-	13,546,533
Pooled index equity fund	61,543,298	-	-	61,543,298
Total investments measured at Net Asset Value	75,089,831	-	-	75,089,831
Total investments	**$ 142,527,893**			

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