



Other Post-Employment Benefits Fund

# DISTRICT OF COLUMBIA

Office of the Chief Financial Officer  
Annual Report FY 2024





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# EXECUTIVE SUMMARY

## Introduction

We are pleased to present the annual report for the District of Columbia's Other Post-Employment Benefits Fund (the "Fund" or "Plan"). Assets increased from \$1.846 billion to \$2.290 billion as of September 30, 2024.

For 2024, Fund performance increased 22.27%, slightly trailing the policy benchmark, which increased by 22.49%. Equity markets posted a second consecutive year of strong returns as markets anticipated that the Federal Reserve would begin to cut interest rates. Fixed Income markets were also positive through the end of September 30, 2024. The Fund had a return of 7.45% for the five-year period ending September 30, 2024. This was above our target rate of return of 6.50%. The Fund generated net investment gains of \$407.6 million.

The annual contribution to the Trust Fund was \$72.7 million for FY 2024 as compared to \$41.5 million in FY 2023. The contribution budgeted for FY 2025 is \$63.9 million.

An actuarial analysis of the Plan's assets and liabilities is performed annually to determine the funding status of the Plan. The Plan had a funding ratio of 103.19% for the year ending September 30, 2024, as stated in the enclosed financial statements. The latest actuarial report, dated February 2025 and based on September 30, 2024, data, is included in the appendix.

The financial statements for the Plan were audited by McConnell & Jones LLP. The operations of the Plan and its assets are examined each year by an independent accounting firm as part of the District's Annual Comprehensive Financial Report. The Plan received an unqualified (clean) opinion from McConnell & Jones LLP. The audited financial statements are included in this annual report as an appendix.

We hope this information helps you gain a better understanding of the operations of the District's Other Post-Employment Benefits Fund and the oversight performed on an ongoing basis by the Office of Finance and Treasury and the District of Columbia Department of Human Resources.

## Annual Report

This annual report provides information on the District of Columbia's Other Post-Employment Benefits Fund. The report summarizes the Plan and its operations and describes the roles of the District departments that manage the Fund. The report presents information on the performance of the Fund, a description of the investment managers, the amount invested with each manager, and the Fund's asset allocation policy. Also included are the audited financial statements, the actuarial analysis, comparative analysis information, provider descriptions, and contact personnel.

## The District of Columbia Other Post-Employment Benefits Fund

The government of the District of Columbia established the District's Annuitants' Health and Life Insurance Employer Contribution Trust Fund on October 1, 1999, under the Annuitants' Health and Life Insurance Employer Contribution Amendment Act of 1999 (DC Official Code 1-621.09) (the Act). The Plan includes a trust fund that is required for the deposit of District contributions. These contributions, along with investment earnings, are used to pay future benefits on behalf of qualified participants. The Plan is administered jointly by the District's Office of the Chief Financial Officer and the District's Office of Human Resources (DCHR).



## Plan Description

The Plan is a single-employer defined benefit plan that provides health and life insurance benefits to retired eligible District employees. All employees hired after September 30, 1987, who retired under the Teachers Retirement System, Police and Fire Retirement Systems, or who are eligible for retirement benefits under the Social Security Act, are eligible to participate in the Plan. The trust fund was established to hold and pay the District's contributions for health and life insurance premiums for participants.

## Operations

The Office of Finance and Treasury (OFT) is responsible for the oversight of the investments in the Fund and has established an investment policy and procedures for the program. The duties and responsibilities of OFT include, but are not limited to, the financial administration and management of the Fund, the selection and monitoring of investment managers, the establishment of investment objectives, the determination of the investment policy, the establishment of management policies, and the overall management and control of Fund assets.

The DC Department of Human Resources counsels employees regarding their retirement benefits, enrolls them in the selected programs, and informs OFT of their choices.

## Actuarial Information

Cheiron performed the actuarial analysis of the Fund. Cheiron prepared its report in accordance with the Statements of the Governmental Accounting Standards Board (GASB) 45 and 74. Valuations are undertaken for each fiscal year. The purpose of the valuation is to provide an estimate of the Total OPEB Liability and the Actuarially Determined Contribution (ADC).

## Investment Consultant

NEPC, LLC was hired as an Outsourced Chief Investment Officer (“OCIO”) for the Other Post-Employment Benefits (“OPEB”) Fund. NEPC provides investment consulting advice on asset allocation and policy-related decisions to the Deputy CFO and Treasurer of the Office of Finance and Treasury. As an OCIO, NEPC assumes responsibility for implementation of the investment portfolio within the guidelines approved in the Investment Policy Statement. These activities include, but are not limited to, rebalancing the portfolio, investment manager structure, investment manager search, retention, and monitoring, as well as performance reporting. NEPC meets with the Office of Finance and Treasury on a regular basis to report on and review the OPEB Fund’s performance and compliance with the Investment Policy Statement.

## Contributions

Cost sharing arrangements for annuitants vary depending on whether the employee was a General Employee, Teacher, Police Officer, or Firefighter. For General Employees and Teachers, annuitants with at least 10 years of creditable District service (but less than 30 years of creditable District service) pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the annuitant is 75%, reduced by an additional 2.50% for each year of creditable service over 10 years, up to a maximum of 20 such additional years. Thus, the District’s contribution shall not exceed 75% of the cost of the selected health benefit plan. For annuitants with 30 or more years of creditable District service, the District pays 75% of the cost of the selected health benefit plan, and the annuitant pays 25% of the cost of the selected health benefit plan.

Covered family members of General Employee and Teacher annuitants with at least 10 years of creditable District service (but less than 30 years of creditable District service) pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the covered family member is 80%, reduced by an

additional 1% for each year of creditable District service over 10 years, up to a maximum of 20 such additional years. Thus, the District’s contribution shall not exceed 40% of the cost of the selected health benefit plan for covered family members of an annuitant with 30 or more years of creditable District service, and the family members of an annuitant with 30 or more years of creditable District service pay up to 60% of the cost of the selected health benefit plan.

For Police Officers and Firefighters, annuitants with at least 10 years of creditable District service, but less than 25 years of creditable District service, pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the annuitant is 70%, reduced by an additional 3% for each year of creditable service over 10 years, up to a maximum of 15 such additional years.

Thus, the District’s contribution shall not exceed 75% of the cost of the selected health benefit plan. For annuitants with 25 or more years of creditable District service, or Police Officer or Firefighter annuitants who are injured in the line of duty, the District pays 75% of the cost of the selected health benefit plan, and the annuitant pays 25% of the cost of the selected health benefit plan. Special rules apply for Police Officers and Firefighters who were hired before November 10, 1996.

Covered family members of Police Officers and Firefighter annuitants with at least 10 years of creditable District service (but less than 25 years of creditable District service) pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the covered family members is 75%, reduced by an additional 3% for each year of creditable District service over 10 years. However, the portion paid by the covered family member is never less than 40%, and the District’s contribution shall not exceed 60% of the cost of the selected health benefit plan; the family member pays 40% of the cost of the selected health benefit plan for covered family members of Police Officers or Firefighters who were hired before November 10, 1996.



## Advisory Committee

The District established an Advisory Committee to advise the Office of Finance and Treasury (OFT) on the administration and investment management of the OPEB Fund. The Committee shall consist of the following members: four appointed by the CFO; one appointed by the Mayor; one appointed by the Council; and one member who is either a member of the District of Columbia Retirement Board (DCRB) or a member of DCRB's professional staff. The current Advisory Committee consists of the following members:

- Charles Hall, Director, District of Columbia Department of Human Resources (Mayor)
- Gianpiero "J.P." Balestrieri, Executive Director, District of Columbia Retirement Board (DCRB)
- Matthew Brown, Chief Financial Officer, District of Columbia Water (CFO)
- Ritta McLaughlin, Director, Investor Education Community Outreach, FINRA Investor Education Foundation (CFO)
- Thompson H. Sawyer Jr., Deputy Director, Division of Finance, Federal Deposit Insurance Corporation (CFO)
- Deborah Freis, Director, Office of Revenue and Analysis (CFO)
- Barbara Davis Blum, President, BDB Investment Partnership (Council)

# INVESTMENT MANAGER INFORMATION

INVESTMENT MANAGER	ASSET CLASS	BENCHMARK	INCEPTION DATE
<b>Equity</b>			
Brandywine Global Investment Management, LLC	U.S. Large-Cap Value	Russell 1000 Value Index	01/01/2012
State Street Global Advisors	U.S. Large-Cap Growth	Russell 1000 Growth Index	09/01/2020
State Street Global Advisors	U.S. Large Cap Core	S&P 500 Index	09/30/2023
Atlanta Capital Management	U.S. Mid-Cap Core	Russell Midcap Index	07/01/2024
William Blair & Company	U.S. Small Cap Growth	Russell 2000 Growth	07/01/2024
Channing Capital Management, LLC	U.S. Small Cap Value	Russell 2000 Value	07/01/2024
State Street Global Advisors	U.S. Small-Cap Core	Russell 2000 Index	11/01/2015
Baillie Gifford	Intl Large-Cap Growth	MSCI EAFE Growth	12/01/2011
Artisan Partners	Intl Large-Cap Value	MSCI EAFE Value	12/01/2011
State Street Global Advisors	Emerging Market Equity	MSCI EM	11/01/2013
Arrowstreet Capital	Global Equity Core	MSCI ACWI	09/30/2023
<b>Fixed Income</b>			
State Street Global Advisors	Core	Bloomberg U.S. Aggregate Bond Index	08/01/2010
AllianceBernstein L.P.	Core Plus	Bloomberg U.S. Aggregate Securitized Bond Index	01/01/2012
RBC Global Asset Management (U.S.) Inc.	Core	Bloomberg U.S. Securitized	12/01/2011
State Street Global Advisors	Core (U.S. Treasuries)	Bloomberg U.S. Treasury Index	09/30/2023
Artisan Partners	U.S. High Yield	ICE BofA U.S High Yield Master II Constrained	07/01/2024
<b>Real Assets</b>			
Metis Global Partners	Real Assets	Custom Index <sup>1</sup>	11/01/2023
<b>Private Markets</b>			
Private Equity Composite	Private Equity	CJA Global All PE (Qtr. lag)	08/01/2024
Private Debt Composite	Private Debt	CJA Global Credit (Qtr. lag)	08/01/2024
<b>Cash</b>			
Northern Trust Investment, Inc.	Cash	90-Day U.S. Treasury Bill	05/01/2017

<sup>1</sup> Custom Index: 20% S&P Global Infrastructure, 20% S&P Global Natural Resources Sector Index, 20% Bloomberg Commodity Index Total Return, 20% Dow Jones U.S. Select REIT Total Return Index, 20% Gold Bullion.



# INVESTMENT MANAGER DESCRIPTIONS

## Equity

### Brandywine Large Cap Value

The Large Cap Value Equity strategy seeks attractive total return, a dividend yield greater than the benchmark, and style consistency, while maintaining a focus on bottom-up stock picking. The team's focus on free cash flow metrics is one of the primary factors differentiating the team from style peers. Although bottom-up stock picking drives portfolio construction, the team spends significant effort to recognize the impact of macroeconomic changes when analyzing and researching companies.

### SSgA Russell 1000 Large Cap Growth Index Fund

The strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index ("Index") over the long term. The Russell 1000® Growth Index is comprised of approximately 1,000 of the largest U.S. securities in the U.S. market.

The strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The strategy may purchase securities in their initial public offerings ("IPOs"). In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time, securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index.

The strategy may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the strategy's replication of the Index return. The strategy's return may not match the return of the Index.

### SSgA S&P 500 Index Fund

The strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index ("Index") over the long term. The S&P 500 Index is comprised of approximately 500 of the largest U.S. securities in the U.S. market.

The strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The strategy may purchase securities in their initial public offerings ("IPOs"). In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time, securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index.

The strategy may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the strategy's replication of the Index return. The strategy's return may not match the return of the Index.

## Atlanta Capital Small/Mid Cap Core

The fund will invest in a relatively concentrated portfolio of small and mid-sized companies. It seeks long-term capital appreciation by employing a bottom up, fundamental approach that looks for above average high quality innovative companies that maintain high barriers to entry and have consistent demand over an economic cycle.

## William Blair Small Cap Growth

The fund largely invests in quality growth stocks but allows for unique investments in designated “fallen” or “undiscovered quality” companies. By having three styles of quality growth investing, the team can invest in underappreciated, long-term growth opportunities while allowing some flexibility to invest in other types of quality growth opportunities. The strategy tends to have more exposure to smaller cap names and less to momentum driven companies.

## Channing Capital Small Cap Value

The fund will invest in a relatively concentrated portfolio of small-sized companies. Its aim is to invest in quality companies that are trading at a discount to intrinsic value with a high probability catalyst that will allow the stock to appreciate to the team’s intrinsic value target. Building conviction about management capability is crucial to the investment decision.

## SSgA Russell 2000 Index Fund

The strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (“Index”) over the long-term. The Russell® 2000 Index is comprised of approximately 2,000 of the smallest U.S. securities in the U.S. market.

The strategy is managed using a “passive” or “indexing” approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The strategy may purchase securities in their initial public offerings (“IPOs”). In some cases, it may not be possible or practicable to purchase all the securities

comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio. From time to time, securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index.

The strategy may at times purchase or sell index futures contracts, or options to those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the strategy’s replication of the Index return. The strategy’s return may not match the return of the Index.

## Baillie Gifford International Growth Equity

The fund is designed to pursue long-term capital appreciation by investing in high-quality, attractively valued, non-U.S. growth companies of all market capitalizations. Baillie Gifford’s investment philosophy is built on three fundamental viewpoints:

Share prices follow company fundamentals;  
Companies that grow their earnings and cash flows faster than average outperform the market; and  
Company analysis is more useful than economic data.

Their investment process is based on a highly analytical research-driven process and builds portfolios from the bottom up. The strategy invests primarily in developed markets but also may invest up to 20% of the Fund’s net assets at market value, at the time of purchase, in emerging markets. Currency hedging is used for defensive purposes and only used under certain conditions.

## Artisan International Value Equity

This fund seeks to invest in undervalued companies that are generating high returns on capital, are financially strong, and are managed by people who are working to build value over time. The investment team seeks to invest in companies with histories of generating strong, free cash flow, improving returns on capital, and strong competitive positions in their industries. This criteria helps rule out businesses that are statistically cheap but whose values are deteriorating over time. The team believes that investing in companies with strong balance sheets



helps to reduce the potential for capital risk and provides company management the ability to build value when attractive opportunities are available.

### SSgA Emerging Market Index Fund

The fund is managed using a “passive” or “indexing” investment approach, by which SSgA attempts to match, before expenses, the performance of the MSCI Emerging Markets Index, which is a free, float-adjusted market capitalization index that is designed to measure equity performance of emerging markets.

SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. Equity securities held by the fund may be denominated in foreign currencies and may be held outside the United States. In some cases, it may not be possible or practicable to purchase all the securities comprising the Index or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. SSgA may also utilize other pooled investment vehicles, including those managed by SSgA and its affiliates, as substitutes for gaining direct exposure to securities or a group of securities in the Index. The strategy’s return may not match the return of the Index.

### Arrowstreet Global Equity

The strategy is considered core and dynamic so it can react to market opportunities in both value and growth markets. The process is quantitative in nature, but utilizes elements of qualitative intuition across signal development, risk management and other aspects of the strategy. The team believes that securities should be evaluated across both direct (company specific) and indirect (country, sector and other) effects.

## Fixed Income

### SSgA U.S. Aggregate Bond Index Fund

The fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Bloomberg U.S. Aggregate Index (the “Index”) over the long-term. The fund is managed using a “passive” or “indexing” investment approach, by which SSgA attempts to replicate, before expenses, the performance of the Index. The fund may attempt to invest in securities comprising the Index in the same proportions as they are represented in the Index. However, due to large number of securities in the Index, some of the securities may be unavailable for purchase, so it may not be possible for the fund to purchase all the securities comprising the Index. The strategy’s return may not match the return of the Index.

### Bernstein Strategic Core — Plus

This is a multisector fixed-income strategy with a research-driven investment approach. This fund has as its neutral composition both strategic overweights to non-Treasury sectors, such as investment-grade corporates and mortgages, and strategic allocations to high-yield, non-U.S. and emerging market debt; these allocations are neutral targets around which portfolio exposures vary in accordance with perceived opportunity. The goal is to outperform the Barclays U.S. Aggregate Index by 100 to 200 basis points annually, before fees, over full market cycles. The strategy has a minimum average credit quality of A.

### RBC Global — Access Capital

The fund’s investment objective is to invest in geographically specific debt securities located in portions of the United States designated by fund investors. The fund engages in socially responsible investing that helps build stronger communities through its support of low- and moderate-income homebuyers, affordable rental housing units, small business administration loans, and economic development projects. The fund invests at least 75% of the fund in securities rated AAA or equivalent.

### SSgA U.S. Treasuries Index Fund

The fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the “Index”) over the long-term. The fund is managed using a “passive” or “indexing” approach, by which SSgA attempts to replicate, before expenses, the performance of the Index. The fund may attempt to invest in securities comprising the Index in the same proportions as they are represented in the Index. However, due to diverse composition of securities in the Index, some of the securities may be unavailable for purchase, so it may not be possible for the fund to purchase all the securities comprising the Index. The strategy’s return may not match the return of the Index.

### Artisan High Income

The fund takes a focused, idiosyncratic approach to below investment grade management with a broadly agnostic view to where in the capital structure and ratings hierarchy it will invest. The fund will invest in issuers, primarily within the non-investment grade universe with high quality business models that have compelling risk-adjusted return characteristics.

## Real Assets

### Metis Real Assets Index Portfolio

This fund’s objective is to track the performance of its custom index (20% each to S&P Global Infrastructure, S&P Global Natural Resources, S&P GSCI Gold Total Return, Bloomberg Commodity Index, Dow Jones U.S. Select REIT). The portfolio seeks to achieve at least a 95% correlation between the total return of its net assets and the total return of the custom index. The strategy’s return may not match the return of the index.

## Private Markets

### Private Equity

Private equity is investment capital used for acquiring interests in companies and/or products with investments made throughout the capital structure. The Plan will invest in funds or partnerships that employ strategies such as buyout, secondary, venture and growth equity.



## Private Debt

Private debt is the provision of debt finance to companies from funds, rather than banks, bank-led syndicates, or public markets. Private debt is often used to finance buyouts, though it is also used as expansion capital or to finance acquisitions, amongst other cases. The Plan will invest in funds or partnerships that employ strategies such as direct lending, mezzanine, opportunistic credit and distressed debt.

## Cash

### Northern Institutional Treasury Portfolio

The Portfolio invests in high-quality securities, primarily in U.S. Treasuries and repurchase agreements that are collateralized by Treasury Obligations and/or Government Obligations carrying the full faith and credit of the U.S. government. In addition to investing in Treasuries, the Portfolio invests in repurchase agreements, which may offer a potential yield advantage over a Portfolio invested only in Treasuries. The Portfolio, under normal circumstances, will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in Treasury Obligations and repurchase agreements collateralized solely by Treasury Obligations. The Portfolio operates as a “government money market fund” under SEC Rule 2a-7.

# ASSET ALLOCATION AND INVESTMENT PERFORMANCE

## ASSET ALLOCATION BY CLASS<sup>1</sup>

CLASS	MARKET VALUE (\$)	ALLOCATION (%)
Domestic Equity	1,134,244,961	49.52
Domestic Fixed Income	632,469,414	27.61
International Equity	197,134,261	8.60
Global Equity	65,386,688	2.85
Emerging Equity	93,473,426	4.08
Real Assets	87,582,615	3.82
Private Markets	10,089,629	0.44
Cash	69,908,739	3.05
Total	2,290,355,107 <sup>2</sup>	100.00 <sup>3</sup>

## ASSET ALLOCATION BY MANAGER<sup>4</sup>

MANAGER	MARKET VALUE (\$)	ALLOCATION (%)
Brandywine Large Cap Value	331,556,318	14.48
SSgA Russell 1000 Growth Index Fund	316,563,274	13.82
SSgA S&P 500 Index Fund	112,009,709	4.89
SSgA Russell 2000 Index Fund	89,239,686	3.90
Atlanta Capital Small/Mid Cap Core	143,624,778	6.27
William Blair Small Cap Growth	70,245,808	3.07
Channing Capital Small Cap Value	71,005,387	3.10
Artisan International Value	105,235,513	4.59
Baillie Gifford International Growth Equity	91,899,108	4.01
SSgA Emerging Market Index	93,473,426	4.08
Arrowstreet Global Equity	65,386,688	2.85
RBC Global – Access Capital	32,929,409	1.44
Bernstein Strategic Core	126,794,814	5.54
SSgA U.S. Aggregate Bond Index Fund	301,792,434	13.18
SSgA U.S. Treasury Index Fund	65,820,510	2.87
Artisan High Income	105,132,247	4.59
Metis Real Assets	87,582,615	3.82
Private Equity	5,089,629	0.22
Private Debt	5,000,000	0.22
Northern Trust Investment, Inc.	69,908,739	3.05
Total	2,290,355,107 <sup>5</sup>	100.00 <sup>6</sup>

<sup>1,4</sup>Source: The Northern Trust Company

<sup>2,5</sup>Asset total will differ from the financial statements due to accrual reporting of certain expenses in the financial statements. Includes ~\$65k in terminated accounts.

<sup>3,6</sup>Numbers may not add up to 100% due to rounding.

# PERFORMANCE FOR TOTAL FUND AND ASSET CLASS AS OF SEPTEMBER 30, 2024

	PERFORMANCE (%)						Inception Date
	1 Year <sup>1</sup>	3 Years <sup>1</sup>	5 Years <sup>1</sup>	7 Years <sup>2</sup>	10 Years <sup>2</sup>	Since Inception <sup>1</sup>	
<b>Total Fund Composite</b>	<b>22.27</b>	<b>3.12</b>	<b>7.45</b>	<b>6.31</b>	<b>6.08</b>	<b>6.10</b>	<b>01/01/03</b>
Policy Index	22.49	3.94	7.76	6.93	6.62	7.55	
<b>Domestic Equity</b>	<b>29.45</b>	<b>7.41</b>	<b>12.55</b>	<b>10.55</b>	<b>9.90</b>	<b>8.68</b>	<b>01/01/03</b>
Russell 3000 Index	35.19	10.29	15.26	13.74	12.83	11.17	
eV U.S. All Cap Equity Median	31.47	8.91	13.91	12.58	11.59	11.30	
<b>International Equity (includes Emerging Equity)<sup>2</sup></b>	<b>26.02</b>	<b>0.18</b>	<b>7.92</b>	<b>5.33</b>	<b>6.00</b>	<b>6.25</b>	<b>01/01/03</b>
MSCI EAFE Index	25.38	6.02	8.72	6.52	6.22	7.82	
eV EAFE Equity Median	24.86	5.37	8.82	6.36	6.56	8.36	
<b>Emerging Market Equity</b>	<b>24.76</b>	<b>0.05</b>	<b>5.48</b>	<b>3.45</b>	<b>3.84</b>	<b>3.46</b>	<b>11/01/13</b>
MSCI EM	26.54	0.08	6.15	4.04	4.41	4.02	
eV Emerging Markets Equity Median	25.03	1.47	7.01	4.80	5.34	5.02	
<b>Global Equity<sup>2</sup></b>	<b>31.42</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>28.69</b>	<b>09/01/23</b>
MSCI ACWI	32.35	N/A	N/A	N/A	N/A	24.62	
eV Global Core Equity Median	30.33	N/A	N/A	N/A	N/A	22.97	
<b>Domestic Fixed Income</b>	<b>11.49</b>	<b>-1.39</b>	<b>0.48</b>	<b>1.61</b>	<b>2.00</b>	<b>2.23</b>	<b>12/01/11</b>
Bloomberg U.S. Aggregate Index	11.57	-1.39	0.33	1.47	1.84	2.02	
eV U.S. Core Fixed Income Median	12.24	-0.89	1.00	2.04	2.34	2.66	
<b>Real Assets</b>	<b>21.70</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>21.70</b>	<b>09/30/23</b>
Real Assets Custom Index	22.07	N/A	N/A	N/A	N/A	22.07	
<b>Private Equity</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>34.20</b>	<b>07/01/24</b>
C A Global All PE (Qtr. lag)	N/A	N/A	N/A	N/A	N/A	1.10	
<b>Private Debt</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.00</b>	<b>07/01/24</b>
C A Global Credit (Qtr. lag)	N/A	N/A	N/A	N/A	N/A	5.28	
<b>Cash Account<sup>3</sup></b>	<b>5.40</b>	<b>3.44</b>	<b>2.21</b>	<b>2.06</b>	<b>1.78</b>	<b>1.26</b>	<b>10/01/09</b>

<sup>1</sup>Performance provided by The Northern Trust Company

<sup>2</sup>Performance provided by NEPC, LLC. Median information provided by NEPC.

<sup>3</sup>Source: State Street Corporation until 05/01/2017. Northern Trust Investment, Inc. thereafter.

## PERFORMANCE BY INVESTMENT MANAGER

	PERFORMANCE (%)						Inception Date
	1 Year <sup>1</sup>	3 Years <sup>1</sup>	5 Years <sup>1</sup>	7 Years <sup>2</sup>	10 Years <sup>2</sup>	Since Inception <sup>1</sup>	
<b>Domestic Equity</b>							
<b>Brandywine Large Cap Value</b>	<b>23.07</b>	<b>9.13</b>	<b>13.65</b>	<b>10.41</b>	<b>9.18</b>	<b>12.53</b>	<b>12/01/11</b>
Russell 1000 Value Index	27.76	9.03	10.69	9.53	9.23	11.64	
eV U.S. Large Cap Value Equity Median	28.38	10.59	12.34	10.95	10.51	12.53	
<b>SSgA Russell 1000 Growth Index Fund</b>	<b>42.24</b>	<b>12.04</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>14.26</b>	<b>09/01/20</b>
Russell 1000 Growth Index	42.19	12.02	N/A	N/A	N/A	14.26	
eV U.S. Large Cap Growth Equity Median	40.67	9.69	N/A	N/A	N/A	12.48	
<b>SSgA S&amp;P 500 Index Fund</b>	<b>36.30</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>36.30</b>	<b>10/01/23</b>
S&P 500 Index	36.35	N/A	N/A	N/A	N/A	36.35	
eV U.S. Large Cap Core Median	32.72	N/A	N/A	N/A	N/A	32.72	
<b>Atlanta Capital SMID</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>10.28</b>	<b>6/1/2024</b>
Russell 2500 Index	N/A	N/A	N/A	N/A	N/A	7.12	
eV U.S. Mid Cap Equity Median	N/A	N/A	N/A	N/A	N/A	6.74	
<b>SSgA Russell 2000 Index Fund</b>	<b>26.78</b>	<b>1.95</b>	<b>9.47</b>	<b>7.43</b>	<b>N/A</b>	<b>9.58</b>	<b>11/01/15</b>
Russell 2000 Index	26.76	1.84	9.39	7.36	N/A	9.50	
eV U.S. Equity Small Cap Core Median	25.89	5.17	11.53	9.59	N/A	10.77	
<b>William Blair Small Cap Growth</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.47</b>	<b>6/1/2024</b>
Russell 2000 Growth Index	N/A	N/A	N/A	N/A	N/A	8.23	
eV U.S. Small Cap Growth Equity Median	N/A	N/A	N/A	N/A	N/A	7.95	
<b>Channing Capital Small Cap Value</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>9.26</b>	<b>6/1/2024</b>
Russell 2000 Value Index	N/A	N/A	N/A	N/A	N/A	8.30	
eV U.S. Equity Small Cap Value Equity Median	N/A	N/A	N/A	N/A	N/A	6.24	
<b>International Equity</b>							
<b>Baillie Gifford International Growth Equity</b>	<b>27.53</b>	<b>-8.16</b>	<b>6.25</b>	<b>4.42</b>	<b>6.26</b>	<b>7.16</b>	<b>01/01/12</b>
MSCI EAFE Growth Index	26.93	2.25	8.08	7.03	6.99	8.18	
eV International Growth Equity Median	26.46	1.37	9.19	7.43	7.42	9.02	
<b>Artisan International Value Equity</b>	<b>25.85</b>	<b>10.94</b>	<b>12.20</b>	<b>8.22</b>	<b>7.97</b>	<b>9.97</b>	<b>01/01/12</b>
MSCI EAFE Value	24.00	9.70	8.97	5.70	5.21	7.08	
eV International Value Equity Median	23.27	7.79	9.12	6.14	6.13	7.98	
<b>Emerging Market Equity</b>							
<b>SSgA Emerging Market Index Fund</b>	<b>24.76</b>	<b>0.05</b>	<b>5.48</b>	<b>3.45</b>	<b>3.84</b>	<b>3.46</b>	<b>11/01/13</b>
MSCI EM	26.05	0.40	5.75	4.04	4.41	3.69	
eV Emerging Markets Equity Median	25.03	1.47	7.01	4.80	5.34	5.02	

<sup>1</sup>Performance provided by The Northern Trust Company

<sup>2</sup>Performance provided by NEPC, LLC. Median information provided by NEPC.

<sup>3</sup>Benchmark as of 10/1/2012. From 01/01/2012 through 09/30/2012, the benchmark was the S&P MidCap 400 Index.



## PERFORMANCE BY INVESTMENT MANAGER (CONTINUED)

	PERFORMANCE (%)						Inception Date
	1 Year <sup>1</sup>	3 Years <sup>1</sup>	5 Years <sup>1</sup>	7 Years <sup>2</sup>	10 Years <sup>2</sup>	Since Inception <sup>1</sup>	
<b>Global Equity</b>							
<b>Arrowstreet Global Equity</b>	<b>30.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>30.77</b>	<b>10/01/23</b>
MSCI ACWI Index	31.76	N/A	N/A	N/A	N/A	31.76	
eV All Global Equity Median	30.33	N/A	N/A	N/A	N/A	22.97	
<b>Domestic Fixed Income</b>							
<b>SSgA U.S. Aggregate Bond Index Fund</b>	<b>11.62</b>	<b>-1.36</b>	<b>0.36</b>	<b>1.50</b>	<b>1.87</b>	<b>2.11</b>	<b>07/01/10</b>
Bloomberg U.S. Aggregate	11.57	-1.39	0.33	1.47	1.84	2.28	
eV Core Fixed Income Median	12.24	-0.89	1.00	2.04	2.34	2.66	
<b>Bernstein Strategic Core</b>	<b>12.61</b>	<b>-1.04</b>	<b>0.88</b>	<b>2.01</b>	<b>2.37</b>	<b>2.58</b>	<b>12/01/11</b>
Bloomberg U.S. Aggregate	11.57	-1.39	0.33	1.47	1.84	2.02	
eV Core Fixed Income Median	12.24	-0.89	1.00	2.04	2.34	2.66	
<b>RBC Global – Access Capital</b>	<b>12.02</b>	<b>-1.30</b>	<b>-0.05</b>	<b>0.71</b>	<b>1.12</b>	<b>1.34</b>	<b>12/01/11</b>
Bloomberg U.S. Securitized Index	12.22	-1.11	0.15	1.08	1.49	1.67	
eV U.S. Securitized Fixed Income Median	12.43	0.41	1.54	2.28	2.60	3.01	
<b>SSgA U.S. Treasury Index</b>	<b>9.73</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>9.73</b>	<b>10/01/23</b>
Bloomberg U.S. Treasury Index	9.72	N/A	N/A	N/A	N/A	9.72	
eV U.S. Gov't Fixed Income Median	10.98	N/A	N/A	N/A	N/A	10.98	
<b>Artisan High Income Strategy</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.13</b>	<b>6/1/2024</b>
ICE BofA U.S. High Yield Master II Constrained	N/A	N/A	N/A	N/A	N/A	6.28	
eV U.S. High Yield Fixed Income Median	N/A	N/A	N/A	N/A	N/A	5.64	
<b>Real Assets</b>							
<b>Metis Real Assets Index Portfolio</b>	<b>21.70</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>21.70</b>	<b>9/1/2023</b>
Real Assets Custom Index	22.07	-3.61	-0.14	0.06	N/A	22.07	
<b>Private Equity</b>							
<b>Private Equity Composite</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>34.20</b>	<b>7/1/2024</b>
CJA Global All PE (Qtr. lag)	N/A	N/A	N/A	N/A	N/A	1.10	
<b>Private Debt</b>							
<b>Private Debt Composite</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.00</b>	<b>7/1/2024</b>
CJA Global Credit (Qtr. lag)	N/A	N/A	N/A	N/A	N/A	5.28	
<b>Cash</b>							
<b>Northern Trust Investment Inc.<sup>5</sup></b>	<b>5.40</b>	<b>3.44</b>	<b>2.21</b>	<b>2.06</b>	<b>1.78</b>	<b>1.26</b>	<b>10/1/2009</b>

<sup>1</sup>Performance provided by The Northern Trust Company

<sup>2</sup>Performance provided by NEPC, LLC. Median information provided by NEPC.

<sup>3</sup>Benchmark as of 10/1/2012. From 01/01/2012 through 09/30/2012, the benchmark was the S&P MidCap 400 Index.

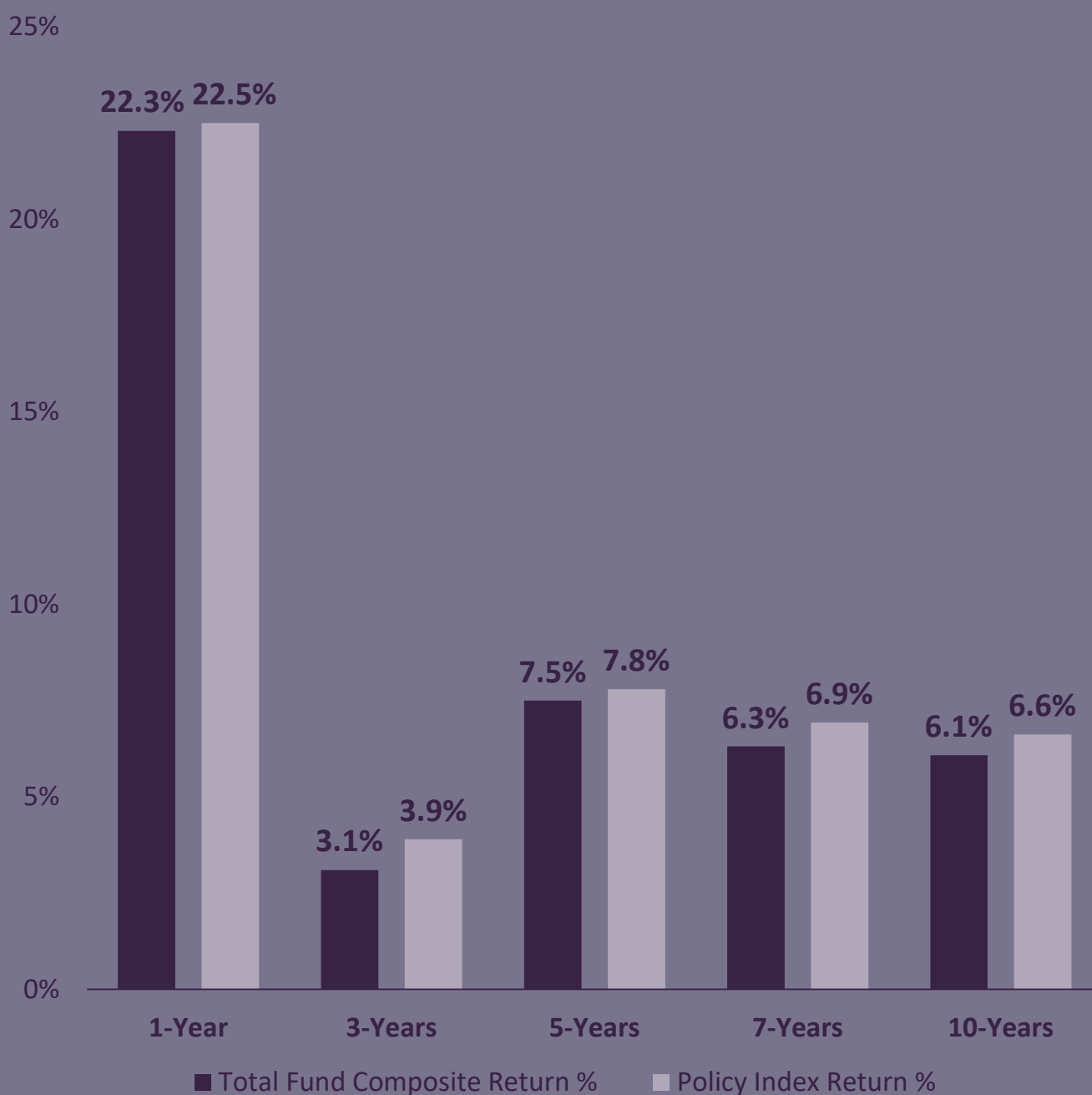
<sup>4</sup>Benchmark as of 02/01/2015. From 11/01/2013 through 01/31/2015, the benchmark was 50% JPM EMBI Global Diversified/50%JPM GBI-EM Broad Diversified U.S. Index.

<sup>5</sup>State Street Corporation until 05/01/2017. Northern Trust Investment Inc., thereafter.

## ASSET ALLOCATION POLICY

ASSET CLASS	MINIMUM	MAXIMUM	TARGET	ACTUAL
Public Equity	35%	65%	50%	65.10%
Fixed Income	17%	47%	32%	27.60%
Private Equity	0%	10%	5%	0.20%
Private Debt	0%	10%	5%	0.20%
Real Asset	0%	16%	8%	3.80%
Cash	0%	10%	0%	3.10%

## COMPARATIVE PERFORMANCE AS OF SEPTEMBER 30, 2024



# COMPARATIVE ANALYSIS TABLES WITH DCRB

## ASSET ALLOCATION COMPARATIVE

	DCRB		OPEB Fund	
	Current Allocation	Target Allocation (%)	Current Allocation	Target Allocation (%) <sup>1</sup>
<b>Public Equities</b>	<b>45.3</b>	<b>46.0</b>	<b>65.1</b>	<b>57.0</b>
Domestic Equity Assets	22.3	20.0	49.5	40.0
International Developed Market Equity Assets	14.3	16.0	8.6	8.0
International Emerging Market Equity Assets	8.7	10.0	4.1	4.0
Global Equity	—	—	2.9	5.0
<b>Fixed Income</b>	<b>25.4</b>	<b>25.0</b>	<b>27.6</b>	<b>25.0</b>
Investment Grade Bond	6.8	7.0	23.0	20.0
Long-Term Government Bonds	2.9	3.0	—	—
TIPS Assets	5.4	5.0	—	—
High Yield	2.0	2.0	4.6	5.0
Emerging Market Debt Assets	3.9	4.0	—	—
Foreign Developed Bond Assets	2.1	2.0	—	—
Bank Loan Assets	2.3	2.0	—	—
<b>Alternatives</b>	<b>28.8</b>	<b>28.0</b>	<b>4.2</b>	<b>18.0</b>
Private Equity Assets	10.9	9.0	0.2	5.0
Private Debt	3.3	3.0	0.2	5.0
Real Assets			3.8	8.0
Real Estate Assets	7.9	8.0	—	—
Infrastructure	4.5	6.0	—	—
Private Natural Resources	2.2	2.0	—	—
Multi-Asset	—	—	—	—
<b>Cash</b>	<b>0.5</b>	<b>1.0</b>	<b>3.1</b>	<b>0.0</b>

As of 09/30/24.

<sup>1</sup> Interim target allocations. Long-term targets at the asset class level are as follows: Total Equity (50%), Total Fixed Income (32%), Total Real Assets (8%), Private Equity (5%), Private Debt (5%)

## ACTUARIAL ASSUMPTIONS COMPARATIVE

	DCRB	OPEB FUND
Valuation Date	10/01/2024	09/30/2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal, Level Percentage of Pay
Amortization Method	Level Dollar Closed	Level Percentage of Pay, Closed
Remaining Amortization Period	9 years	12 years beginning 09/30/2024
Asset Valuation Method	5 Year Smoothed, Market	5 Year Smoothed, Market
<b>Actuarial Assumptions</b>		
Investment Rate of Return <sup>1</sup>	6.25%	6.50%
Rate of Salary Increase <sup>2</sup>	4.00%–8.15%	4.00% (plus merit scale)
Cost of Living Adjustments/ Medical Trend	3.25% (COLA limited to 2.75% for those hired after 11/10/1996)	8.00% grading down to 4.14% The Society of Actuaries Getzen Model of Long-Run Medical Cost Trends, reaching the ultimate medical inflation rate in 2043

<sup>1</sup>Includes inflation of 3.00% for DCRB and OPEB

<sup>2</sup>Includes wage inflation of 4.00% for DCRB, 4.00% for OPEB





**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF FINANCE AND TREASURY**

**OTHER POST-EMPLOYMENT BENEFITS FUND**

**FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS**

**FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF FINANCE AND TREASURY**

**OTHER POST-EMPLOYMENT BENEFITS FUND**

**SEPTEMBER 30, 2024 AND 2023**

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McConnell  
Jones

## INDEPENDENT AUDITOR'S REPORT

To the Mayor, Members of the Council of the Government of the District of Columbia and  
Inspector General of the Government of the District of Columbia  
Washington, D.C.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Government of the District of Columbia Other Post-Employment Benefits Fund (the Fund), a fiduciary fund of the Government of the District of Columbia, which comprise the Statements of Fiduciary Net Position as of September 30, 2024 and 2023, and the related Statements of Changes in Fiduciary Net Position for the years then ended, and the related notes to the Fund's financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying basic financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of September 30, 2024 and 2023, and the changes in its financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America (US GAAP).

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 opinion.

#### ***Responsibilities of Management for the Financial Statements***

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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.

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***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 US GAAS and *Government 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 US GAAS and *Government 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***

US GAAP require that the management's discussion and analysis, located 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 US GAAP, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying schedules of net position by fund and revenues, expenses, and changes in net position by fund, located as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of net position by fund and revenues, expenses, and changes in net position by fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules of net position by fund and revenues, expenses, and changes in net position by fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2025, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

*McConnell Jones LLP*

Washington, D.C.  
January 17, 2025

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
SEPTEMBER 30, 2024 AND 2023

The following presents our discussion and analysis of the financial performance of the Government of the District of Columbia’s (the “District”) Other Post-Employment Benefits Fund (“OPEB” or the “Fund”), a fiduciary fund of the District, for the fiscal years ended September 30, 2024 and 2023. This discussion and analysis should be read in conjunction with the financial statements and notes to financial statements.

All employees hired after September 30, 1987, who retired under the Teacher Retirement System or Police and Fire Retirement System, or who are eligible for retirement benefits under the Social Security Act, are eligible to participate in the Fund.

**Overview of the Financial Statements**

The Fund is required to follow U.S. Generally Accepted Accounting Principles and, as such, the Fund’s financial statements consist of two basic financial statements: (a) Statement of Fiduciary Net Position, and (b) Statement of Changes in Fiduciary Net Position.

- The Statement of Fiduciary Net Position presents the Fund’s assets, liabilities, and net position available for post-employment benefits.
- The Statement of Changes in Fiduciary Net Position presents the additions to, and deductions from, the Fund’s net position.
- The Notes to Financial Statements provide additional information that is essential for a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements, such as accounting policies, plan membership and benefits, and summary disclosures of selected financial data.
- The Required Supplementary Schedules immediately following the Notes to Financial Statements provide information illustrating the Schedule of Changes in Net OPEB Liability (Asset), Schedule of Contributions and Related Ratios, and Schedule of Investment Returns.

The financial statements reflect the requirements of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which addresses accounting and financial reporting issues related to measurement of the total and net OPEB liability, as well as financial reporting by plans that administer OPEB benefits on behalf of governments.

**Financial Highlights**

	<b>Fiscal Year Ended September 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
The Fund’s Investment	\$2,187,582,267	\$1,783,466,996	\$1,604,832,701
District’s Contributions	\$ 72,700,000	\$ 41,500,000	\$ 53,000,000

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)  
SEPTEMBER 30, 2024 AND 2023

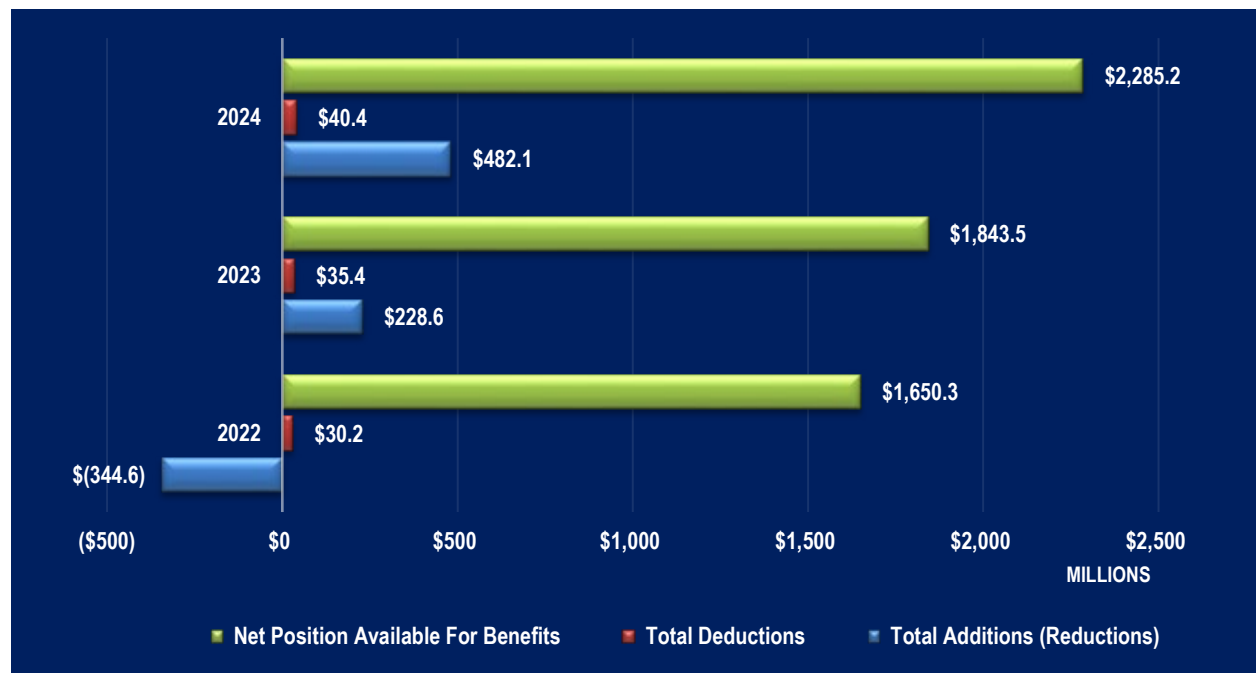
**Table 1 – Condensed Statements of Fiduciary Net Position as of September 30, 2024, 2023, and 2022**

	FY 2024 – FY 2023				FY 2023 – FY 2022		
	2024	2023	Variance	Variance %	2022	Variance	Variance %
<b>Assets</b>							
Cash and Cash Equivalents	\$ 111,782,451	\$ 79,213,345	\$ 32,569,106	41.1%	\$ 56,649,863	\$ 22,563,482	39.8%
Receivables	8,618,880	65,888,909	(57,270,029)	(86.9%)	15,766,963	50,121,946	317.9%
Investments, at fair value	2,187,582,267	1,783,466,996	404,115,271	22.7%	1,604,832,700	178,634,296	11.1%
Total Assets	2,307,983,598	1,928,569,250	379,414,348	19.7%	1,677,249,526	251,319,724	15.0%
<b>Liabilities</b>							
Investment Purchases and Other Payables	22,805,966	85,087,248	(62,281,282)	(73.2%)	26,962,373	58,124,875	215.6%
Net Position	\$ 2,285,177,632	\$ 1,843,482,002	\$441,695,630	24.0%	\$ 1,650,287,153	\$193,194,849	11.7%

**Table 2 – Condensed Statements of Changes in Fiduciary Net Position for Fiscal Years Ended September 30, 2024, 2023 and 2022**

	FY 2024 – FY 2023				FY 2023 – FY 2022		
	2024	2023	Variance	Variance %	2022	Variance	Variance %
<b>Additions/Reductions</b>							
Contributions	\$ 74,438,746	\$ 43,038,875	\$ 31,399,871	73.0%	\$ 54,280,033	\$ (11,241,158)	(20.7%)
Net Investment Income	407,648,379	185,519,982	222,128,397	119.7%	(398,892,806)	584,412,788	146.5%
Total Additions (Reductions)	482,087,125	228,558,857	253,528,268	110.9%	(344,612,773)	573,171,630	166.3%
<b>Deductions</b>							
Insurance Premiums	38,544,096	34,017,345	4,526,751	13.3%	29,287,583	4,729,762	16.1%
Administrative Expenses	1,847,399	1,346,663	500,736	37.2%	874,399	472,264	54.0%
Total Deductions	40,391,495	35,364,008	5,027,487	14.2%	30,161,982	5,202,026	17.2%
Net Increase (Decrease)	441,695,630	193,194,849	248,500,781	128.6%	(374,774,755)	567,969,604	151.5%
Beginning Net Position	1,843,482,002	1,650,287,153			2,025,061,908		
Ending Net Position	\$ 2,285,177,632	\$1,843,482,002			\$1,650,287,153		

A summary of the statements' key financial highlights is shown below.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
SEPTEMBER 30, 2024 AND 2023

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**Financial Analysis – Fiduciary Net Position**

**Fiscal Year 2024**

The Fund's investments increased by \$404.1 million or 22.7%, from the prior fiscal year. Cash and cash equivalents increased by \$32.6 million or 41.1% from the prior fiscal year. The overall change in investments and cash and cash equivalents is primarily due to net investment gain of \$407.6 million during fiscal year 2024. Market conditions were more favorable during fiscal year 2024 compared to 2023; and as a result, fourteen (14) of twenty (20) investment funds had positive rates of return. As of September 30, 2024, the funds were invested in equities, (67.00%); debt securities, (28.54%) and alternatives (4.46%).

Receivables decreased by \$57.3 million or 86.9% over the prior fiscal year primarily due to a decrease in receivables from investment sales at the end of the year.

Investment purchases and other payables decreased by \$62.3 million or 73.2% over the prior fiscal year primarily because of decrease in trades payable at the end of the year. Management and other fees payable also increased over the prior fiscal year.

**Fiscal Year 2023**

The Fund's investments increased by \$178.6 million or 11.1%, from the prior fiscal year. Cash and cash equivalents increased by \$22.6 million or 39.8% from the prior fiscal year. The overall change in investments and cash and cash equivalents is primarily due to net investment gain of \$185.5 million during fiscal year 2023. Market conditions were more favorable during fiscal year 2023 compared to 2022; and as a result, twelve (12) of seventeen (17) investment funds had positive rates of return. As of September 30, 2023, the funds were invested in equities, (63.78%); debt securities, (33.07%); and commodities, (3.15%).

Receivables increased by \$50.1 million or 317.9% over the prior fiscal year primarily due to an increase in receivables from investment sales at the end of the year.

Investments and other payables increased by \$58.1 million or 215.6% over the prior fiscal year primarily because of increases in trades payable at the end of the year. Management and other fees payable also increased over the prior fiscal year.

**Fiscal Year 2022**

The Fund's investments decreased by \$373.0 million or 18.9%, from the prior fiscal year. Cash and cash equivalents decreased by \$0.5 million or 0.8% from the prior fiscal year. The overall change in investments and cash and cash equivalents is primarily due to net investment loss of \$398.9 million during fiscal year 2022. Market conditions were less favorable during fiscal year 2022 compared to 2021; and as a result, twelve (12) of fourteen (14) investment funds had negative rates of return. As of September 30, 2022, the funds were invested in equities, (60.12%); debt securities, (36.26%); and commodities, (3.62%).

Receivables increased by \$3.8 million or 32.0% over the prior fiscal year primarily due to an increase in receivables from investment sales at the end of the year.

Investment purchases and other payables increased by \$5.1 million or 23.4% over the prior fiscal year primarily because of increases in trades payable at the end of the year. Management and other fees payable also increased over the prior fiscal year.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
SEPTEMBER 30, 2024 AND 2023

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**Financial Analysis – Changes in Fiduciary Net Position**

**Fiscal Year 2024**

Additions to the Fund increased by \$253.5 million or 110.9%, from the prior fiscal year because of an increase in contributions of \$31.4 million and a net investment gain of \$222.1 million. Deductions from the Fund increased by \$5.0 million or 14.2%, over the prior fiscal year, primarily because of an increase in insurance premiums. A detailed analysis of the major components of additions and deductions are provided below.

**Fiscal Year 2023**

Additions to the Fund increased by \$573.1 million or 166.3%, from the prior fiscal year because of a decrease in contributions of \$11.2 million and an increase in net investment gain of \$584.4 million. Deductions from the Fund increased by \$5.2 million or 17.2%, over the prior fiscal year, primarily because of an increase in insurance premiums and administrative expenses. A detailed analysis of the major components of additions and deductions are provided below.

**Fiscal Year 2022**

Reductions to the Fund increased by \$755.0 million or 184.0%, from the prior fiscal year because of a decrease in contributions of \$0.2 million and net investment loss of \$754.8 million. Deductions from the Fund increased by \$4.1 million or 15.9%, over the prior fiscal year, primarily because of an increase in insurance premiums and administrative expenses. A detailed analysis of the major components of additions and deductions are provided below.

**Fund Contributions**

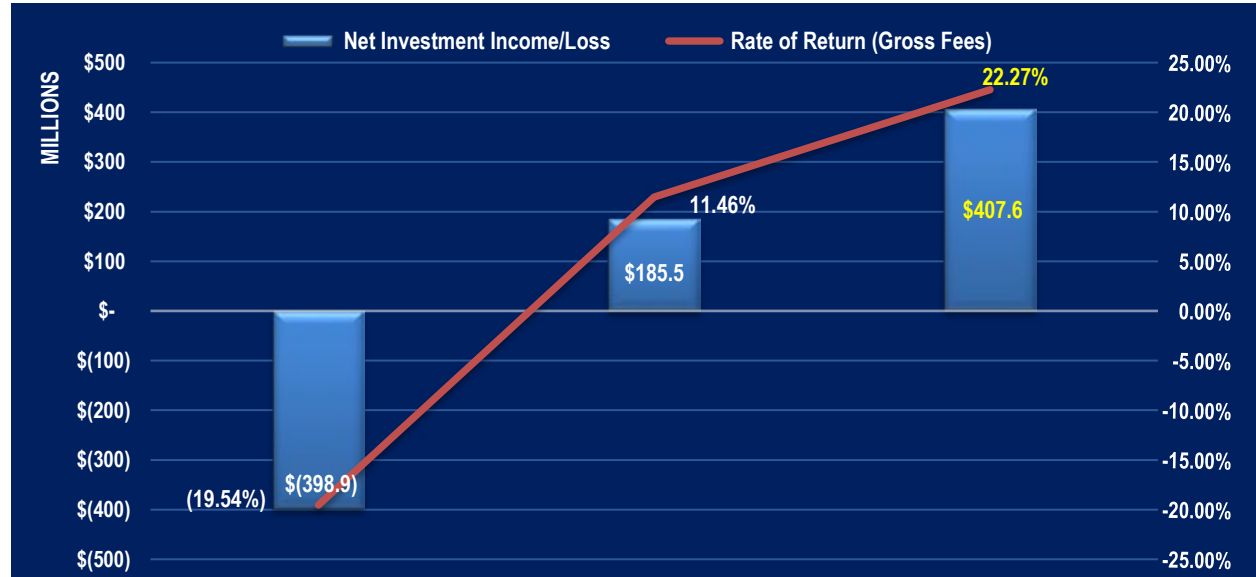
For fiscal years ended September 30, 2024, 2023 and 2022, the District made actuarially based contributions in the amounts of \$72,700,000, \$41,500,000, and \$53,000,000, respectively; which were based on congressionally approved budget authority. The District made contributions to the Fund that covered current and future Fund benefits. Annuitant contributions for years ended September 30, 2024, 2023 and 2022, amounted to \$1,738,746, \$1,538,875, and \$1,280,033, respectively.

**Investment Income or (Loss)**

For fiscal years ended September 30, 2024, 2023 and 2022, the Fund had a rate of return (gross of fees) of 22.27%, 11.46%, and (19.54%), respectively, and net investment income or (loss) of \$407,648,379, \$185,519,982, and \$(398,892,806), respectively. The Fund's net investment income for fiscal year 2024 was a result of positive rates of returns for 14 out of 20 funds.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)  
SEPTEMBER 30, 2024 AND 2023

The table below presents the rate of return (gross of fees) and net investment income of the Fund for the past three years:



The rate of return (ROR), by investment fund manager, is listed in the table below.

Investment	ROR	Benchmark	ROR	Benchmark	ROR	Benchmark
	2024	2024	2023	2023	2022	2022
Access Capital ETI	12.02%	12.22%	(0.86%)	(0.04%)	(13.43%)	(13.79%)
Arrowstreet Global Equity ACWI	30.77%	31.76%	N/A	N/A	N/A	N/A
Artisan High Income***	-	-	N/A	N/A	N/A	N/A
Artisan International Value Equity	25.85%	24.00%	31.90%	32.46%	(17.75%)	(19.62%)
Atlanta Capital SMID Cap Core***	-	-	N/A	N/A	N/A	N/A
Baillie Gifford International Growth Equity	27.53%	26.93%	13.13%	20.41%	(46.30%)	(30.06%)
Bernstein Global Plus*	-	-	2.92%	3.39%	(25.67%)	(24.77%)
Bernstein Strategic Core – Plus	12.61%	11.57%	1.13%	0.64%	(14.91%)	(14.60%)
BlueBay Emerging Market Bond Fund*	-	-	16.18%	11.58%	(22.82%)	(22.45%)
Brandywine Large Cap Value	23.07%	27.76%	17.06%	14.44%	(9.79%)	(11.36%)
Channing Capital Small Cap Value***	-	-	N/A	N/A	N/A	N/A
ClearBridge Mid Cap Core*	-	-	11.42%	13.45%	(23.34%)	(19.39%)
Dover Street XI L.P. – Private Equity****	-	-	N/A	N/A	N/A	N/A
Gresham Strategic Commodities Fund*	-	-	(3.26%)	(1.30%)	12.66%	(11.80%)
Harbourvest Direct Lending II – Private Debt****	-	-	N/A	N/A	N/A	N/A
Northern Trust Company Cash Fund	5.40%	5.46%	4.42%	4.47%	0.58%	0.62%
Metis Real Asset Index**	21.70%	21.70%	N/A	N/A	N/A	N/A
SSgA U.S. Aggregate Bond Index Fund	11.62%	11.57%	0.69%	0.64%	(14.61)	(14.60%)
SSgA Emerging Market Index Fund	24.76%	26.05%	11.53%	11.70%	(28.02%)	(28.11%)
SSgA Russell 1000 Growth Fund	42.24%	42.19%	27.69%	27.72%	(22.57%)	(22.59%)
SSgA Russell 2000 Index Fund	26.78%	26.76%	9.08%	8.93%	(23.38%)	(23.50%)
SSgA S&P 500 Index NL	36.30%	36.35%	N/A	N/A	N/A	N/A
SSgA US Treasury NL	9.73%	9.72%	N/A	N/A	N/A	N/A
William Blair Small Cap Growth***	-	-	N/A	N/A	N/A	N/A

\* Fund terminated in FY 2024.

\*\* Fund commenced in October 2023.

\*\*\* Fund commenced in May 2024.

\*\*\*\* Fund commenced in June 2024.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
SEPTEMBER 30, 2024 AND 2023

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In 2024, rates of return for fourteen (14) funds were reported. All fourteen (14) funds had positive rates of returns: led by SSgA Russell 1000 Growth Fund, 42.24%; SSgA S&P 500 Index NL, 36.30%; Arrowstreet Global Equity ACWI, 30.77%; Baillie Gifford International Growth Equity, 27.53%; SSgA Russell 2000 Index Fund, 26.78%; Artisan International Value Equity, 25.85%; SSgA Emerging Market Index Fund, 24.76% and Metis Real Asset Index, 21.70%. The Fund had dividend and interest income in the amount of \$22,751,455, a net appreciation of \$389,378,500, and a currency gain on FX contracts and settlements of \$311,434 for the year ended September 30, 2024.

In 2023, twelve (12) of seventeen (17) investment funds had positive rates of return: led by Artisan International Value Equity, 31.90%; SSgA Russell 1000 Growth Fund, 27.69%; Brandywine Large Cap Value, 17.06%; BlueBay Emerging Market Bond Fund, 16.18%; and Baillie Gifford International Growth Equity, 13.13%. The Fund had dividend and interest income in the amount of \$21,347,090, a net appreciation of \$162,918,830, and a currency gain on FX contracts and settlements of \$4,664,245 for the year ended September 30, 2023.

In 2022, twelve (12) of fourteen (14) investment funds had negative rates of return: led by Baillie Gifford International Growth Equity, (46.30%); SSgA Emerging Market Index Fund, (28.02%); Bernstein Global Plus, (25.67%); SSgA Russell 2000 Index Fund, (23.38%); ClearBridge Mid Cap Core, (23.34%); and BlueBay Emerging Market Bond Fund, (22.82%). The Fund had dividend and interest income in the amount of \$17,314,287, a net depreciation in fair value of investments for \$(413,322,162), and a currency gain on FX contracts and settlements of \$1,244,902 for the year ended September 30, 2022.

### **Insurance Carrier Premiums**

Insurance carrier premiums represent amounts paid to the Fund's health and life insurance carriers. The premium expenses for the years ended September 30, 2024, 2023, and 2022 totaled \$38,544,096, \$34,017,345 and \$29,287,583, respectively. The Defined Benefit Fund insurance premiums for the years ended September 30, 2024, 2023 and 2022 totaled \$34,156,788, \$30,095,133 and \$26,321,208, respectively. All remaining insurance premiums are attributable to general employee retirees. The insurance premiums increased in fiscal year 2024, when compared to 2023 and 2022, due to rising national health care costs. The rising costs resulted in an increase in coverage cost for District employees. As of September 30, 2024, 2023 and 2022, the Fund had 3,451, 3,567, and 3,172 annuitants receiving benefits, respectively.

### **Administrative Expenses**

Administrative expenses increased by \$0.5 million or 37.2% over the prior fiscal year because of increases in employee salaries, actuarial fees and certain investment service fees. Administrative expenses include the cost of certain administrative services the District provides to the Trust as well as employee salaries, annual actuarial, accounting, audit and certain investment services fees.

### **Summary of Actuarial Analysis**

An independent actuary was retained by the District, to perform an actuarial valuation of the District of Columbia Annuitants' Post Retirement Life and Health Plan (the Plan) as of September 30, 2024. The purpose of the valuation was to provide an estimate of the total OPEB liability and the Fund's fiduciary net position.

The results of the actuarial analysis are summarized below:

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
SEPTEMBER 30, 2024 AND 2023

	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Total OPEB Liability	\$2,111,256,701	\$2,016,357,659
Fund Fiduciary Net Position	2,285,177,632	1,843,482,002
Net OPEB (Asset) Liability	\$ (173,920,931)	\$ 172,875,657
Fund Fiduciary Net Position as a Percentage of the Total OPEB Liability	108.24%	91.43%

Actuarial valuations of an ongoing Fund involve estimates of the value of reported amounts, and assumptions about the probability of occurrence of events far into the future. An example includes assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations, and new assumptions are made about the future.

The District executed an experience study during fiscal year 2023. The study examined participation assumptions for the Fund. The number of current retirees under the Fund is quite small because the benefit is only available to retirees who were hired by the District after September 30, 1987. Since there is currently not substantial participation experience, the participation assumption chosen for valuations prior to the 2014 valuation purposely contained a large to scale margin when compared to current actual rates of participation. The District will continue to track actual rates of participation in the future, and will continue to compile participation data so that updated analyses of participation rates can be made as part of future valuations. The District will plan to maintain a funding ratio between 90% and 120% indicating that the plan is fully funded.

The actuarial calculations included actual retired annuitants and potential annuitants employed with the District. The actuarial valuations for fiscal years 2024 and 2023, were based on annuitant data as of September 30, 2023 and 2022, and were as follows:

	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
Retired Annuitants <i>(included those who received benefits)</i> :		
Firefighters, Police Officers and Teachers	2,230	2,078
General Employees	465	266
Total	2,695	2,344
Potential Annuitants <i>(in active employment with the District)</i>	27,451	26,905

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
SEPTEMBER 30, 2024 AND 2023

**Investment Management and Custody Fees**

Investment management and custody fees for the years ended September 30, 2024, 2023 and 2022, are detailed in the table below. Investments increased to \$2,187,582,267 as of September 30, 2024 from \$1,783,466,996 as of September 30, 2023, which is an increase of 22.7% over the prior year. Investments increased to \$1,783,466,996 as of September 2023 from \$1,604,832,700 as of September 2022, which an increase of 11.1% over the prior year.

<b>Investment Firm <i>(In dollars)</i></b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Management Fees from Investment Managers:</b>			
Brandywine Large Cap Value	\$ 1,135,690	\$ 1,110,581	\$ 1,115,452
ClearBridge Mid Cap Core	760,991	981,710	1,043,161
Bernstein Global Plus	183,369	361,944	401,879
Bernstein Strategic Core – Plus	303,636	381,112	389,905
SSgA U.S. Treasury Index NL	12,349	-	-
SSgA Emerging Market Index Fund	46,613	15,738	-
SSgA Russell 1000 Growth Fund	44,473	26,845	-
SSgA Russell 2000 Index Fund	19,457	26,533	-
SSGA S&P 500 Index NL	3,251	-	-
SSgA U.S. Aggregate Bond Index Fund	19,444	25,098	-
Metis Real Asset Index	83,528	-	-
Arrowstreet Global Equity ACWI	292,121	-	-
Channing Capital Small Cap Value	548,443	-	-
Atlanta Capital SMID Cap Core	45,982	-	-
William Blair Small Cap Growth	169,531	-	-
Artisan High Income	269,334	-	-
Dover Street XI L.P. – Private Equity	250,818	-	-
<b>Subtotal Management Fees from Investment Managers</b>	<b>4,189,030</b>	<b>2,929,562</b>	<b>2,950,397</b>
<b>Management and Custody Fees:</b>			
AON Outsourced Chief Investment Officer (OCIO) Fees*	-	332,959	1,181,450
NEPC Outsourced Chief Investment Officer (OCIO) Fees	695,780	273,054	-
Northern Trust Company Custody Fees	254,685	267,007	260,608
<b>Subtotal Management and Custody Fees</b>	<b>5,139,495</b>	<b>3,802,582</b>	<b>4,392,455</b>
<b>Management Fees from Net Asset Valuation</b>			
Access Capital ETI	124,653	121,349	129,704
BlueBay Emerging Market Bond Fund	155,334	241,000	247,261
Gresham Strategic Commodities Fund	309,385	422,005	444,556
Baillie Gifford International Growth Equity	734,757	687,244	796,547
Artisan International Value Equity	1,003,496	851,182	787,907
<b>Subtotal Management Fees from Net Asset Valuation</b>	<b>2,327,625</b>	<b>2,322,780</b>	<b>2,405,975</b>
<b>Total Investment Management and Custody Fees</b>	<b>\$ 7,467,120</b>	<b>\$ 6,125,362</b>	<b>\$ 6,798,430</b>

\*AON outsourced CIO services commenced in January 2021. NEPC replaced AON effective January 2023.

Note: Management fees paid from the net asset valuation are shown as part of the net appreciation in fair value of investments in the Statement of Changes in Fiduciary Net Position.

**Contact Information**

This financial report is designed to provide a general overview of the Fund's finances. Questions concerning any information provided in this report, or requests for additional financial information, should be addressed to the Office of the Chief Financial Officer (Office of Finance and Treasury); Government of the District of Columbia; 1101 4th Street SW, 8th Floor, Washington, D.C., 20024.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
STATEMENTS OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2024 AND 2023

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 111,782,451	\$ 79,213,345
Receivables		
Investment Sales and Other	4,803,658	62,990,973
Interest and Dividends	3,815,222	2,897,936
Total Receivables	8,618,880	65,888,909
Investments		
Equities	1,465,629,516	1,137,502,622
Debt Securities	624,280,506	589,742,813
Commodities	-	56,221,561
Alternatives:		
Private Equity	5,089,629	-
Private Debt	5,000,000	-
Real Assets	87,582,616	-
Total Investments	2,187,582,267	1,783,466,996
Total Assets	2,307,983,598	1,928,569,250
<b>LIABILITIES</b>		
Investment Purchases and Other Payables	17,572,549	82,751,485
Investment Management and Administrative Fees	5,233,417	2,335,763
Total Liabilities	22,805,966	85,087,248
<b>Net Position Restricted for Other Post-Employment Benefits</b>	<b>\$2,285,177,632</b>	<b>\$1,843,482,002</b>

*The accompanying notes are an integral part of these financial statements.*

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<b>2024</b>	<b>2023</b>
<b>ADDITIONS</b>		
Contributions		
District Contributions	\$ 72,700,000	\$ 41,500,000
Annuitant Contributions	1,738,746	1,538,875
Total Contributions	74,438,746	43,038,875
Investment Income		
Net Appreciation in Fair Value of Investments	389,378,500	162,918,830
Interest	12,708,368	12,344,306
Dividends	10,043,087	9,002,784
Net Currency Gain on FX Contracts and Settlements	311,434	4,664,245
Other Income	346,485	392,399
Total Income from Investment Activities	412,787,874	189,322,564
Less: Investment Management Fees	5,139,495	3,802,582
Net Investment Income	407,648,379	185,519,982
<b>Total Additions</b>	482,087,125	228,558,857
<b>DEDUCTIONS</b>		
Insurance Carrier Premiums	38,544,096	34,017,345
Administrative Expenses	1,847,399	1,346,663
<b>Total Deductions</b>	40,391,495	35,364,008
Changes in Fund Net Position	441,695,630	193,194,849
<b>Net Position Restricted for Other Post-Employment Benefits</b>		
Beginning of the Year	1,843,482,002	1,650,287,153
End of the Year	\$2,285,177,632	\$1,843,482,002

*The accompanying notes are an integral part of these financial statements.*

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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**NOTE 1      FUND DESCRIPTION AND CONTRIBUTIONS**

The Government of the District of Columbia (the District) established the Other Post-Employment Benefits fund (“OPEB” or the “Fund”) on October 1, 1999, under the Annuitants’ Health and Life Insurance Employer Contribution Amendment Act of 1999 (the “Act”). The Fund was established to receive the District’s contributions for health and life insurance premiums, from which the District’s contributions would be paid. The Fund is managed and administered jointly by the District’s Office of Finance and Treasury (OFT), within the District’s Office of the Chief Financial Officer; and the District’s Office of Human Resources, pursuant to the terms of the Plan. The Fund is a fiduciary fund of the District.

The Fund is a single employer defined benefit fund. As of September 30, 2009, the District finalized all the terms and provisions of the Fund. A trust agreement, dated September 30, 2006, designated the Chief Financial Officer of the District as the trustee of the Fund. The Trust became operational in 2007; and is administered as an irrevocable trust, through which assets are accumulated, and benefits are paid as they become due, in accordance with the Fund’s plan document.

The District established an Advisory Committee to advise the Office of Finance and Treasury on the administration and investment management of the Fund. The Committee consists of the following members: four appointed by the Chief Financial Officer (CFO); one appointed by the Mayor; one appointed by the Council; and one member who is either a member of the District of Columbia Retirement Board (DCRB) or a member of DCRB’s professional staff.

The current advisory committee consists of the following members:

- Director, District of Columbia Department of Human Resources
- Executive Director, District of Columbia Retirement Board
- Chief Education Officer, Municipal Securities Rulemaking Board
- Deputy Director, Division of Finance, Federal Deposit Insurance Corporation
- Director, Office of Revenue and Analysis
- President, BDB Investment Partnership
- Chief Financial Officer, District of Columbia Water and Sewer Authority

**Fund Description**

The Fund is a single employer defined benefit fund that provides health and life insurance benefits to retired eligible District employees. All employees hired after September 30, 1987, who retired under the Teachers’ Retirement System or Police and Fire Retirement System, or who are eligible for retirement benefits under the Social Security Act, are eligible to participate in the Fund. The Fund was established to hold and pay the District’s contributions for health and life insurance for annuitants. The purpose of the Fund (as defined in Section 1.02 of the Plan) is to manage and administer the Fund for the benefit of annuitants, as provided in the Act.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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**NOTE 1      FUND DESCRIPTION AND CONTRIBUTIONS (CONTINUED)**

To continue insurance benefits into retirement, employees must have been continuously enrolled (or covered as a family member) under the D.C. Employees Health Benefits (DCEHB) program, or the D.C. Employees Group Life Insurance (DCEGLI) program for five years prior to retirement. If the employee was employed for less than five years, the employee must have been enrolled for his/her length of employment. Coverage under Medicare is not considered in determining continuous coverage. Dependents are also covered if the employee elect's family coverage.

As of September 30, 2024 and 2023, the Fund had 3,451 and 3,567 annuitants (inactive plan members), respectively, currently receiving benefits, respectively. The fiscal year 2024 annuitants were comprised of 2,942 Firefighters, Police, and Teachers; and 509 General Employees. The fiscal year 2023 annuitants were comprised of 2,828 Firefighters, Police, and Teachers; and 739 General Employees. The premium expenses for the fiscal years ended September 30, 2024 and 2023, totaled \$38,544,096 and \$34,017,345, respectively. The insurance premiums attributable to Police, Firefighter, and Teacher retirees for the fiscal years 2024 and 2023 totaled \$34,156,788 and \$30,095,133, respectively. All remaining insurance premiums are attributable to General Employee retirees.

The actuarial valuation for the fiscal year ended September 30, 2024 was based on the actuarial valuation performed as of September 30, 2023. The actuarial report showed that there was a total of 2,695 retired participants. They consisted of 2,230 Firefighters, Police, and Teachers; and 465 General Employees.

The actuarial valuation for the fiscal year ended September 30, 2023 was based on the actuarial valuation performed as of September 30, 2022. The actuarial report showed that there was a total of 2,344 retired participants. They consisted of 2,078 Firefighters, Police, and Teachers; and 266 General Employees.

**Contributions**

Cost sharing arrangements for annuitants vary depending on whether the employee was a General Employee, Teacher, Police Officer or Firefighter. For General Employees and Teachers, annuitants with at least 10 years of creditable District service, but less than 30 years of creditable District service pay a percentage of their health insurance premiums and the District pays the remainder. The percentage paid by the annuitant is 75%, reduced by an additional 2.50% for each year of creditable service over 10 years up to a maximum of 20 such additional years. Thus, the District's contribution shall not exceed 75% of the cost of the selected health benefit plan. For annuitants with 30 or more years of creditable District service, the District pays 75% of the cost of the selected health benefit plan and the annuitant pays 25% of the cost of the selected health benefit plan.

Covered family members of General Employees and Teacher annuitants with at least 10 years of creditable District service, but less than 30 years of creditable District service pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the covered family member is 80%, reduced by an additional 1.00% for each year of creditable District service over 10 years up to a maximum of 20 such additional years. Thus, the District's contribution shall not exceed 40% of the cost of the selected health benefit plan for covered family members of an annuitant with 30 or less years of creditable District service; and the family members of an annuitant with 30 or more years of creditable District service pays up to 60% of the cost of the selected health benefit plan.

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**NOTE 1      FUND DESCRIPTION AND CONTRIBUTIONS (CONTINUED)**

For Police Officers and Firefighters, annuitants with at least 10 years of creditable District service, but less than 25 years of creditable District service pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the annuitant is 70%, reduced by an additional 3.00% for each year of creditable service over 10 years up to a maximum of 15 such additional years. Thus, the District's contribution shall not exceed 75% of the cost of the selected health benefit plan. For annuitants with 25 or more years of creditable District service or Police Officer or Firefighter annuitants who are injured in the line of duty, the District pays 75% of cost of the selected health benefit plan and the annuitant pays 25% of the cost of the selected health benefit plan. Special rules apply for Police Officers and Firefighters who were hired before November 10, 1996.

Covered family members of Police Officers and Firefighter annuitants with at least 10 years of creditable District service, but less than 25 years of creditable District service pay a percentage of their health insurance premiums, and the District pays the remainder. The percentage paid by the covered family members is 75%, reduced by an additional 3.00% for each year of creditable District service over 10 years. However, the portion paid by the covered family member is never less than 40% and the District's contribution shall not exceed 60% of the cost of the selected health benefit plan. Covered family members of Police Officers or Firefighters who were hired before November 10, 1996 pay 40% of the cost of the selected health benefit.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- ***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

- ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The Fund's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. The Fund's policy is to recognize member contributions in the period in which the contributions are due and paid. The District's (employer) contributions to the Fund are recognized when due, and when the District has made a formal commitment to provide the contributions. Benefit-related expenses and refunds are recognized when due and payable, in accordance with the terms of the Fund. Most administrative costs (employee salaries) of the Fund are paid by the District.

- ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and change therein, as of the date of the financial statements; as well as the actuarial present value of accumulated benefits during the reporting period. Actual results could differ from these estimates. Further actuarial valuations of an ongoing benefits fund involve estimates of the value of reported amounts, and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, interest rates, inflation rates, and healthcare cost trends. Amounts determined regarding the funded status of the Fund and the annual required contributions of the District are subject to continual revision, as actual results are compared with past expectations and new assumptions are made about the future.



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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- ***Investment Valuation and Income Recognition***

Investments are reported at fair value, with realized and unrealized gains and losses included in the Statements of Changes in Fiduciary Net Position. GASB issued Statement 40, *Deposit and Investment Risk Disclosures*, provides disclosure guidance requirements on deposits and investments of state and local governments that are exposed to investment risks related to credit risk, concentration of credit risks, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates.

In addition, deposits that are not covered by depository insurance and are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's agent, but not in the depositor-government's name, are part of the requirements of this Statement.

Also, investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty; or (b) the counterparty's trust department or agent, but not in the government's name, are also part of the requirements of Statement 40. See Note 5 for the related deposits and investment risk disclosures.

- ***Fair Value Measurements***

OFT is responsible for the oversight of the investments of Fund assets, and has established the Plan to guide the administration and management of the Fund. The duties and responsibilities of the OFT also include, but are not limited to, the financial administration and management of the Fund, the establishment of investment objectives, the determination of investment policies, the establishment of management policies, and the management and control of Fund assets. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, inputs are observable for similar transactions or the inputs are unobservable. However, the objective of fair value measurement in all cases is to determine the price at which an orderly transaction to sell assets or to transfer liability would take place between market participants at the measurement date under current market conditions. The Trustee has delegated to each investment firm the responsibility to determine the fair value of an investment security when a price is not available from a pricing service or broker-dealer. NEPC, LLC ("NEPC") was hired as an Outsourced Chief Investment Officer ("OCIO") for the Fund as Aon Investment was replaced effective January 2023. NEPC provides investment consulting advice on asset allocation and policy-related decisions to the Deputy CFO and Treasurer of the District. As an OCIO, NEPC assumes responsibility for implementation of the investment portfolio within the guidelines approved in the Investment Policy Statement.

These activities include, but are not limited to, rebalancing, investment manager structure, investment manager search, retention and monitoring, as well as performance reporting. Aon meets with the OFT on a regular basis to report on and review the OPEB Fund's performance and compliance with the Investment Policy Statement. The investment firm's Portfolio Management and Performance Committee (Valuation Committee) is responsible for determining whether the price provided by a pricing service or broker-dealer does not approximate fair value.

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**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

GASB 72 requires the fair value measurement in accordance with the three input levels. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- ... Level 1 – observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- ... Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly (for example, quoted prices for similar assets or liabilities in active markets).
- ... Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the District’s own assumptions in determining the fair value of investments).

- ***Recent Accounting Pronouncements***

- **Pronouncements Adopted**

GASB Issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements, and (2) accounting and financial reporting for financial guarantees. The GASB addresses several practice issues, including:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument;

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, (year ending September 2024) and all reporting periods thereafter. The Fund evaluated the applicable GASB statement and adopted the applicable pronouncements. The adopted pronouncements did not have an effect on the OPEB Fund.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. Statement No. 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The Statement also addresses corrections of errors in previously issued financial statements. It further prescribes the accounting and financial reporting for each type of accounting change and error correction and requires disclosures in notes to financial statements, including the quantitative effects on beginning balances of each accounting change and error correction, by reporting unit, in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The adopted pronouncements did not have an effect on the OPEB Fund.

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**NOTE 3      MASTER CUSTODIAN CONTRACT**

The Fund administrators have a Master Custodian Contract to reduce risk of loss and to improve security. Maintaining assets with the Master Custodian provides the additional advantage of tracking information provided by the investment managers, since the Master Custodian provides information on investment transactions from an independent source; as well as providing reporting capabilities for the Fund. The Master Custodian of the plan is the Northern Trust Company.

**NOTE 4      CASH AND CASH EQUIVALENTS**

Custodial credit risk for cash and cash equivalents is the risk that, in the event of a financial institution failure, the Fund may not be able to recover the value of cash and cash equivalents. The Fund, through its investment firms, maintains certain cash and cash equivalent balances. These balances are not required to be collateralized by statute or policy. The Fund’s cash and cash equivalents balances are uninsured and unregistered, and are held by the counterparty in the Fund’s name. The Fund maintains cash and cash equivalents in investments accounts, as detailed below, as of September 30, 2024 and 2023:

<b>Funds by Investment Firm</b>	<b>2024</b>	<b>Percentage*</b>	<b>2023</b>	<b>Percentage*</b>
Cash Account	\$ 69,633,362	3.03%	\$ 38,473,967	2.07%
Bernstein Strategic Core – Plus	11,344,919	0.49%	14,507,128	0.78%
Brandywine Large Cap Value	16,767,248	0.73%	15,071,107	0.81%
ClearBridge Mid Cap Core**	-	0.00%	9,944,553	0.53%
Bernstein Global Plus	37,943	0.00%	1,216,590	0.07%
Artisan High Income	7,111,532	0.31%	-	-
Channing Capital Small Cap Value	2,213,946	0.10%	-	-
Atlanta Capital SMID Cap Core	3,284,635	0.14%	-	-
William Blair Small Cap Growth	1,388,866	0.06%	-	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 111,782,451</b>	<b>4.86%</b>	<b>\$ 79,213,345</b>	<b>4.26%</b>

\* Includes cash and investments.  
\*\* Fund terminated in June 2024.

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**NOTE 5 INVESTMENTS**

The majority of the Fund's assets, as of September 30, 2024 and 2023, were investments, which totaled \$2,187,582,267 and \$1,783,466,996, respectively. As of September 30, 2024 and 2023, the funds were invested in equities (63.74% and 61.06%); debt securities (27.15% and 31.65%); commodities (0.00% and 3.02%); and alternatives (4.25% and 0.00%). The fair values of each investment firm's assets, as of September 30, 2024 and 2023, were as follows:

	2024		2023	
	Amount	Percentage*	Amount	Percentage*
<b>Equity Funds by Investment Firm</b>				
Brandywine Large Cap Value	\$ 314,198,362	13.66%	\$ 255,412,399	13.71%
ClearBridge Mid Cap Core**	-	0.00%	192,560,334	10.34%
Baillie Gifford International Growth Equity	91,899,108	4.00%	72,060,040	3.87%
Artisan International Value Equity	105,235,513	4.58%	83,621,592	4.49%
SSgA Russell 1000 Growth	316,563,274	13.77%	253,370,601	13.60%
SSgA Russell 2000 Index Fund	89,239,686	3.88%	105,343,021	5.66%
SSgA Emerging Market Index Fund	93,473,426	4.07%	74,968,756	4.02%
SSgA S&P 500 Index NL	112,009,709	4.87%	50,165,879	2.69%
Arrowstreet Global Equity ACWI	65,386,688	2.84%	50,000,000	2.68%
Channing Capital Small Cap Value	68,613,575	2.98%	-	-
Atlanta Capital SMID Cap Core	140,302,562	6.10%	-	-
William Blair Small Cap Growth	68,707,613	2.99%	-	-
<b>Total Equity</b>	<b>\$1,465,629,516</b>	<b>63.74%</b>	<b>\$1,137,502,622</b>	<b>61.06%</b>
<b>Debt Securities Funds by Investment Firm</b>				
Bernstein Strategic Core – Plus	\$ 126,331,039	5.49%	\$ 162,887,831	8.74%
Bernstein Global Plus**	-	0.00%	58,192,340	3.12%
SSgA U.S. Aggregate Bond Index Fund	301,792,434	13.13%	247,727,843	13.30%
Access Capital ETI	32,929,409	1.43%	29,395,954	1.58%
BlueBay Emerging Market Bond Fund**	-	0.00%	31,544,762	1.69%
SSgA U.S. Treasury Index NL	65,820,510	2.86%	59,994,083	3.22%
Artisan High Income	97,407,114	4.24%	-	0.00%
<b>Total Debt Securities</b>	<b>\$ 624,280,506</b>	<b>27.15%</b>	<b>\$ 589,742,813</b>	<b>31.65%</b>
<b>Commodities Funds by Investment Firm</b>				
Gresham Strategic Commodities Fund**	\$ -	0.00%	\$ 56,221,561	3.02%
<b>Total Commodities</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ 56,221,561</b>	<b>3.02%</b>
<b>Alternatives</b>				
Dover Street XI L.P. – Private Equity	\$ 5,089,629	0.22%	\$ -	-
Harbourvest Direct Lending II L.P. – Private Debt	5,000,000	0.22%	-	-
Metis Real Asset Index	87,582,616	3.81%	-	-
<b>Total Alternatives</b>	<b>\$ 97,672,245</b>	<b>4.25%</b>	<b>\$ -</b>	<b>-</b>
<b>Total Investments</b>	<b>\$2,187,582,267</b>	<b>95.14%</b>	<b>\$1,783,466,996</b>	<b>95.73%</b>

\* Includes cash and investments.

\*\*Fund terminated

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
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**NOTE 5      INVESTMENTS (CONTINUED)**

There is a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. An asset or a liability categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The summary of inputs used to determine the fair valuation of the Fund's investments as of September 30, 2024 and 2023, is as follows:

*Equity Securities:* These investments are primarily classified as Level 1 of the fair value hierarchy, and are valued using prices quoted in active markets for those securities. The mutual funds are deemed to be actively traded, and support classification of the fair value measurement as Level 1 in the fair value hierarchy. The real estate investment trust securities are classified as Level 1 because these are activity traded securities.

*Debt Securities:* These investments are primarily classified as Level 2 of the fair value hierarchy, and are valued using market pricing and other observable market inputs for similar securities from several data providers, standards in the industry; or a broker quote in a non-active market. International government issues include structured debt which are valued using inflation adjusted mid evaluation and are classified as Level 2 in the fair value hierarchy. Collateralized auto loan securities, which are included in Collateralized Debt Obligations, are classified in Level 2; and are valued using consensus pricing. The mutual funds are deemed to be actively traded, and support classification of the fair value measurement as Level 1 in the fair value hierarchy.

*Limited Partnership - Private Equity:* These investments are primarily valued at Level 3 of the fair market value hierarchy. Private equity holdings are valued at the income, cost, or market approach depending on the type of holdings. All direct holdings are valued using unobservable inputs and are classified in Level 3 of the fair value hierarchy. The fund focused on pursuing privately negotiated investments in the global secondary market. The fund is primarily invested in global primary fund investments, secondary deal commitments, and direct co-investments.

*Limited Partnership - Private Debt:* These investments are primarily valued at Level 3 of the fair market value hierarchy. The fund is a direct lending fund. The fund aims to invest in sponsor-backed middle market companies. The fund has target investment sizes per transaction which will be made across first lien, unitranche, and second lien investments.

*Real Assets:* The Real Assets Index Portfolio consists of an equal weight allocation to the real estate and real assets indices - S&P Global Infrastructure (20%), S&P Global Natural Resources (20%), S&P GSCI Gold Total Return (20%), Bloomberg Commodity Index (20%), Dow Jones US Select REIT (20%). The portfolio seeks to achieve a correlation of at least 95% between the total return of its net assets and the total return of the underlying custom index. The portfolio may use futures, other derivatives, and ETFs to manage short-term liquidity and/or substitute for comparable market positions. The financial instruments categorization within the valuation hierarchy is based upon Level 3.

*Investment Derivative Instruments:* The Fund's derivative financial instruments are valued by a third-party investment fund's manager, based on prevailing market data derived from proprietary models, and are carried at fair value. The Fund had two types of off-balance sheet derivative financial instrument outstanding: swaps and currency contracts. These derivative instruments are financial contracts, whose values depend on the value of one or more underlying assets, or reference rates or financial indices, which dictate the rate of change of output with respect to the financial contracts. The financial instruments categorization within the valuation hierarchy is based upon Level 2.

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**NOTE 5 INVESTMENTS (CONTINUED)**

As of September 30, 2024 and 2023, the Fund had the following recurring fair value measurements:

	Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>As of September 30, 2024</b>				
<b>Investments by Fair Value Level</b>				
Equity Securities				
U.S. Equities (by Industry)				
Industrials	\$ 139,207,841	\$ 139,207,841	\$ -	\$ -
Consumer Retail	116,550,159	116,550,159	-	-
Information Technology	72,156,738	72,156,738	-	-
Financial Institutions	129,371,863	129,371,863	-	-
Healthcare	81,662,415	81,662,415	-	-
Real Estate Investment Trust Securities	5,449,573	5,449,573	-	-
International Equities (by Industry)				
Industrials	9,527,399	9,527,399	-	-
Consumer Retail	23,570,812	23,570,812	-	-
Healthcare	4,067,526	4,067,526	-	-
Real Estate Investment Trust Securities	10,257,785	10,257,785	-	-
Total Equity Securities	591,822,111	591,822,111	-	-
Debt Securities				
U.S. Debt Securities				
U.S. Government Issues	78,655,419	-	78,655,419	-
Corporate Bonds	80,904,880	-	80,904,880	-
Credit Card/Automotive Receivables	9,315,683	-	9,315,683	-
U.S. State and Local Government Bonds	1,283,195	-	1,283,195	-
Mortgage-backed Securities	14,760,488	-	14,760,488	-
International Debt Securities				
International Government Issues	1,871,763	-	1,871,763	-
Corporate Bonds	35,628,514	-	35,628,514	-
Credit Card/Automotive Receivables	717,651	-	717,651	-
Mortgage-backed Securities	600,561	-	600,561	-
Mutual Funds	32,929,409	32,929,409	-	-
Total Debt Securities	256,667,563	32,929,409	223,738,154	-
Alternatives				
Dover Street XI L.P. – Private Equity	5,089,629	-	-	5,089,629
Harbourvest Direct Lending II L.P. – Private Debt	5,000,000	-	-	5,000,000
Metis Real Asset Index	87,582,616	-	-	87,582,616
Total Alternatives	97,672,245	-	-	97,672,245
<b>Total Investments by Fair Value Level</b>	<b>\$ 946,161,919</b>	<b>\$ 624,751,521</b>	<b>\$ 223,783,153</b>	<b>\$ 97,672,245</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
SSgA Emerging Market Index Fund	\$ 93,473,426	\$ -	\$ -	\$ -
SSgA Russell 1000 Growth Fund	316,563,274	-	-	-
SSgA Russell 2000 Index Fund	89,239,686	-	-	-
SSgA U.S. Aggregate Bond Index Fund	301,792,434	-	-	-
Arrowstreet GL EQ ACWI TR	65,386,688	-	-	-
SSgA S&P 500 Index NL	112,009,709	-	-	-
SSgA U.S. Treasury Index NL	65,820,510	-	-	-
Ballie Gifford International Growth Equity	91,899,108	-	-	-
Artisan International Value Equity	105,235,513	-	-	-
Total Investments Measured at the NAV	1,241,420,348	-	-	-
<b>Total Investments Measured at Fair Value</b>	<b>\$ 2,187,582,267</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Investment Derivative Instruments</b>				
Interest Rate Swaps	\$ 111,770	\$ -	\$ 111,770	\$ -
Credit Defaults Swaps	-	-	-	-
Foreign Exchange Forwards	(25,885)	-	(25,885)	-
<b>Total Investment Derivative Instruments</b>	<b>\$ 85,885</b>	<b>\$ -</b>	<b>\$ 85,885</b>	<b>\$ -</b>

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**NOTE 5 INVESTMENTS (CONTINUED)**

	<b>Fair Value Measurements Using</b>			
	<b>Quoted Prices in Active Markets for Identical Assets</b>	<b>Significant Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>	
<b>As of September 30, 2023</b>	<b>Total</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Investments by Fair Value Level</b>				
Equity Securities				
U.S. Equities ( <i>by Industry</i> )				
Industrials	\$ 91,646,622	\$ 91,646,622	\$ -	\$ -
Consumer Retail	87,490,384	87,490,384	-	-
Information Technology	70,212,607	70,212,607	-	-
Financial Institutions	36,944,124	36,944,124	-	-
Healthcare	33,694,229	33,694,229	-	-
International Equities ( <i>by Industry</i> )				
Industrials	27,326,999	27,326,999	-	-
Consumer Retail	46,072,079	46,072,079	-	-
Financial Institutions	5,421,071	5,421,071	-	-
Real Estate Investment Trust Securities	49,164,618	49,164,618	-	-
<b>Total Equity Securities</b>	<b>447,972,733</b>	<b>447,972,733</b>	<b>-</b>	<b>-</b>
Debt Securities				
U.S. Debt Securities				
U.S. Government Issues	97,087,954	-	97,087,954	-
Corporate Bonds	38,469,839	-	38,469,839	-
Credit Card/Automotive Receivables	13,642,698	-	13,642,698	-
U.S. State and Local Government Bonds	2,659,461	-	2,659,461	-
International Debt Securities				
International Government Issues	36,810,195	-	36,810,195	-
Corporate Bonds	29,309,134	-	29,309,134	-
Credit Card/Automotive Receivables	1,270,714	-	1,270,714	-
Other Government Bonds	1,830,167	-	1,830,167	-
Mutual Funds	29,395,961	29,395,961	-	-
<b>Total Debt Securities</b>	<b>250,476,123</b>	<b>29,395,961</b>	<b>221,080,162</b>	<b>-</b>
Commodity Investments				
Gresham Commodities Fund	56,221,561	-	-	56,221,561
<b>Total Investments by Fair Value Level</b>	<b>\$ 754,670,417</b>	<b>\$ 477,368,694</b>	<b>\$ 221,080,162</b>	<b>\$ 56,221,561</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
SSgA Emerging Market Index Fund	\$ 74,968,756	\$ -	\$ -	\$ -
SSgA Russell 1000 Growth Fund	253,370,601	-	-	-
SSgA Russell 2000 Index Fund	105,343,021	-	-	-
SSgA U.S. Aggregate Bond Index Fund	247,727,843	-	-	-
Ballie Gifford International Growth Equity	72,060,040	-	-	-
Artisan International Value Equity	50,165,879	-	-	-
BlueBay Emerging Market Bond Fund	59,994,084	-	-	-
Arrowstreet GL EQ ACWI TR	50,000,000	-	-	-
SSgA S&P 500 Index NL	83,621,592	-	-	-
SSgA U.S. Treasury Index NL	31,544,763	-	-	-
<b>Total Investments Measured at the NAV</b>	<b>1,028,796,579</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Investments Measured at Fair Value</b>	<b>\$ 1,783,466,996</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Investment Derivative Instruments</b>				
Interest Rate Swaps	\$ 1,575,652	\$ -	\$ 1,575,652	\$ -
Credit Defaults Swaps	26,441	-	26,441	-
Foreign Exchange Forwards	367,704	-	367,704	-
Foreign Exchange Forwards	(1,505,794)	-	(1,505,794)	-
<b>Total Investment Derivative Instruments</b>	<b>\$ 464,003</b>	<b>\$ -</b>	<b>\$ 464,003</b>	<b>\$ -</b>

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
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**NOTE 5 INVESTMENTS (CONTINUED)**

*Investments measured at the Net Asset Value (NAV):* The NAV of an investment company is the company’s total assets, minus its total liabilities. This investment category consists of ten (10) funds that include funds both relative return funds and absolute return type funds; the latter are funds that employ dynamic trading strategies aimed at achieving a positive return. Certain investment funds below do not redeem shares on a daily basis. The funds have varying restrictions on liquidity and transferability. The fair values of the investments in this type have been determined using the NAV per share of the investments. Additional information about the nature of investments measured at the Net Asset Value per share is presented in the tables below:

Investment	Fair Value as of September 30,		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
	2024	2023			
SSgA Emerging Market Index Fund (1)	\$ 93,473,426	\$ 74,968,756	None	Daily	5 Days
SSgA Russell 1000 Growth Fund (2)	316,563,274	253,370,601	None	Daily	N/A
SSgA Russell 2000 Index Fund (3)	89,239,686	105,343,021	None	Daily	N/A
SSgA U.S. Aggregate Bond Index Fund (4)	301,792,434	247,727,843	None	Daily	N/A
Baillie Gifford International Growth Equity (5)	91,899,108	72,060,040	None	Monthly	5 Days
Artisan International Value Equity (6)	105,235,513	83,621,592	None	Monthly	5 Days
BlueBay Emerging Market Bond Fund (7)	-	31,544,762	None	Daily	30 Days
Arrowstreet GL EQ ACWI TR (8)	65,386,688	50,000,000	None	Daily	5 Days
SSgA S&P 500 Index NL(9)	112,009,709	50,165,879	None	Daily	5 Days
SSgA U.S. Treasury Index NL (10)	65,820,510	59,994,084	None	Daily	2 Days
Total Investments Measured at NAV	<u>\$ 1,241,420,348</u>	<u>\$ 1,028,796,578</u>			

- 1) *SSgA Emerging Market Index Fund:* This fund is managed, using a “passive” or “indexing” investment approach, by which SSgA attempts to match, before expenses, the performance of the MSCI Emerging Markets Index, which is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. Equity securities held by the fund may be denominated in foreign currencies and may be held outside the United States. In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio.
  
- 2) *SSgA Russell 1000 Growth Fund:* The fund is managed using an “indexing” investment approach, by which SSgA attempts to match, before expenses, the performance of the Russell 1000 Growth Index over the long term. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The strategy may purchase securities in their initial public offerings (“IPOs”). In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. The strategy may at times purchase or sell index futures contracts, options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index.



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**NOTE 5      INVESTMENTS (CONTINUED)**

- 3) *SSgA Russell 2000 Index Fund*: The fund is managed using a “passive” or “indexing” investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The strategy may purchase securities in their initial public offerings (“IPOs”). In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question.
- 4) *SSgA U.S. Aggregate Bond Index Fund*: The fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Barclays Capital U.S. Aggregate Bond Index (the “Index”) over the long term. The fund is managed using a “passive” or “indexing” investment approach, by which SSgA attempts to replicate, before expenses, the performance of the Index. The fund may attempt to invest in the securities comprising the Index in the same proportions as they are represented in the Index. However, due to the large number of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the fund to purchase some of the securities comprising the Index.
- 5) *Baillie Gifford International Growth Equity*: The fund is designed to pursue long-term capital appreciation by investing in high-quality, attractively valued, non-U.S. growth companies of all market capitalizations. Their investment process is based on a highly analytical research-driven process, and builds portfolios from the bottom-up. The strategy invests primarily in developed markets, but also may invest up to 20% of the Fund’s net assets at market value, at the time of purchase, in emerging markets. Currency hedging is used for defensive purposes, and only used under certain conditions.
- 6) *Artisan International Value Equity*: This fund seeks to invest in undervalued companies that are generating high returns on capital, are financially strong and are managed by people who are working to build value over time. The investment team seeks to invest in companies with histories of generating strong free cash flow, improving returns on capital and strong competitive positions in their industries. This criteria helps rule out businesses that are statistically cheap, but whose values are deteriorating over time. The team believes that investing in companies with strong balance sheets helps to reduce the potential for capital risk and provides company management with the ability to build value when attractive opportunities are available.
- 7) *Blue Bay Emerging Market Bond*: This fund invests predominantly in fixed income securities issued by emerging market countries or issuers based in such countries. The fund seeks to generate excess returns via superior country and issue selection through an in-depth country and security selections process focusing on value in external credit spreads, local currencies and local interest rates. Particular emphasis is given to avoiding deteriorating credits and one-off currency devaluations. The fund has a focus on absolute returns, both their long-only and alternative strategies use short exposures (either directly or via credit derivatives) as one of a number of techniques designed to deliver absolute-style returns. There is a strong emphasis on capital preservation; the use of credit derivatives helps to maximize portfolio efficiency and potentially minimize risk.

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**NOTE 5          INVESTMENTS (CONTINUED)**

- 8) *Arrowstreet Global Equity ACWI*: The Arrowstreet fund utilizes a dynamic, quantitative, all-cap, core strategy that invests in emerging markets. The strategy is considered core and dynamic so it can react to market opportunities and generate alpha in both value and growth markets. The fund seeks to maximize alpha while minimizing transaction costs. The strategy has mostly protected in down markets and participated in strong markets. The fund's portfolio positioning is core, diversified with 300-800 securities and annual turnover around 200%; alpha and risk models allow for the portfolio to fluctuate slightly between over-weights to style factors, regions, and market caps.
- 9) *S&P 500 Index Fund NL*: The State Street S&P 500 Index Fund seeks to replicate the total return of the S&P 500® Index. The Fund seeks to achieve its investment objective by investing substantially all of its investable assets in a corresponding portfolio. Under normal market conditions, at least 80% of its total assets will be invested in stocks in the S&P 500 Index in proportion to their weighting in the S&P 500 Index. The Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the Fund utilizes an "indexing" investment approach, attempting to replicate, before expenses, the investment performance of its benchmark (S&P 500 Index). The fund is non-lending.
- 10) *U.S. Treasury Index Fund NL*: The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. The Strategy will not necessarily own all of the securities included in the Index. The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (Bloomberg U.S. Treasury Index), over the long term. The fund is non-lending.

During the years ended September 30, 2024 and 2023, the Fund recognized no transfers to/from Level 1 or 2. The Fund's policy is to recognize transfers to/from Level 1, Level 2, and Level 3 at the end of the reporting period, utilizing fair value at the beginning of the period.

The annual money-weighted rate of return on OPEB plan investments is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense. OPEB plan investment expense should be measured on the accrual basis of accounting. Inputs to the internal rate of return calculation should be determined at least monthly. However, the use of more frequently determined inputs is encouraged. The valuation of the weighted rate of return was 22.05% and 11.32% for fiscal years 2024 and 2023, respectively.

*Custodial Credit Risk* is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The counterparty is the party that pledges collateral or repurchase agreement securities to the government; or that sells investments to, or buys them for, the government.

The Fund's investments are uninsured and unregistered, and are held by the counterparty in the Fund's name. The Fund is also subject to certain credit, interest rate, and foreign currency risks.

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**NOTE 5 INVESTMENTS (CONTINUED)**

*Foreign Currency Risk* is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign currency. The Fund does not have a formal policy for limiting its exposure to changes in exchange rates. The Fund's investments as of September 30, 2024 and 2023, held in currencies other than U.S. dollars, were as follows:

**As of September 30, 2024:**

<u>International Securities</u>	<u>Short-Term and Cash</u>	<u>Convertible and Fixed Income</u>	<u>Total</u>
CANADIAN DOLLAR	\$ 2	\$ -	\$ 2
EURO	(25,884)	1,401,167	1,375,283
RUSSIAN RUBLE	37,941	-	37,941
Totals	<u>\$ 12,059</u>	<u>\$ 1,401,167</u>	<u>\$ 1,413,226</u>

**As of September 30, 2023:**

<u>International Securities</u>	<u>Short-Term and Cash</u>	<u>Convertible and Fixed Income</u>	<u>Total</u>
AUSTRALIAN DOLLAR	\$ 112,095	\$ 2,141,784	\$ 2,253,879
BRITISH POUND STERLING	4,435,918	(6,500)	4,429,418
CANADIAN DOLLAR	2,326,926	(183,807)	2,143,119
CHINESE YUAN RENMINBI	91,655	-	91,655
COLOMBIAN PESO	-	(1,514)	(1,514)
DANISH KRONE	-	(2,250)	(2,250)
EURO	27,345,744	(23,434)	27,322,310
HK OFFSHORE CHINESE YUAN RENMINBI	-	(47,017)	(47,017)
HUNGARIAN FORINT	(15,892)	45,301	29,409
INDONESIAN RUPIAH	880,227	88,491	968,718
JAPANESE YEN	5,178,196	113,054	5,291,250
MALAYSIAN RINGGIT	589,872	1,426	591,298
MEXICAN PESO	1,257,593	(912)	1,256,681
NEW ISRAELI SHEKEL	-	(1,725)	(1,725)
NEW ZEALAND DOLLAR	(113,866)	(125,033)	(238,899)
POLISH ZLOTY	-	(1,843)	(1,843)
RUSSIAN RUBLE	-	36,202	36,202
SINGAPORE DOLLAR	-	(1,143)	(1,143)
SOUTH KOREAN WON	6,729,780	6,466,586	13,196,366
SWEDISH KRONA	-	(5,237)	(5,237)
SWISS FRANC	-	(3,091)	(3,091)
THAI BAHT	361,703	3,073	364,776
Totals	<u>\$ 49,179,951</u>	<u>\$ 8,492,411</u>	<u>\$ 57,672,362</u>

*Credit Risk* is the risk that an issuer to an investment will not fulfill its obligations. The average quality of all bond holdings in each investment manager's portfolio should be maintained at "A" or higher, as determined by S&P Global Ratings. For portfolios that were not individually managed at September 30, 2024, the credit quality of "AA-" for the portfolios were par with the index value of "BBB-." Exchange-traded derivatives that are valued using quoted prices are classified within Level 1 of the valuation hierarchy. The Fund has not failed to access collateral, when required. Since these derivative products have been established for some time, the Fund uses models that are widely accepted in the financial services industry.

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**NOTE 5 INVESTMENTS (CONTINUED)**

These models reflect the contractual terms of the derivatives, including the period to maturity; and market-based parameters such as interest rates, volatility, and the credit quality of the counterparty. Further, many of these models do not contain a high level of subjectivity, as the methodologies used in the models do not require significant judgment, and inputs to the model are readily observable from actively quoted contracts and credit default swaps. Such instruments are generally classified within Level 2 on the valuation hierarchy. The aggregate fair value of derivatives in net asset positions, net of collateral posted by the counter party; and the effect of master netting arrangements are reflected in net unrealized gain (loss) on Foreign Currency Forward Contracts, in the tables on pages 30 and 31.

Although the Fund executes hedging derivative instruments with various counterparties; eight contracts, comprising approximately 90 percent of the net exposure to credit risk, are based with two counterparties. There are no significant concentrations of net exposure to credit risk that has not been reduced by collateral and other off-sets.

As of September 30, 2024 and 2023, the average quality ratings by investment firm, rated by Moody's and S&P Global were as follows:

<b>Investment Firm</b>	<b>2024</b>	<b>2023</b>
Bernstein Strategic Core – Plus	AA-	AA-
Bernstein Global Plus**	N/A	A+
Access Capital ETI	AAA	AAA
SSgA U.S. Aggregate Bond Index Fund	AA3	AA3
BlueBay Emerging Market Bond Fund**	N/A	BBB
SSgA U.S. Treasury Index NL	AA1	AA1
Artisan High Income*	BBB	N/A

\* Fund commenced in May 2024.

\*\*Fund terminated in July 2024.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund addresses interest rate risk through a process that focuses on the review of investment managers and fund returns. The Fund also uses an independent consultant to examine how sensitive the fixed income portfolios' underlying assets are to movements in interest rates, and to recommend any appropriate investment manager changes.

For the years ended September 30, 2024 and 2023, the average duration in years by investment firm was as follows:

<b>Investment Firm</b>	<b>2024</b>	<b>2023</b>
Bernstein Strategic Core - Plus	6.34	6.43
Bernstein Global Plus**	N/A	7.13
Access Capital ETI	5.67	5.75
SSgA U.S. Aggregate Bond Index Fund	6.11	6.14
BlueBay Emerging Market Bond Fund**	N/A	6.39
SSgA U.S. Treasury Index NL	6.11	5.86
Artisan High Income*	2.40	N/A

\*Fund commenced in May 2024.

\*\*Fund terminated in July 2024.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
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**NOTE 5      INVESTMENTS (CONTINUED)**

*Derivative Financial Instruments:* In accordance with the Fund's investment policies, the Fund regularly invests in derivative financial instruments with off-balance-sheet risk in the normal course of its investing activities, in order to enhance return on investment and manage exposure to certain risks within the fund.

Derivative instruments are financial contracts whose values depend on the value of one or more underlying assets, reference rates, or financial indices. During the fiscal year, the Fund invested directly in forward currency contracts.

As of September 30, 2024 and 2023, the Fund had two and three types of off-balance-sheet derivative financial instruments outstanding respectively: swaps and foreign contracts and swaps, foreign contracts and forwards. The Swaps represents Interest Swaps and Credit Default Swaps, which are used to hedge interest rate and credit exposure risks. Currency forwards represent foreign exchange contracts, and are used to effect settlements and to protect the base currency value of portfolio assets denominated in foreign currencies, against fluctuations in the exchange rates of those currencies or to gain exposure to the change in market value of a specific currency. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date and at a negotiated price.

The credit risk of currency forward contracts that are over-the-counter lies with the counterparties. These contracts are customized agreements between two parties to buy or sell a specific amount of foreign currency at a predetermined rate on a future date. There is the risk that one party may default on the agreement. The credit risk of currency contracts traded over the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the-money contracts.

The market risk in foreign currency contracts is related to adverse movements in currency exchange rates.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
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**NOTE 5 INVESTMENTS (CONTINUED)**

Below is the list of derivatives aggregated by investment type, as of September 30, 2024 and 2023:

**As of September 30, 2024:**

<u>Investment Derivatives</u>	<u>Change in Fair Value</u>		<u>Fair Value at September 30, 2024</u>		<u>Notional Amount</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Credit Default Swaps Written	Interest Revenue	\$ (2,736)	Swaps	\$ -	\$ -
Fixed Income Futures Long	Interest Revenue	800,475	Futures	-	\$ -
Fixed Income Futures Short	Interest Revenue	54,407	Futures	-	\$ -
Fixed Income Options Bought	Interest Revenue	(15)	Options	-	\$ -
Foreign Exchange Forwards	Interest Revenue	2,625,885	Forwards	-	\$ -
Foreign Exchange Forwards	Interest Revenue	(3,174,093)	Forwards	(25,885)	\$ 1,361,284
Pay Fixed Interest Rate Swaps	Interest Revenue	102,158	Swaps	-	\$ -
Receive Fixed Interest Rate Swaps	Interest Revenue	-	Swaps	111,770	\$ -
<b>Total</b>		<b>\$ 406,081</b>		<b>\$ 85,885</b>	

**As of September 30, 2023:**

<u>Investment Derivatives</u>	<u>Change in Fair Value</u>		<u>Fair Value at September 30, 2023</u>		<u>Notional Amount</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Credit Default Swaps Written	Interest Revenue	\$ 4,758	Swaps	\$ 26,441	\$ -
Fixed Income Futures Long	Interest Revenue	(2,133,987)	Futures	-	\$ -
Fixed Income Futures Short	Interest Revenue	106,090	Futures	-	\$ -
Fixed Income Options Bought	Interest Revenue	25	Options	-	\$ -
Foreign Exchange Contract Purchases	Interest Revenue	18,052,596	Forward Foreign Contracts	1,131,878	\$ 96,539,078
Foreign Exchange Contract Sales	Interest Revenue	(21,578,801)	Forward Foreign Contracts	(764,174)	\$ 77,170,323
Foreign Exchange Forwards	Interest Revenue	-	Forwards	(12,492)	\$ -
Foreign Exchange Forwards	Interest Revenue	-	Forwards	(1,493,302)	\$420,173,000
Pay Fixed Interest Rate Swaps	Interest Revenue	70,996	Swaps	-	\$ -
Receive Fixed Interest Rate Swaps	Interest Revenue	-	Swaps	1,575,652	\$149,891,000
<b>Total</b>		<b>\$(5,478,323)</b>		<b>\$ 464,003</b>	

**Contingencies:**

All the Fund's derivative instruments include provisions that require the Fund to post collateral in the event its credit rating falls below "AA" as issued by Standard & Poor's, or "Aa" as issued by Moody's Investors Services. The collateral posted is to be in the form of U.S. Treasury funds in the amount of the fair value of hedging derivative instruments in liability positions, net of the effect of applicable netting arrangements. If the Fund does not post collateral, the hedging derivative instrument may be terminated by the counterparty. If the collateral posting requirements were triggered, the Fund would be required to post the aggregate fair value in collateral to its counterparties. The District had a rating of "Aaa" for both fiscal years 2024 and 2023; therefore, no collateral was required to be posted for these fiscal years.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
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**NOTE 5 INVESTMENTS (CONTINUED)**

The net unrealized gain (loss) on foreign currency forward contracts for the years ended September 30, 2024 and 2023, were as follows:

	2024		2023	
	Cost	Unrealized Gain/(Loss)	Cost	Unrealized Gain/(Loss)
<b>Foreign Currency Contracts Purchased</b>				
AUSTRALIAN DOLLAR (AUD)	\$ -	\$ -	\$ 2,450,786	\$ 33,962
CANADIAN DOLLAR (CAD)	-	-	4,721,574	(2,578)
SWISS FRANC (CHF)	-	-	1,276,706	(25,044)
CHILEAN PESO (CLP)	-	-	136,250	192
CHINESE YUAN (CNH)	-	-	21,041,628	31,142
COLOMBIAN PESO (COP)	-	-	260,093	(1,076)
CZECH KORUNA (CZK)	-	-	254,221	(4,489)
DANISH KRONE (DKK)	-	-	560,350	(387)
EURO (EUR)	-	-	29,388,299	12,105
BRITISH POUND STERLING (GBP)	-	-	5,137,691	17,776
HUNGARIAN FORINT (HUF)	-	-	170,375	726
INDONESIAN RUPIAH (IDR)	-	-	626,210	307
NEW ISRAELI SHEKEL (ILS)	-	-	342,937	(13,910)
JAPANESE YEN (JPY)	-	-	22,011,641	(146,151)
MEXICAN PESO (MXN)	-	-	63,865	(780)
MALAYSIAN RINGGIT (MYR)	-	-	289,473	962
NORWEGIAN KRONE (NOK)	-	-	174,520	1,914
NEW ZEALAND DOLLAR (NZD)	-	-	483,958	8,083
POLISH ZLOTY (PLN)	-	-	425,399	(15,300)
SWEDISH KRONA (SEK)	-	-	838,043	14,078
SINGAPORE DOLLAR (SGD)	-	-	513,812	(532)
UNITED STATES DOLLAR (USD)	1,361,284	-	-	-
<b>Total Contracts Purchased</b>		-		(89,000)
<b>Foreign Currency Contracts Sold</b>				
AUSTRALIAN DOLLAR (AUD)	-	-	(3,074,382)	(25,363)
CANADIAN DOLLAR (CAD)	-	-	(3,659,296)	(339)
SWISS FRANC (CHF)	-	-	(610,883)	(3,091)
CHINESE YUAN (CNH)	-	-	(10,243,512)	(47,017)
COLOMBIAN PESO (COP)	-	-	(128,997)	(1,514)
DANISH KRONE (DKK)	-	-	(322,543)	(2,250)
EURO (EUR)	(1,361,284)	(25,885)	(30,585,307)	12,479
BRITISH POUND STERLING (GBP)	-	-	(4,900,860)	(14,604)
HUNGARIAN FORINT (HUF)	-	-	(101,838)	(1,944)
INDONESIAN RUPIAH (IDR)	-	-	(1,041,247)	7,676
NEW ISRAELI SHEKEL (ILS)	-	-	(196,744)	(1,725)
JAPANESE YEN (JPY)	-	-	(13,936,362)	6,335
SOUTH KOREAN WON (KRW)	-	-	(11,811,512)	532,377
MEXICAN PESO (MXN)	-	-	(903,605)	(912)
MALAYSIAN RINGGIT (MYR)	-	-	(447,173)	1,426
POLISH ZLOTY (PLN)	-	-	(182,636)	(1,843)
SWEDISH KRONA (SEK)	-	-	(385,898)	(5,237)
SINGAPORE DOLLAR (SGD)	-	-	(245,869)	(1,143)
THAILAND (THB)	-	-	(60,225)	3,393
<b>Total Contracts Sold</b>		(25,885)		456,704
<b>Net Unrealized (Loss) Gain on Foreign Currency Forward Contracts</b>		\$ (25,885)		\$ 367,704

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**NOTE 6      NET OPEB LIABILITY**

The components of the net OPEB liability for the District of Columbia as of September 30, 2024 and 2023, were as follows:

	<b>2024</b>	<b>2023</b>
Total OPEB Liability	\$2,111,256,701	\$2,016,357,659
Fund Fiduciary Net Position	2,285,177,632	1,843,482,002
Net OPEB (Asset) / Liability	\$ (173,920,931)	\$ 172,875,657
Fund Fiduciary Net Position as a Percentage of the Total OPEB Liability	108.24%	91.43%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of September 30, 2024 and 2023, using the following actuarial assumptions, applied to all periods in the measurement and rolled forward to the measurement date as of September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed	Level Percent of Pay, Closed
Remaining Amortization Period	12 years beginning with fiscal year end 2024	13 years beginning with fiscal year end 2023
Asset Valuation Method	5-year smoothed Actuarial Value	5-year smoothed Actuarial Value
Investment Return	6.50%	6.50%
Discount Rate	6.50%	6.50%
Salary Increase Rate	3.50% (plus merit scale)	3.50% (plus merit scale)
Medical Inflation Rate	Non-Medicare: 8.0% grading down to 4.1%; Medicare: 6.0% grading down to 4.1% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2043.	7.0% grading down to 4.0% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2041.
Mortality	General: The Pub-G 2010 Healthy Headcount-weighted Mortality Table with the MP-2020 Improvement Scale, fully generational Others: The RP-2014 Healthy Employee Mortality Table with the MP-2020 Improvement Scale, fully generational RP-2014 Disabled Life Mortality Table for disabled lives.	The RP-2014 Healthy Employee Mortality Table with the MP-2020 Improvement Scale, fully generational, was used for healthy lives both pre- and post-retirement. For disabled lives, the RP-2014 Disabled Life Mortality Table was used. General employees use 120% of the Pub-G 2010 General Headcount-Weighted tables for Employees, Healthy Retirees, and Disabled Retirees, projected fully generational with Scale MP-2020.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

**NOTE 6      NET OPEB LIABILITY (CONTINUED)**

**Long-term Expected Rate of Return**

The long-term expected rate of return on OPEB 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 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 by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the target asset allocation as of September 30, 2024 and 2023 are shown below. The 2024 and 2023 rates of return are geometric real rates of return.

Asset Class	2024	
	Long-Term Expected Real Rate	Target Allocation
Public Equities	4.90%	50%
Fixed Income	4.50%	32%
Private Debt	8.10%	5%
Private Equity	8.40%	5%
Real Assets	5.88%	8%

Asset Class	2023	
	Long-Term Expected Real Rate	Target Allocation
Public Equities	4.9%	50%
Fixed Income	2.25%	32%
Private Debt	7.27%	5%
Private Equity	6.40%	5%
Real Assets	3.16%	8%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that the District’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the District of Columbia, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current discount rate:

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

**NOTE 6      NET OPEB LIABILITY (CONTINUED)**

	<b>2024</b>		
	Impact of Change in Discount Rate		
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability (Asset)	\$ 147,454,620	\$ (173,920,931)	\$ (433,788,728)
	<b>2023</b>		
	Impact of Change in Discount Rate		
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability (Asset)	\$ 479,878,357	\$ 172,875,657	\$ (75,475,674)

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the District of Columbia, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	<b>2024</b>		
	Impact of Change in Healthcare Cost Trend Rates		
	1% Decrease (6.0% to 3.0%)	Trend Rates (7.0% to 4.0%)	1% Increase (8.0% to 5.0%)
Net OPEB Liability (Asset)	\$ (466,884,780)	\$ (173,920,931)	\$ 197,476,591
	<b>2023</b>		
	Impact of Change in Healthcare Cost Trend Rates		
	1% Decrease (6.0% to 3.0%)	Trend Rates (7.0% to 4.0%)	1% Increase (8.0% to 5.0%)
Net OPEB Liability (Asset)	\$ (108,760,173)	\$ 172,875,657	\$ 530,613,438

**NOTE 7      DISTRICT CONTRIBUTIONS**

The District, historically, makes its contributions to the Fund near the completion of its fiscal year, and the contribution is distributed by the Fund to the investment managers within a month of receipt from the District. For the years ended September 30, 2024 and 2023, the District contributed \$72,700,000 and \$41,500,000, respectively, to the Fund. As of September 30, 2024 and 2023, the District contributions were invested in the following fund:

FUND	2024	2023
Northern Trust Cash Fund	\$ 72,700,000	\$ 41,500,000
Total	\$ 72,700,000	\$ 41,500,000

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023

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**NOTE 8      CONTINGENCIES**

The Fund is party to various legal proceedings, many of which occur in the normal course of the Fund's operations. These legal proceedings are not, in the opinion of the Office of the Attorney General of the District of Columbia, likely to have a material adverse impact on the Fund's financial position as of September 30, 2024 and 2023.

The Fund invests in various investment securities. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the accompanying statements of net position.

Fund contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**NOTE 9      SUBSEQUENT EVENTS**

The Fund has evaluated events subsequent to September 30, 2024, and through January 17, 2025, the date the financial statements were available to be issued and noted that there are no additional events or transactions which would require adjustments or disclosures to the financial statements for the year ended September 30, 2024.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
**SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY (ASSET) (UNAUDITED)**  
**LAST SEVEN FISCAL YEARS**

September 30,	2024	2023	2022	2021	2020	2019	2018
<b><u>Total OPEB Liability</u></b>							
Total OPEB liability - beginning of year	\$ 2,016,357,659	\$ 1,823,480,465	\$ 1,711,707,372	\$ 1,621,634,069	\$ 1,464,701,414	\$ 1,391,000,862	\$ 1,224,600,000
Service cost	65,921,942	59,504,856	60,548,250	58,067,089	54,832,446	50,105,647	52,834,621
Interest	129,885,905	117,487,297	110,365,063	104,624,527	94,484,340	89,812,264	79,095,491
Difference between expected and actual experience	38,921,710	(29,090,876)	35,531,450	12,737,103	30,163,179	1,626,569	(728,816)
Changes of assumptions	(103,025,165)	77,454,387	(66,664,119)	(60,918,795)	-	(48,999,824)	50,939,949
Benefit payments and expenses, including refunds of member contributions	(36,805,350)	(32,478,470)	(28,007,551)	(24,436,621)	(22,547,310)	(18,844,104)	(15,740,383)
Net change in total OPEB liability	94,899,042	192,877,194	111,773,093	90,073,303	156,932,655	73,700,552	166,400,862
Total OPEB liability - end of year (a)	<u>\$ 2,111,256,701</u>	<u>\$ 2,016,357,659</u>	<u>\$ 1,823,480,465</u>	<u>\$ 1,711,707,372</u>	<u>\$ 1,621,634,069</u>	<u>\$ 1,464,701,414</u>	<u>\$ 1,391,000,862</u>
<b><u>Fund Fiduciary Net Position</u></b>							
Fund Fiduciary net position - beginning of year	\$ 1,843,482,002	\$ 1,650,287,153	\$ 2,025,061,908	\$ 1,640,681,507	\$ 1,509,102,271	\$ 1,462,029,859	\$ 1,366,282,061
Contributions - employer and annuitants	74,438,746	43,038,875	54,280,033	54,516,183	48,189,387	46,834,228	45,206,225
Net investment income	407,648,379	185,519,982	(398,892,806)	355,888,055	107,411,644	20,646,604	67,385,188
Insurance carrier premiums (benefit payments)	(38,544,096)	(34,017,345)	(29,287,583)	(25,352,804)	(23,436,697)	(19,678,332)	(16,446,608)
Administrative expense	(1,847,399)	(1,346,663)	(874,399)	(671,033)	(585,098)	(730,088)	(397,007)
Net change in plan fiduciary net position	441,695,630	193,194,849	(374,774,755)	384,380,401	131,579,236	47,072,412	95,747,798
Fund fiduciary net position - end of year (b)	<u>\$ 2,285,177,632</u>	<u>\$ 1,843,482,002</u>	<u>\$ 1,650,287,153</u>	<u>\$ 2,025,061,908</u>	<u>\$ 1,640,681,507</u>	<u>\$ 1,509,102,271</u>	<u>\$ 1,462,029,859</u>
Net OPEB liability (asset) - end of year ((a) - (b))	<u>\$ (173,920,931)</u>	<u>\$ 172,875,657</u>	<u>\$ 173,193,312</u>	<u>\$ (313,354,536)</u>	<u>\$ (19,047,438)</u>	<u>\$ (44,400,857)</u>	<u>\$ (71,028,997)</u>
Fund fiduciary net position as a percentage of total OPEB liability	108.24%	91.43%	90.50%	118.31%	101.17%	103.03%	105.11%
Covered payroll	\$ 2,653,193,675	\$ 2,416,783,281	\$ 2,439,212,232	\$ 2,331,261,622	\$ 2,173,453,518	\$ 2,038,767,088	\$ 1,940,801,248
Fund net OPEB liability (asset) as a percentage of covered payroll	(6.56%)	7.15%	7.10%	-13.44%	-0.88%	-2.18%	-3.66%

\*These schedules are presented to illustrate the requirement to present information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which the information is available.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OTHER POST-EMPLOYMENT BENEFITS FUND  
SCHEDULES OF CONTRIBUTIONS AND RELATED RATIOS (UNAUDITED)  
LAST TEN FISCAL YEARS**

September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 72,700,000	\$ 41,500,000	\$ 53,000,000	\$ 53,600,000	\$ 47,300,000	\$ 46,000,000	\$ 44,500,000	\$ 31,000,000	\$ 29,000,000	\$ 91,400,000
Contributions in relation to the actuarially determined contributions	(72,700,000)	(41,500,000)	(53,000,000)	(53,600,000)	(47,300,000)	(46,000,000)	(44,500,000)	(31,000,000)	(29,000,000)	(91,400,000)
Excess contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$2,653,193,675	\$2,416,783,281	\$2,439,212,232	\$2,331,261,622	\$2,173,453,518	\$2,038,767,088	\$1,940,801,248	\$1,820,046,000	\$1,771,334,730	\$1,608,000,000
Contributions as a percentage of covered payroll	2.74%	1.72%	2.17%	2.30%	2.18%	2.26%	2.29%	1.70%	1.64%	5.68%

\*These schedules are presented to illustrate the requirement to present information for 10 years.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OTHER POST-EMPLOYMENT BENEFITS FUND  
SCHEDULES OF INVESTMENT RETURNS (UNAUDITED)  
LAST EIGHT FISCAL YEARS**

<b>September 30,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expense	22.05%	11.23%	(19.68%)	21.66%	7.05%	1.40%	4.88%	12.49%

\*These schedules are presented to illustrate the requirement to present information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which the information is available.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OTHER POST-EMPLOYMENT BENEFITS FUND**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SEPTEMBER 30, 2024 AND 2023

The Schedules of Changes in the Net OPEB Liability (Asset) and related ratios presents multiyear trend information about whether the Fund’s OPEB liability is increasing or decreasing over time, relative to the Fund’s fiduciary net position. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or funding limitation on the pattern of cost sharing between the employer and Fund members in the future.

The Total OPEB Liability as of September 30, 2024, is an estimate based on a roll-forward of the 2023 valuation results for the Fund.

**Method and Assumptions used in Calculations of Actuarially Determined Contributions**

Valuation Date: Actuarially determined contribution rates are calculated based on the actuarial valuation performed one year prior to the start of the fiscal year.

Actuarial Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period	12 years beginning with fiscal year end 2024
Asset Valuation Method	5-year smoothed Actuarial Value
Investment Rate of Return	6.50%
Discount Rate	6.50%
Salary Increase Rate	3.50% (plus merit scale)
Medical Inflation Rate	Non-Medicare 8.0% grading down to 4.1%; Medicare 6.0% grading down to 4.1% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2043.
Mortality	General: The Pub-G 2010 Healthy Headcount-weighted Mortality Table with the MP-2020 Improvement Scale, fully generational Others: The RP-2014 Healthy Employee Mortality Table with the MP-2020 Improvement Scale, fully generational RP-2014 Disabled Life Mortality Table for disabled lives.





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Mayor, Members of the Council of the Government of the District of Columbia and  
Inspector General of the Government of the District of Columbia  
Washington, D.C.

We were engaged to audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Government of the District of Columbia Other Post-Employment Benefits Fund (the Fund), a fiduciary fund of the Government of the District of Columbia, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated January 17, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Jones

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McConnell Jones LLP*

Washington, D.C.  
January 17, 2025



## **District of Columbia Office of the Chief Financial Officer**

### **Other Post-Employment Benefits Fund Actuarial Valuation as of September 30, 2024**

**Produced by Cheiron  
February 2025**

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## LETTER OF TRANSMITTAL

February 20, 2025

Mr. Benedict Richardson, CFA  
Associate Treasurer  
Government of the District of Columbia  
Office of the Chief Financial Officer  
Office of Finance and Treasury  
1101 4th Street S.W., Suite 850 West  
Washington, DC. 20024

Dear Mr. Richardson:

As requested, we have performed an actuarial valuation of the post-employment benefits provided by the District of Columbia (the “District”) Office of the Chief Financial Officer Other Post-Employment Benefits Fund as of September 30, 2024. The following report contains our findings and will be used as the basis for the accounting disclosures for the fiscal year ending September 30, 2025. Valuation results shown for valuations prior to 2018 were derived from the prior actuary’s report.

The purpose of this report is to present the annual actuarial valuation of the District of Columbia Office of the Chief Financial Officer Other Post-Employment Benefits Fund. This report is for the use of the District and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party.

This is a full valuation year, in which the claim curves and healthcare trends were developed based on current premiums and market conditions. The assets are as of the current valuation date. The census was collected as of August 31, 2024, and is expected to have similar characteristics as the September 30, 2024, data. The results of this valuation rely on future plan experience conforming to the underlying assumptions and methods outlined in this report. Future results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law. Actuarial computations are calculated based on our understanding of GASB 74/75 and are for purposes of fulfilling employer financial accounting requirements and calculating the employer’s Actuarially Determined Contribution according to the funding policy. Determinations for purposes other than these may be significantly different from the results in this report. Additional accounting disclosures for the fiscal year ending September 30, 2024, related to GASB Statements 74 and 75 were provided in a separate report on December 20, 2024 which are based on the valuation report as of September 30, 2023.

Mr. Benedict Richardson, CFA  
February 20, 2025  
Page ii

Appendix A describes the Participant Data, Assumptions, and Methods used in calculating the figures throughout the report. In preparing our report, we relied, without audit, on information (some oral and some written) supplied by Plan Administrators. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Appendix B contains our understanding of the substantive plan provisions based on the information provided by the District.

The claim costs and trend assumptions reflect the Inflation Reduction Act of 2022 (the Act) including associated regulations and market responses to date. As the regulations and market responses evolve, the impact on future costs could vary significantly from those assumed in this valuation.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we collectively meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This actuarial valuation report was prepared for the District of Columbia Office of the Chief Financial Officer for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,  
Cheiron



Kathleen T. Weaver, FSA, EA, MAAA  
Consulting Actuary



John Colberg, FSA, EA, MAAA  
Principal Consulting Actuary



**DISTRICT OF COLUMBIA OFFICE OF THE CHIEF FINANCIAL OFFICER  
OTHER POST-EMPLOYMENT BENEFITS FUND  
ACTUARIAL VALUATION AS OF SEPTEMBER 30, 2024**

**SECTION I – VALUATION SUMMARY**

The District of Columbia Office of the Chief Financial Officer (OCFO) has engaged Cheiron to provide an analysis of its post-employment benefit liabilities as of September 30, 2024. The primary purposes of performing this actuarial valuation are to:

- Estimate the Actuarially Determined Contribution (ADC) and the Actuarial Liability (AL) of the retiree health benefits using GASB 74 and 75 methodology under the current funding strategy,
- Provide disclosures for future financial statements, and
- Provide projections for ADC, Net OPEB Liability (NOL), and actuarial liabilities.

We have determined costs, liabilities, and trends for the substantive plan using actuarial assumptions and methods that we consider reasonable.

### **GASB’s OPEB Requirements**

GASB’s Statement 74 refers to the financial reporting for post-employment benefit plans other than pension plans, and Statement 75 refers to the employer accounting for these plans. Statement 74 is generally applicable where an entity has a separate trust or fund for Other Post-Employment Benefits (OPEB). We understand that the OCFO has a trust used to fund future OPEB obligations. The GASB No. 74 Statements are effective for the plan year ending September 30, 2017. The GASB 74 and 75 valuation sections are provided below.

Statement 75, which was adopted in the fiscal year ending (FYE) September 30, 2018, requires the employer to book the actuarial cost (net of employee, retiree, and their dependents’ contributions) of the plan as an expense on its financial statements. Additional disclosures required by GASB 74 and 75 include a description of the substantive plan, a summary of significant accounting policies (which we have not included in this report), contributions, and a statement of funding progress, along with the methods and assumptions used for these disclosures.

### **Funding Policy**

The OCFO has a funding policy to contribute to the Actuarially Determined Contribution (ADC). For this purpose, the ADC is calculated as the normal cost determined under the Entry Age Normal Actuarial Cost Method, plus 15-year layered, level percent of pay amortization of the unfunded actuarial liability. This report determines the ADC for the FYE September 30, 2026 and is the second ADC using the layered amortization approach.



**DISTRICT OF COLUMBIA OFFICE OF THE CHIEF FINANCIAL OFFICER  
OTHER POST-EMPLOYMENT BENEFITS FUND  
ACTUARIAL VALUATION AS OF SEPTEMBER 30, 2024**

**SECTION I – VALUATION SUMMARY**

Table I-1 below summarizes the September 30, 2024 and September 30, 2023, actuarial valuation results. The results below are the basis for the liabilities provided in the financial statements. These results will be rolled forward to the next fiscal year end for GASB 74/75 disclosure purposes.

<b>Table I-1 Summary of Valuation Results</b>		
<b>Valuation Date</b>	<b>September 30, 2023</b>	<b>September 30, 2024</b>
Discount Rate	6.50%	6.50%
Actuarial Liability (AL)	\$ 1,982,215,550	\$ 2,214,476,625
Actuarial Value of Assets	1,995,713,132	2,168,125,957
<b>Unfunded actuarial liability (UAL)</b>	<b>\$ (13,497,582)</b>	<b>\$ 46,350,668</b>
Funded Ratio (AVA/AL)	100.68%	97.91%
Expected Net Benefit Payments	56,521,913	61,634,101
Market Value of Assets	1,843,482,002	2,285,177,632
Funded Ratio (MVA/AL)	93.00%	103.19%
<b>Fiscal Year Ending</b>	<b>September 30, 2025</b>	<b>September 30, 2026</b>
Actuarially Determined Contribution	\$ 63,900,000	\$ 73,600,000

The Actuarial Liability increased from \$1.98 billion under the prior valuation to \$2.21 billion under this valuation. In addition to the expected increase in liability of \$129.04 million due to normal cost, benefit payments, and interest, the Plan experienced other changes in liability of \$103.22 million attributable to an increase due to demographic experience and an increase due to actual versus expected claims.

During the year ending September 30, 2024, the Plan’s assets earned 22.05% on a money-weighted market value basis. The Plan’s asset smoothing technique recognizes only a portion of the gains and losses for each year, and the time-weighted return on the actuarial asset value was 6.87%. This return was above the assumed rate of return of 6.50% and resulted in an actuarial gain on investments for the Plan.





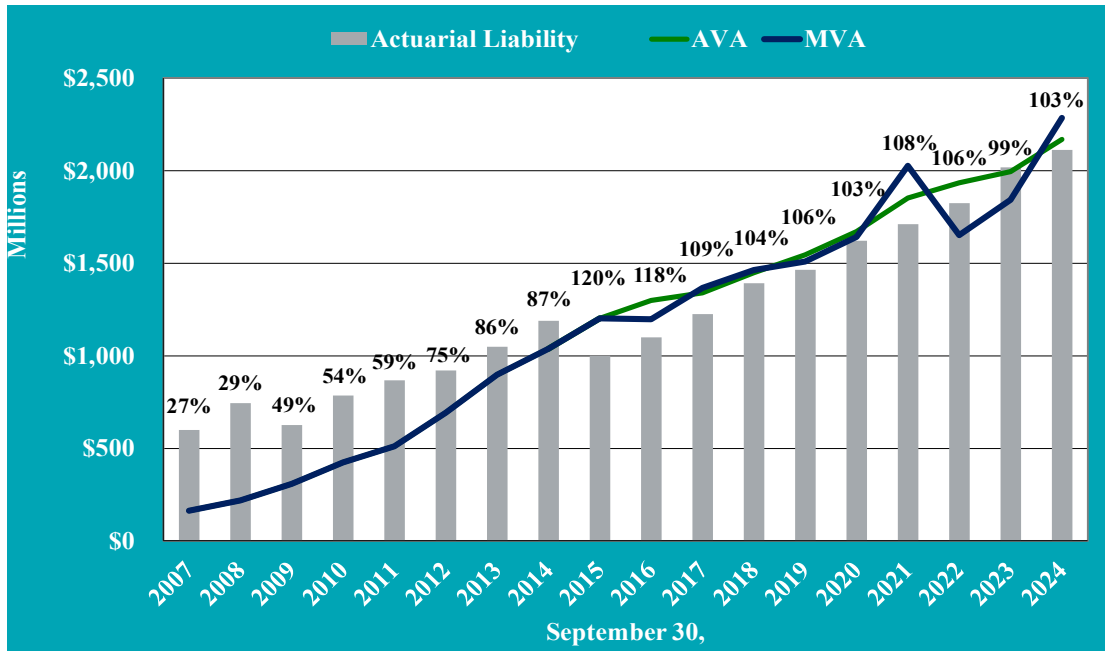
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**SECTION I – VALUATION SUMMARY**

**Historical Trends**

This chart shows the historical trend of assets and the actuarial liability for the District’s OPEB Fund. The first valuation complying with GASB 43 and 45 was performed in 2007.

The grey bars represent the actuarial liability used to determine the ADC. The liabilities below represent the results for the District’s financial statements under GASB 43/45 and GASB 74/75. The results are based on the actuarial valuations rolled forward to the appropriate fiscal year end. As you can see, over time, the liability has grown as the Plan has matured. In 2015, the actuarial liability dropped mainly due to the change in the assumed percentage of retirees and dependents electing coverage. The Market Value of Assets is represented by the blue line and the Actuarial Value of Assets is represented by the green line. Prior to 2016, the AVA was equal to the MVA. In 2016, the District adopted an actuarially smoothed asset value to determine the ADC. The Actuarial Value of Assets is developed by smoothing five years of investment returns, as seen on page 6. The percentages above the bars represent the funded ratio based on the AVA.



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**SECTION II – ASSETS**

**Assets**

Table II-1 below shows the reconciliation of assets for the current and prior fiscal years. This section reconciles to the assets as of September 30, 2024, that are used to develop the FYE 2026 ADC.

<b>Table II-1 Changes in Market Market Value of Assets</b>		
	<b>September 30, 2023</b>	<b>September 30, 2024</b>
<b>Market Value of Assets - as of beginning of Fiscal Year</b>	<b>\$1,650,287,153</b>	<b>\$1,843,482,002</b>
<b><u>Additions</u></b>		
Employer Contributions	\$ 41,500,000	\$ 72,700,000
Participant Contributions	1,538,875	1,738,746
Total contributions	\$ 43,038,875	\$ 74,438,746
<b>Investment Return</b>		
Net Realized Appreciation and Unrealized Appreciation	162,918,830	389,378,500
Interest	12,344,306	12,708,368
Dividends	9,002,784	10,043,087
Currency (loss)/gain on FX contracts and settlements	4,664,245	311,434
Other Income	392,399	346,485
Total income from investment activities	\$ 189,322,564	\$ 412,787,874
Investment Expenses	(3,802,582)	(5,139,495)
Total Investment Return	\$ 185,519,982	\$ 407,648,379
<b><u>Deductions</u></b>		
Benefit Payments Made	\$ 34,017,345	\$ 38,544,096
Administrative Expenses	1,346,663	1,847,399
Total Deductions	\$ 35,364,008	\$ 40,391,495
<b><u>Total</u></b>		
Net Increase (Decrease)	\$ 193,194,849	\$ 441,695,630
<b>Market Value of Assets - as of end of Fiscal Year</b>	<b>\$1,843,482,002</b>	<b>\$2,285,177,632</b>
Money-weighted Market Return for Period	11.23%	22.05%



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**SECTION II – ASSETS**

Table II-2 below shows the money-weighted rate of return of plan investments. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. The external cash inflows include the sponsor and retiree contributions. The external cash outflows include the benefit payments and administrative expenses.

<b>Table II-2 Calculation of Money-Weighted Rate of Return</b>				
	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
<b>Beginning Value October 1, 2023</b>	<b>\$ 1,843,482,002</b>	<b>12</b>	<b>1.00</b>	<b>\$ 2,250,050,215</b>
Monthly Net External Cash Flows:				
October	(2,942,411)	11.5	0.96	(3,561,642)
November	(2,953,350)	10.5	0.88	(3,516,002)
December	(3,006,550)	9.5	0.79	(3,520,382)
January	(3,195,523)	8.5	0.71	(3,680,023)
February	(3,295,044)	7.5	0.63	(3,732,132)
March	(3,264,803)	6.5	0.54	(3,636,972)
April	(3,563,485)	5.5	0.46	(3,904,319)
May	69,049,698	4.5	0.38	74,407,939
June	(3,361,247)	3.5	0.29	(3,562,420)
July	(3,281,287)	2.5	0.21	(3,420,395)
August	(3,351,452)	1.5	0.13	(3,435,993)
September	(3,282,867)	0.5	0.04	(3,310,242)
<b>Ending Value September 30, 2024</b>				<b>\$ 2,285,177,632</b>
<b>Money-Weighted Rate of Return</b>				<b>22.05%</b>



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**SECTION II – ASSETS**

**Actuarial Value of Assets**

The actuarial value of assets is the current market value, adjusted by a five-year smoothing of gains and losses on a market value basis. Each year's gain or loss is determined by the difference between the actual market return and the expected market return using the assumed rate of investment return. The actuarial value is adjusted to remain within 20% of the market value. Table II-3 below illustrates the calculation of the market value gains and losses.

<b>Table II-3 Development of Unrecognized Gain/(Loss) on Investments as of September 30, FYE</b>					
	Fiscal Year Ending 9/30/2020	Fiscal Year Ending 9/30/2021	Fiscal Year Ending 9/30/2022	Fiscal Year Ending 9/30/2023	Fiscal Year Ending 9/30/2024
<b>1. Market Value of Assets as of September 30, Beginning of Fiscal Year</b>	<b>\$1,509,102,271</b>	<b>\$1,640,681,507</b>	<b>\$2,025,061,908</b>	<b>\$1,650,287,153</b>	<b>\$1,843,482,002</b>
<b>Fiscal Year Cash Flow</b>					
2. Employer Contributions for the Plan Year Ending September 30, FYE	\$ 47,300,000	\$ 53,600,000	\$ 53,000,000	\$ 41,500,000	\$ 72,700,000
3. Participant Contributions for the Plan Year Ending September 30, FYE	889,387	916,183	1,280,033	1,538,875	1,738,746
4. Benefit Payments through September 30, FYE	(23,436,697)	(25,352,804)	(29,287,583)	(34,017,345)	(38,544,096)
5. Administrative Expenses through September 30, FYE	(585,098)	(671,033)	(874,399)	(1,346,663)	(1,847,399)
6. Net Cash Flow	<u>\$ 24,167,592</u>	<u>\$ 28,492,346</u>	<u>\$ 24,118,051</u>	<u>\$ 7,674,867</u>	<u>\$ 34,047,251</u>
<b>Investment Performance</b>					
7. Interest of 6.50% on Market Value of Assets to September 30, FYE	\$ 98,091,648	\$ 106,644,298	\$ 131,629,024	\$ 107,268,665	\$ 119,826,330
8. Interest on employer contributions assuming received at the end year to September 30, FYE	0	0	0	0	0
9. Interest on participant contributions assuming received uniformly throughout the year to September 30, FYE	28,905	29,776	41,601	50,013	56,509
10. Interest on benefit payments assuming payments made uniformly throughout the year to September 30, FYE	(761,693)	(823,966)	(951,846)	(1,105,564)	(1,252,683)
11. Interest on administrative expenses assuming payments made uniformly throughout the year to September 30, FYE	(19,016)	(21,809)	(28,418)	(43,767)	(60,040)
12. Expected Investment Performance (7 + 8 + 9 + 10 + 11)	<u>\$ 97,339,844</u>	<u>\$ 105,828,299</u>	<u>\$ 130,690,361</u>	<u>\$ 106,169,347</u>	<u>\$ 118,570,116</u>
13. Expected Market Value of Assets as of September 30, FYE (1 + 6 + 12)	\$ 1,630,609,707	\$ 1,775,002,152	\$ 2,179,870,320	\$ 1,764,131,367	\$ 1,996,099,369
<b>14. Market Value of Assets as of September 30, FYE</b>	<b>\$1,640,681,507</b>	<b>\$ 2,025,061,908</b>	<b>\$ 1,650,287,153</b>	<b>\$ 1,843,482,002</b>	<b>\$ 2,285,177,632</b>
15. Market Value of Assets Investment Gain/(Loss) (14 - 13)	\$ 10,071,800	\$ 250,059,756	\$ (529,583,167)	\$ 79,350,635	\$ 289,078,263



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**SECTION II – ASSETS**

Table II-4 then illustrates the calculation of actuarial value of assets for the September 30, 2024, valuation.

Table II-4 Development of Actuarial Value of Assets as of September 30, 2024			
<b>1. Actuarial Value of Assets as of September 30, 2023</b>		<b>\$</b>	<b>1,995,713,132</b>
2. Net Cash Flow (Contributions - Benefit Payments - Expenses)		\$	34,047,251
3. Expected Investment Performance		\$	118,570,116
	Initial Unrecognized		
<u>Recognition of gain/(loss)</u>	<u>Gain/(Loss)</u>	<u>Recognition</u>	
4. 20% of gain/(loss) as of September 30, 2020	\$ 10,071,800	\$	2,014,360
5. 20% of gain/(loss) as of September 30, 2021	\$ 250,059,756	\$	50,011,951
6. 20% of gain/(loss) as of September 30, 2022	\$ (529,583,167)	\$	(105,916,633)
7. 20% of gain/(loss) as of September 30, 2023	\$ 79,350,635	\$	15,870,127
8. 20% of gain/(loss) as of September 30, 2024	\$ 289,078,263	\$	<u>57,815,653</u>
9. Recognized gain/(loss) as of September 30, 2024 (sum of 4 - 8)		\$	19,795,458
<b>10. Actuarial Value of Assets as of September 30, 2024 (1 + 2 + 3 + 9)</b>		<b>\$</b>	<b>2,168,125,957</b>
Market Value of Assets as of September 30, 2024		\$	2,285,177,632
<b>Corridor for Actuarial Value of Assets</b>			
80% of Market Value		\$	1,828,142,106
120% of Market Value		\$	2,742,213,158
Actuarial Value of Assets as of September 30, 2024		\$	2,168,125,957
Actuarial Value as a percent of Market Value			94.9%
Time-weighted Return on Actuarial Value of Asset			6.9%

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**SECTION III – VALUATION RESULTS**

This section of the report calculates the current and expected future contribution requirements under the District’s funding policy. This valuation calculates the contribution for the fiscal year ending 2026.

Information about the actuarial liabilities of the Plan as of September 30, 2024 and September 30, 2023, are shown in Table III-1 below. The normal cost increased more than expected primarily due to the changes in the active population as well as the changes in the future trend assumptions.

<b>Table III-1 Actuarial Liability</b>		
<b>Valuation Date</b>	<b>September 30, 2023</b>	<b>September 30, 2024</b>
Discount Rate	6.50%	6.50%
<b>Actuarial Liability</b>		
Current active members	\$ 1,160,609,191	\$ 1,351,313,638
Current retirees, beneficiaries, and dependents	<u>821,606,359</u>	<u>863,162,987</u>
<b>Total Actuarial Liability (AL)</b>	<b>\$ 1,982,215,550</b>	<b>\$ 2,214,476,625</b>
Actuarial Value of Assets (AVA)	<u>1,995,713,132</u>	<u>2,168,125,957</u>
<b>Unfunded Actuarial Liability (UAL)</b>	<b>\$ (13,497,582)</b>	<b>\$ 46,350,668</b>
Funded Ratio (AVA/AL)	100.68%	97.91%
Market Value of Assets (MVA)	1,843,482,002	2,285,177,632
<b>Unfunded Actuarial Liability (UAL)</b>	<b>\$ 138,733,548</b>	<b>\$ (70,701,007)</b>
Funded Ratio (MVA/AL)	93.00%	103.19%
<b>Normal Cost</b>	<b>\$ 54,982,174</b>	<b>\$ 64,050,486</b>

Table III-2 below, shows the Actuarial Liability for actives and retirees, the normal cost, the Actuarial Asset Value, and the resulting unfunded actuarial liability (UAL) as of September 30, 2024, at a 6.50% discount rate. Note that this development of the AL and UAL are based on the actual measurement at September 30, 2024 and will be used in the determination of the Actuarially Determined Contribution for FYE 2026. The table shows the liability results separate for Firefighters, Police, Teachers, and General Employees.

<b>Table III-2 Actuarial Liability, Normal Cost &amp; Actuarial Asset Value as of September 30, 2024</b>					
	<b>Fire fighters</b>	<b>Police</b>	<b>Teachers</b>	<b>General</b>	<b>Total</b>
<b>Actuarial Liability</b>					
Active Employees	\$ 255,021,965	\$ 384,272,737	\$ 214,358,897	\$ 497,660,039	\$ 1,351,313,638
Retired Employees	<u>158,543,425</u>	<u>561,041,406</u>	<u>67,241,498</u>	<u>76,336,658</u>	<u>863,162,987</u>
<b>Total Liability</b>	<b>\$ 413,565,390</b>	<b>\$ 945,314,143</b>	<b>\$ 281,600,395</b>	<b>\$ 573,996,697</b>	<b>\$ 2,214,476,625</b>
Actuarial Value of Assets					<u>2,168,125,957</u>
Unfunded Actuarial Liability (UAL)					\$ 46,350,668
<b>Normal Cost</b>	<b>\$ 15,903,705</b>	<b>\$ 21,569,364</b>	<b>\$ 7,690,891</b>	<b>\$ 18,886,526</b>	<b>\$ 64,050,486</b>



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**SECTION III – VALUATION RESULTS**

**Reconciliation**

Table III-3 provides an estimate of the major factors contributing to the change in liability since the last actuarial valuation report (AVR).

<b>Table III-3 Reconciliation of Actuarial Liability</b>	
<b>Actuarial Liability at September 30, 2023</b>	<b>\$ 1,982,215,550</b>
Normal Cost	54,982,174
Expected Benefits paid throughout the year	(56,521,913)
Interest	130,580,890
Expected Actuarial Liability at September 30, 2024	<u>\$ 2,111,256,701</u>
<b>Actuarial Liability at September 30, 2024</b>	<b>2,214,476,625</b>
Gain or (Loss)	\$ (103,219,924)
Gain or (Loss) due to:	
Benefit changes	\$ -
Census changes	(92,192,948)
Demographic Assumption changes	-
Healthcare Claims changes	(11,026,976)
Total changes	<u>\$ (103,219,924)</u>

Below is a brief description of each of the above components:

- *Benefits Changes* refers to changes in the Plan or eligibilities. There were no benefit changes since the prior valuation.
- *Census Changes* refers to differences in the valuation census due to members terminating, retiring, dying, and becoming disabled at rates different than expected.
- *Demographic assumption changes* refer to the changes in demographic assumptions. There were no demographic assumption changes with this valuation.
- *Healthcare Claims changes* refer to the change in projected healthcare costs and trends compared to the prior valuation.



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**Actuarially Determined Contribution (ADC)**

The ADC consists of two parts: (1) the *normal cost*, which represents the annual cost attributable to service earned in a given year, and (2) the amortization of the UAL. In Table III-4 below, we show the computed FYE 2025 and FYE 2026 ADC under the District’s funding policy and a 6.50% assumed discount rate (based on a long-term view of returns on the asset allocation). Please note that the ADC calculation for FYE 2025 is based on the 2023 actuarial report rolled forward. This timing lag is used to better coordinate the District’s budget timing.

<b>Table III-4 Calculation of Actuarially Determined Contribution (ADC)</b>		
<b>For Fiscal Year Ending</b>	<b>9/30/2025</b>	<b>9/30/2026</b>
Projected OPEB Liability	\$ 2,111,257,000	\$ 2,362,994,000
Expected Actuarial Asset Value	<u>2,094,223,000</u>	<u>2,336,783,000</u>
Expected Unfunded Actuarial Liability	17,034,000	26,211,000
Normal cost	\$ 62,400,000	\$ 71,200,000
Amortization of UAL	<u>1,500,000</u>	<u>2,400,000</u>
<b>Total ADC (not less than \$0)</b>	<b>\$ 63,900,000</b>	<b>\$ 73,600,000</b>
Projected payroll	\$ 2,653,193,675	\$ 2,762,436,665
ADC as a percentage of pay	2.41%	2.66%
<b>Fiscal Year Ending</b>	<b>September 30, 2024</b>	<b>September 30, 2025</b>
Expected Net Benefit Payments	\$ 56,521,913	\$ 61,634,101

The UAL amortization is based on 15-year level percentage of pay layered amortizations. The September 30, 2024, UAL is projected to September 30, 2025, and then amortized over 15 years from the projection date. Future gains and losses, as well as benefit, method and assumption changes will be amortized over 15-year layers for ADC purposes. If a surplus (negative UAL) exists at the projection date using the AVA funded percentage, then the negative UAL will be amortized over 30 years, and all prior bases will be immediately recognized.

<b>Table III-5 UAL Amortization Layers (\$ in Thousands)</b>						
	<b>Date Established</b>	<b>Initial Amount</b>	<b>Initial Years</b>	<b>Remaining Years</b>	<b>Remaining Amount</b>	<b>End of Year Amortization Payment</b>
Initial UAL	9/30/2024	\$ 17,034	15	14	\$ 16,112	\$ 1,500
Actuarial Loss	9/30/2025	\$ 10,099	15	15	\$ 10,099	\$ 900
<b>Total Amortization Payment FYE 2025</b>					<b>\$ 26,211</b>	<b>\$ 2,400</b>





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**SECTION III – VALUATION RESULTS**

**Projected Cash Flow**

The following table presents a 30-year payout projection of employer benefit payments for the District OPEB Plan.

<b>Table III-6 Projected Cash Flow</b>					
<b>Fiscal Year Ending September 30,</b>	<b>Employer Payment</b>	<b>Fiscal Year Ending September 30,</b>	<b>Employer Payment</b>		
2025	\$ 61,634,000	2040	\$ 201,118,000		
2026	71,811,000	2041	213,848,000		
2027	81,305,000	2042	226,954,000		
2028	90,546,000	2043	240,116,000		
2029	99,171,000	2044	255,158,000		
2030	108,321,000	2045	269,818,000		
2031	116,969,000	2046	284,817,000		
2032	124,572,000	2047	298,405,000		
2033	132,936,000	2048	311,840,000		
2034	142,615,000	2049	322,883,000		
2035	151,290,000	2050	333,380,000		
2036	159,122,000	2051	341,634,000		
2037	168,944,000	2052	347,949,000		
2038	178,948,000	2053	352,854,000		
2039	189,707,000	2054	355,808,000		



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**Projections**

Table III-7 shows a projection of future years' Actuarial Liability (AL), Actuarial Asset Value (AVA), Unfunded Actuarial Liability (UAL), Funded Ratio, and Actuarially Determined Contribution (ADC) for FYEs 2026 through 2030, based on a projection of the September 30, 2024, valuation results. These projections are based on the adoption of a closed 15-year layered amortization of the UAL, effective for FYE 2025. The ADC for the FYE 2025 is also shown and is computed based on the September 30, 2023 valuation results.

<b>Table III-7 Projections of Actuarial Results (\$ in Thousands)</b>						
	<b>Fiscal Year Ending September 30,</b>					
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Projected OPEB Liability (BOY)	\$ 2,111,257	\$ 2,362,994	\$ 2,513,688	\$ 2,667,539	\$ 2,825,154	\$ 2,987,561
Expected Actuarial Asset Value (BOY)	<u>2,094,223</u>	<u>2,336,783</u>	<u>2,464,743</u>	<u>2,704,702</u>	<u>2,923,449</u>	<u>3,085,729</u>
Expected Unfunded Actuarial Liability	17,034	26,211	48,945	(37,163)	(98,295)	(98,168)
Funded Ratio	99.2%	98.9%	98.1%	101.4%	103.5%	103.3%
Normal Cost	\$ 62,400	\$ 71,200	\$ 74,400	\$ 77,700	\$ 81,200	\$ 84,800
Amortization of Unfunded Liability	<u>1,500</u>	<u>2,400</u>	<u>4,500</u>	<u>(2,000)</u>	<u>(5,300)</u>	<u>(5,300)</u>
Actuarially Determined Contribution	\$ 63,900	\$ 73,600	\$ 78,900	\$ 72,500	\$ 72,300	\$ 75,500
Amortization Period for UAL (Years)	15 Yr Layer	15 Yr Layer	15 Yr Layer	30 Yr Rolling	30 Yr Rolling	30 Yr Rolling



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Table III-8 shows the projected amortization bases for the ADC projections in Table III-7 above. For the years when the UAL is projected to be less than zero, the prior layered bases are wiped out and a new 30 year rolling amortization is set up.

<b>Table III-8 Projection of UAL Amortization Layers (\$ in Thousands)</b>						
	<b>Date Established</b>	<b>Initial Amount</b>	<b>Initial Years</b>	<b>Remaining Years</b>	<b>Remaining Amount</b>	<b>End of Year Amortization Payment</b>
Initial UAL	9/30/2024	\$ 17,034	15	13	\$ 15,163	\$ 1,500
Actuarial Loss	9/30/2025	\$ 10,099	15	14	\$ 9,552	\$ 900
Actuarial Loss	9/30/2026	\$ 24,230	15	15	\$ 24,230	\$ 2,100
<b>Total Amortization Payment FYE 2027</b>					<b>\$ 48,945</b>	<b>\$ 4,500</b>
UAL	9/30/2027	\$ (37,163)	30	30	\$ (37,163)	\$ (2,000)
<b>Total Amortization Payment FYE 2028</b>					<b>\$ (37,163)</b>	<b>\$ (2,000)</b>
UAL	9/30/2028	\$ (98,295)	30	30	\$ (98,295)	\$ (5,300)
<b>Total Amortization Payment FYE 2029</b>					<b>\$ (98,295)</b>	<b>\$ (5,300)</b>
Actuarial Gain	9/30/2029	\$ (98,168)	30	30	\$ (98,168)	\$ (5,300)
<b>Total Amortization Payment FYE 2030</b>					<b>\$ (98,168)</b>	<b>\$ (5,300)</b>



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**SECTION IV – SENSITIVITY OF RESULTS**

The liabilities produced in this report are sensitive to the assumptions used. Table IV-1 shows liabilities under the actuarial funding scenario using a 1% increase and decrease in healthcare trend rates to provide some measure of sensitivity. In all cases, we are using the full actuarial funding assumption of 6.50% for the discount rate. GASB 74/75 requires the sensitivity figures shown below, roll-forwarded and compared to Market Value of Assets, for the next valuation.

<b>Table IV-1 Healthcare Trend Rate Sensitivity as of September 30, 2024</b>			
<b>Healthcare Trend Rates</b>	<b>-1%</b>	<b>Base</b>	<b>+1%</b>
<b>Actuarial Liability</b>			
Current active members	\$ 1,126,064,355	\$ 1,351,313,638	\$ 1,643,079,137
Current retirees, beneficiaries, and dependents	<u>784,488,762</u>	<u>863,162,987</u>	<u>958,066,974</u>
Total Actuarial Liability (AL)	\$ 1,910,553,117	\$ 2,214,476,625	\$ 2,601,146,111
Actuarial Value of Assets	2,168,125,957	2,168,125,957	2,168,125,957
Unfunded actuarial liability (UAL)	\$ (257,572,840)	\$ 46,350,668	\$ 433,020,154
Normal Cost	\$ 51,561,702	\$ 64,050,486	\$ 80,952,269

Table IV-2 shows liabilities under the actuarial funding scenario using a 1% increase and decrease in discount rates to provide some measure of sensitivity. GASB 74/75 requires the sensitivity figures shown below, roll-forwarded and compared to Market Value of Assets, for the next valuation.

<b>Table IV-2 Discount Rate Sensitivity as of September 30, 2024</b>			
<b>Discount Rate</b>	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
<b>Actuarial Liability</b>			
Current active members	\$ 1,601,709,100	\$ 1,351,313,638	\$ 1,151,243,550
Current retirees, beneficiaries, and dependents	<u>967,160,137</u>	<u>863,162,987</u>	<u>778,228,044</u>
Total Actuarial Liability (AL)	\$ 2,568,869,237	\$ 2,214,476,625	\$ 1,929,471,594
Actuarial Value of Assets	2,168,125,957	2,168,125,957	2,168,125,957
Unfunded actuarial liability (UAL)	\$ 400,743,280	\$ 46,350,668	\$ (238,654,363)
Normal Cost	\$ 83,147,179	\$ 64,050,486	\$ 49,782,550

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**SECTION V – SCHEDULE OF FUNDING PROGRESS**

The Government Finance Officers Association (GFOA) maintains a checklist of items to be included in the Annual Comprehensive Financial Report (ACFR) in order to receive recognition for excellence in financial reporting. In accordance with those statements, we have prepared the following disclosures.

**Schedule of Funding Progress**

The schedule of funding progress compares the assets used for funding purposes to the comparable liabilities to determine how well the Plan is funded, and how this status has changed over the past several years. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The actuarial liability under GASB is determined by assuming that the Plan is ongoing, and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

The figures below represent the results for the District’s financial statements under GASB 43/45 and GASB 74/75. The results are based on the actuarial valuations rolled forward to the appropriate fiscal year end. Years prior to 2018 were taken from the prior actuary’s report.

Table V-1 Schedule of Funding Progress for Fiscal Year Ending September 30, (\$ in Millions)						
Valuation Year	Actuarial Asset Value (a)	Actuarial Liability (b)	Unfunded Actuarial Liability (c)=(b-a)	Funded Ratio (d)=(a)/(b)	Covered Payroll (e)	UAL as a Percentage of Covered Payroll (f) = (c)/(e)
2007	\$164.2	\$600.1	\$435.9	27.4%	\$1,090.9	39.96%
2008	219.7	745.2	525.5	29.5%	1,107.1	47.47%
2009	309.1	625.9	316.8	49.4%	1,579.9	20.05%
2010	424.3	784.9	360.6	54.1%	1,544.5	23.35%
2011	511.5	866.6	355.1	59.0%	1,559.8	22.77%
2012	693.3	919.7	226.4	75.4%	1,399.1	16.18%
2013	897.8	1,048.0	150.2	85.7%	1,441.1	10.42%
2014	1,036.6	1,188.3	151.7	87.2%	1,484.3	10.22%
2015	1,202.4	1,001.2	(201.2)	120.1%	1,608.0	(12.51)%
2016	1,298.1	1,098.5	(199.6)	118.2%	1,656.2	(12.05)%
2017	1,339.6	1,224.6	(115.0)	109.4%	1,820.0	(6.32)%
2018	1,447.6	1,391.0	(56.6)	104.1%	1,940.8	(2.91)%
2019	1,545.0	1,464.7	(80.3)	105.5%	2,038.8	(3.94)%
2020	1,670.6	1,621.6	(49.0)	103.0%	2,173.5	(2.26)%
2021	1,852.7	1,711.7	(141.0)	108.2%	2,331.3	(6.05)%
2022	1,934.6	1,823.5	(111.1)	106.1%	2,439.2	(4.56)%
2023	1,995.7	2,016.4	20.7	99.0%	2,416.8	0.86%
2024	2,168.1	2,111.3	(56.8)	102.7%	2,653.2	(2.14)%



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**SECTION V – SCHEDULE OF FUNDING PROGRESS**

**Schedule of Employer Contributions**

The schedule of employer contributions, Table V-2, shows whether the employer has made contributions that are consistent with an actuarially sound method of funding the benefits to be provided.

Years prior to 2018 were taken from the prior actuary’s report.

<b>Table V-2 Schedule of Employer Contributions (\$ in Millions)</b>				
<b>Fiscal Year Ended</b>	<b>Annual Required Contribution (ARC)</b>	<b>Amount Contributed</b>	<b>Percentage of ARC Contributed</b>	<b>Net OPEB Obligation</b>
2008	\$103.4	\$110.8	107.2%	\$42.1
2009	130.9	81.1	62.0%	44.7
2010	92.2	90.7	98.4%	45.6
2011	94.2	94.2	100.0%	32.2
2012	95.5	109.8	115.0%	9.9
2013	85.2	107.8	126.5%	10.0
2014	86.6	86.6	100.0%	10.0
2015	91.4	91.4	100.0%	10.0
2016	29.0	29.0	100.0%	10.0
2017	31.0	31.0	100.0%	10.0
<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Amount Contributed</b>	<b>Percentage of ADC Contributed</b>	<b>OPEB Expense</b>
2018	\$44.5	\$44.5	100.0%	\$53.4
2019	46.0	46.0	100.0%	63.8
2020	47.3	47.3	100.0%	71.7
2021	53.6	53.6	100.0%	21.4
2022	53.0	53.0	100.0%	107.8
2023	41.5	41.5	100.0%	125.2
2024	72.7	72.7	100.0%	125.2
2025	63.9	TBD	TBD	TBD
2026	73.6	TBD	TBD	TBD
2027*	78.9	TBD	TBD	TBD
2028*	72.5	TBD	TBD	TBD
2029*	72.3	TBD	TBD	TBD

\*Estimated



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**APPENDIX A – MEMBERSHIP INFORMATION**

The census data used to develop the Actuarial Liability (AL) as of September 30, 2024, was provided by the District.

September 30, 2024					
Active Participants	Fire	Police	Teachers	General	Total
Number	1,757	2,676	5,333	18,364	28,130
Average age	39.7	40.5	42.0	48.1	45.7
Average years of service	13.5	13.3	9.6	12.4	12.0
Projected payroll	\$ 172,388,856	\$ 272,123,041	\$ 593,432,791	\$1,724,491,977	\$2,762,436,665
Average expected retirement age	55.4	55.3	62.1	66.7	64
<b>Retirees Enrolled in Health Care</b>					
Number of retirees	390	1,519	403	476	2,788
Average age	55.7	57.2	70.9	71.7	61.5
Numbers of spouses and dependents (excluding children)	261	910	94	122	1,387
<b>Retirees with Life Insurance</b>					
Number of retirees	341	1,550	708	813	3,412
<b>Total Retirees with Medical and/or Life Insurance</b>					
Number of retirees	431	1,734	772	918	3,855

**Active Member Data as of September 30, 2024**

Age	COUNTS BY AGE/SERVICE										Total
	Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	95	124	12	0	0	0	0	0	0	0	231
25 to 29	336	1,112	491	42	0	0	0	0	0	0	1,981
30 to 34	320	1,390	1,469	466	35	0	0	0	0	0	3,680
35 to 39	215	1,039	1,465	1,050	462	29	0	0	0	0	4,260
40 to 44	145	792	1,118	844	1,087	331	5	0	0	0	4,322
45 to 49	96	465	717	590	830	743	152	14	0	0	3,607
50 to 54	75	345	565	440	737	772	393	149	25	0	3,501
55 to 59	54	289	429	324	611	499	292	251	111	0	2,860
60 to 64	37	151	247	277	432	362	220	224	116	5	2,071
65 to 69	8	47	122	142	268	208	122	132	63	3	1,115
70 & up	0	12	50	57	124	100	62	64	32	1	502
<b>Total</b>	<b>1,381</b>	<b>5,766</b>	<b>6,685</b>	<b>4,232</b>	<b>4,586</b>	<b>3,044</b>	<b>1,246</b>	<b>834</b>	<b>347</b>	<b>9</b>	<b>28,130</b>

Reconciliation of Members			
	Active	Retired	Total
<b>September 30, 2023</b>	<b>27,451</b>	<b>3,639</b>	<b>31,090</b>
New Hires	2,997		2,997
Retirement, Medical or Life Coverage	(197)	197	0
Termination/Retirement, No Coverage	(2,121)		(2,121)
Deaths / Drop Coverage		(77)	(77)
Other Data Changes		96	96
<b>September 30, 2024</b>	<b>28,130</b>	<b>3,855</b>	<b>31,985</b>

Please note that the above data was used to project the figures in this report.



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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Economic Assumptions**

- 1. Discount Rate** 6.50% per year. The assets are sufficient to cover all expected benefits, thus the long-term rate of return is used.
- 2. Inflation Assumption** 3.00%
- 3. Payroll Increase Rate** 4.00% per year for purposes of attributing individual costs under the Entry Age actuarial cost method.
- 4. Salary Increase Rate**

The General population salary increase is assumed to be a flat 4.00%.

Service	Salary Increase		
	Teachers	Police	Fire
0	5.20%	8.90%	5.50%
1	5.70%	11.50%	7.25%
2	7.00%	8.60%	7.15%
3	7.60%	6.25%	7.85%
4	7.70%	6.25%	6.05%
5	7.10%	6.25%	6.05%
10	4.65%	5.20%	6.05%
15	4.00%	6.15%	4.85%
19	4.00%	8.15%	6.30%
20	4.00%	6.00%	4.25%
24	4.00%	7.80%	5.20%
25	4.00%	5.15%	4.80%
29	4.00%	7.65%	6.00%
30	4.00%	7.25%	4.50%

**5. Per Person Health Care Cost Trends**

Medical Trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2025\_1b was used for this valuation and the prior valuation. The following assumptions were used as input variables into this model:

Trend Assumption Inputs	
Variable	Rate
Rate of Inflation	3.00%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.90%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2045





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The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. Sample medical trends are listed in the table below. The initial health cost trend was 7.0% for non-Medicare and 7.0% for Medicare for the period October 1, 2024 – September 30, 2025 and declines gradually to an ultimate rate of 4.44% starting in 2045.

Below are the healthcare trends starting October 1, 2024:

To FYB	NonMedicare Annual Trend	Medicare Annual Trend
2025	7.00%	7.00%
2026	6.50%	6.50%
2027	6.00%	6.00%
2028	5.50%	5.50%
2030	5.46%	5.46%
2035	5.08%	5.08%
2040	4.62%	4.62%
2045	4.44%	4.44%

**6. Basis for Economic Assumptions**

The discount rate and inflation assumptions were selected by the District of Columbia Office of the Chief Financial Officer and are based on the assumed asset returns and current market conditions. These assumptions are reviewed each year for reasonableness.

The payroll and salary assumptions for Teachers, Fire, and Police are based on the DCRB pension valuation. For General Employees, the salary assumption was based on the prior actuary’s assumption and reviewed for reasonableness based on available data.

The trend rates were developed by Cheiron and are based on the Getzen Trend Model. In developing the trends, plan provisions and market conditions are considered.

**7. Changes Since Last Valuation**

Healthcare trends were updated to reflect the current market expectations.



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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Demographic Assumptions**

**1. Retirement Rates**

Retirement rates for each group vary by age and service with the District. Sample rates are shown in the tables below:

<i>Teachers</i>							
<i>Age</i>				<i>21-24</i>		<i>25-29</i>	
	<i>5 YOS</i>	<i>6-19 YOS</i>	<i>20 YOS</i>	<i>YOS</i>	<i>YOS</i>	<i>30 YOS</i>	<i>31+ YOS</i>
<=50	0.0%	0.0%	0.0%	0.0%	5.0%	20.0%	15.0%
50-59	0.0%	0.0%	5.0%	5.0%	5.0%	20.0%	15.0%
60-61	0.0%	0.0%	20.0%	15.0%	15.0%	20.0%	15.0%
62	20.0%	20.0%	20.0%	15.0%	15.0%	20.0%	15.0%
63-74	20.0%	15.0%	15.0%	15.0%	15.0%	20.0%	15.0%
Min Ret Age = 50 100% retirement at age 75							

YOS = Years of Service

<b>Police</b>	
Service	Rate
25	50.0%
26	25.0%
27	25.0%
28	30.0%
29	35.0%
30+	30.0%
Min Ret Age = 50 100% retirement at age 62	

<b>Fire Fighters</b>	
Service	Rate
25	15.0%
26	15.0%
27	15.0%
28	25.0%
29	25.0%
30+	40.0%
Min Ret Age = 50 100% retirement at age 62	

<b>General</b>	
Age	Rate
50-54	2.5%
55-59	5.0%
60-61	15.0%
62-67	20.0%
68-69	25.0%
70	30.0%
71-74	30.0%
75+	100.0%

**2. Rates of Withdrawal**

Withdrawal rates for each group vary by service with the District. Sample rates are shown in the tables below:

<b>General Employees</b>			<b>Teachers</b>			<b>Police</b>			<b>Fire</b>		
Service	Male	Female	Service	Male	Female	Service	Male	Female	Service	Male	Female
<1	18.00%	18.00%	<1	25.00%	23.00%	<1	9.00%	10.00%	<1	9.00%	16.00%
1	17.00%	17.00%	1	26.00%	22.00%	1	9.00%	7.00%	1	7.00%	12.00%
2	16.00%	16.00%	2	22.00%	22.00%	2	8.00%	7.00%	2	4.20%	2.10%
3	15.00%	15.00%	3	20.00%	19.00%	3	8.00%	5.00%	3	4.20%	2.10%
4	11.00%	11.00%	4	14.70%	13.40%	4	8.00%	3.80%	4	3.40%	2.10%
5	11.00%	11.00%	5	14.70%	13.40%	5	6.20%	3.80%	5	3.40%	1.80%
6	10.00%	10.00%	6	13.00%	11.20%	6	4.10%	2.70%	6	3.40%	2.30%
7	10.00%	10.00%	7	13.00%	11.20%	7	4.10%	2.70%	7	1.70%	2.30%
8	9.50%	9.50%	8	13.00%	11.20%	8	2.70%	2.70%	8	1.70%	2.30%
9	9.50%	9.50%	9	13.00%	11.20%	9	2.70%	2.70%	9	1.70%	2.30%
10+	6.00%	6.00%	10+	9.40%	5.80%	10+	2.00%	2.00%	10+	1.00%	0.50%



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**3. Rates of Disability**

Disability rates for each group vary by age. Sample rates are shown in the table below:

Disability Rates				
	General	Teachers	Police	Fire Fighters
Age	Unisex	Unisex	Unisex	Unisex
20	0.030%	0.010%	0.083%	0.010%
25	0.030%	0.010%	0.083%	0.050%
30	0.050%	0.010%	0.083%	0.180%
35	0.070%	0.010%	0.083%	0.250%
40	0.070%	0.035%	0.173%	0.300%
45	0.080%	0.035%	0.173%	0.350%
50	0.120%	0.010%	0.315%	0.400%
55	0.250%	0.010%	0.315%	0.450%
60	0.400%	0.015%	0.383%	0.500%
62+	0.000%	0.015%	0.383%	0.000%

**4. Rates of Mortality**

General Employees:

*Healthy Mortality:* Pub-2010 General Employees Headcount-Weighted Mortality projected forward generationally from 2010 using mortality improvement scale MP-2021 for pre-retirement mortality. Pub-2010 General Retirees Headcount-Weighted Mortality projected forward generationally from 2010 using mortality improvement scale MP-2021 for post-retirement mortality. Weighted 120%.

*Disabled Mortality:* Pub-2010 Non-Safety Disabled Retirees Headcount-Weighted Mortality projected forward generationally from 2010 using mortality improvement scale MP-2021 for post-retirement mortality.

Police and Fire:

*Healthy Mortality:* Pub-2010 Safety Employee and Healthy Retiree Mortality with male ages set forward 1 year projected forward generationally using mortality improvement scale MP-2021. Pub-2010 Safety Contingent Survivor Mortality Tables projected forward generationally using mortality improvement scale MP-2021 for contingent survivors. *Previously the RP-2014 Table was used.*

*Disabled Mortality:* Pub-2010 Safety Disabled Retiree Mortality table projected forward generationally using mortality improvement scale MP-2021.



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Teachers:

*Healthy Mortality:* Pub-2010 General Employee and Healthy Retiree Mortality tables projected forward generationally using mortality improvement scale MP-2021. Pub-2010 General Contingent Survivor Mortality Tables projected forward generationally using mortality improvement scale MP-2021 for contingent survivors. *Previously the RP-2014 Table was used.*

*Disabled Mortality:* Pub-2010 Non-Safety Disabled Retiree Mortality table projected forward generationally using mortality improvement scale MP-2021.

**5. Percent of Retirees Electing Coverage**

**Pre-Medicare retiree:** 90% of Police and Fire future retirees, 50% of General, and 80% of Teacher retirees are assumed to elect coverage.

**Medicare-eligible retiree:** 90% of Police and Fire future retirees, 70% of General, and 80% of Teacher retirees are assumed to elect coverage.

**6. Spousal Coverage**

	Under 65		65 and Over	
	Male Retiree	Female Retiree	Male Retiree	Female Retiree
General Employees	45%	20%	45%	25%
Teachers	35%	35%	35%	20%
Police	75%	50%	70%	50%
Fire	75%	50%	70%	50%

**7. Dependent Age**

For current retirees, the actual spouse date of birth was used when available. For future retirees and missing spouse dates of birth, husbands are assumed to be 3-years older than wives.

**8. Basis for Demographic Assumptions**

During 2023, an experience study was performed on the General Employees’ population. The results of this study were provided to the District of Columbia Office of the Chief Financial Officer on February 21, 2024. For the General Employees, the demographic assumptions recommended in the February 21, 2024, experience study was used in this valuation. For the Police, Fire, and Teachers’ valuation assumptions relating to election percentage and spousal assumptions were studied and no changes were recommended in this valuation. Additionally, we reviewed the assumptions for Police, Fire, and Teachers and recommended to use the assumptions as recommended by the actuary for the D.C. Retirement Board in their October 1, 2022 actuarial valuation report.



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**9. Changes Since Last Valuation**

None.

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**Claim and Expense Assumptions**

The claims costs were developed based on the actual premiums in effect for fiscal year beginning 2024. An adjustment was made to the claims to account for children of retirees. Additionally, 2024 contractual administrative expenses are included. The resulting per person per month (PPPM) cost is then adjusted using age curves.

**1. Average Annual Claims and Expense Assumptions**

The following October 1, 2024 to September 30, 2025, annual claims costs were developed based on 2025 premium rates reduced by ¼ year of trend. Subsequent years’ costs are based on the first-year cost adjusted with the trend. These costs are net of deductibles and other benefit plan cost-sharing provisions. These claims are derived from actual blended premiums and allocated using Cheiron’s aging factors to each age and by gender, including an assumed cost for children. The medical costs reduce at age 65 when the retiree becomes eligible for Medicare and Medicare is primary for their covered services. This is the fifth valuation in which the District has members enrolled in Medicare Advantage plans.

We have assumed that 50.5% of current retirees under the age of 65 will elect the Medicare Advantage plans and the rest will remain enrolled in the plans that are also available to non-Medicare eligibles. We have assumed that 50.5% of current retirees over the age of 65 will elect the Medicare Advantage plans and the rest will remain enrolled in the plans that are also available to non-Medicare eligibles.

Current retirees under age 65

For Fiscal Year 10/1/2024 - 9/30/2025:

Age	District of Columbia	
	Male	Female
40	\$9,717	\$13,043
45	\$11,825	\$14,394
50	\$14,384	\$16,473
55	\$17,080	\$18,553
60	\$20,680	\$20,172
64	\$24,499	\$20,056
65	\$7,409	\$6,008
70	\$8,344	\$6,355
75	\$9,002	\$6,819
80	\$9,413	\$7,244
85	\$9,609	\$7,526

Current retirees over age 65

For Fiscal Year 10/1/2024 - 9/30/2025:

Age	District of Columbia	
	Male	Female
40	\$9,717	\$13,043
45	\$11,825	\$14,394
50	\$14,384	\$16,473
55	\$17,080	\$18,553
60	\$20,680	\$20,172
64	\$24,499	\$20,056
65	\$7,682	\$6,216
70	\$8,663	\$6,581
75	\$9,332	\$7,053
80	\$9,738	\$7,479
85	\$9,925	\$7,759



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We have assumed that 69.5% of actives employees will elect the Medicare Advantage plans and the rest will remain enrolled in the plans that are also available to non-Medicare eligibles.

Active employees

**For Fiscal Year 10/1/2024 - 9/30/2025:**

Age	District of Columbia	
	Male	Female
40	\$9,717	\$13,043
45	\$11,825	\$14,394
50	\$14,384	\$16,473
55	\$17,080	\$18,553
60	\$20,680	\$20,172
64	\$24,499	\$20,056
65	\$5,983	\$4,969
70	\$6,632	\$5,200
75	\$7,278	\$5,656
80	\$7,790	\$6,127
85	\$8,087	\$6,467

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**2. Retiree Contributions**

The monthly contributions are as of the period starting October 1, 2024. For retirees and spouses prior to October 1, 2024, the contribution percentage is the actual percentage provided by the District for these retirees. For retirees and spouse who will retire after October 1, 2024, their contributions are based on the amount of service earned under each plan. Subsequent years' premiums are based on the first-year premium adjusted with the trend.

<b>2025 Monthly Health Premiums</b>			
	Self	Self +1	Family
<b>Pre-Medicare Plans</b>			
Aetna HMO Plan	\$1,175.80	\$2,326.43	\$3,375.09
Aetna PPO Plan	1,129.03	2,219.38	3,262.71
Aetna CDHP Plan	453.52	891.43	1,310.47
Kaiser Permanente HMO	813.19	1,553.19	2,382.57
United Healthcare Choice HMO	1,025.78	1,959.22	3,005.49
United Healthcare PPO	1,011.23	1,931.43	2,962.86
CareFirst HMO	869.10	1,712.14	2,511.71
CareFirst PPO	959.53	1,832.70	2,811.41
<b>Medicare Plans</b>			
Aetna Medicare Advantage	\$430.32	\$860.64	N/A
CareFirst Medicare Advantage	399.00	798.00	N/A
Kaiser Permanente Medicare Plus	275.24	550.48	N/A
United Health Care Medicare Advantage	399.81	799.62	N/A

For General and Teachers, the District contribution for future retirees is 2.5% of the premium for each year of service up to a maximum of 75%. For spouses, the District contribution is 2.0% of the premium for each year of service up to a maximum of 60%.

For Police/Fire who were hired prior to November 10, 1996, the District will contribute 75% for retirees and 60% for spouses as long as the member can demonstrate that he or she has five years of creditable service. For Police/Fire who were hired on or after November 10, 1996, the benefits are 75% after 25 years of service for retirees and 60% for spouses with the amount reduced proportionately for those who retiree with less than 25 years of service. For Police/Fire who died or become disabled in the line of duty, the benefit is 75% of the premium for both retirees and spouses.

**3. Medicare Part D Subsidy**

Per GASB guidance, any Retiree Drug Subsidy that the District receives from the Centers for Medicare Service (CMS) has not been reflected in this valuation.





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**4. Medicare Part B Premium Subsidy**

Assumed that Medicare-eligible retirees pay the Medicare Part B premiums.

**5. Medicare Eligibility**

All retirees who turn age 65 are assumed to be eligible for Medicare.

**6. Geography**

Implicitly assumed to remain the same as current retirees.

**7. Administrative Expenses**

Health plan administrative expenses are included in the per capita claims' costs.

**8. Changes Since Last Valuation**

The healthcare claim curves were updated based on current population and 2024 premiums.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

## **Methodology**

The Entry Age Normal Actuarial Cost method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed up to produce the total normal cost for the District.

The Actuarial Accrued Liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability.

The portion of the Actuarial Liability in excess of OPEB Trust's assets is amortized to develop additional costs or savings, which is added to each year's employer normal cost. Under this cost method, actuarial gains and losses are directly reflected in the size of the unfunded actuarial liability.

Prior to September 30, 2023, the unfunded actuarial liability was amortized over a closed 20-year period effective FYE 2016. The amortization is a level dollar amortization. There were 12 years remaining as of FYE 2024. Starting with FYE 2025, the unfunded actuarial liability will be amortized over 15-year layered periods. The first layer will be based on the September 30, 2023 valuation results projected to September 30, 2024 to determine the UAL. Subsequent future gains and losses as well as assumption, benefit, and methodology changes will be amortized over new 15-year layers from the ADC projection dates. In case of a projected surplus (100% funded on an AVA basis), amortize over 30 years and eliminate all prior amortization bases.

The liabilities presented in this section are based on the assumption of an ongoing plan and would not be appropriate for measuring the settlement value of plan obligations.

The claims costs were developed using actual 2025 premiums. Expenses were based on contractual rates. From this data, we developed per person per month (PPPM) costs for October 1, 2024 to September 30, 2025. The per person per month was then adjusted to a per adult per month then adjusted using age curves, such that the total expected claims are determined.

The data is reconciled as of August 31, 2024 for the September 30, 2024 Valuation date. Age and service are adjusted to September 30th.

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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Disclosures regarding Models Used**

In accordance with Actuarial Standard of Practice No. 56 (Modeling), the following disclosures are made:

**a. Valuation Software**

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

**b. Getzen Trend Model**

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2025\_1b. The assumptions that were input into this model are detailed in Economic Assumptions #5.

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2025-2028 were based on plan design and renewal projections. The rate of inflation was based on investment assumptions, and the rate of growth in Real Income/GDP per capital is more than the baseline assumption due to the fully funded nature of the Plan.

We have reviewed the assumptions for the model and found them to be reasonable and consistent with the other economic assumptions used in the valuation.

We have relied on the Society of Actuaries as the developer of the Model. We have reviewed the Model and have a basic understanding of the Model and have used the Model in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of the Model that would affect this report.



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**APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS**

**Actuarial Value of Assets**

For purposes of determining the contribution rate to the Plan, we use an actuarial value of assets. The asset adjustment method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Use of an asset smoothing method is consistent with the long-term nature of the actuarial valuation process.

The actuarial value of assets is the current market value, adjusted by a five-year smoothing of gains and losses on a market value basis. Each year's gain or loss is determined by the difference between the actual market return and the expected market return using the assumed rate of investment return. The actuarial value is adjusted to remain within 20% of the market value.

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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Summary of Key Substantive Plan Provisions**

**Eligibility**

Employees hired after September 30, 1987, are eligible for post-employment health and life insurance coverage if they have been continuously enrolled in a District health benefit plan for at least five years and they:

1. Are classified as a General Employee, are at least age 60, have at least 10 years of creditable District service, are covered under the District defined contribution program and have obtained a Social Security award letter (including disability); or
2. Have at least 10 years of creditable District service and retire under the Teachers’ Retirement System, the Judges’ Retirement System or the Teachers’ Insurance and Annuity Association program; or
3. Retire under the Police Officers’ & Firefighters Retirement Plan with at least 10 years of creditable District service (five years if hired before 11/10/1996)

Plan	Eligibility			
	Criteria to qualify for retirement			
	Unreduced		Reduced	
	Age	Service	Age	Service
Teachers (note: service must include 5 years of school service)	55*	30	50	20
	60	20	Any	25
	62	5		
Police & Firefighters - hired before 11/10/1996**	50	25	NA	NA
	60	5	NA	NA
Police & Firefighters - hired on or after 11/10/1996	Any	25	NA	NA
	60	None	NA	NA

\*If hired on or after 11/1/1996, there is no age requirement if have 30 years of service.

\*\*If hired prior to 2/15/1980, retirement available after 20 years of service, regardless of age.

A surviving spouse may continue healthcare coverage upon the retiree’s death.



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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

**Summary of 2025 Benefit Plans**

Currently, the District of Columbia’s Other Post-Employment Benefits Fund offers the same health plans as active employees. Benefits are payable under the plan for medical care obtained from the District’s health care insurers. The District currently allows the participant to choose from a PPO, POS, or several HMOs. These choices are Kaiser HMO, United HealthCare (UHC), Aetna CDHP, Aetna HMO, Aetna PPO, CareFirst HMO, and CareFirst PPO plans. Once a participant becomes eligible for Medicare, the plans pay as if Medicare is primary, even if the retiree does not enroll in Medicare. In addition, the retiree has the choice of several Medicare Advantage plans.

January 1, 2025 Plans				
Plan	Aetna CDHP	Aetna PPO	Aetna HMO	Kaiser Permanente HMO
<b><u>In-Network (INN) Benefits</u></b>				
Deductible (Individual / Family)	\$1,650 / \$3,300	\$750 / \$1,500	\$0	\$0
Coinsurance	85%	85%	100%	100%
Out-of-Pocket Max (Individual / Family)	\$3,425 / \$6,850	\$1,500 / \$3,000	\$3,500 / \$9,400	\$3,500 / \$9,400
<b>Coverages</b>				
Preventive Care	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care	DC*	\$15 Copay	\$10 Copay	\$10 Copay
OV - Specialist Care Provider (SCP)	DC*	\$15 Copay	\$20 Copay	\$20 Copay
Hospital Emergency Room (ER)	DC*	\$100 Copay	\$100 Copay	\$50 Copay
Urgent Care (UC)	DC*	\$25 Copay	\$20 Copay	\$20 Copay
Outpatient Surgery	DC*	DC*	\$50 Copay	\$50 Copay
Hospital Inpatient	DC*	DC*	\$100 Copay per stay	\$100 Copay per stay
Lifetime Max	No Limit	No Limit	No Limit	No Limit
<b><u>Out-of-Network (OON) Benefits</u></b>				
Deductible (Individual / Family)	\$2,500 / \$5,000	\$1,500 / \$3,000		
Coinsurance	60%	75%		
Out-of-Pocket Max (Individual / Family)	\$6,450 / \$12,900	\$3,000 / \$6,000		
<b><u>Prescription Drug Benefits</u></b>				
Retail (30 Days) - Generic/Formulary/Non-form. Copay	\$10 / \$30 / \$60	\$20 / \$40 / \$55	\$20 / \$40 / \$55	\$10/\$20/\$35 Plan Pharmacy; \$20/\$40/\$55 Participating
Mail Order (90 Days) - Generic/Formulary/Non-form. Copay	\$20 / \$60 / \$120	\$20 / \$40 / \$55	\$20 / \$40 / \$55	\$16 / \$36 / \$66
Separate Drug Out of Pocket Max	N/A	\$5,100 / \$10,200	\$3,100 / \$3,800	N/A
<b><u>Detail Benefits</u></b>				
Mental Health and Substance Abuse Inpatient	DC*	DC*	\$100 Copay per stay	\$100 Copay per stay
Mental Health and Substance Abuse Outpatient	DC*	\$5 Copay	\$5 Copay	\$10 / \$5 group
Rehabilitation	DC*	DC*	\$10	\$20
Chiropractors	DC*	DC*	\$10	\$20
Dental	Not covered	Not covered	Not covered	\$30
Vision Exam	100%	100%	\$10 Copay	\$10 Copay
Vision Lens/Frames/Contacts	\$100/ 24 months	\$100/ 24 months	\$100/ 24 months	Every 12 months

\*DC = Deductible and Coinsurance

<sup>1</sup> No network, benefits same as in-network benefits



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**APPENDIX C – SUMMARY OF PLAN PROVISIONS**

January 1, 2025 Plans				
Plan	CareFirst HMO	Care First PPO	United Health Care HMO	Care PPO
<b><u>In-Network (INN) Benefits</u></b>				
Deductible (Individual / Family)	\$0	\$750 / \$1,500	\$0	\$750 / \$1,500
Coinsurance	100%	85%	100%	85%
Out-of-Pocket Max (Individual / Family)	\$3,500 / \$9,400	\$1,500 / \$3,000	\$3,500 / \$9,400	\$1,500 / \$3,000
<b>Coverages</b>				
Preventive Care	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care	\$10 Copay	\$15 Copay	\$10 Copay	\$15 Copay
OV - Specialist Care Provider (SCP)	\$20 Copay	\$15 Copay	\$20 Copay	\$15 Copay
Hospital Emergency Room (ER)	\$100 Copay	\$100 Copay	\$100 Copay	\$100 Copay
Urgent Care (UC)	\$20 Copay	\$25 Copay	\$20 Copay	\$25 Copay
Outpatient Surgery	\$50 Copay	DC*	\$50 Copay	DC*
Hospital Inpatient	\$100 Copay per stay	DC*	\$100 Copay per stay	DC*
Lifetime Max	No Limit	No Limit	No Limit	No Limit
<b><u>Out-of-Network (OON) Benefits</u></b>				
Deductible (Individual / Family)		\$1,500 / \$3,000		\$1,500 / \$3,000
Coinsurance		75%		75%
Out-of-Pocket Max (Individual / Family)		\$3,000 / \$6,000		\$3,000 / \$6,000
<b><u>Prescription Drug Benefits</u></b>				
Retail (30 Days) - Generic/Formulary/Non-form. Copay	\$20 / \$40 / \$55	\$20 / \$40 / \$55	\$20 / \$40 / \$55	\$20 / \$40 / \$55
Mail Order (90 Days) - Generic/Formulary/Non-form. Copay	\$20 / \$40 / \$55	\$20 / \$40 / \$55	\$16 / \$36 / \$66	\$20 / \$40 / \$55
Separate Drug Out of Pocket Max	N/A	\$5,100 / \$10,200	N/A	N/A
<b><u>Detail Benefits</u></b>				
Mental Health and Substance Abuse Inpatient	\$100 Copay per stay	DC*	\$100 Copay per stay	DC*
Mental Health and Substance Abuse Outpatient	\$10 Copay	\$15 Copay	\$10 Copay	\$15 Copay
Rehabilitation	\$10 Copay	DC*	\$10 Copay	DC*
Chiropractors	\$10 Copay	DC*	\$10 Copay	DC*
Dental	Not covered	Not covered	Not covered	Not covered
Vision Exam	\$10 Copay	\$10 Copay	Not covered	\$0 Copay
Vision Lens/Frames/Contacts			Not covered	Not covered

\*DC = Deductible and Coinsurance

<sup>1</sup> No network, benefits same as in-network benefits



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Plan	Aetna Medicare PPO with ESA	Kaiser Permanente Medicare Advantage HMO	United Health Care Group Medicare Advantage (PPO)	CareFirst BlueCross BlueShield Group Advantage (PPO)
<b><u>In-Network (INN) Benefits</u></b>				
Deductible (Individual / Family)	\$0	\$0	\$0	\$0
Coinsurance	100%	100%	100%	100%
Out-of-Pocket Max (Individual / Family)	\$1,000	\$3,400	\$500	\$6,000
<b>Coverages</b>				
Preventive Care	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Office Visit (OV)-Primary Care	\$10 Copay	\$15 Copay	\$5 Copay	\$5 Copay
OV - Specialist Care Provider (SCP)	\$15 Copay	\$15 Copay	\$10 Copay	\$15 Copay
Hospital Emergency Room (ER)	\$50 Copay	\$50 Copay	\$65 Copay	\$50 Copay
Urgent Care (UC)	\$15 Copay	\$15 Copay	\$5 Copay	\$15 Copay
Outpatient Surgery	Fully Covered	Fully Covered	Fully Covered	Fully Covered
Hospital Inpatient	Fully Covered	\$100 Copay per stay	\$100 Copay per stay	\$50 Copay per stay
Lifetime Max	No Limit	No Limit	No Limit	No Limit
<b><u>Out-of-Network (OON) Benefits</u></b>				
Deductible (Individual / Family)	\$0			\$0
Coinsurance	0%			0%
Out-of-Pocket Max (Individual / Family)	\$1,000			\$6,000
<b><u>Prescription Drug Benefits</u></b>				
Retail (30 Days) - Generic/Formulary/Non-form. Copay	\$10 / \$20 / \$40	\$12.50	\$10 / \$30 / \$40	\$5 / \$10 / \$20 / \$40
Mail Order (90 Days) - Generic/Formulary/Non-form. Copay	\$20 / \$40 / \$80	\$10	\$20 / \$60 / \$80	\$10 / \$20 / \$40 / \$80
Separate Drug Out of Pocket Max	N/A	N/A	N/A	N/A
<b><u>Detail Benefits</u></b>				
Mental Health and Substance Abuse Inpatient	Fully Covered	\$100 Copay per stay	\$100 Copay per stay	Fully Covered
Mental Health and Substance Abuse Outpatient	\$15 Copay	\$15 Copay	\$10 / \$5 Group	\$10 / \$5 group
Rehabilitation	\$15 Copay	\$15 Copay	\$5 Copay	\$15 Copay
Chiropractors	\$15 Copay	\$15 Copay	\$10 Copay	\$15 Copay
Medicare Covered Dental	\$15 Copay	\$30 Copay	\$10 Copay	\$15 Copay
Vision Exam	100%	\$15 Copay	\$10 Copay	100%
Vision Lens/Frames/Contacts	\$100/ 24 months	20% to Medicare's Limit	Not covered	\$100/ 12 months

\*DC = Deductible and Coinsurance

<sup>1</sup> No network, benefits same as in-network benefits





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**Retiree Contributions**

General Employees

Retirees under the age of 62 pay the full aggregate active-life rate for coverage. Thus, prior to age 62, the retiree healthcare plan is an access-only plan. Once a retiree attains age 62, the retiree pays a portion of the aggregate, active-life rate, as determined under the following schedule:

Percentage of Plan Aggregate Cost Rate Paid by Retiree		
Annuitant's Years of Service	Retiree Coverage	Dependent/Survivor's Coverage
Less than 10	100%	100%
10-25	75% minus 2.5% for each year of service in excess of 10	80% minus 2.5% for each year of service in excess of 10
25-29	75% minus 2.5% for each year of service in excess of 10	40%
30 or more	25%	40%

Teachers

For annuitants who are injured in the line of duty, the retiree contributes 25% of the Plan aggregate, active-life rate for both the retiree and dependent coverage, regardless of years of service.

Percentage of Plan Aggregate Cost Rate Paid by Retiree		
Annuitant's Years of Service	Retiree Coverage	Dependent/Survivor's Coverage
Less than 10	100%	100%
10-25	75% minus 2.5% for each year of service in excess of 10	80% minus 2.5% for each year of service in excess of 10
25-29	75% minus 2.5% for each year of service in excess of 10	40%
30 or more	25%	40%



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Police & Fire

For annuitants who are injured in the line of duty, the retiree contributes 25% of the Plan aggregate, active-life rate for both retiree and dependent coverage, regardless of years of service.

Percentage of Plan Aggregate Cost Rate Paid by Retiree		
Annuitant's Years of Service	Retiree Coverage	Dependent/Survivor's Coverage
<b>Hired before 11/10/1996</b>		
Less than 5	100%	100%
5 or more	25%	40%
<b>Hired on or after 11/10/1996</b>		
Less than 10	100%	100%
10-21	70% minus 3.0% for each year of service in excess of 10	75% minus 3.0% for each year of service in excess of 10
25-29	70% minus 3.0% for each year of service in excess of 10	40%
30 or more	25%	40%

**Life Insurance**

The District offers Basic Life Insurance coverage with the continuation of Supplemental Life insurance. Participants may elect to continue the amount of the basic preretirement group life insurance amount in retirement, which is one times earnings rounded up to the nearest thousand, plus \$2,000. Under the 75% reduction option, participant monthly premiums of \$0.0939 per \$1,000 of insurance are required. Under the 75% reduction option, coverage reduces 2% per month on the second calendar month after retiree turns age 65 until the coverage amount reaches 25% of the original insurance amount and is level thereafter.

Retirees may also elect a 50% or a 0% reduction option, which require additional retiree contributions. Retirees may also purchase additional life insurance coverage beyond the basic coverage, on a retiree-pay-all basis. The District also contributes monthly premiums of \$0.0469 per \$1,000 of insurance at all reduction levels. (This applies to Basic Insurance only). For optional coverage (A, B, & C), retirees may continue coverage that they have at the time of retirement with the option of reduction, but are not eligible to add and/or increase coverage. (All optional insurance premiums (A, B, & C) are 100% retiree contributions).

**Changes Since Prior Valuation**

None



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**APPENDIX D – GLOSSARY OF TERMS**

**1. Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting OPEB costs, such as mortality, withdrawal, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the actuarial value of assets; and other relevant items.

**2. Actuarial Cost Method**

A procedure for determining the actuarial present value of OPEB plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an actuarial liability.

**3. Actuarially Determined Contribution**

A target or recommended contribution for the reporting period determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

**4. Actuarial Gain (Loss)**

A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

**5. Actuarial Liability**

The portion of the actuarial present value of projected benefits, which will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

**6. Actuarial Present Value (Present Value)**

The value as of a given date of a future amount or series of payments, the actuarial present value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made. As a simple example: assume you owe \$100 to a friend one year from now. Also, assume there is a 1% probability of your friend dying over the next year, in which case you will not be obligated to pay him. If the assumed investment return is 10%, the actuarial present value is:

<u>Amount</u>		<u>Probability of Payment</u>		$\frac{1}{(1+\text{Discount Rate})}$		<u>Present Value</u>
\$100	x	(1 - .01)	x	$\frac{1}{1/(1+.1)}$	=	\$90



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**APPENDIX D – GLOSSARY OF TERMS**

**7. Actuarial Valuation Date**

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer’s reporting date.

**8. Actuarial Value of Assets**

The value of cash, investments, and other property belonging to an OPEB plan as used by the actuary for the purpose of an actuarial valuation. The purpose of an actuarial value of assets is to smooth out fluctuations in market values. This way long-term costs are not distorted by short-term fluctuations in the market.

**9. Amortization Payment**

The portion of the OPEB plan contribution, which is designed to pay interest and principal on the unfunded actuarial liability in order to pay for that liability in a given number of years.

**10. Entry Age Normal Actuarial Cost Method**

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

**11. Normal Cost**

That portion of the actuarial present value of OPEB plan benefits and expenses, which is allocated to a valuation year by the actuarial cost method.

**12. Unfunded Actuarial Liability**

The excess of the actuarial liability over the actuarial value of assets.

**13. Funded Percentage**

The ratio of the actuarial value of assets to the actuarial liabilities.

**14. Mortality Table**

A set of percentages, which estimate the probability of death at a particular point in time. Typically, the rates are annual and based on age and sex.

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**APPENDIX D – GLOSSARY OF TERMS**

**15. Discount Rate**

The assumed interest rate used for converting projecting plus dollar-related values to a present value as of the valuation date.

**16. Medical Trend**

The assumed increase in dollar-related values in the future due to the increase in the cost of health care.

**17. Deferred Inflow of Resources**

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 75, these are experience gains on the total OPEB liability, assumption changes reducing the total OPEB liability, or investment gains that are recognized in future reporting periods.

**18. Deferred Outflow of Resources**

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 75, these are experience losses on the total OPEB liability, assumption changes increasing the total OPEB liability, or investment losses that are recognized in future reporting periods.

**19. Entry Age Actuarial Cost Method**

The actuarial cost method required for GASB 74 and 75 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the total OPEB liability.

**20. Measurement Date**

The date as of which the total OPEB liability and plan fiduciary net position is measured, the total OPEB liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the Plan.

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**21. Net OPEB Liability**

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit OPEB plan. It is calculated as the total OPEB liability less the plan fiduciary net position.

**22. Plan Fiduciary Net Position**

The fair or Market Value of Assets.

**23. Reporting Date**

The last day of the Plan or employer's fiscal year.

**24. Service Cost**

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 74 and 75. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

**25. Total OPEB Liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 74 and 75. The total OPEB liability is the Actuarial Liability calculated under the entry age actuarial cost method.

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