

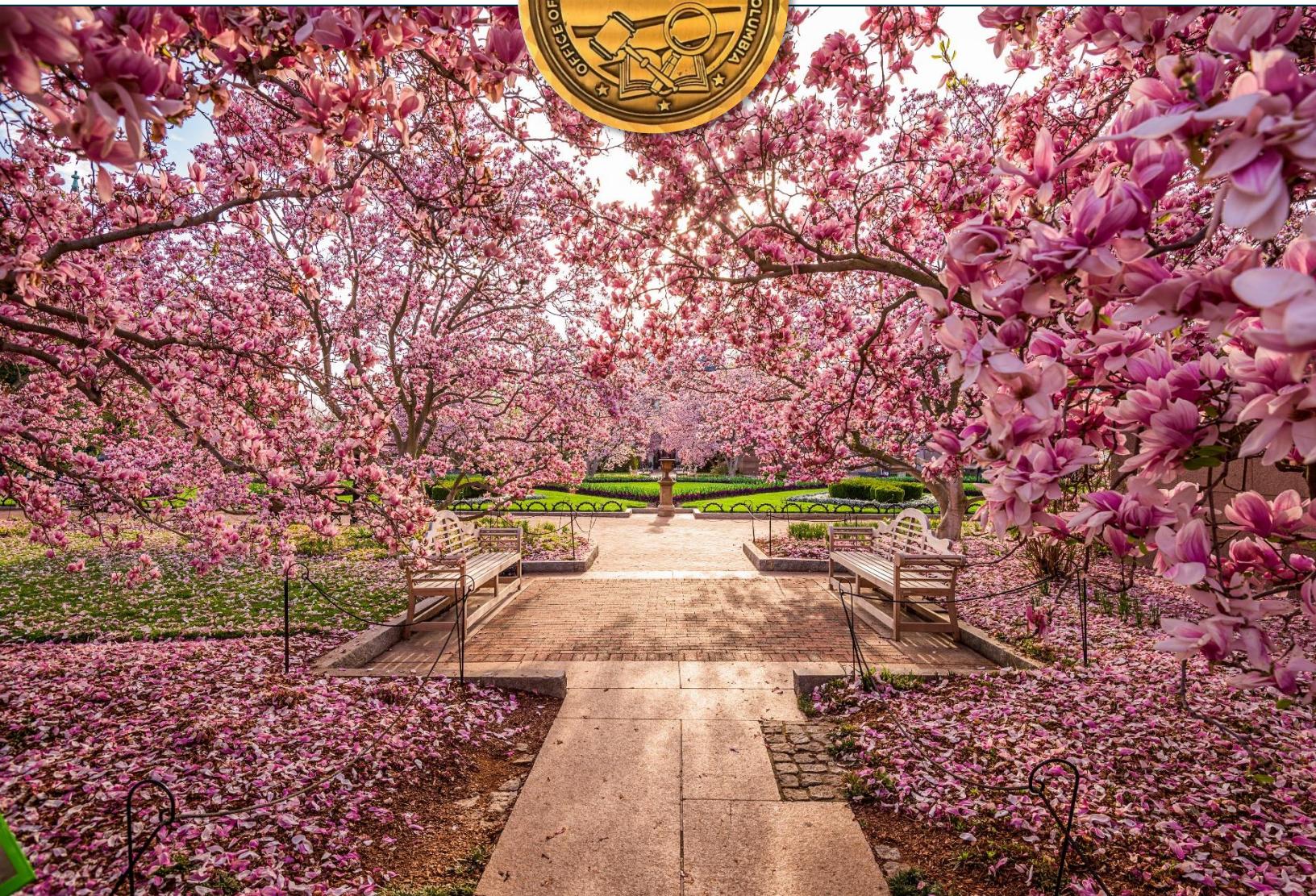
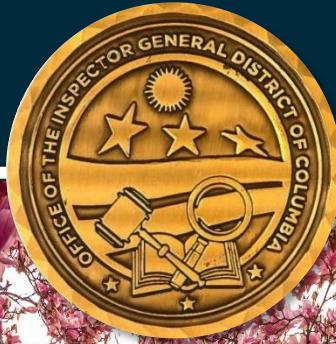
AUDIT REPORT

Other Post-Employment Benefits Fund

Annual Financial Statements and Independent Auditor's Reports for
Fiscal Year 2025

OIG No. 25-1-06MA

January 30, 2026



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.



DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

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 30, 2026

Subject: **Other Post-Employment Benefits Fund Annual Financial Statements | OIG No. 25-1-06MA**

This memorandum transmits the final *Other Post-Employment Benefits Fund Financial Statements and Independent Auditor's Reports* for fiscal year 2025. CliftonLarsonAllen LLP (CLA) conducted the audit and submitted these reports as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2025.

On January 5, 2026, CLA 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. CLA found no material weaknesses in internal control over financial reporting. Additionally, CLA issued two management letter comments noting internal control deficiencies (not rising to the level of a significant deficiency or material weakness) and recommended two actions to strengthen controls and improve operational efficiency (See OIG Report No. 25-1-06MA(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 PLAN

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

FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

GOVERNMENT OF THE DISTRICT OF COLUMBIA

**OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF FINANCE AND TREASURY**

OTHER POST-EMPLOYMENT BENEFITS FUND PLAN

SEPTEMBER 30, 2025 AND 2024

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INDEPENDENT AUDITORS' 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, DC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the District of Columbia Other Post-Employment Benefits Plan (the Plan), a component unit of the Government of the District of Columbia, which comprise the statement of fiduciary net position as of and for the year ended September 30, 2025, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the Plan's financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of September 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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.

Other Matter

The financial statements of the Plan for the year ended September 30, 2024, were audited by another auditor, who expressed an unmodified opinion on those statements on January 17, 2025.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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
District of Columbia Other Post-Employment Benefits Plan

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 Plan'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Plan'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 Plan'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.

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
District of Columbia Other Post-Employment Benefits Plan

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net OPEB asset/liability and related ratios, the schedule of contributions, and the schedule of investment returns as listed in the table of contents 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the transmittal letter but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026, on our consideration of the Plan'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 Plan'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 Plan's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
January 5, 2026

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024

The following presents management's discussion and analysis of the financial performance of the Government of the District of Columbia's (the "District") Other Post-Employment Benefits Fund Plan or the "Plan," a fiduciary fund of the District, for the fiscal years ended September 30, 2025 and 2024. 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 Plan.

Overview of the Financial Statements

The Plan is required to follow U.S. Generally Accepted Accounting Principles and, as such, the Plan'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 Plan'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 Plan's net position.
- The Notes to Financial Statements provide additional information that are 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 the 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 (asset), as well as financial reporting by plans that administer OPEB benefits on behalf of governments.

Financial Highlights

	Fiscal Year Ended September 30,		
	2025	2024	2023
The Fund's Investment	\$2,486,309,300	\$2,187,582,267	\$1,783,466,996
District's Contributions	\$ 63,900,000	\$ 72,700,000	\$ 41,500,000

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
SEPTEMBER 30, 2025 AND 2024

Table 1 – Condensed Statements of Fiduciary Net Position as of September 30, 2025, 2024, and 2023

	FY 2025 – FY 2024			Variance %	FY 2024 – FY 2023		
	2025	2024	Variance		2023	2024	Variance %
Assets							
Cash and Cash Equivalents	\$ 63,673,715	\$ 111,782,451	\$ (48,108,736)	(43.0%)	\$ 79,213,345	\$ 32,569,106	41.1%
Receivables	8,863,018	8,618,880	244,138	2.8%	65,888,909	(57,270,029)	(86.9%)
Investments, at fair value	2,486,309,300	2,187,582,267	298,727,033	13.7%	1,783,466,996	404,115,271	22.7%
Total Assets	<u>2,558,846,033</u>	<u>2,307,983,598</u>	<u>250,862,435</u>	<u>10.9%</u>	<u>1,928,569,250</u>	<u>379,414,348</u>	<u>19.7%</u>
Liabilities							
Investment Purchases and Other Payables	26,603,621	22,805,966	3,797,655	16.7%	85,087,248	(62,281,282)	(73.2%)
Net Position	<u>\$ 2,532,242,412</u>	<u>\$ 2,285,177,632</u>	<u>\$247,064,780</u>	<u>10.8%</u>	<u>\$ 1,843,482,002</u>	<u>\$441,695,630</u>	<u>24.0%</u>

Table 2 – Condensed Statements of Changes in Fiduciary Net Position for Fiscal Years Ended September 30, 2025, 2024 and 2023

	FY 2025 – FY 2024			Variance %	FY 2024 – FY 2023		
	2025	2024	Variance		2023	2024	Variance %
Additions/Reductions							
Contributions	\$ 65,951,404	\$ 74,438,746	\$ (8,487,342)	(11.4%)	\$ 43,038,875	\$ 31,399,871	73.0%
Net Investment Income	227,854,931	407,648,379	(179,793,448)	(44.1%)	185,519,982	222,128,397	119.7%
Total Additions (Reductions)	<u>293,806,335</u>	<u>482,087,125</u>	<u>(188,280,790)</u>	<u>(39.1%)</u>	<u>228,558,857</u>	<u>253,528,268</u>	<u>110.9%</u>
Deductions							
Insurance Premiums	44,862,143	38,544,096	6,318,047	16.4%	34,017,345	4,526,751	13.3%
Administrative Expenses	1,879,412	1,847,399	32,013	1.7%	1,346,663	500,736	37.2%
Total Deductions	<u>46,741,555</u>	<u>40,391,495</u>	<u>6,350,060</u>	<u>15.7%</u>	<u>35,364,008</u>	<u>5,027,487</u>	<u>14.2%</u>
Net Increase	<u>247,064,780</u>	<u>441,695,630</u>	<u>(194,630,850)</u>	<u>(44.1%)</u>	<u>193,194,849</u>	<u>248,500,781</u>	<u>128.6%</u>
Beginning Net Position	<u>2,285,177,632</u>	<u>1,843,482,002</u>			<u>1,650,287,153</u>		
Ending Net Position	<u>\$ 2,532,242,412</u>	<u>\$ 2,285,177,632</u>			<u>\$1,843,482,002</u>		

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



GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
SEPTEMBER 30, 2025 AND 2024

Financial Analysis – Fiduciary Net Position

Fiscal Year 2025

The Plan's investments increased by \$298.7 million or 13.7%, from the prior fiscal year. Cash and cash equivalents decreased by \$48.1 million or 43.0% from the prior fiscal year. The overall change in investments and cash and cash equivalents is primarily due to a net investment gain of \$227.9 million during fiscal year 2025. Market conditions were less favorable during fiscal year 2025 compared to 2024, however, of the twenty (20) funds reported during fiscal year 2025, nineteen (19) had positive rates of return. As of September 30, 2025, the funds were invested in equities (64.33%), debt securities (32.37%) and alternatives (3.30%).

Receivables increased by \$0.2 million or 2.8% over the prior fiscal year primarily due to an increase in interest and dividends accrued at the end of the year.

Investment purchases and other payables increased by \$3.8 million or 16.7% over the prior fiscal year primarily due to an increase in management and administrative fees payable of \$2.5 million and trade payables of \$1.3 million.

Fiscal Year 2024

The Plan'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 Plan'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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
SEPTEMBER 30, 2025 AND 2024

Financial Analysis – Changes in Fiduciary Net Position

Fiscal Year 2025

Total Additions to the Plan decreased by \$188.3 million or 39.1%, from the prior fiscal year because of a decrease in contributions of \$8.5 million and a decrease in net investment gain of \$179.8 million compared to prior year. Deductions from the Plan increased by \$6.4 million or 15.7%, over the prior fiscal year, primarily because of an increase in insurance premiums. A detailed analysis of the major components of additions and deductions is provided below.

Fiscal Year 2024

Additions to the Plan 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 Plan 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 Plan 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 Plan 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.

Plan Contributions

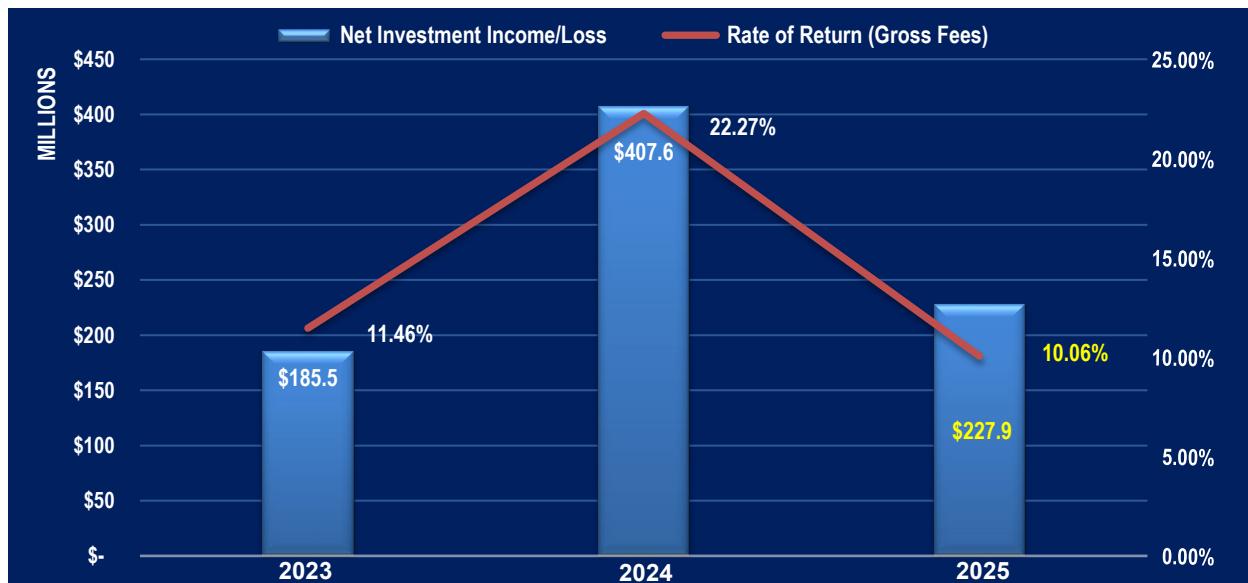
For fiscal years ended September 30, 2025, 2024 and 2023, the District made actuarially based contributions in the amounts of \$63.9 million, \$72.7 million, and \$41.5 million, respectively; which were based on congressionally approved budget authority. The District made contributions to the Plan that covered current and future Plan benefits. Annuitant contributions for years ended September 30, 2025, 2024 and 2023, amounted to \$2.1 million, \$1.7 million, and \$1.5 million, respectively.

Net Investment Income or (Loss)

For fiscal years ended September 30, 2025, 2024 and 2023, the Plan had a rate of return (gross of fees) of 10.06%, 22.27%, and 11.46%, respectively, and net investment income of \$227.9 million, \$407.6 million, and \$185.5 million, respectively. The Plan's net investment income for fiscal year 2025 was a result of positive rates of returns for 19 out of 20 funds.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
SEPTEMBER 30, 2025 AND 2024

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



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

Investment	ROR		Benchmark		ROR		Benchmark	
	2025	2025	2024	2024	2023	2023	2023	2023
Access Capital ETI	2.78%	3.48%	12.02%	12.22%	(0.86%)	(0.04%)		
Arrowstreet Global Equity ACWI	24.93%	17.27%	30.77%	31.76%	N/A	N/A		
Artisan High Income***	9.08%	7.41%	-	-	N/A	N/A		
Artisan International Value Equity	9.89%	23.40%	25.85%	24.00%	31.90%	32.46%		
Atlanta Capital SMID Cap Core***	(6.85%)	10.16%	-	-	N/A	N/A		
Baillie Gifford International Growth Equity	15.42%	8.09%	27.53%	26.93%	13.13%	20.41%		
Bernstein Global Plus*	-	-	-	-	2.92%	3.39%		
Bernstein Strategic Core – Plus	3.13%	2.88%	12.61%	11.57%	1.13%	0.64%		
BlueBay Emerging Market Bond Fund*	-	-	-	-	16.18%	11.58%		
Brandywine Large Cap Value	12.34%	9.44%	23.07%	27.76%	17.06%	14.44%		
Channing Capital Small Cap Value***	6.04%	7.88%	-	-	N/A	N/A		
ClearBridge Mid Cap Core*	-	-	-	-	11.42%	13.45%		
Dover Street XI L.P. – Private Equity****	14.68%	6.58%	-	-	N/A	N/A		
Gresham Strategic Commodities Fund*	-	-	-	-	(3.26%)	(1.30%)		
Harbourvest Direct Lending II – Private Debt****	5.80%	7.41%	-	-	N/A	N/A		
Metis Real Asset Index**	14.59%	14.38%	21.70%	21.70%	N/A	N/A		
Northern Trust Company Cash Fund	4.33%	4.38%	5.40%	5.46%	4.42%	4.47%		
SSgA Emerging Market Index Fund NL	17.97%	17.32%	24.76%	26.05%	11.53%	11.70%		
SSgA Russell 1000 Growth Fund NL	25.49%	25.53%	42.24%	42.19%	27.69%	27.72%		
SSgA Russell 2000 Index Fund NL	10.81%	10.76%	26.78%	26.76%	9.08%	8.93%		
SSgA S&P 500 Index NL	17.57%	17.60%	36.30%	36.35%	N/A	N/A		
SSgA U.S. Aggregate Bond Index Fund NL	2.93%	2.88%	11.62%	11.57%	0.69%	0.64%		
SSgA US Treasury NL	2.08%	2.06%	9.73%	9.72%	N/A	N/A		
William Blair Small Cap Growth***	5.20%	13.56%	-	-	N/A	N/A		

* Fund terminated in FY 2024.

** Fund commenced in October 2023.

*** Fund commenced in May 2024.

**** Fund commenced in June 2024.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
SEPTEMBER 30, 2025 AND 2024

The net investment return for fiscal year 2025 was 10.06%. In 2025, rates of return for twenty (20) funds were reported. Nineteen (19) funds had positive rates of returns: led by SSgA Russell 1000 Growth Fund NL, 25.49%, Arrowstreet Global Equity ACWI, 24.93%; SSgA Emerging Market Index Fund NL, 17.97%, SSgA S&P 500 Index NL, 17.57%, Baillie Gifford International Growth Equity, 15.42%, Dover Street XI L.P., Private Equity, 14.68% and Metis Real Asset Index, 14.59%. The Plan had dividend and interest income in the amount of \$29.4 million, a net appreciation of \$205.1 million, and a currency gain on foreign exchange contracts and settlements of \$.035 million for the year ended September 30, 2025.

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 Plan 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 Plan 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.

Insurance Carrier Premiums

Insurance carrier premiums represent amounts paid to the Plan's health and life insurance carriers. The premium expenses for the years ended September 30, 2025, 2024, and 2023 totaled \$44.9 million, \$38.5 million and \$34.0 million, respectively. The insurance premiums increased in fiscal year 2025, when compared to 2024 and 2023, due to rising national health care costs. The rising costs resulted in an increase in coverage cost for District employees. As of September 30, 2025, 2024 and 2023, the Fund had 4,131, 3,451, and 3,567 annuitants receiving benefits, respectively.

Administrative Expenses

Administrative expenses increased by \$0.03 million or 1.7% 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 Plan 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 Other Post-Employment Benefits Fund Plan (the Plan) as of September 30, 2025. The purpose of the valuation was to provide an estimate of the total OPEB liability and the Plan's fiduciary net position.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
SEPTEMBER 30, 2025 AND 2024

The results of the actuarial analysis are summarized below:

	September 30, 2025	September 30, 2024
Total OPEB Liability	\$2,362,994,164	\$2,111,256,701
Plan Fiduciary Net Position	<u>2,532,242,412</u>	<u>2,285,177,632</u>
Net OPEB (Asset)	<u><u>\$ (169,248,248)</u></u>	<u><u>\$ (173,920,931)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.16%	108.24%

Actuarial valuations of an ongoing Plan 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 Plan. The number of current retirees under the Plan 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 no 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 2025 and 2024 were based on annuitant data as of September 30, 2024 and 2023, and were as follows:

	September 30,	
	2024	2023
<i>Retired Annuitants (including those who received benefits):</i>		
Firefighters, Police Officers and Teachers	2,312	2,230
General Employees	<u>476</u>	<u>465</u>
Total	<u><u>2,788</u></u>	<u><u>2,695</u></u>
<i>Potential Annuitants (in active employment with the District)</i>		
	<u><u>28,130</u></u>	<u><u>27,451</u></u>

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 SEPTEMBER 30, 2025 AND 2024

Investment Management and Custody Fees

Investment management and custody fees for the years ended September 30, 2025, 2024 and 2023, are detailed in the table below. Investments increased to \$2.5 million as of September 30, 2025, from \$2.2 million as of September 30, 2024, which is an increase of 13.7% over the prior year. Investments increased to \$2.2 million as of September 2024 from \$1.8 million as of September 2023, which was an increase of 22.7% over the prior year.

Investment Firm (In dollars)	2025	2024	2023
Management Fees from Investment Managers:			
Arrowstreet Global Equity ACWI	\$ 398,762	\$ 292,121	\$ -
Artisan High Income	668,536	269,334	-
Atlanta Capital SMID Cap Core	1,202,529	45,982	-
Bernstein Global Plus	-	183,369	361,944
Bernstein Strategic Core – Plus	300,733	303,636	381,112
Brandywine Large Cap Value	1,168,775	1,135,690	1,110,581
Channing Capital Small Cap Value	536,834	548,443	-
ClearBridge Mid Cap Core	-	760,991	981,710
Dover Street XI L.P. – Private Equity	172,883	250,818	-
Harbourvest Direct Lending II L.P. – Private Debt	82,154	-	-
Metis Real Asset Index	115,703	83,528	-
SSgA Emerging Market Index Fund NL	46,484	46,613	15,738
SSgA Russell 1000 Growth Fund NL	50,945	44,473	26,845
SSgA Russell 2000 Index Fund NL	9,271	19,457	26,533
SSgA S&P 500 Index NL	6,744	3,251	-
SSgA U.S. Aggregate Bond Index Fund NL	23,018	19,444	25,098
SSgA U.S. Treasury Index NL	15,935	12,349	-
William Blair Small Cap Growth	635,048	169,531	-
Subtotal Management Fees from Investment Managers	5,434,354	4,189,030	2,929,562
Management and Custody Fees:			
AON Outsourced Chief Investment Officer (OCIO) Fees*	-	-	332,959
NEPC Outsourced Chief Investment Officer (OCIO) Fees	755,702	695,780	273,054
Northern Trust Company Custody Fees	240,757	254,685	267,007
Subtotal Management and Custody Fees	6,430,813	5,139,495	3,802,582
Management Fees from Net Asset Valuation			
Access Capital ETI	130,838	124,653	121,349
Artisan International Value Equity	962,699	1,003,496	851,182
Baillie Gifford International Growth Equity	692,216	734,757	687,244
BlueBay Emerging Market Bond Fund	-	155,334	241,000
Gresham Strategic Commodities Fund	-	309,385	422,005
Subtotal Management Fees from Net Asset Valuation	1,785,753	2,327,625	2,322,780
Total Investment Management and Custody Fees	\$ 8,216,566	\$ 7,467,120	\$ 6,125,362

*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 PLAN
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	<u>\$ 63,673,715</u>	<u>\$ 111,782,451</u>
Receivables		
Investment Sales and Other	4,642,959	4,803,658
Interest and Dividends	<u>4,220,059</u>	<u>3,815,222</u>
Total Receivables	<u>8,863,018</u>	<u>8,618,880</u>
Investments		
Equities	1,599,332,464	1,465,629,516
Debt Securities	<u>804,835,519</u>	<u>624,280,506</u>
Alternatives:		
Private Equity	9,797,010	5,089,629
Private Debt	5,289,857	5,000,000
Real Assets	<u>67,054,450</u>	<u>87,582,616</u>
Total Investments	<u>2,486,309,300</u>	<u>2,187,582,267</u>
Total Assets	<u>2,558,846,033</u>	<u>2,307,983,598</u>
LIABILITIES		
Investment Purchases and Other Payables	18,858,211	17,572,549
Investment Management and Administrative Fees Payable	<u>7,745,410</u>	<u>5,233,417</u>
Total Liabilities	<u>26,603,621</u>	<u>22,805,966</u>
Net Position Restricted for Other Post-Employment Benefits	<u>\$2,532,242,412</u>	<u>\$2,285,177,632</u>

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
ADDITIONS		
Contributions		
District Contributions	\$ 63,900,000	\$ 72,700,000
Annuitant Contributions	2,051,404	1,738,746
Total Contributions	<u>65,951,404</u>	<u>74,438,746</u>
Investment Income		
Net Appreciation in Fair Value of Investments	205,130,053	389,378,500
Interest	17,668,598	12,708,368
Dividends	11,752,046	10,043,087
Net Currency Gain on FX Contracts and Settlements	35,132	311,434
Other (Loss) / Income	<u>(300,085)</u>	<u>346,485</u>
Total Income from Investment Activities	234,285,744	412,787,874
Less: Investment Management Fees	<u>6,430,813</u>	<u>5,139,495</u>
Net Investment Income	<u>227,854,931</u>	<u>407,648,379</u>
Total Additions	293,806,335	482,087,125
DEDUCTIONS		
Insurance Carrier Premiums	44,862,143	38,544,096
Administrative Expenses	<u>1,879,412</u>	<u>1,847,399</u>
Total Deductions	46,741,555	40,391,495
Changes in Fund Net Position	247,064,780	441,695,630
Net Position Restricted for Other Post-Employment Benefits		
Beginning of the Year	<u>2,285,177,632</u>	<u>1,843,482,002</u>
End of the Year	<u>\$2,532,242,412</u>	<u>\$2,285,177,632</u>

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 PLAN DESCRIPTION AND CONTRIBUTIONS

The Government of the District of Columbia (the District) established the District of Columbia Other Post-Employment Benefits Fund Plan (hereinafter referred to as the “Plan”) on October 1, 1999, under the Annuitants’ Health and Life Insurance Employer Contribution Amendment Act of 1999 (the “Act”). The Plan includes a trust fund that receives the District’s annual contributions toward health and life insurance benefits for District employees who have retired, as well as premium payments from retirees. These contributions and premiums, along with investment earnings, are used to pay future benefits on behalf of qualified participants.

The Plan is a single employer defined benefit healthcare and life insurance plan administered jointly by the Department of Human Resources and the Office of Finance and Treasury (OFT). As of September 30, 2009, the District finalized all the terms and provisions of the Plan. A trust agreement, dated September 30, 2006, designated the Chief Financial Officer of the District as the trustee of the Plan. The Trust became operational in 2007; and is administered as an irrevocable trust, through which assets are accumulated, and benefits are paid in accordance with the substantive plan.

The District established an Advisory Committee to advise the Office of Finance and Treasury on the administration and investment management of the Plan. 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

Plan Description

The Plan 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 Plan. The Trust Fund was established to hold and pay the District’s contributions for health and life insurance for annuitants. The purpose of the Plan (as defined in Section 1.02 of the Plan) is to manage and administer the Trust Fund for the benefit of annuitants, as provided in the Act.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 PLAN 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 elects family coverage.

As of September 30, 2025 and 2024, the Fund had 4,131 and 3,451 annuitants (inactive plan members), respectively, currently receiving benefits. The fiscal year 2025 annuitants were comprised of 3,152 Firefighters, Police, and Teachers; and 979 General Employees. The fiscal year 2024 annuitants were comprised of 2,942 Firefighters, Police, and Teachers; and 509 General Employees. The premium expenses for the fiscal years ended September 30, 2025 and 2024, totaled \$44,862,143 and \$38,544,096, respectively. The insurance premiums attributable to Police, Firefighter, and Teacher retirees for the fiscal years 2025 and 2024 totaled \$38,782,852 and \$34,156,788, respectively. All remaining insurance premiums are attributable to General Employee retirees. Employees in Active employment with the District for September 30, 2024 and 2023 respectively total 28,130 and 27,451.

The actuarial valuation for the fiscal year ended September 30, 2025 was based on the actuarial valuation performed as of September 30, 2024. The actuarial report showed that there was a total of 2,788 retired participants. They consisted of 2,312, Firefighters, Police, and Teachers; and 476 General Employees.

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.

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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 PLAN 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 Plan's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. The Plan's policy is to recognize member contributions in the period in which the contributions are due. The District's (employer) contributions to the Plan 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 Plan. Most administrative costs (employee salaries) of the Plan 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 Plan 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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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 Statement No. 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 No. 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 Trust Fund assets, and has established the Plan to guide the administration and management of the Trust Fund. The duties and responsibilities of the OFT also include, but are not limited to, the financial administration and management of the Plan, the establishment of investment objectives, the determination of investment policies, the establishment of management policies, and the management and control of Trust 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 Plan 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. NEPC meets with the OFT on a regular basis to report on and review the Plan'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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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***

The Plan adopted the GASB statements, as applicable, by the effective dates.

– **Pronouncements Adopted**

GASB issued Statement No. 101, *Compensated Absences* effective for fiscal years beginning after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The Statement's objective is to align the recognition and measurement guidelines under a unified model and amend certain previously required disclosures, thereby improving the information needs of financial statement users. The adoption of the Statement did not have a material impact on the financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures* effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The adoption of the Statement did not have a material impact on the financial statements.

• ***Recent Accounting Pronouncements to be Adopted***

GASB issued Statement No. 103, *Financial Reporting Model Improvements* effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity and (5) Currently Known-Facts, Decisions, or Conditions, and emphasizes that the analysis provided in MD&A should avoid unnecessary duplication and repetition. The Statement impacts other financial statement presentation requirements including:

- unusual or infrequent items.
- presentation of the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position
- major component units, and
- budgetary comparison information

The Plan will adopt the GASB statement, as applicable, by its effective date.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* effective for fiscal years beginning after June 15, 2025. The Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Lease assets recognized in accordance with Statement No. 87, Leases and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separated disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The Statement also requires additional disclosures for capital assets held for sale and that this asset type be evaluated each reporting period. The Plan will adopt the GASB statement, as applicable, by its effective date.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 3 MASTER CUSTODIAN CONTRACT

The Plan 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 Plan may not be able to recover the value of cash and cash equivalents. The Plan, through its investment firms, maintains certain cash and cash equivalent balances. These balances are not required to be collateralized by statute or policy. The Plan's cash and cash equivalents balances are uninsured and unregistered and are held by the counterparty in the Plan's name. The Fund maintains cash and cash equivalents in investments accounts, as detailed below, as of September 30, 2025 and 2024:

Cash and Cash Equivalents by Investment Firm	2025	Percentage*	2024	Percentage*
Cash Account	\$ 23,475,288	0.92%	\$ 69,633,362	3.03%
Artisan High Income	5,534,263	0.22%	7,111,532	0.31%
Atlanta Capital SMID Cap Core	5,620,839	0.22%	3,284,635	0.14%
Bernstein Global Plus	42,826	0.00%	37,943	0.00%
Bernstein Strategic Core – Plus	17,451,803	0.68%	11,344,919	0.49%
Brandywine Large Cap Value	7,738,333	0.30%	16,767,248	0.73%
Channing Capital Small Cap Value	1,775,511	0.07%	2,213,946	0.10%
William Blair Small Cap Growth	2,034,852	0.08%	1,388,866	0.06%
Total Cash and Cash Equivalents	\$ 63,673,715	2.49%	\$ 111,782,451	4.86%

* Includes cash and investments.

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NOTE 5 INVESTMENTS

The majority of the Plan's assets, as of September 30, 2025 and 2024 respectively, were investments which totaled \$2,486,309,300 and \$2,187,582,267, respectively. As of September 30, 2025 and 2024, respectively, the Plan was invested in equities (62.72% and 63.74%); debt securities (31.56% and 27.15%); and alternatives (3.22% and 4.25%). The fair values of each investment firm's assets, as of September 30, 2025 and 2024, were as follows:

	2025		2024	
	Amount	Percentage*	Amount	Percentage*
Equity Funds by Investment Firm				
Arrowstreet Global Equity ACWI	\$ 118,276,005	4.64%	\$ 65,386,688	2.84%
Artisan International Value Equity	115,641,301	4.53%	105,235,513	4.58%
Atlanta Capital SMID Cap Core	127,180,397	4.99%	140,302,562	6.10%
Baillie Gifford International Growth Equity	106,067,271	4.16%	91,899,108	4.00%
Brandywine Large Cap Value	328,425,236	12.88%	314,198,362	13.66%
Channing Capital Small Cap Value	72,275,630	2.83%	68,613,575	2.98%
SSgA Emerging Market Index Fund NL	72,930,568	2.86%	93,473,426	4.07%
SSgA Russell 1000 Growth NL	356,896,925	14.00%	316,563,274	13.77%
SSgA Russell 2000 Index Fund NL	61,290,540	2.40%	89,239,686	3.88%
SSgA S&P 500 Index NL	169,217,080	6.64%	112,009,709	4.87%
William Blair Small Cap Growth	71,131,511	2.79%	68,707,613	2.99%
Total Equity Funds	\$1,599,332,464	62.72%	\$1,465,629,516	63.74%
Debt Securities Funds by Investment Firm				
Access Capital ETI	\$ 33,845,544	1.33%	\$ 32,929,409	1.43%
Artisan High Income	141,690,514	5.56%	97,407,114	4.24%
Bernstein Strategic Core – Plus	123,673,222	4.85%	126,331,039	5.49%
SSgA U.S. Aggregate Bond Index Fund NL	377,037,599	14.79%	301,792,434	13.13%
SSgA U.S. Treasury Index NL	128,588,640	5.04%	65,820,510	2.86%
Total Debt Securities	\$ 804,835,519	31.57%	\$ 624,280,506	27.15%
Alternatives				
Dover Street XI L.P. – Private Equity	\$ 9,797,010	0.38%	\$ 5,089,629	0.22%
Harbourvest Direct Lending II L.P. – Private Debt	5,289,857	0.21%	5,000,000	0.22%
Metis Real Asset Index	67,054,450	2.63%	87,582,616	3.81%
Total Alternatives	\$ 82,141,317	3.22%	\$ 97,672,245	4.25%
Total Investments	\$2,486,309,300	97.51%	\$2,187,582,267	95.14%

* Includes cash and investments.

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NOTE 5 INVESTMENTS (CONTINUED)

There is a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. An asset or a liability categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The summary of inputs used to determine the fair valuation of the Plan's investments as of September 30, 2025 and 2024, 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 Plan's derivative financial instruments are valued by a third-party investment fund manager, based on prevailing market data derived from proprietary models, and are carried at fair value. The Plan 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.

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

As of September 30, 2025 and 2024, the Plan had the following recurring fair value measurements:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
As of September 30, 2025	Total	(Level 1)	(Level 2)	(Level 3)
Investments by Fair Value Level				
Equity Securities				
U.S. Equities (<i>by Industry</i>)				
Industrials	\$ 143,949,764	\$ 143,949,764	\$ -	\$ -
Consumer Retail	110,144,002	110,144,002	-	-
Information Technology	81,189,746	81,189,746	-	-
Financial Institutions	125,907,570	125,907,570	-	-
Healthcare	63,071,127	63,071,127	-	-
Real Estate Investment Trust Securities	7,481,049	7,481,049	-	-
International Equities (<i>by Industry</i>)				
Industrials	10,230,230	10,230,230	-	-
Consumer Retail	19,668,679	19,668,679	-	-
Healthcare	18,918,671	18,918,671	-	-
Real Estate Investment Trust Securities	18,451,934	18,451,934	-	-
Total Equity Securities	599,012,772	599,012,772	-	-
Debt Securities				
U.S. Debt Securities				
U.S. Government Issues	75,554,830	-	75,554,830	-
Corporate Bonds	99,403,207	-	99,403,207	-
Credit Card/Automotive Receivables	7,229,140	-	7,229,140	-
U.S. State and Local Government Bonds	1,515,884	-	1,515,884	-
Mortgage-backed Securities	38,764,154	-	38,764,154	-
International Debt Securities				
International Government Issues	1,842,923	-	1,842,923	-
Corporate Bonds	39,669,445	-	39,669,445	-
Credit Card/Automotive Receivables	717,876	-	717,876	-
Mortgage-backed Securities	504,682	-	504,682	-
Mutual Funds	34,007,140	34,007,140	-	-
Total Debt Securities	299,209,281	34,007,140	265,202,141	-
Alternatives				
Dover Street XI L.P. – Private Equity	9,797,010	-	-	9,797,010
Harbourvest Direct Lending II L.P. – Private Debt	5,289,857	-	-	5,289,857
Metis Real Asset IDX P	67,054,450	-	-	67,054,450
Total Alternatives	82,141,317	-	-	82,141,317
Total Investments by Fair Value Level	\$ 980,363,370	\$ 633,019,912	\$ 265,202,141	\$ 82,141,317
Investments Measured at the Net Asset Value (NAV)				
SSgA Emerging Market Index Fund NL	\$ 72,930,568	\$ -	\$ -	\$ -
SSgA Russell 1000 Growth Fund NL	356,896,925	-	-	-
SSgA Russell 2000 Index Fund NL	61,290,540	-	-	-
SSgA U.S. Aggregate Bond Index Fund NL	377,037,599	-	-	-
Arrowstreet GL EQ ACWI TR	118,276,006	-	-	-
SSgA S&P 500 Index NL	169,217,080	-	-	-
SSgA U.S. Treasury Index NL	128,588,640	-	-	-
Ballie Gifford International Growth Equity	106,067,271	-	-	-
Artisan International Value Equity	115,641,301	-	-	-
Total Investments Measured at the NAV	1,505,945,930	-	-	-
Total Investments Measured at Fair Value	\$ 2,486,309,300	\$ -	\$ -	\$ -
Investment Derivative Instruments				
Interest Rate Swaps	\$ 92,358	\$ -	\$ -	\$ -
Foreign Exchange Forwards	(1,389)	-	-	-
Total Investment Derivative Instruments	\$ 90,969	\$ -	\$ -	\$ -

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NOTE 5 INVESTMENTS (CONTINUED)

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
As of September 30, 2024				
Investments by Fair Value Level	Total	(Level 1)	(Level 2)	(Level 3)
Equity Securities				
U.S. Equities (<i>by Industry</i>)				
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 (<i>by Industry</i>)				
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	\$ -
Foreign Exchange Forwards	(25,885)	-	(25,885)	-
Total Investment Derivative Instruments	\$ 85,885	\$ -	\$ 85,885	\$ -

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NOTE 5 INVESTMENTS (CONTINUED)

Investments measured at the Net Asset Value (NAV): The NAV of an investment company is the company's total assets, minus its total liabilities. This investment category consists of nine (9) 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	2025	2024	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Arrowstreet GL EQ ACWI TR (1)	\$ 118,276,006	\$ 65,386,688	None	Daily	5 Days
Artisan International Value Equity (2)	115,641,301	105,235,513	None	Monthly	5 Days
Baillie Gifford International Growth Equity (3)	106,067,271	91,899,108	None	Monthly	5 Days
SSgA Emerging Market Index Fund NL (4)	72,930,568	93,473,426	None	Monthly	5 Days
SSgA Russell 1000 Growth Fund NL (5)	356,896,925	316,563,274	None	Daily	N/A
SSgA Russell 2000 Index Fund NL(6)	61,290,540	89,239,686	None	Daily	N/A
SSgA S&P 500 Index NL (7)	169,217,080	112,009,709	None	Daily	5 Days
SSgA U.S. Aggregate Bond Index Fund NL(8)	377,037,599	301,792,434	None	Daily	N/A
SSgA U.S. Treasury Index NL (9)	128,588,640	65,820,510	None	Daily	2 Days
Total Investments Measured at NAV	<u><u>\$ 1,505,945,930</u></u>	<u><u>\$ 1,241,420,348</u></u>			

- 1) *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.
- 2) *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.
- 3) *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.

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NOTE 5 INVESTMENTS (CONTINUED)

- 4) *SSgA Emerging Market Index Fund NL*: 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.
- 5) *SSgA Russell 1000 Growth Fund NL*: 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.
- 6) *SSgA Russell 2000 Index Fund NL*: 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.
- 7) *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.

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NOTE 5 INVESTMENTS (CONTINUED)

- 8) *SSgA U.S. Aggregate Bond Index Fund NL*: 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.
- 9) *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, 2025 and 2024, the Plan recognized no transfers to/from Level 1 or 2. The Plan’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 Plan investments is calculated as the internal rate of return on Plan investments, net of Plan investment expenses. Plan investment expenses 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 9.96% and 22.05% for fiscal years 2025 and 2024, 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 Plan’s investments are uninsured and unregistered and are held by the counterparty in the Plan’s name. The Plan is also subject to certain credit, interest rate, and foreign currency risks.

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 Plan does not have a formal policy for limiting its exposure to changes in exchange rates. The Plan’s investments as of September 30, 2025 and 2024, held in currencies other than U.S. dollars, were as follows:

As of September 30, 2025:

International Securities	Short-Term and Cash	Convertible and Fixed Income	Total
CANADIAN DOLLAR	\$ 257	\$ 55,945	\$ 56,202
EURO	(2,267)	283,549	281,282
RUSSIAN RUBLE	42,828	-	42,828
Totals	<u>\$ 40,818</u>	<u>\$ 339,494</u>	<u>\$ 380,312</u>

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NOTE 5 INVESTMENTS (CONTINUED)

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	<u>\$ 12,059</u>	<u>\$ 1,401,167</u>	<u>\$ 1,413,226</u>

Credit Risk is the risk that an issuer to an investment will not fulfill its obligations. Fixed income assets can include but are not limited to Treasuries, investment grade corporate bonds, high yield corporate bonds, private debt, and federal government agency bonds. Fixed income derivatives may be used by active fixed income portfolio managers to achieve general risk and return portfolio objectives according to Policy.

Exchange-traded derivatives that are valued using quoted prices are classified within Level 1 of the valuation hierarchy. The Plan has not failed to access collateral, when required. Since these derivative products have been established for some time, the Plan uses models that are widely accepted in the financial services industry.

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 29 and 30.

Although the Plan 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, 2025 and 2024, the average quality ratings by investment firms, rated by Moody's and S&P Global were as follows:

Investment Funds	2025	2024
Artisan High Income	BBB	BBB
Bernstein Strategic Core – Plus	AA-	AA-
Access Capital ETI	AAA	AAA
SSgA U.S. Aggregate Bond Index Fund NL	Aaa	Aaa
SSgA U.S. Treasury Index NL	AA1	AA1

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan addresses interest rate risk through a process that focuses on the review of investment managers and Plan returns. The Plan 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.

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NOTE 5 INVESTMENTS (CONTINUED)

For the years ended September 30, 2025 and 2024, the average duration, which represents the time it takes in years for repayment of the bond price through cash flows was as follows:

Investment Funds	2025	2024
Artisan High Income	2.00	2.40
Bernstein Strategic Core – Plus	6.13	6.34
Access Capital ETI	5.34	5.67
SSgA U.S. Aggregate Bond Index Fund NL	6.02	6.11
SSgA U.S. Treasury Index NL	5.90	6.11

Derivative Financial Instruments: In accordance with the Plan's investment policies, the Plan 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 Plan.

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 Plan invested directly in forward currency contracts.

As of September 30, 2025 and 2024, the Plan had two types of off-balance-sheet derivative financial instruments outstanding respectively: swaps 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.

Below is the list of derivative instruments aggregated by investment type, as of September 30, 2025 and 2024:

As of September 30, 2025:

Investment Derivative Instruments	Change in Fair Value		Fair Value at September 30, 2025		Notional Amount
	Classification	Amount	Classification	Amount	
Fixed Income Futures Long	Interest Revenue	\$ (287,757)	Futures	-	\$ -
Fixed Income Futures Short	Interest Revenue	133,294	Futures	-	\$ -
Foreign Exchange Forwards	Interest Revenue	96,255	Forwards	-	\$ -
Foreign Exchange Forwards	Interest Revenue	(96,533)	Forwards	(1,389)	\$ 883,238
Pay Fixed Interest Rate Swaps	Interest Revenue	(19,413)	Swaps	-	\$ -
Receive Fixed Interest Rate Swaps	Interest Revenue	-	Swaps	92,358	\$ -
Total		<u>\$ (174,154)</u>		<u>\$ 90,969</u>	

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 INVESTMENTS (CONTINUED)

As of September 30, 2024:

Investment Derivatives	Change in Fair Value		Fair Value at September 30, 2024		Notional Amount
	Classification	Amount	Classification	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	

Contingencies:

All the Plan's derivative instruments include provisions that require the Plan 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 Plan does not post collateral, the hedging derivative instrument may be terminated by the counterparty. If the collateral posting requirements were triggered, the Plan would be required to post the aggregate fair value in collateral to its counterparties. The District had a rating of "Aa1" and "AA+" for fiscal years 2025 and 2024 respectively; therefore, no collateral was required to be posted for these fiscal years.

The net unrealized gain (loss) on foreign currency forward contracts for the years ended September 30, 2025 and 2024, were as follows:

	2025		2024	
	Cost	Unrealized Gain/(Loss)	Cost	Unrealized Gain/(Loss)
Foreign Currency Forward Contracts Purchased				
EURO (EUR)	\$ 272,148	\$ -	\$ -	\$ -
UNITED STATES DOLLAR (USD)	610,465	-	1,361,284	-
Total Contracts Purchased		-		-
Foreign Currency Forward Contracts Sold				
CANADIAN DOLLAR (CAD)	(55,550)	255	-	-
EURO (EUR)	(554,915)	(1,644)	(1,361,284)	(25,885)
UNITED STATES DOLLAR (USD)	(272,148)	-	-	-
Total Contracts Sold		(1,389)		(25,885)
Net Unrealized (Loss) Gain on Foreign Currency Forward Contracts		\$ (1,389)		\$ (25,885)

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 6 NET OPEB LIABILITY

The components of the net OPEB (Asset) for the District of Columbia as of September 30, 2025 and 2024, were as follows:

	2025	2024
Total OPEB Liability	\$2,362,994,164	\$2,111,256,701
Plan Fiduciary Net Position	2,532,242,412	2,285,177,632
Net OPEB (Asset)	<u>\$ (169,248,248)</u>	<u>\$ (173,920,931)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.16%	108.24%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2025 and 2024, using the following actuarial assumptions, applied to all periods in the measurement and rolled forward to the measurement date as of September 30, 2025 and 2024:

	2025	2024
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay, Layered	Entry Age Normal
Amortization Method	Level Percent of Pay	Level Percent of Pay, Closed
Remaining Amortization Period	15-year Layers beginning with fiscal year end 2025	12 years beginning with fiscal year end 2024
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: 7.0% grading down to 4.14%; Medicare: 7.0% grading down to 4.14% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2044.	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 and Teachers - Healthy: The Pub-2010 General Healthy Headcount-weighted Mortality Table Weighted 120% for General retirees, 100% for all others with the MP-2021 Improvement Scale, fully generational. General and Teachers - Disabled: Pub-2010 General Disabled Retiree Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational. Fire and Police - Healthy: The Pub-2010 Safety Healthy Headcount-weighted Mortality Table with male ages set forward 1 year, projected with the MP-2021 Improvement Scale, fully generational. Pub-2010 Safety Contingent Survivor tables for spouses and survivors. Fire and Police - Disabled: Pub-2010 Safety Disabled Retiree Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational.	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.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 6 NET OPEB LIABILITY (CONTINUED)

Long-term Expected Rate of Return

The long-term expected rate of return on 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, 2025 and 2024 are shown below. The 2025 and 2024 rates of return are geometric real rates of return.

Asset Class	2025	
	Long-Term Expected Real Rate	Target Allocation
Fixed Income	2.10%	32%
Private Debt	5.50%	5%
Private Equity	5.70%	5%
Public Equities	2.40%	50%
Real Assets	2.78%	8%

Asset Class	2024	
	Long-Term Expected Real Rate	Target Allocation
Fixed Income	4.50%	32%
Private Debt	8.10%	5%
Private Equity	8.40%	5%
Public Equities	4.90%	50%
Real Assets	5.88%	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 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 Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 6 NET OPEB LIABILITY (CONTINUED)

	2025		
	Impact of Change in Discount Rate		
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability (Asset)	\$ 202,305,868	\$ (169,248,248)	\$ (468,489,587)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.2%		
	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)

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.

	2025		
	Impact of Change in Healthcare Cost Trend Rates		
	1% Decrease (6.0% to 3.0%)	Trend Rates (7.0% to 4.1%)	1% Increase (8.0% to 5.0%)
Net OPEB Liability (Asset)	\$ (506,227,339)	\$ (169,248,248)	\$ 260,555,153
	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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 7 DISTRICT CONTRIBUTIONS

The District historically makes its contributions to the Plan near the completion of its fiscal year, and the contribution is distributed by the Plan to the investment managers within a month of receipt from the District. For the years ended September 30, 2025 and 2024, the District contributed \$63,900,000 and \$72,700,000, respectively, to the Plan. As of September 30, 2025 and 2024, the District contributions were held in the following fund:

FUND	2025	2024
Northern Trust Cash Fund	\$ 63,900,000	\$ 72,700,000
Total	<u>\$ 63,900,000</u>	<u>\$ 72,700,000</u>

NOTE 8 CONTINGENCIES

The Plan is party to various legal proceedings, many of which occur in the normal course of the Plan'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 Plan's financial position as of September 30, 2025 and 2024.

The Plan 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.

Plan 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 Plan has evaluated events subsequent to September 30, 2025, and through DATE, 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, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST NINE FISCAL YEARS

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Total OPEB Liability</u>									
Total OPEB liability - beginning of year	\$ 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	\$ 1,224,600,000	\$ 1,115,776,087
Service cost	66,834,316	65,921,942	59,504,856	60,548,250	58,067,089	54,832,446	50,105,647	52,834,621	49,609,972
Interest	135,862,240	129,885,905	117,487,297	110,365,063	104,624,527	94,484,340	89,812,264	79,095,491	72,123,416
Difference between expected and actual experience	78,728,465	38,921,710	(29,090,876)	35,531,450	12,737,103	30,163,179	1,626,569	(728,816)	(539,321)
Changes of assumptions	13,123,181	(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	(42,810,739)	(36,805,350)	(32,478,470)	(28,007,551)	(24,436,621)	(22,547,310)	(18,844,104)	(15,740,383)	(12,370,154)
Net change in total OPEB liability	251,737,463	94,899,042	192,877,194	111,773,093	90,073,303	156,932,655	73,700,552	166,400,862	108,823,913
Total OPEB liability - end of year (a)	<u>\$ 2,362,994,164</u>	<u>\$ 2,111,256,701</u>	<u>\$ 2,016,357,659</u>	<u>\$ 1,823,480,465</u>	<u>\$ 1,711,707,372</u>	<u>\$ 1,621,634,069</u>	<u>\$ 1,464,701,414</u>	<u>\$ 1,391,000,862</u>	<u>\$ 1,224,600,000</u>
<u>Plan Fiduciary Net Position</u>									
Plan Fiduciary net position - beginning of year	\$ 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	\$ 1,366,282,061	\$ 1,197,441,214
Contributions - employer and annuitants	65,951,404	74,438,746	43,038,875	54,280,033	54,516,183	48,189,387	46,834,228	45,206,225	31,521,466
Net investment income	227,854,931	407,648,379	185,519,982	(398,892,806)	355,888,055	107,411,644	20,646,604	67,385,188	150,514,898
Insurance carrier premiums (benefit payments)	(44,862,143)	(38,544,096)	(34,017,345)	(29,287,583)	(25,352,804)	(23,436,697)	(19,678,332)	(16,446,608)	(12,891,620)
Administrative expense	(1,879,412)	(1,847,399)	(1,346,663)	(874,399)	(671,033)	(585,098)	(730,088)	(397,007)	(303,897)
Net change in plan fiduciary net position	247,064,780	441,695,630	193,194,849	(374,774,755)	384,380,401	131,579,236	47,072,412	95,747,798	168,840,847
Plan fiduciary net position - end of year (b)	<u>\$ 2,532,242,412</u>	<u>\$ 2,285,177,632</u>	<u>\$ 1,843,482,002</u>	<u>\$ 1,650,287,153</u>	<u>\$ 2,025,061,908</u>	<u>\$ 1,640,681,507</u>	<u>\$ 1,509,102,271</u>	<u>\$ 1,462,029,859</u>	<u>\$ 1,366,282,061</u>
Net OPEB liability (asset) - end of year ((a) - (b))	<u>\$ (169,248,248)</u>	<u>\$ (173,920,931)</u>	<u>\$ 172,875,657</u>	<u>\$ 173,193,312</u>	<u>\$ (313,354,536)</u>	<u>\$ (19,047,438)</u>	<u>\$ (44,400,857)</u>	<u>\$ (71,028,997)</u>	<u>\$ (141,682,061)</u>
Plan fiduciary net position as a percentage of total OPEB liability	107.16%	108.24%	91.43%	90.50%	118.31%	101.17%	103.03%	105.11%	111.57%
Covered employee payroll	\$ 2,762,436,665	\$ 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
Plan net OPEB liability (asset) as a percentage of covered employee payroll	(6.13%)	(6.56%)	7.15%	7.10%	(13.44%)	(0.88%)	(2.18%)	(3.66%)	(7.78%)

*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 PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
LAST TEN FISCAL YEARS

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	\$ 63,900,000	\$ 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
Contributions in relation to the actuarially determined contributions	(63,900,000)	(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)
Excess contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$2,762,436,665	\$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
Contributions as a percentage of covered employee payroll	2.31%	2.74%	1.72%	2.17%	2.30%	2.18%	2.26%	2.29%	1.70%	1.64%

*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 PLAN
SCHEDULE OF MONEY WEIGHTED RATES OF RETURNS (UNAUDITED)
LAST NINE FISCAL YEARS

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	9.96%	22.05%	11.23%	(19.68%)	21.66%	7.05%	1.40%	4.88%	12.49%

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

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OTHER POST-EMPLOYMENT BENEFITS FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SEPTEMBER 30, 2025 AND 2024

The Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios presents multiyear trend information about whether the Plan's OPEB liability is increasing or decreasing over time, relative to the Plan'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, 2025, is an estimate based on a roll-forward of the 2024 valuation results for the Plan.

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	15-year layers beginning with fiscal year end 2025
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 7.0% grading down to 4.14%; Medicare 7.0% grading down to 4.14% Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2044.
Mortality	General and Teachers - Healthy: The Pub-2010 General Healthy Headcount-weighted Mortality Table Weighted 120% for General retirees, 100% for all others with the MP-2021 Improvement Scale, fully generational. Disabled: Pub-2010 General Disabled Retire Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational. Fire and Police - Healthy: The Pub-2010 Safety Healthy Headcount-weighted Mortality Table with male ages set forward 1 year, projected with the MP-2021 Improvement Scale, fully generational. Pub-2010 Safety Contingent Survivor tables for spouses and survivors. Disabled: Pub-2010 Safety Disabled Retiree Headcount-weighted Mortality Table with the MP-2021 Improvement Scale, fully generational.



**INDEPENDENT AUDITORS' 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, DC

We have audited, in accordance with the 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 District of Columbia Other Post-Employment Benefits Plan (the Plan), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated January 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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.

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, DC

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Arlington, Virginia
January 5, 2026

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