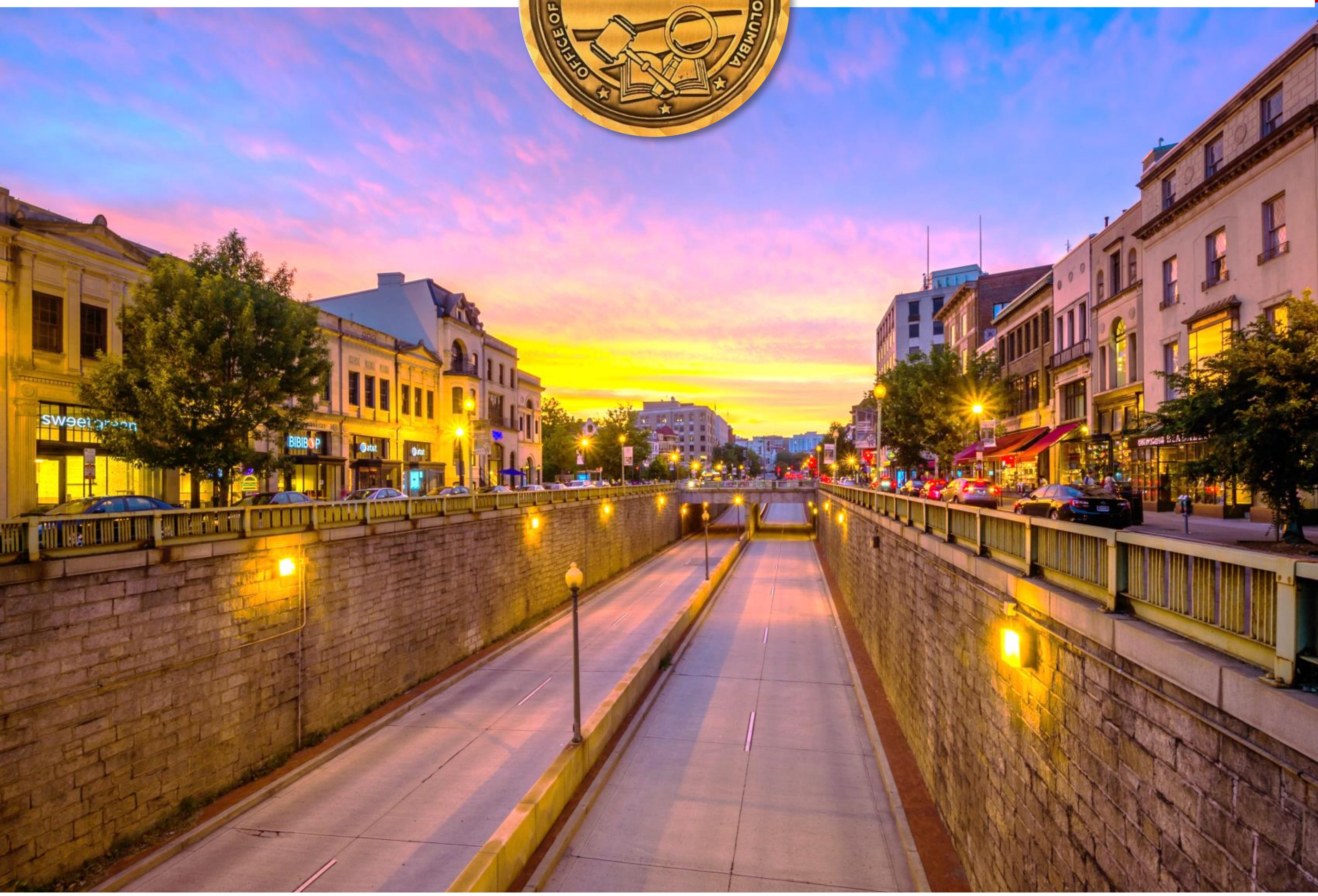
OFFICE OF THE
INSPECTOR GENERAL
DISTRICT OF COLUMBIA GOVERNMENT

AUDIT REPORT

Other Post-Employment Benefits Fund

Financial Statements and Independent Auditor's Reports
Fiscal Year 2024
OIG No. 24-1-13MA

January 31, 2025



DANIEL W. LUCAS
INSPECTOR GENERAL

OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability; inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

OUR VISION

We strive to be a world-class Office of the Inspector General that is customer focused and sets the standard for oversight excellence!

OUR VALUES

Accountability: We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

Continuous Improvement: We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

Excellence: Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

Integrity: Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

Professionalism: As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

Transparency: Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.

MEMORANDUM

To: The Honorable Muriel Bowser
Mayor of the District of Columbia

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

From: Daniel W. Lucas
Inspector General

Date: January 31, 2025

Subject: **Other Post-Employment Benefits Fund Annual Financial Statements**
OIG No. 24-1-13MA

This memorandum transmits the final *Other Post-Employment Benefits Fund Financial Statements and Independent Auditor's Reports* for fiscal year 2024. McConnell Jones, LLP (MJ) provided the Office of the Inspector General these reports as part of the annual audit of the District of Columbia's general-purpose financial statements for fiscal year 2024.

On January 17, 2025, MJ issued its opinion and concluded that the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. MJ identified no material weaknesses in internal control over financial reporting. MJ issued one recommendation intended to improve the effectiveness of internal controls over District of Columbia operations and programs. (See OIG Report No. 24-1-13MA(a).)

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.

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

TABLE OF CONTENTS

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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 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.

5101 Wisconsin Ave., NW
Suite 210
Washington, DC 20016
Phone: 202.207.3570

WWW.MCCONNELLJONES.COM

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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

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 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

McConnell Jones

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 GAAS. 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

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

	Fiscal Year Ended September 30,		
	2024	**2023**	**2022**
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

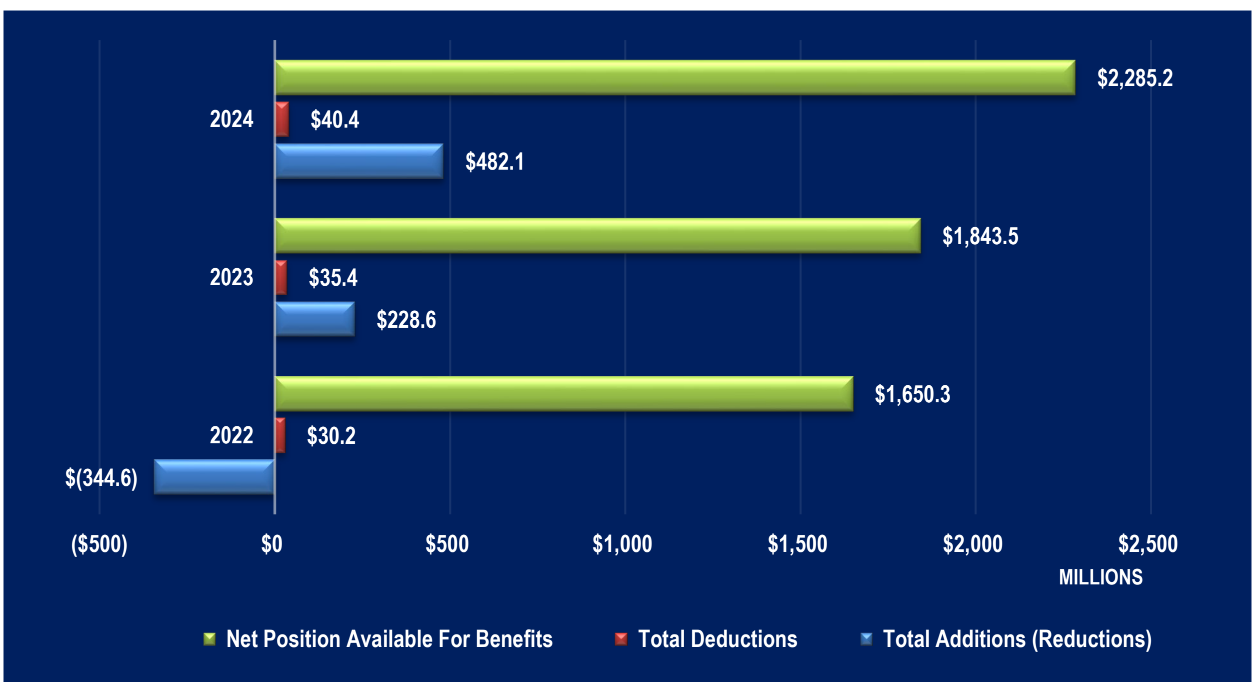
Table 1 – Condensed Statements of Fiduciary Net Position as of September 30, 2024, 2023, and 2022

			FY 2024 – FY 2023			FY 2023 – FY 2022	
	2024	**2023**	**Variance**	**Variance %**	**2022**	**Variance**	**Variance %**
Assets							
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%
Liabilities							
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 %**
Additions/Reductions							
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%
Deductions							
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.



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.

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.

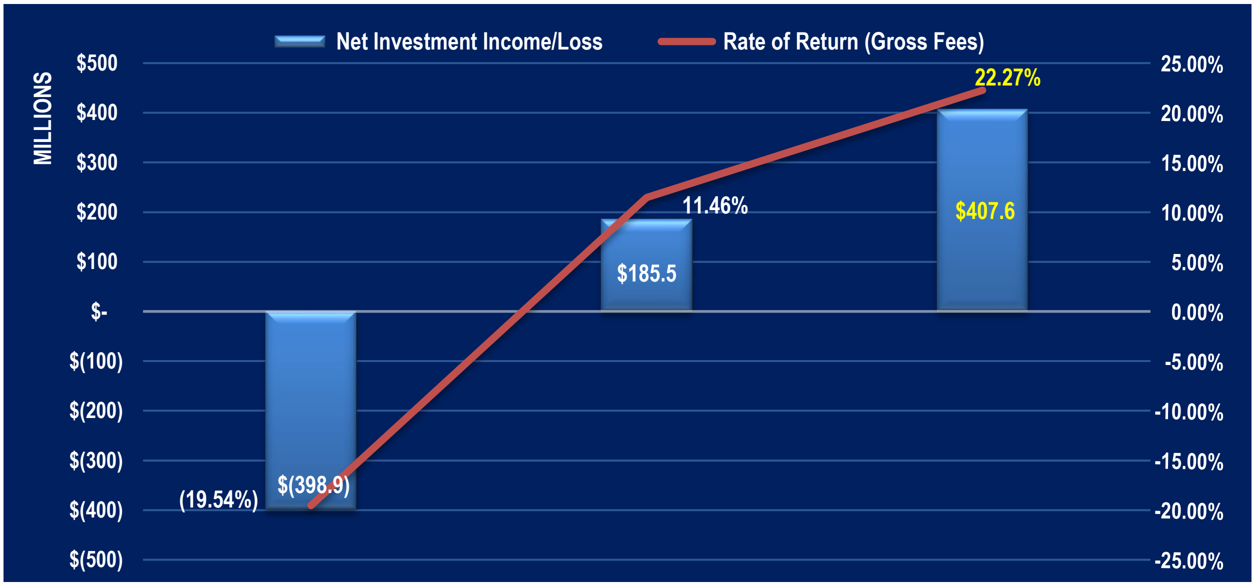
Fund Contributions

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.

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 2024	Benchmark 2024	ROR 2023	Benchmark 2023	ROR 2022	Benchmark 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.

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 Ballie 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:

	September 30, 2024	**September 30, 2023**
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:

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

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.

Investment Firm *(In dollars)*	2024	2023	2022
Management Fees from Investment Managers:			
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	-	-
Subtotal Management Fees from Investment Managers	4,189,030	2,929,562	2,950,397
Management and Custody Fees:			
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
Subtotal Management and Custody Fees	5,139,495	3,802,582	4,392,455
Management Fees from Net Asset Valuation			
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
Subtotal Management Fees from Net Asset Valuation	2,327,625	2,322,780	2,405,975
Total Investment Management and Custody Fees	$ 7,467,120	$ 6,125,362	$ 6,798,430

*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

	2024	2023
ASSETS		
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
LIABILITIES		
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
Net Position Restricted for Other Post-Employment Benefits	$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
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
ADDITIONS		
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
Total Additions	482,087,125	228,558,857
DEDUCTIONS		
Insurance Carrier Premiums	38,544,096	34,017,345
Administrative Expenses	1,847,399	1,346,663
Total Deductions	40,391,495	35,364,008
Changes in Fund Net Position	441,695,630	193,194,849
Net Position Restricted for Other Post-Employment Benefits		
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.

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.

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.

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.

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.

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.

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:

Funds by Investment Firm	2024	Percentage*	2023	Percentage*
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%	-	-
Total Cash and Cash Equivalents	$ 111,782,451	4.86%	$ 79,213,345	4.26%

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

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*
Equity Funds by Investment Firm				
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%	-	-
Total Equity	$1,465,629,516	63.74%	$1,137,502,622	61.06%
Debt Securities Funds by Investment Firm				
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%
Total Debt Securities	$ 624,280,506	27.15%	$ 589,742,813	31.65%
Commodities Funds by Investment Firm				
Gresham Strategic Commodities Fund**	$ -	0.00%	$ 56,221,561	3.02%
Total Commodities	$ -	0.00%	$ 56,221,561	3.02%
Alternatives				
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%	-	-
Total Alternatives	$ 97,672,245	4.25%	$ -	-
Total Investments	$2,187,582,267	95.14%	$1,783,466,996	95.73%

* Includes cash and investments.
**Fund terminated

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.

NOTE 5 INVESTMENTS (CONTINUED)

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

		Fair Value Measurements Using		
As of September 30, 2024 **Investments by Fair Value Level**	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
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
Total Investments by Fair Value Level	$ 946,161,919	$ 624,751,521	$ 223,783,153	$ 97,672,245
Investments Measured at the Net Asset Value (NAV)				
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	-	-	-
Total Investments Measured at Fair Value	$ 2,187,582,267	$ -	$ -	$ -
Investment Derivative Instruments				
Interest Rate Swaps	$ 111,770	$ -	$ 111,770	$ -
Credit Defaults Swaps	-	-	-	-
Foreign Exchange Forwards	(25,885)	-	(25,885)	-
Total Investment Derivative Instruments	$ 85,885	$ -	$ 85,885	$ -

NOTE 5 INVESTMENTS (CONTINUED)

		Fair Value Measurements Using		
As of September 30, 2023		**Quoted Prices in Active Markets for Identical Assets**	**Significant Other Observable Inputs**	**Significant Unobservable Inputs**
Investments by Fair Value Level	**Total**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Equity Securities				
U.S. Equities *(by Industry)*				
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 *(by Industry)*				
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	-	-
Total Equity Securities	447,972,733	447,972,733	-	-
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	-	-
Total Debt Securities	250,476,123	29,395,961	221,080,162	-
Commodity Investments				
Gresham Commodities Fund	56,221,561	-	-	56,221,561
Total Investments by Fair Value Level	$ 754,670,417	$ 477,368,694	$ 221,080,162	$ 56,221,561
Investments Measured at the Net Asset Value (NAV)				
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	-	-	-
Total Investments Measured at the NAV	1,028,796,579	-	-	-
Total Investments Measured at Fair Value	$ 1,783,466,996	$ -	$ -	$ -
Investment Derivative Instruments				
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)	-
Total Investment Derivative Instruments	$ 464,003	$ -	$ 464,003	$ -

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:

	Fair Value as of September 30,				
Investment	**2024**	**2023**	**Unfunded Commitments**	**Redemption Frequency *(If Currently Eligible)***	**Redemption Notice Period**
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	$ 1,241,420,348	$ 1,028,796,578			

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.

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.

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.

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:

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

As of September 30, 2023:

International Securities	Short-Term and Cash	Convertible and Fixed Income	Total
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	$ 49,179,951	$ 8,492,411	$ 57,672,362

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.

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:

Investment Firm	2024	2023
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:

Investment Firm	2024	2023
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.

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.

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:

	Change in Fair Value		Fair Value at September 30, 2024		
Investment Derivatives	**Classification**	**Amount**	**Classification**	**Amount**	**Notional Amount**
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	$ -
Total		**$ 406,081**		**$ 85,885**	

As of September 30, 2023:

	Change in Fair Value		Fair Value at September 30, 2023		
Investment Derivatives	**Classification**	**Amount**	**Classification**	**Amount**	**Notional Amount**
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	$149,891,000
Total		**$(5,478,323)**		**$ 464,003**	

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.

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)
Foreign Currency Contracts Purchased				
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
BRISTISH 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	-	-	-
Total Contracts Purchased		-		(89,000)
Foreign Currency Contracts Sold				
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
BRISTISH 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
Total Contracts Sold		(25,885)		456,704
Net Unrealized (Loss) Gain on Foreign Currency Forward Contracts		$ (25,885)		$ 367,704

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:

	2024	**2023**
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:

	2024	**2023**
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.

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.

	2024	
Asset Class	**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%

	2023	
Asset Class	**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:

NOTE 6 NET OPEB LIABILITY (CONTINUED)

	2024		
	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)

	2023		
	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.

	2024		
	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

	2023		
	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

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
Total OPEB Liability							
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)	$ 2,111,256,701	$ 2,016,357,659	$ 1,823,480,465	$ 1,711,707,372	$ 1,621,634,069	$ 1,464,701,414	$ 1,391,000,862
Fund Fiduciary Net Position							
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)	$ 2,285,177,632	$ 1,843,482,002	$ 1,650,287,153	$ 2,025,061,908	$ 1,640,681,507	$ 1,509,102,271	$ 1,462,029,859
Net OPEB liability (asset) - end of year ((a) - (b))	$ (173,920,931)	$ 172,875,657	$ 173,193,312	$ (313,354,536)	$ (19,047,438)	$ (44,400,857)	$ (71,028,997)
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

September 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
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.

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.

McConnell
Jones

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.

5101 Wisconsin Ave., NW
Suite 210
Washington, DC 20016
Phone: 202.207.3570
Fax: 202.968.1601

WWW.MCCONNELLJONES.COM

McConnell
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

REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.

(202) 724-TIPS (8477) and (800) 521-1639

https://oig.dc.gov

oig@dc.gov