The Employees' Retirement System
A Fiduciary Component Unit of
The Maryland-National Capital Park and Planning Commission

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

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Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

Prepared by the Employees' Retirement System
A Fiduciary Component Unit
of The Maryland-National Capital Park and Planning Commission
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737

MISSION STATEMENT

The Mission of the Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS) is to prudently manage, protect, diversify, and administer the funds for the sole benefit of the members and beneficiaries to ensure sufficient assets are available to pay the promised benefits.

OUR CORE VALUES

Quality Customer Service

Accountability and Transparency

Professionalism and Respect

Trustworthiness and Stewardship

Annual Comprehensive Financial Report

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EMPLOYEES' RETIREMENT SYSTEM
The Maryland-National Capital Park and Planning Commission
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737

(301) 454-1415 - Telephone
(301) 454-1413 - Facsimile
http://ers.mncppc.org

Andrea L. Rose
Executive Director

September 24, 2024

To the Board of Trustees, Members, Beneficiaries, and the Maryland-National Capital Park and Planning Commission:

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the Maryland-National Capital Park and Planning Commission (the "Commission") Employees' Retirement System (ERS) which has been prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). The information contained in this report is intended to provide a detailed overview of the ERS' financial and investment results for the fiscal year ended June 30, 2024 and includes information from the current actuarial valuation as of June 30, 2023.

Management is responsible for the accuracy of the data and completeness and fairness of the presentation, including disclosures. We believe all data in the report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operation of the ERS. All disclosures necessary to enable the reader to gain an understanding of the ERS' financial activities are included.

SB & Company, LLC has audited the accompanying basic financial statements and related disclosures and has issued an unmodified ("clean") opinion, the highest possible outcome of the audit process. The audit provides reasonable assurance that the financial statements are presented in conformity with generally accepted accounting principles and are free from material misstatement.

Management's Discussion and Analysis immediately follows the Report of Independent Public Accountants and provides a narrative introduction with an overview of the basic financial statements. The Management's Discussion and Analysis complements this letter of transmittal and is suggested to be read in conjunction with this letter.

Plan Sponsor and ERS History

The ERS covers employees of the Commission, a body corporate of the State of Maryland, established by the Maryland General Assembly in 1927. The Commission is the bi-county agency empowered to acquire, develop, and administer a regional system of parks in the defined Metropolitan District, and to prepare and administer a general plan for the physical development of a defined Regional District for Montgomery and Prince George's Counties.

The ERS was established as a single employer defined benefit pension plan effective, July 1, 1972, in accordance with the Trust Agreement between the Commission and the Board of Trustees ("Board"). Revisions to the Social Security tax structure and other fiscal considerations made it prudent to develop a new retirement plan, based on the principle of Social Security excess. Therefore, effective January 1, 1979, the Plan became The Maryland-National Capital Park and Planning Commission Employees' Retirement System, encompassing three defined benefit plans: Plan A, the original plan; Plan B, for non-police, integrated with Social Security; and Plan C, only for Park Police. Commission Park Police are not covered by Social Security. Collective bargaining in 1990, 1993 and 2002 resulted in the transfer of Plan C members to Plan D, the reopening of Plan C, and a one-time option for Plan D members to transfer to Plan C, respectively. Faced with continued fiscal challenges, the Commission approved a new defined benefit plan designated as Plan E for all non-police employees, Commissioners and appointed officials hired on or after January 1, 2013.

Today, the ERS consists of five defined benefit pension plans: Plan A, the original plan; Plan B, for non-police, Plans C and D, for park police; and, Plan E, for non-police and appointed officials hired on or after January 1, 2013.

The administrative operations of the ERS are the responsibility of the Executive Director and Staff employed by the Board. The Plan Document establishes all benefit provisions. The Commission reserves the right to amend the provisions of the ERS, consistent with the Trust Agreement, provided that no amendments may adversely affect the benefits that have accrued prior to the effective date of such amendment, except as may be legally required to continue to qualify the ERS under section 401(a) of the Internal Revenue Code, or any successor thereto of similar importance.

Member Profile and Benefits

The ERS is responsible for properly administering retirement, survivor, and death benefits for approximately 1,900 retirees and survivors, 2,200 active members (general employees and park police), and over 800 vested members. A breakdown of members by plan can be found on page 26.

The ERS has a comprehensive membership education program to encourage and promote pre- and post-retirement planning. The ERS is committed to providing every member with the guidance necessary to anticipate future needs to plan and live a retirement that is emotionally, financially, and socially satisfying.

The ERS provides Annual Benefit Statements, a Popular Annual Financial Report, which contains a summary of key financial and actuarial information, and Summary Plan Descriptions, which describe the provisions and benefits of the ERS. One-on-one counseling is available to all active members to discuss benefits and retirement options. Employees are encouraged to take advantage of a retirement counseling session, which is provided for all those retiring from the Commission. The session includes a review of retirement benefits, options, and assistance is provided in completing the necessary paperwork to begin benefits.

Investment Results

For the year ended June 30, 2024, the ERS fund had a return of +6.6% versus its policy benchmark of +10.5%. The ERS fund return was +4.0% for the three-years ended June 30, 2024 and +6.7% for the five-years ended June 30, 2024 versus the policy index which returned +3.0% and +6.2%, respectively. Refer to the Investment Consultant's Report on page 51 for a market overview with investment results by asset class and a portfolio review highlighting the ERS' restructuring activities.

The Board has adopted a Statement of Investment Policy which provides the framework for management of the Trust Fund and outlines the investment guidelines, objectives, and policies. Trust Fund assets should be invested to obtain an appropriate long-term total return consistent with prudent risk taking. Allocating funds to various types of investments is critical to structuring a diversified portfolio to meet investment objectives. Investments shall be diversified among asset classes to minimize the risk of loss from individual investments. The Statement of Investment Policy and guidelines are summarized on page 27.

Initiatives & Accomplishments

Beginning in 2013, the Board annually considers a reduction in the investment return assumption. As the single most powerful assumption, the Board considers industry trends, historical experience, expectations for the future, and the investment portfolio's risk and target allocation profile. In conjunction with both Cheiron and Wilshire Advisors, the Board determined maintaining the existing investment return assumption of 6.70%, effective June 30, 2024, was prudent and reasonable.

In FY23 the Board authorized an opportunistic fixed income search which resulted in a $25 million award to Golub Capital and Audax Group. Golub Capital began funding in FY24 while Audax Group delayed funding until FY25.

To carry out its fiduciary duties consistent with best practices and in accordance with the Pension Funding Policy, the Board hired Gabriel, Roeder, Smith (GRS) to audit the work of the current actuary, Cheiron. GRS confirmed the ERS is receiving sound advice and no critical issues were discovered.

In FY23, the Board adopted a Governance Manual that serves as a central repository for its primary governance documents. In FY24 a new Education Policy, Open Trustee Election Policy and Procurement Policy were incorporated into the Governance Manual.

In FY24, MemberDirect, a self-service online tool, went live to provide active members the ability to generate benefit estimates, determine retirement eligibility, access Annual Benefit Statements and retirement forms, and find answers to frequently asked questions. Additionally, the ERS introduced a new redesign of its website with information to further help members understand their retirement benefits and empower them to make informed decisions about their future.

Succession Planning

In FY25, Jaclyn Harris, Deputy Executive Director, will be promoted to Executive Director effective following the retirement of Andrea L. Rose. Additionally, a Retirement Systems Specialist will be hired to address succession planning and ensure critical functions have support and a search is currently underway to back fill the Deputy Executive Director position.

Internal Controls & Operations Transparency

It is the responsibility of management to develop and maintain systems of internal controls, which are designed to provide reasonable, but not absolute, assurances for the safeguarding of assets and the reliability of financial records. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits derived, and the valuation of costs and benefits requires estimates and judgments by management. Controls are also put in place to limit the risk of collusion. However, it should be recognized that all internal controls have inherent limitations.

The Trust Agreement requires an annual accounting of the ERS' operations and activities and that the results of this analysis be reported to the Commission. The ERS' Independent Public Accountants' unmodified opinion is the highest possible result of the audit process and their report on the basic financial statements is included in the ACFR on pages 16-17.

Annually, the Board prepares and presents an operating budget setting forth projected expenditures for the operations of the ERS for the Commission's review and approval. The Board also prepares certain projected expenses, including banking, investment consulting and investment manager fees for the Commission's information. The Board closely monitors the fees and expenses from consultants and professional advisors to ensure comparability to other public funds of the ERS' size and complexity. Although there is no formal restriction or budget guideline imposed by parties outside the Board, the Board is sensitive to the limitations imposed on the Commission by the two counties.

Funding Status

The ultimate test for a retirement system is the level of funding achieved. The better the level of funding, the larger the ratio of assets accumulated to pay liabilities and the greater the level of investment income potential. The Schedule of Funding Progress directly illustrates the financial stability of the ERS and presents a standardized measure of projected plan liabilities (see page 67). This measure allows the reader to assess the funding status of the ERS on a going concern basis, and to assess progress made in accumulating sufficient assets to pay benefits when due. The measure is the actuarial present value of credited projected benefits and independent of the funding method used to determine contributions.

An actuarial valuation performed as of June 30, 2023, indicated that the funded ratio of the actuarial value of assets to the actuarial accrued liability for benefits was 87.82%. As of June 30, 2023, the actuarial value of assets was $1,136,158,437 and the actuarial accrued liability was $1,293,753,448.

The Board established a Pension Funding Policy to ensure future benefit payments for members of the ERS and to document guidelines to assist in administering the ERS. The primary funding objectives are to provide sufficient assets to permit the payment of all benefits; maintain equity among generations of taxpayers; and minimize the volatility of the actuarial determined contribution by smoothing investment gains and losses over a period of five years.

Achievements in Financial Reporting & Plan Administration

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for the ERS' ACFR for the fiscal year ended June 30, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting, and its attainment represents a significant accomplishment. We believe our ACFR continues to conform to the Certificate of Achievement program requirements, and we will submit our ACFR for fiscal year 2024 to determine eligibility for another certificate.

The Public Pension Coordinating Council (PPCC) recognizes public pension systems that meet the professional standards for public retirement system management and administration as set forth by the PPCC. The ERS was awarded the Public Pension Standards Award for Funding and Administration for 2023. The Award recognizes achievement of high professional standards in the area of plan funding and administration. The PPCC encourages all state and local governments to meet these standards.

Acknowledgments

The preparation of this ACFR reflects the efforts, skill, and dedication of Sheila S. Joynes, Accounting Manager, and Charles Curtis, Accountant. It is with the utmost gratitude and appreciation that I thank the Board, Staff, and Consultants who work tirelessly on behalf of the members to ensure the successful operation of the ERS.

Respectfully Submitted,

Andrea L. Rose
Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Maryland-National Capital Park and Planning Commission Employees' Retirement System

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Christopher P. Morrill

Executive Director/CEO

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2023

Presented to

The Maryland-National Capital Park and Planning Commission Employees' Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Alan H. Winkle
Program Administrator

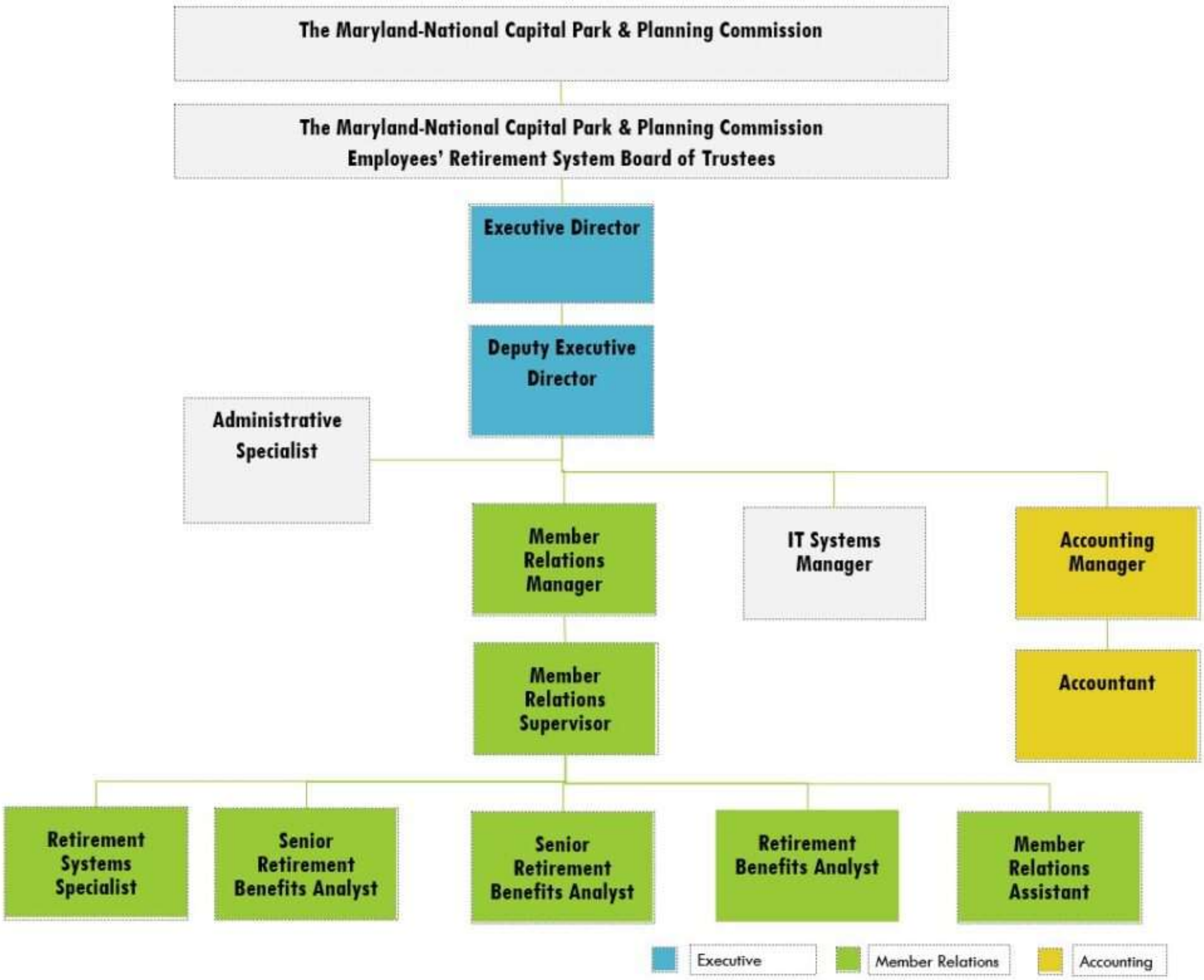
BOARD OF TRUSTEES

The Board consists of 11 appointed and elected members as adopted by the Commission on July 24, 2001:

- Two Commissioners, one each from Montgomery and Prince George's counties, appointed by the Commission.
- The Commission's Executive Director, Ex-Officio, concurrent with tenure in office.
- The Commission's Secretary-Treasurer, Ex-Officio, concurrent with tenure in office.
- Three Open Trustees, one each from Montgomery and Prince George's counties and one from the Bi- County office (effective July 2003), as a result of an election conducted by the ERS.
- Two Public Members, one each from Montgomery and Prince George's counties, appointed by the Commission.
- Two Represented Trustees, one each from the Municipal and County Government Employees' Organization (MCGEO) and the Fraternal Order of Police (FOP). The MCGEO Representative is selected by the Chief Executive Officer of MCGEO and the FOP Representative is selected pursuant to an internal election process established by the FOP. Represented trustees continue in office until replaced by their successors.

Trustees serve for three-year terms. Trustees elect a chair and vice chair to serve for a two-year term. Generally, the Board meets on the first Tuesday of every month, except for August. Board meetings are open to all employees and members of the public. Members of the Board may be contacted in writing through the ERS. Announcements regarding the Board of Trustees are posted on the ERS' website http://ers.mncppc.org and in the Commission's monthly newsletter, *Update.*

ORGANIZATIONAL AND REPORTING STRUCTURE



CONSULTANTS AND PROFESSIONAL SERVICE PROVIDERS

CONSULTANTS & PROFESSIONAL SERVICE PROVIDERS

Actuary
Cheiron, Inc.

Auditor
SB & Company, LLC

Banking
The Northern Trust Company
Bank of America

Investment Consultant
Wilshire Advisors, LLC

Legal
GROOM Law Group, Chartered
M-NCPPC Legal Department
Robbins Geller Rudman & Dowd, LLP

Note: For the Investment Manager Directory see page 50, and for the Schedule of Broker Commissions see page 62.

Employees' Retirement System
The Maryland-National Capital Park and Planning Commission
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737
Telephone (301) 454-1415
Fax (301) 454-1413
http://ers.mncppc.org
contactERS@mncppc.org
***
Hours of Service Monday-Friday 8 a.m. to 5 p.m.

FINANCIAL SECTION

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees
The Maryland-National Capital Park and Planning Commission Employees' Retirement System

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the ERS' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective fiduciary net position of ERS, as of June 30, 2024 and 2023, and the respective changes in fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of ERS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

ERS' 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ERS' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, and schedule of money-weighted rate of returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinion on the financial statements that collectively comprise ERS' basic financial statements. The schedule of administrative expenses, schedule of investment expenses, and schedule of payments to consultants, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the introductory, investment, actuarial, and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Owings Mills, Maryland
September 24, 2024

SB & Company, LLC

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the ACFR provides readers with a narrative overview and analysis of the financial activities of the Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS) for the fiscal years ended June 30, 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with basic financial statements to enhance their understanding of the ERS' financial performance.

FINANCIAL HIGHLIGHTS

- The ERS' assets exceeded liabilities by $1.13 billion and $1.10 billion as of June 30, 2024 and 2023, respectively. Of this amount, $1.13 billion and $1.10 billion may be used to meet the obligations of current and future retirees and beneficiaries. The total fiduciary net position held in trust for pension benefits increased by $34.1 million (+3.1%) in 2024 and $42.6 million (+4.0%) in 2023 due primarily to investment gains.
- The ERS' Net Pension Liability as of June 30, 2024 was $202,065,631. The ratio of the Fiduciary Net Position to the Total Pension Liability was 84.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion & Analysis is intended to serve as an introduction to the ERS' basic financial statements. The basic financial statements contain two components: the ERS' Financial Statements and the Notes to the Financial Statements. In addition to the basic financial statements, this report also contains the following additional supplementary information required by the Governmental Accounting Standards Board: a Schedule of Changes in Net Pension Liability and Related Ratios, a Schedule of Employer Contributions, a Schedule of Money-Weighted Rate of Returns, and Notes to Required Supplementary Information.

The Statements of Fiduciary Net Position present information on all of the ERS' assets and liabilities, with the difference between the two reported as fiduciary net position restricted for pensions. Over time, increases or decreases in net position may serve as a useful indicator of whether the ERS' financial position is improving or deteriorating.

The Statements of Changes in Fiduciary Net Position present information showing how the ERS' net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, additions to and deductions from net position are reported in the statements for some items that will only result in cash flows in future fiscal periods (e.g., unrealized gains or losses on investments).

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The Schedules of Changes in Net Pension Liability and Related Ratios, Employer Contributions and Money-Weighted Rate of Returns present historical trend information about the ERS. This information is intended to improve financial reporting for decision making, accountability and transparency.

Financial Analysis of the System

Fiduciary Net Position and Changes in Fiduciary Net Position: The following table reflects the ERS' net position and changes in net position as of and for the years ended June 30, 2024, 2023 and 2022 (in thousands).

	June 30, 2024	June 30, 2023	June 30, 2022
Assets			
Current assets	$ 1,168,902	$ 1,132,977	$ 1,090,770
Other assets	827	1,094	1,241
Total assets	1,169,729	1,134,071	1,092,011
Liabilities			
Total liabilities	36,813	35,275	35,858
Fiduciary net position restricted for pensions	$ 1,132,916	$ 1,098,796	$ 1,056,153

	June 30, 2024	June 30, 2023	June 30, 2022
Changes in fiduciary net position			
Total additions, net	$ 109,319	$ 113,011	$ 13,073
Total deductions, net	75,200	70,368	64,642
Net increase (decrease) in fiduciary net position	$ 34,119	$ 42,643	$ (51,569)

Assets

The largest component of fiduciary net position is the ERS' investments. As of June 30, 2024, 2023 and 2022, investments amounted to approximately $1.17 billion, $1.13 billion, and $1.09 billion, respectively. In 2024 and 2023 the increase in fiduciary net position was as a result of the net gain in the fair value of investments. In 2022 the decrease in fiduciary net position was as a result of the net loss from investing activities. Total receivables of $1.5 million, $1.4 million, and $1.1 million represent accrued income on investments, unsettled trades at the end of the year and receivables of member contributions as of June 30, 2024, 2023 and 2022, respectively.

Liabilities

Liabilities are primarily comprised of amounts payable on securities lending transactions and investments payable. Securities lending liabilities amounted to approximately $29.4 million, $32.7 million, and $33.0 million as of June 30, 2024, 2023 and 2022, respectively. These outstanding balances are offset with cash and investments being held as collateral on securities lending transactions. Investments payable represent purchases not settled by June 30 of each year. There were no investments payable as of June 30, 2023. Investments payable were approximately $5.2 million, and $0.4 million as of June 30, 2024 and 2022, respectively.

Additions

The primary sources of net additions for the ERS include employer and member contributions and investment income. The following table reflects the sources and amounts of additions during the fiscal years ended June 30, 2024, 2023 and 2022 (in millions):

	June 30, 2024	June 30, 2023	June 30, 2022
Employer contributions	$ 28.4	$ 25.7	$ 26.2
Member contributions	9.4	8.3	7.7
Net investment gain (loss)	71.5	79.0	(20.8)
Net Additions	**$ 109.3**	**$ 113.0**	**$ 13.1**

Contributions

During 2024, the actuarially determined employer contribution to the ERS increased from $25,682,999 to $28,367,491. An increase in the actuarially determined contribution can be primarily attributed to 1) a large liability loss driven by salary increases (active members) and cost-of-living adjustments (retirees) greater than expected and 2) a decrease in the discount rate; and 3) plan amendments.

During 2023, the actuarially determined employer contribution to the ERS decreased from $26,174,744 to $25,682,999. A decrease in the actuarially determined contribution can be primarily attributed to 1) an actuarial gain on the investments; 2) an actuarial gain on liabilities due to cost-of-living increases less than expected for retirees and salary increases less than expected for active members; and 3) a decrease in the unfunded actuarial liability which resulted from a large actuarial gain offset by the increase in liability due to a change in demographic and economic assumptions.

Employer contributions are paid based on the prior year's valuation. For the calculation of the required employer contributions, the ERS uses a five-year asset smoothing method to determine the actuarial value of plan assets. During the period July 1, 2022 through June 30, 2023, investment performance on the actuarial value of assets was 6.36%. Over the five-year period ending on the valuation date, June 30, 2023, the return on the fair value of assets was 6.58%.

Net Investment Income

The net investment gain(loss) for the ERS totaled $71.5 million in 2024, $79.0 million in 2023, and ($20.8) million in 2022. In 2024, the $71.5 million investment gain was comprised of a net appreciation in fair value of investments of $47.9 million, $26.4 million in dividends and interest, $0.1 million from securities lending and $2.9 million advisory and management fees. Fees in 2024 were reduced by 0.2 million due to a tax withholding relating to a cash distribution. In 2023, the $79.0 million investment gain was comprised of a net appreciation in fair value of investments of $63.2 million, $19.8 million in dividends and interest, $0.1 million from securities lending and $4.1 million advisory and management fees. Fees in 2023 included 0.7 million due to a tax withholding relating to a cash call. In 2022, the $20.8 million investment loss was comprised of a net depreciation in fair value of investments of $36.3 million, $18.9 million in dividends and interest, $0.1 million from securities lending and $3.5 million advisory and management fees.

Deductions

The deductions from the ERS include the payment of retiree and survivor benefits, participant refunds and administrative expenses. Deductions for 2024, 2023 and 2022 totaled $75.2 million, $70.4 million, and $64.6 million, respectively. Such amounts represent increases of 6.9% and 8.9% over 2023 and 2022 respectively. At the beginning of fiscal year 2024, eligible retirees received cost-of-living adjustment (5.0% for Tier I service and 2.5% for Tier II service) which contributed to the 6.9% increase in deductions from 2022 to 2023. At the beginning of fiscal year 2023, eligible retirees received cost-of-living adjustment (3.8% for Tier I service and 2.5% for Tier II service) which contributed to the 8.9% increase in deductions from 2022 to 2023. The following table reflects the ERS' deductions by type in 2024, 2023, and 2022 (in thousands):

	2024	2023	2022
Benefits	$ 71,265	$ 66,592	$ 61,422
Refunds	982	1,212	823
Administrative expenses	2,953	2,564	2,397
Total Deductions	**$ 75,200**	**$ 70,368**	**$ 64,642**

Request for Information

This financial report is designed to provide an overview of the ERS. Questions concerning any of the information provided in this report should be addressed to Andrea L. Rose, Executive Director or Jaclyn Harris, Deputy Executive Director, The Maryland-National Capital Park and Planning Commission Employees' Retirement System, 6611 Kenilworth Avenue, Suite 100, Riverdale, Maryland 20737.

STATEMENTS OF FIDUCIARY NET POSITION

June 30, 2024 and 2023

	2024	2023
CASH	$ 69,023	$ 49,048
RECEIVABLES		
Accounts receivable-member contributions	62,698	42,071
Investments related receivable	-	92,706
Accrued income on investments	1,435,039	1,229,242
Total receivables	1,497,737	1,364,019
INVESTMENTS AT FAIR VALUE (note 3)		
Fixed income securities	226,563,564	206,122,691
International fixed income securities	8,679,895	8,551,432
Venture capital/alternative investments	360,024,622	371,028,275
Corporate stock	394,873,517	376,240,605
International corporate stock	49,597,216	43,452,774
Real estate	62,528,699	75,564,096
Short-term investments	36,482,596	18,480,417
Securities lending short-term collateral investment pool	28,584,757	32,123,679
Total investments at fair value	1,167,334,866	1,131,563,969
OTHER ASSETS		
Prepaid expenses	2,242	49,050
Equipment at cost, net of accumulated depreciation/amortization of $701,649 and $481,825	825,041	1,044,865
Total other assets	827,283	1,093,915
Total assets	1,169,728,909	1,134,070,951
LIABILITIES		
Investments related payable	5,199,822	-
Accrued expenses	548,783	694,726
Refunds payable	1,659,962	1,912,829
Payable for securities lending collateral	29,404,572	32,666,910
Total liabilities	36,813,139	35,274,465
FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS	**$1,132,915,770**	**$1,098,796,486**

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

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
ADDITIONS		
Contributions (note 2)		
Employer	$ 28,367,491	$ 25,682,999
Employees	9,469,134	8,303,091
Total contributions	37,836,625	33,986,090
Investment income		
Interest	22,458,795	16,008,346
Dividends	3,945,676	3,743,039
Net appreciation in fair value of investments	47,892,204	63,245,070
Other	38,540	15,287
Less - investment advisory and management fees	(2,929,689)	(4,055,058)
Net gain from investing activities	71,405,526	78,956,684
Securities lending activity (note 3)		
Securities lending income	1,990,518	1,293,680
Borrower rebate	(1,880,562)	(1,196,613)
Securities lending expenses:		
Less - Management fees	(32,952)	(29,088)
Net income from securities lending	77,004	67,979
Net investment gain	71,482,530	79,024,663
Total additions	109,319,155	113,010,753
DEDUCTIONS		
Benefits and other payments		
Pension benefits	64,049,552	59,649,263
Disability benefits	79,526	87,473
Survivor and death benefits	7,136,245	6,855,251
Refunds of contributions	981,646	1,212,004
Administrative expenses (note 6)	2,952,902	2,563,568
Total deductions	75,199,871	70,367,559
NET INCREASE IN FIDUCIARY NET POSITION	34,119,284	42,643,194
FIDUCIARY NET POSITION RESTRICTED FOR PENSIONS		
BEGINNING OF YEAR	1,098,796,486	1,056,153,292
ENDING OF YEAR	**$ 1,132,915,770**	**$ 1,098,796,486**

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

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS), although a legally separate entity, is considered to be a fiduciary component unit of the Maryland-National Capital Park and Planning Commission ("Commission"). Accordingly, the financial statements of the ERS are included as a pension trust fund in the Commission's basic financial statements.

The ERS is a retirement benefit trust organized by the Commission and is a qualified retirement plan pursuant to, and within the meaning of Section 401(a) of the Internal Revenue Code of 1986. The ERS is considered a single "pension plan" for purposes of financial reporting in accordance with accounting principles generally accepted in the United States of America, as no assets are legally restricted to the payment of certain benefits.

Basis of Accounting

The financial statements of the ERS are prepared on the accrual basis of accounting under which expenses are recorded when the liability is incurred; revenues are recorded in the accounting period in which they are earned and become measurable; and investment purchases and sales are recorded as of their trade date. Employee contributions for active members are established by the plan sponsor; set forth in the ERS' plan document; and, recognized when due. Employer contributions are recognized when due pursuant to formal commitments as recommended by the actuary and approved by the plan sponsor. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Use of Estimates

Management of the ERS has made certain estimates and assumptions relating to the reporting of assets and liabilities, and the disclosure of contingent assets and liabilities, to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Fair Value

The ERS' investments are reported at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale. The investments in short-term investment funds are reported at cost plus allocated interest, which approximates fair value. The securities lending collateral pool, which is a fund operated by the securities lending agent, also is accounted for at fair value, which represents the net position of the collateral received. U.S. government obligations, corporate and foreign bonds and notes, and common and preferred stocks, are generally valued based on published market prices and quotations from national security exchanges and securities pricing services.

For alternative investments, which include venture capital, private equity, and real estate investments where no readily ascertainable fair value exists, management, in consultation with the general partner and investment advisors, has determined the fair values for the individual investments based upon the partnership's most recent available financial information. Securities that are not traded on a national security exchange are valued by the asset manager or third parties based on similar sales.

The pricing services used for fixed income securities uses the Intercontinental Exchange, Inc. by Institutional Bid Evaluation daily; international fixed income securities uses the Intercontinental Exchange, Inc. or IBOXX by Institutional Mid Evaluation daily; corporate stock uses the Intercontinental Exchange, Inc. as of the official close of NASDAQ daily; international corporate stock uses SIX Financial by the Last Trade daily; venture capital uses the Limited Partnership by the Institutional Bid Evaluation or Valuation as Priced for U.S. and international; and, real estate uses the Investment Managers by Evaluation as priced.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fair Value (continued)
Investment expenses consist of investment managers' fees and those expenses directly related to the ERS' investment operations. GASB only requires disclosure of investment management fees which are "readily separable" from investment income. Due to the diversified investments, not all investment expenses are transparently disclosed in the statements. Partnership fees for private equity are drawn from committed capital; therefore, these fees are included within the net asset value and reported in the net appreciation/(depreciation) in fair value of investments.

Capital Assets
Capital assets are stated at cost value at the time received less accumulated depreciation/amortization. Donated capital assets, donated works of art, similar items and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Repairs and maintenance are expensed as incurred. Assets with a cost greater than $5,000 are capitalized.

Depreciation/amortization is recorded over the following estimated useful lives using the straight-line method:

Computer software systems	5 to 15 years
Furniture, fixtures, and equipment	3 to 5 years

2. Organization and Plan Description

The Board of Trustees ("Board") administers the ERS in accordance with the Trust Agreement between the Commission and the Board and delegates the day-to-day operations to the Executive Director. The Board's main responsibility is to administer the ERS for the sole benefit of the members and to pay the promised benefits. The assets of the ERS are invested with the objective of ensuring that sufficient funds will be available for meeting benefit payments. The Board consists of 11 appointed and elected members as follows: two Commissioners (one each from Montgomery and Prince George's counties); three employee trustees (one each from Montgomery and Prince George's counties and one from the Bi-County office); two public members (one each from Montgomery and Prince George's counties); two Represented Trustees (one MCGEO Representative and one Fraternal Order of Police Representative); and, the Commission's Executive Director and Secretary-Treasurer, who serve Ex-Officio.

The ERS consists of five contributory, single employer defined benefit pension plans sponsored by the Commission. Three of the plans, Plan A, B and D are closed to new entrants, and two, Plan C and E are open for park police and general employees, respectively. The following description of the ERS provides general information. Participants should refer to the Plan Document for more complete information.

General Employees. General employees may be members of Plans A, B, or E. Plan A, the original plan effective July 1, 1972, is applicable to all employees who enrolled on a voluntary basis as of December 31, 1978, when membership was closed. Plan B became mandatory for all new full-time career general employees effective January 1, 1979, and ERS staff hired on or after March 1, 1994. Effective January 1, 2009, membership was mandatory for part-time Merit System employees, Commissioners and Appointed Officials of the Commission. Plan B is integrated with Social Security and members vest after five years of credited service, with the exception of Commissioners and Appointed Officials who receive full and immediate vesting. Membership in Plan B closed effective December 31, 2012. Under the terms of Plans, A and B, the normal retirement date for participating general employees is the first day of the month coinciding with or immediately following the date on which a participant attains age 60 with at least 5 years of credited service, or upon completion of 30 years of credited service regardless of age. Plan E became mandatory for all full-time and part-time general career employees, ERS Staff, Commissioners and Appointed Officials hired on or after January 1, 2013. Plan E is integrated with Social Security and members fully vest after ten years of credited service, with the exception of Commissioners and Appointed Officials who receive full and immediate vesting. Normal retirement in Plan E is age 62 with 10 years of credited service or 30 years of credited service, regardless of age.

2. Organization and Plan Description (continued)

Park Police. Park Police may be members of Plans C or D. On July 1, 1990, a collectively bargained Plan D replaced Plan C, which was closed, and all members transferred to the new Park Police Plan D. Effective July 1, 1993, again as a result of collective bargaining, Plan D was closed to new employees, and Plan C was amended and reopened to provide benefits for Park Police hired after July 1, 1993. Pursuant to a 2002 collective bargaining agreement, Plan D members were given a one-time election to transfer to Plan C on or before October 25, 2002.

The normal retirement date for Plan D members is the first day of the month coinciding with or immediately following the date on which the participant attains age 55 and has completed 5 years of credited service, or has completed 22 years of credited service, regardless of age. The normal retirement date for Plan C members is the first day of the month coinciding with or immediately following the date on which the participant attains age 55 and has completed 5 years of credited service, or has completed 25 years of credited service, regardless of age.

Benefit Payments. Benefit payments for Plans A, B, C, and D are determined by application of a benefit formula considering the average of an employee's annual base pay during the three consecutive years that produce the highest total earnings prior to retirement, and the number of years of credited service, up to 40 years for members of Plan A, 35 years for members of Plan B, 30 years for members of Plan C, and 32 years for members of Plan D. Benefit payments in Plan E are determined by application of a benefit formula considering the average of an employee's annual base pay during the five consecutive years that produce the highest total earnings prior to retirement and credited service up to 35 years. Under certain conditions, participants may elect to take early retirement at a reduced benefit level. Joint and survivor options are also available under all the plans.

Disability. Prior to August 1, 1982, disability benefits were available under the plans. Effective August 1, 1982, applications for disability retirement benefits were discontinued. All members who were receiving disability benefits, or who applied for disability benefits prior to August 1, 1982, continue to be covered under the terms of Plans A, B, and C. All applications for disability benefits subsequent to August 1, 1982, are covered under the Commission's Long-Term Disability Insurance Plan, which is not part of the ERS.

Cost-of-Living Adjustment (COLA). On July 1 each year, retirement income for participants retired at least six months is adjusted for changes in the cost-of-living as determined by the Consumer Price Index-All Items Annual Average, Urban Index for Major U. S. Cities (CPI). Plans A, B, C and D provide COLAs at 100% of the change in the CPI up to 3%, plus half of the change in the CPI in excess of 3%, up to a 5% maximum COLA for the portion of a member's benefit attributable to credited service earned prior to July 1, 2012, including earned and unused sick leave prior to January 1, 2013. The portion of a member's benefit attributable to credited service earned after July 1, 2012, including earned and unused sick leave on and after January 1, 2013, are subject to a maximum COLA of 2.5%. Plan E provides COLAs at 100% of the change in the CPI up to a maximum COLA of 2.5%.

Death Benefit. The ERS provides a $10,000 post-retirement death benefit to beneficiaries of current and future retired members.

Sick Leave Integration. The ERS permits members to use up to a maximum of 301 days of earned and unused sick leave to meet the length of service requirements for retirement qualification.

Plan Termination. Although the Commission has not expressed any intent to terminate the Plans, it may do so at any time. In the event that the Plans are terminated, beneficiaries receiving benefits at the date of termination shall be entitled to an allocation of the remaining assets based upon the relationship of each individual's actuarial reserve to total actuarial reserves, the balance to be allocated (pro rata) to the remaining members or beneficiaries.

2. Organization and Plan Description (continued)

Membership by Plan

As of June 30, 2023, membership in the ERS was as follows:

	Plan A (General)	Plan A (Police)	Plan B	Plan C	Plan D	Plan E	Total
[1] Inactive Plan Members (or their beneficiaries) Currently Receiving Benefits	228	12	1,438	108	104	8	1,898
[2] Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-	-	469	57	3	326	855
Active Plan Members	-	-	772	196	1	1,223	2,192
Total membership	**228**	**12**	**2,679**	**361**	**108**	**1,557**	**4,945**

[1] Total inactives includes active members on long-term disability which is why this number doesn't match the Schedule of Average Benefit Payments at the end of the report.

[2] As of June 30, 2023, there were 622 terminated non-vested participants due a refund of member contributions.

As of June 30, 2022, membership in the ERS was as follows:

	Plan A (General)	Plan A (Police)	Plan B	Plan C	Plan D	Plan E	Total
[1] Inactive Plan Members (or their beneficiaries) Currently Receiving Benefits	237	14	1,363	100	105	6	1,825
[2] Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-	-	486	55	3	272	816
Active Plan Members	-	-	871	195	2	1,059	2,127
Total membership	**237**	**14**	**2,720**	**350**	**110**	**1,337**	**4,768**

[1] Total inactives includes active members on long-term disability which is why this number doesn't match the Schedule of Average Benefit Payments at the end of the report.

[2] As of June 30, 2022, there were 581 terminated non-vested participants due a refund of member contributions.

Contributions

The Commission has agreed to make actuarially determined periodic contributions sufficient to provide the ERS with assets for payment of pension benefits. The rate for the Commission's employee group as a whole is expected to remain level as a percentage of annual covered payroll. The contribution rate is based on current service cost plus amortization of the unfunded actuarial accrued liability.

Employee contributions are established and amended by the Commission and set forth in the ERS' Plan Document. Employees participating in Plan A contribute 7% of their base pay. Park Police participating in Plans C and D contribute 9% and 8%, respectively, of their base pay. Employees participating in Plan B and E contribute 4% of their base pay up to the Social Security covered wage base and 7% and 8%, respectively, thereafter.

The total contributions to the ERS for 2024 and 2023 were $37,836,625 and $33,986,090, respectively. In 2024, the Commission contributed $28,367,491 (14.3% of covered payroll). Employees contributed $9,469,134 (4.8% of covered payroll). In 2023, the Commission contributed $25,682,999 (14.7% of covered payroll). Employees contributed $8,303,091 (4.7% of covered payroll). Refer to the Schedule of Employer Contributions (page 44).

The Commission's actuarially determined contributions increased 10.5% from $25,682,999 in 2023 to $28,367,491 in 2024. An increase in the actuarially determined contribution can be primarily attributed to 1) a large liability loss driven by salary increases (active members) and cost-of-living adjustments (retirees) greater than expected; 2) a decrease in the discount rate; and 3) plan amendments.

3. Investments

The Board is authorized by the Trust Agreement to invest and reinvest the Trust Fund, as may be determined by the investment consultant selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers.

Trust Fund assets are invested to obtain an appropriate long-term total return consistent with prudent risk taking. The Trust Fund shall be diversified across investment classes and among investment managers in order to achieve return as compensation for investment risk. The Board established target allocations for each asset class, as well as ranges of expected exposure as follows:

	Target Exposure	Expected Range
U.S. Equity	15.00%	10%-20%
International Equity	10.00%	5%-15%
Global Low Volatility Equity	8.50%	5%-12%
Private Equity	8.00%	5%-12%
Total Equity	**41.50%**	**35%-48%**
U.S. Core Fixed Income	11.50%	8%-15%
High Yield Fixed Income	10.00%	7%-13%
Bank Loans	5.00%	2%-8%
Emerging Market Debt	5.00%	2%-8%
Global Opportunistic Fixed Income	10.00%	5%-15%
Total Fixed Income	**41.50%**	**35%-48%**
Public Real Assets	2.00%	0%-5%
Private Real Assets	15.00%	10%-20%
Total Real Assets	**17.00%**	**12%-22%**

Each investment manager has a set of guidelines, which contain investment objectives, and risk control provisions, which are appropriate for each manager's mission. Investment managers have discretion within the constraints of these guidelines and are subject to regular review by the Board. Investment manager assignments may be implemented with pooled vehicles. In such circumstances, the ERS may not have control with respect to the investment guidelines and objectives as they are written broadly for multiple investors. The Trust Fund has guidelines, which apply broadly to each asset class as follows:

Public Equity Guidelines (U.S. and International)

- Under normal conditions, no more than 5% of the value of the U.S. and International composites should be held in cash equivalents at any time.
- The U.S. and International equity composites are expected to remain broadly diversified by economic sector, industry, and individual securities at all times.
- The composites should match the asset class benchmark in terms of capitalization and growth characteristics and be like the asset class benchmark in terms of risk.
- Any single issuer is not expected to exceed 5% of the fair value of the public equity investments at any time.

Private Equity Guidelines

- The portfolio is expected to be diversified by geographic location with the following weightings: North America (approximately 50%), Europe (approximately 30%), and the Asia-Pacific region and other emerging markets (approximately 20%).

3. Investments (continued)

Private Equity Guidelines (continued)

- The composite is expected to be diversified by the following investment types: buyouts, venture capital, growth equity, distressed, and special situations (private equity-like investments, such as mezzanine debt, asset-intensive assets or royalty streams and other opportunistic funds).
- Secondary fund investments and direct co-investments are permitted on an opportunistic basis with a combined maximum limit of 20%.
- Investments should be diversified by vintage year.
- No single partnership investment is expected to be more than 20% of the private equity composite. This guideline shall not apply during initial funding.

Fixed Income Guidelines

- The fixed income portfolio is structured to include exposures to the following sub-classes: core fixed income, high yield fixed income, global opportunistic fixed income, emerging markets, and bank loans.
- The fixed income composite may have up to 20% of its value in cash equivalents at any time.
- Except for securities issued by the U.S. Government and/or its agencies, any single issuer is not expected to exceed 5% of the fair value of the fixed income composite at any time.
- Duration of each fixed income sub-class should typically remain with +/- 1.5 years of the sub-class benchmark.
- Credit quality for each sub-class is expected to be like that of the designated sub-class benchmark, as measured by a recognized rating agency (Standard & Poor’s or Moody’s).
- Build America Bonds issued by Montgomery County and Prince George’s County are prohibited.
- Flexible global opportunistic fixed income guidelines allow managers to invest globally, seeking to add value through duration management, yield curve positioning, sector/issue selection, country market selection and currency.

Real Assets Guidelines

- The real assets portfolio includes private real assets and public real assets.
- Any un-invested portion of the private real assets allocation should remain invested in public real assets.

Private Real Assets Guidelines

- Investments will be structured privately in the form of commingled or pooled vehicles, such as limited partnerships and diversified among the following investment types: real estate, energy, mining, timber, agriculture, and infrastructure.
- The private real assets portfolio is expected to be diversified by geographic location with a general range of 50% - 70% invested in the United States and the balance invested outside the U.S. and generally no more than 30% invested in emerging markets.
- Investments should also be diversified by vintage year. No single partnership commitment is expected to be more than 20% of the real assets portfolio or more than 20% of the portfolio of a fund-of-funds manager.

Public Real Assets Guidelines

- Investments structured in public real assets include natural resource stocks, real estate securities (including REITs), commodities, inflation indexed bonds, and global infrastructure that are broadly diversified, such that each sub-asset class may contribute to the portfolio’s real return and risk profile.

3. Investments (continued)

Fair Value Measurements

The fair value of all invested assets, based on the fair value hierarchy, and categorized based upon the lowest level of input that was significant to the fair value measurement which represents the price that would be received if sold on the measurement date, were as follows:

Investments and Derivative Instruments Measured at Fair Value
($ in thousands)

		Fair Value Measurements Using		
	Fair Value 6/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Cash and invested cash	$ 48	$ 48	$ -	$ -
Debt securities				
Asset backed securities	7,189	-	6,817	372
Commercial mortgage-backed	3,169	-	3,169	-
Corporate bonds	37,548	-	37,548	-
Government agencies	6,269	-	6,269	-
Government bonds	29,412	-	29,412	-
Government mortgage-backed securities	40,545	-	40,545	-
Government-issued commercial mortgage-backed	1,123	-	1,123	-
Other fixed income	2,555	-	2,555	-
Total debt securities	127,810	-	127,438	372
Equity investments				
Common stock	47,681	47,678	3	-
Total equity investments	47,681	47,678	3	-
Securities lending short-term collateral investment pool	28,585	28,585	-	-
Total investments by fair value level	$ 204,124	$ 76,311	$ 127,441	$ 372

Investments Measured at the Net Asset Value (NAV)
($ in thousands)

	2024	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Short-term investment funds	$ 36,435	None	Daily	1-6 days
Funds-corporate bonds	51,668	None	Monthly	1-6 days
Funds-other fixed income	55,764	None	Daily	1-6 days
Funds-common stock	396,790	None	Daily	1-6 days
Venture capital and partnerships[1]	360,025	$108,912	Not eligible	N/A
Real estate	62,529	None	Daily	1-6 days
Total investments measured at NAV	963,211			
Total investments	$ 1,167,335			

[1] Nuveen Senior Loan Fund, LP which is included in this total has a monthly redemption frequecy with a 30 day redemption notice period.

3. Investments (continued)

Investments and Derivative Instruments Measured at Fair Value
($ in thousands)

	Fair Value 6/30/2023	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Cash and invested cash	$ 3	$ 3	$ -	$ -
Debt securities				
Asset backed securities	3,015	-	3,015	-
Commercial mortgage-backed	4,981	-	4,981	-
Non-government backed c.m.o.s.	129	-	129	-
Corporate bonds	37,191	-	37,191	-
Government agencies	19,372	-	19,372	-
Government bonds	22,107	-	22,107	-
Government mortgage-backed securities	22,277	-	22,277	-
Government-issued commercial mortgage-backed	1,205	-	1,205	-
Other fixed income	2,442	-	2,442	-
Total debt securities	112,719	-	112,719	-
Common stock	41,361	41,358	3	-
Total equity investments	41,361	41,358	3	-
Securities lending short-term collateral investment pool	32,124	32,124	-	-
Total investments by fair value level	$ 186,207	$ 73,485	$ 112,722	$ -

Investments Measured at the Net Asset Value (NAV)
($ in thousands)

	2023	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Short-term investment funds	$ 18,477	None	Daily	1-6 days
Funds-corporate bonds	51,205	None	Monthly	1-6 days
Funds-other fixed income	50,751	None	Daily	1-6 days
Funds-common stock	378,332	None	Daily	1-6 days
Venture capital and partnerships[1]	371,028	$111,116	Not eligible	N/A
Real estate	75,564	None	Daily	1-6 days
Total investments measured at NAV	945,357			
Total investments	$ 1,131,564			

[1] Nuveen Senior Loan Fund, LP which is included in this total has a monthly redemption frequecy with a 30 day redemption notice period.

The pricing services used for fixed income securities (level 2) uses the Intercontinental Exchange, Inc. by Institutional Bid Evaluation daily; international fixed income securities (level 2) uses the Intercontinental Exchange, Inc. or IBOXX by Institutional Mid Evaluation daily; corporate stock (level 1) uses the Intercontinental Exchange, Inc. as of the official close of NASDAQ daily; international corporate stock (level 1) uses SIX Financial by the Last Trade daily; venture capital (level 2) uses the Limited Partnership by the Institutional Bid Evaluation or Valuation as Priced for U.S. and international; and, real estate (level 2) uses the Investment Managers by Evaluation as priced.

Level 1 - Unadjusted quoted prices for identical instruments in active markets for identical assets or liabilities. Fair values of stocks are determined by utilizing quoted market prices.

3. Investments (continued)

Investments Measured at the net asset value (NAV) (continued)

Level 2 - Reflects measurements based on other observable inputs. Quoted prices for similar instruments in active markets; identical or similar instruments in markets that are not active; and models in which all significant inputs are observable.

Level 3 - Valuations are based on methods in which significant inputs are unobservable. The carrying value of cash equivalents and short-term investments approximates fair value due to the short maturities of these investments.

Money-Weighted Rate of Return

For the years ended June 30, 2024 and 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was +6.87% and +7.51%, respectively for one year. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Risks

The ERS has investments that are subject to various risks. Among these risks are custodial credit risk, interest rate risk, credit risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the ERS will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities 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. The ERS requires that all investments be clearly marked as to ownership and to the extent possible, shall be registered in the name of the ERS.

Of the ERS' $1.17 billion and $1.13 billion in investments as of June 30, 2024 and 2023, $28.6 million and $32.1 million, respectively were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

For short term investments, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

The amount of the ERS' total cash and short-term investments as of June 30, 2024 and 2023 was $36,551,619 and $18,529,465, respectively. Cash deposits that were insured and collateralized in the bank account totaled $69,023 and $49,048 as of June 30, 2024 and 2023, respectively. As of June 30, 2024, and 2023, the ERS held $36,482,596 and $18,480,417, respectively, of short-term investments in its custodial investment accounts.

As of June 30, 2024, the ERS did not hold any short-term investments exposed to custodial credit risk.

Each investment manager has duration targets and bands that control interest rate risk; however, the ERS does not have a policy relating to interest rate risk.

3. Investments (continued)

As of June 30, 2024, the ERS had the following fixed income investments and short-term investments with the following maturities:

Investment Type	Fair Value	Weighted Average Maturity-
Asset backed securities	$ 7,189,213	10.456700
Commercial mortgage-backed	3,169,437	13.826331
Corporate bonds	89,216,279	10.163991
Government agencies	6,269,223	8.784735
Government bonds	29,412,351	13.353078
Government mortgage-backed securities	40,545,416	25.071879
Government-issued commercial mortgage-backed	1,122,837	3.759457
Fixed income mutual funds	58,318,703	N/A
Short-term investment funds	36,435,069	N/A
TOTAL	**$271,678,528**	**15.466360**

As of June 30, 2023, the ERS had the following fixed income investments and short-term investments with the following maturities:

Investment Type	Fair Value	Weighted Average Maturity-
Asset backed securities	$ 3,015,508	16.107617
Commercial mortgage-backed	4,980,599	17.522985
Corporate bonds	88,189,166	10.465836
Convertible Bonds	206,123	26.526000
Government agencies	19,371,762	9.881018
Government bonds	22,107,338	11.622033
Government mortgage-backed securities	22,276,641	24.500193
Government-issued commercial mortgage-backed	1,204,704	4.736030
Non-government backed collateralized morgaged obligations	128,877	26.111186
Fixed income mutual funds	53,193,405	N/A
Short-term investment funds	18,477,269	N/A
TOTAL	**$233,151,392**	**13.664340**

Asset-backed securities (ABS) are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Brokerage firms underwrite the securities and reoffer them to the public. The ERS held $7,189,213 and $3,015,508 in ABS as of June 30, 2024 and 2023, respectively.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by a nationally recognized statistical rating agency such as Standard & Poor's Services. Individual manager guidelines require investment managers to follow certain controls, documentation, and risk management procedures. Managers are required to measure and monitor exposure to counterparty credit risk; however, there is no formal policy relating to a specific investment-related risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating.

3. Investments (continued)

Individual investment manager guidelines include limitations on the percentage of securities below investment grade and various types of securities including derivatives. A Derivatives Policy Statement identifies and allows common derivative investments and strategies which are consistent with the Statement of Investment Policy.

Credit Quality Ratings as of June 30, 2024:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	AGY	6.06%
Government Agencies	AA	0.35%
Government Agencies	NR	0.16%
Government Mortgage Backed Securities	A	0.04%
Government Mortgage Backed Securities	BBB	0.00%
Government Mortgage Backed Securities	NR	0.01%
Asset Backed Securities	A	0.12%
Asset Backed Securities	AAA	0.16%
Asset Backed Securities	BBB	0.08%
Asset Backed Securities	NR	0.26%
Commercial Mortgage-Backed	A	0.01%
Commercial Mortgage-Backed	AA	0.03%
Commercial Mortgage-Backed	AAA	0.02%
Commercial Mortgage-Backed	BBB	0.01%
Commercial Mortgage-Backed	NR	0.20%
Corporate Bonds	A	1.38%
Corporate Bonds	AA	0.18%
Corporate Bonds	AAA	0.03%
Corporate Bonds	BB	0.12%
Corporate Bonds	BBB	1.46%
Corporate Bonds	NR	0.05%
Funds - Corporate Bond	NR	4.43%
Funds - Other Fixed Income	NR	4.78%
Funds - Short Term Investment	NR	3.12%
Other Fixed Income	NR	0.22%

NR = Not rated

Credit Quality Ratings as of June 30, 2023:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	*AGY	3.99%
Government Agencies	AA	1.61%
Government Agencies	NR	0.08%
Government Mortgage Backed Securities	A	0.02%
Government Mortgage Backed Securities	BBB	0.03%
Government Mortgage Backed Securities	NR	0.01%
Asset Backed Securities	A	0.08%
Asset Backed Securities	AAA	0.03%
Asset Backed Securities	BBB	0.06%
Asset Backed Securities	NR	0.10%
Commercial Mortgage-Backed	A	0.01%
Commercial Mortgage-Backed	AA	0.03%
Commercial Mortgage-Backed	AAA	0.07%
Commercial Mortgage-Backed	BB	0.02%
Commercial Mortgage-Backed	BBB	0.01%
Commercial Mortgage-Backed	NR	0.30%
Corporate Bonds	A	1.31%
Corporate Bonds	AA	0.24%
Corporate Bonds	BB	0.15%
Corporate Bonds	BBB	1.46%
Corporate Bonds	NR	0.11%
Corporate Convertible Bonds	BBB	0.02%
Funds - Corporate Bond	NR	4.45%
Funds - Other Fixed Income	NR	4.40%
Funds - Short Term Investment	NR	1.62%
Non-Government Backed C.M.O.s	NR	0.01%
Other Fixed Income	NR	0.22%

NR = Not rated

3. Investments (continued)

The ERS does not have a policy for foreign currency risk. Foreign currency is intentionally unhedged. The ERS' exposure to foreign currency risk as of June 30, 2024 was as follows:

Investment Type	Currency	Fair Value
Common stock	Brazilian real	$ 544,982
Common stock	British pound sterling	4,909,955
Common stock	Canadian dollar	2,100,514
Common stock	Euro	13,960,287
Common stock	Hong Kong dollar	1,377,912
Common stock	Japanese yen	4,778,669
Cash	Mexican peso	36,774
Common stock	Mexican peso	640,859
Common stock	New Taiwan dollar	3,863,790
Common stock	Norwegian krone	1,605,405
Common stock	Singapore dollar	856,952
Common stock	South Korean won	757,864
Common stock	Swiss franc	2,241,227
Total		**$ 37,675,190**

The ERS' exposure to foreign currency risk as of June 30, 2023 was as follows:

Investment Type	Currency	Fair Value
Common stock	Brazilian real	$ 847,486
Common stock	British pound sterling	3,387,396
Common stock	Canadian dollar	1,273,863
Common stock	Euro	12,474,145
Common stock	Hong Kong dollar	1,053,027
Common stock	Japanese yen	3,656,119
Common stock	Mexican peso	781,367
Common stock	New Taiwan dollar	2,216,944
Common stock	Norwegian krone	1,528,935
Common stock	Singapore dollar	686,847
Common stock	South Korean won	701,370
Common stock	Swiss franc	1,346,295
Total		**$ 29,953,794**

Note: These schedules do not agree with the total international obligations and international equities as listed on the Statements of Fiduciary Net Position due to international obligations valued in U.S. dollars but classified as international.

3. Investments (continued)

Cash Received as Securities Lending Collateral

The ERS accounts for securities lending transactions are in accordance with GASB No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, which established standards of accounting and financial reporting for securities lending transactions.

The Board authorized the lending of fixed income securities, which activity is managed by the custodian bank. The Board authorized a securities lending loan cap of 50%, effective February 1, 2011. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2024 and 2023.

Securities are loaned against collateral that may include cash, U.S. government securities, and irrevocable letters of credit, and select government debt securities. U.S. government securities are loaned against collateral valued at 102% of the fair value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the fair value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Consequently, the non-cash collateral has not been reported as an asset or liability on the Statements of Fiduciary Net Position. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 205 days in 2024 and 92 days in 2023.

Cash open collateral is invested in a short-term investment pool, the Northern Trust Collective Securities Lending Core Short Term Investment Fund, which had an interest sensitivity of 22 days as of June 30, 2024, and 13 days as of June 30, 2023. Cash collateral may also be invested separately in "term loans", in which case there are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

The custodial bank's responsibilities include performing appropriate borrower and collateral investment credit analysis; demanding adequate types and levels of collateral; and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. Loss indemnification is provided when securities are not returned due to the insolvency of a borrower and the trustee bank fails to fulfill its contractual responsibilities relating to the lending of those securities to that borrower.

The following table presents the fair values of the underlying securities, and the value of the collateral pledged as of June 30, 2024:

Securities Lent	Fair Value	Cash Collateral Received*
Fixed income securities	$ 24,756,260	$ 25,439,438
Domestic equities	2,286,436	2,346,426
Global equities	1,542,061	1,618,708
Total	**$ 28,584,757**	**$ 29,404,572**

3. Investments (continued)

Cash Received as Securities Lending Collateral (continued)

The following table presents the fair values of the underlying securities, and the value of the collateral pledged as of June 30, 2023:

Securities Lent	Fair Value	Cash Collateral Received*
Fixed income securities	$ 26,979,830	$ 27,422,950
Domestic equities	4,544,399	4,617,500
Global equities	599,450	626,460
Total	**$ 32,123,679**	**$ 32,666,910**

*The securities collateral value is based on the ERS' pro rata share of the value of the securities collateral.

4. Derivatives Policy Statement

A Derivatives Policy Statement identifies and allows common derivative investments and strategies, which are consistent with the Statement of Investment Policy. The guidelines identify transaction-level and portfolio-level risk control procedures and documentation requirements. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not "plain vanilla" are restricted to 5% of a manager's portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board**.** As of June 30, 2024, and 2023, the ERS did not hold any derivatives. Gains and losses are determined based on quoted fair values and recorded in the Statements of Changes in Fiduciary Net Position. The objective of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

- **Leverage**. Derivatives shall not be used to magnify exposure to an asset beyond that which would be allowed by the guidelines.
- **Unrelated Speculation**. Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable, unless such exposures would be allowed by the manager's guidelines if created with non-derivative securities.

Typically, investment advisors enter into foreign exchange contracts to make payment for international investments. Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The investment advisor uses these contracts primarily for its international investments to settle pending trades. To reduce the risk of counterparty nonperformance, the investment advisors generally enter into these contracts with institutions meeting high standards of credit worthiness. The realized and unrealized gain/loss on contracts are included in the ERS' net position and represents the fair value of the contracts as of June 30, 2024 and 2023, the ERS' contracts to purchase and sell by foreign currencies as follows:

4. Derivatives Policy Statement (continued)

Foreign Exchange Contracts Settled as of June 30, 2024:

Currency	Purchases	Realized Gain/(Loss)	Sells	Realized Gain/(Loss)
Brazilian real	$ -	$ -	$ (33,898)	$ (206)
British pound sterling	1,778,052	(3,066)	(735,055)	(685)
Canadian dollar	1,048,583	(597)	(18,338)	(9)
Euro	753,435	192	(1,815,384)	2,200
Hong Kong dollar	956,540	(46)	(229,220)	(34)
Japanese yen	984,629	(950)	(864,092)	700
Mexican peso	-	-	(163,693)	(282)
New Taiwan dollar	207,575	-	(234,674)	(609)
Norwegian krone	-	-	(66,849)	(422)
Singapore dollar	-	-	(45,760)	(56)
South Korean won	-	-	(11,510)	(30)
Swiss franc	815,378	(1,712)	(42,519)	10

Foreign Exchange Contracts Settled as of June 30, 2023:

Currency	Purchases	Realized Gain/(Loss)	Sells	Realized Gain/(Loss)
Brazilian real	$ 7,389	$ (56)	$ (203,179)	$ (824)
British pound sterling	58,171	(68)	(1,175,976)	(365)
Canadian dollar	12,682	(39)	(469,943)	1,392
Euro	834,427	(4,480)	(3,582,005)	(8,876)
Hong Kong dollar	154,638	(24)	(479,176)	424
Japanese yen	-	-	(1,226,468)	(552)
Mexican peso	5,819	(20)	(231,353)	258
New Taiwan dollar	261,782	-	(537,824)	(84)
Norwegian krone	14,434	(107)	(489,297)	289
Singapore dollar	7,072	3	(216,505)	(305)
South Korean won	4,863	-	(149,993)	(58)
Swiss franc	686,573	1,084	(217,923)	7

There were no foreign exchange contracts pending as of June 30, 2023 or June 30, 2024.

5. Net Pension Liability

The measurement date for implementation of GASB 67 is the ERS' fiscal year end, June 30, 2024. Plan assets (Fiduciary Net Position) are measured as of this date. The Total Pension Liability (TPL) as of this date is based on an actuarial valuation as of June 30, 2023, with adjustments made for the one-year difference. Adjustments include service cost, interest on total pension liability, and expected benefit payments during the year. Under GASB 67, the Net Pension Liability (NPL) is established as the difference between the Total Pension Liability and the Plan Fiduciary Net Position.

The components of the net pension liability of the ERS as of June 30, 2024 and 2023 are as follows:

	Total for ERS 2024	Total for ERS 2023
Total Pension Liability	$ 1,334,981,401	$ 1,243,052,956
Plan Fiduciary Net Position	1,132,915,770	1,098,796,486
Net Pension Liability	$ 202,065,631	$ 144,256,470
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.9%	88.4%

Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by an actuarial valuation, using the following actuarial assumptions, applied to all periods included in the measurement:

COLA: 2.25% compounded annually for benefits based on credited service accrued up to July 1, 2012 and sick leave accrued until January 1, 2013; 1.90% compounded thereafter.

Inflation: 2.5%

Salary Increases: Varies by service from 2.60% to 6.30% per year

Investment Return: 6.70%, net of investment expense and including inflation

Mortality rates for:

Actives

Non-Police: Pub-2010 General Employee Mortality Table [*PubG-2010Employee*], projected with generational mortality improvement from 2010 using Scale MP-2020 33% of deaths are assumed to be service related

Park Police: Pub-2010 Public Safety Employee Mortality Table [*PubS-2010 Employee*], projected with generational mortality improvement from 2010 using Scale MP-2020
90% of deaths are assumed to be service related

Healthy Retirees

Non-Police: Pub-2010 General Healthy Retiree Mortality Table [*PubG-2010 Healthy Retiree*], projected with generational mortality improvement from 2010 using Scale MP-2020

Park Police:
Pub-2010 Public Safety Healthy Retiree Mortality Table [*PubS-2010 Healthy Retiree*], projected with generational mortality improvement from 2010 using Scale MP-2020

Disabled Retirees

Non-Police: Pub-2010 Non-Safety Disabled Retiree Mortality Table [*PubNS –2010 Disabled Retiree*], projected with generational mortality improvement from 2010 using Scale MP-2020

Park Police: Pub-2010 Safety Disabled Retiree Mortality Table [*PubS-2010 Disabled Retiree*], projected with generational mortality improvement from 2010 using Scale MP-2020

Beneficiaries

All Plans: Pub-2010 General Healthy Retiree Mortality Table [*PubG-2010 Healthy Retiree*], projected with generational mortality improvement from 2010 using Scale MP-2020

5. Net Pension Liability (continued)

The actuarial assumptions are based upon the actuarial experience study covering the period July 1, 2015 through June 30, 2020. These assumptions were adopted by the Board of Trustees on May 4, 2021.

Prior to each valuation, the Board of Trustees reviews the investment return assumption based on the future market outlook, the current asset allocation, and the Board's risk tolerance.

Actuarial Cost Method

For financial reporting purposes, the June 30, 2023 actuarial valuation was performed using the Entry-Age Normal Actuarial Cost Method.

Assumed Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class, based on inputs from a survey of investment professionals. These allocations are combined to produce a 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. This is then modified through a Monte-Carlo simulation process, by which returns are simulated over a 30-year period, and a risk adjustment is applied to the baseline expected return. This method accounts for not only expected returns but adjusts for volatility of returns by asset class as well as correlations between the different classes.

Best estimates of geometric mean real rates of return and risk for each major asset class included in the pension plan's target asset allocation, and the aggregate expected investment return assumption and expected risk, are summarized in the following table:

Asset Class	Target Exposure	Expected Real Return	Expected Risk
U.S Equity	15.00%	5.00%	17.00%
International Equity- (non-U.S.)	10.00%	6.35%	19.00%
Global Low Volatility Equity	8.50%	6.20%	13.75%
Private Equity	8.00%	8.60%	29.65%
U.S. Core Fixed Income	11.50%	4.75%	4.70%
High-Yield Fixed Income	10.00%	5.90%	10.00%
Bank Loans	5.00%	6.65%	6.00%
Emerging Market Debt ("EMD")	5.00%	6.00%	7.00%
Global Opportunistic. Fixed Income	10.00%	8.35%	10.00%
Public Real Assets	2.00%	6.60%	11.85%
Private Real Assets	15.00%	6.95%	14.90%
Cash	0.00%	3.80%	0.75%
Total Fund	**100.00%**	**6.85%**	**10.95%**
Inflation Assumption		2.25%	
Total Return without Adjustment		**9.10%**	
Risk Adjustment		-2.40%	
Total Expected Return		**6.70%**	

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

5. Net Pension Liability (continued)

Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission, calculated using the discount rate of 6.70%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1.00% lower and 1.00% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.70%	6.70%	7.70%
Total Pension Liability	$ 1,498,302,407	$ 1,334,981,401	$ 1,196,659,051
Plan Net Position	1,132,915,770	1,132,915,770	1,132,915,770
Net Pension Liability	**$ 365,386,637**	**$ 202,065,631**	**$ 63,743,281**
Ratio of Plan Fiduciary Net Position to total Pension	75.6%	84.9%	94.7%

6. Administrative Expenses

The Board employs internal staff to perform all accounting and administrative services. Administrative expenses are primarily comprised of salaries and related costs, professional fees, and office expenses. In accordance with a Trust Agreement and Memorandum of Understanding between the ERS and the Commission, the administrative expenses are determined by the ERS and paid from the ERS' Trust Fund within the limits of the budget approved by the Commission. The cost of such services for the years ended June 30, 2024 and 2023 was $2,952,902 and $2,563,568, respectively. The administrative expenses are financed by the employer contributions.

The liability for accrued leave as of June 30, 2024 and 2023, was $276,740 and $247,904, respectively, and has been included in accrued expenses in the accompanying financial statements.

Administrative expenses charged to the ERS by the Commission for 2024 were: computer services of $143,815, legal of $64,200, rent of $132,019, and $4,320 for other administrative expenses. In 2023, the expenses were: computer services of $141,690, legal of $64,200, rent of $117,548, and $4,320 for other administrative expenses.

7. Federal Income Taxes

The ERS obtained its latest determination letter on November 20, 2014, in which the Internal Revenue Service (IRS) stated that the ERS, as amended, is in compliance with the applicable requirements of the Internal Revenue Code and the related trust is tax exempt.

In Announcement 2015-19, the IRS announced elimination of the staggered 5-year determination letter remedial amendment cycles for individually designed plans effective January 1, 2018.

8. Retirement Contributions for ERS Employees

Effective March 1, 1994, new employees of the ERS are required to participate in the ERS. Those employees remaining in the Board established 401(a) Defined Contribution Plan (the "401(a) Plan") receive an ERS contribution at the rate of 10% of base pay, and the employee contribution is at the rate of 6% of base pay.

Upon termination of employment, the amount accumulated in the 401(a) Plan shall be made available to the employee or designee, in accordance with the policies and procedures of the 401(a) Plan and in compliance with IRS regulations. The payroll for the one employee covered by the 401(a) Plan for the year ended June 30, 2024 was $203,333 and the total payroll was $1,327,582. The ERS' contribution to the 401(a) Plan was $20,305 (1.5% of covered payroll) for the year ended June 30, 2024.

8. Retirement Contributions for ERS Employees (continued)

The payroll for the one employee covered by the 401(a) Plan for the year ended June 30, 2023 was $189,271 and the total payroll was $1,106,237. The ERS' contribution to the 401(a) Plan was $18,825 (1.7% of covered payroll) for the year ended June 30, 2023.

In addition, employees are eligible to participate in a Section 457 Deferred Compensation Plan (the 457 Plan). Participation is voluntary, and the ERS does not contribute to the 457 Plan. Upon termination of employment, the amount accumulated in the 457 Plan shall be made available to the employee or designee, in accordance with the policies and procedures of the 457 Plan and in compliance with IRS regulations. ERS employees electing to participate, do so in the Commission's Section 457 deferred compensation plan. The contributions made to this plan are held in trust for the exclusive benefit of participants and their beneficiaries.

9. Other Post-Employment Benefits (OPEB)

Plan Description

In addition to the pension benefits provided for the ERS, the Commission provides post-retirement health care benefits under a cost sharing plan, in accordance with Commission approval, to all full-time and part-time employees of the ERS who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. These benefits are administered through a separate trust of the Commission. Currently, 3 ERS retirees are participating in the Commission's medical plans. The ERS contributes 80% of the amount of medical, dental, prescription and vision insurance rates for retirees. For ERS active employees, the ERS contributes 82.5% of the amount of all medical and dental insurance rates, except for the lowest cost medical plan and the prescription plan. The cost share for the lowest cost medical plan and the prescription plan remains at 85% paid by the ERS. The ERS contributes 80% of the low vision option. Detailed information of the plan may be accessed via the Commission's ACFR.

Funding Policy

The ERS pays the contributions for Other Post-Employment Benefits (OPEB) in connection with the implementation of the accounting requirements of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, based on requested actuarial amounts from the Commission and plan sponsor. For the years ended June 30, 2024 and 2023, the ERS contributed $29,402 and $33,079, respectively. The total OPEB liability is reported within the Commission's reporting entity and is not allocated to the ERS. The OPEB is documented as a part of the Commission's ACFR. Questions concerning the OPEB information may be addressed to the Department of Finance, Office of the Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, 6611 Kenilworth Avenue, Suite 204, Riverdale, Maryland 20737 or via the Commission's website, http://www.mncppc.org (See Budget/ACFR).

10. Risk Management

The ERS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and identity theft. The ERS addresses these risks by purchasing workers' compensation (Maryland state mandatory limits) insurance, unemployment insurance, fiduciary liability, theft, business owners, and cyber liability insurance. The ERS did not pay any claims settlements in excess of insurance coverage in 2024 or 2023, nor was any insurance coverage reduced in 2024 or 2023. The ERS' employees have various options in their selection of health insurance benefits that are offered through the Commission's self-insurance program. The Commission self-insures the following medical plans: a health maintenance organization (HMO), an exclusive provider organization (EPO), a point of service (POS) as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options.

NOTES TO THE FINANCIAL STATEMENTS

11. Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022," to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees and the classification and reporting of derivative instruments. Item (1) was adopted by the ERS as of June 30, 2023. The requirements of item (2) are effective for fiscal years ending after June 15, 2023 and was adopted by the ERS. There was no significant impact to the ERS financial statements

The Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences," which update the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and was adopted by the ERS. There was no significant impact to the ERS financial statements.

The Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures," which provides guidance on disclosing essential information about risks. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 and was adopted by the ERS. There was no significant impact to the ERS financial statements.

12. Subsequent Changes

The Board awarded the Audax Group a $25 million allocation to opportunistic fixed income. Funding was expected in FY24, but delayed with initial capital called on July 1, 2024.

In accordance with the Procurement Policy, the Board conducted a competitive search for an investment consultant and selected Meketa Investment Group with services to begin effective July 1, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

UNDER GASB 67

Schedule of Changes in Net Pension Liability and Related Ratios
For Years Ended June 30

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 23,703,873	$ 20,816,781	$ 20,944,206	$ 20,074,646	$ 18,144,368	$ 17,097,809	$ 18,834,451	$ 20,196,060	$ 18,125,110	$ 19,015,744
Interest	82,491,670	78,898,048	75,989,168	73,223,067	70,945,812	67,607,637	65,346,751	66,311,451	61,280,153	64,188,829
Changes in benefit terms[1]	306,527	1,050,582	-	-	-	5,196,837	-	(6,233)	(4,863)	-
Difference between expected and actual experience	57,673,344	21,719,046	(4,991,226)	8,179,363	540,274	12,366,940	(51,028,919)	(9,213,536)	(20,701,234)	610,807
Changes in assumptions		6,980,867	24,539,974	6,301,273	6,015,186	5,808,280	5,434,643	34,368,804	(13,818,623)	9,147,692
Benefit payments, including refunds	(72,246,969)	(67,803,991)	(62,244,466)	(58,037,999)	(55,647,482)	(51,801,905)	(48,088,129)	(45,189,395)	(42,718,801)	(40,382,818)
Net Change in Total Pension Liability	$ 91,928,445	$ 61,661,333	$ 54,237,656	$ 49,740,350	$ 39,998,158	$ 56,275,598	$ (9,501,203)	$ 66,467,151	$ 2,161,742	$ 52,580,254
Total Pension Liability - Beginning of Year	1,243,052,956	1,181,391,623	1,127,153,967	1,077,413,617	1,037,415,459	981,139,861	990,641,064	924,173,913	922,012,171	869,431,917
Total Pension Liability - End of Year	**$ 1,334,981,401**	**$ 1,243,052,956**	**$ 1,181,391,623**	**$ 1,127,153,967**	**$ 1,077,413,617**	**$ 1,037,415,459**	**$ 981,139,861**	**$ 990,641,064**	**$ 924,173,913**	**$ 922,012,171**
Plan Fiduciary Net Position										
Contributions – employer	$ 28,367,491	$ 25,682,999	$ 26,174,744	$ 22,312,947	$ 19,244,687	$ 24,792,093	$ 24,822,301	$ 20,268,189	$ 27,191,305	$ 28,149,976
Contributions – member	9,469,134	8,303,091	7,728,640	8,084,657	7,796,708	7,541,076	7,201,130	6,751,196	6,418,154	6,339,732
Net investment income	71,482,530	79,024,663	(20,830,306)	194,757,724	10,900,156	62,438,427	70,470,948	111,662,056	(4,851,526)	3,340,520
Benefit payments, including refunds	(72,246,969)	(67,803,991)	(62,244,466)	(58,037,999)	(55,647,482)	(51,801,905)	(48,088,129)	(45,189,395)	(42,718,801)	(40,382,818)
Admin. expenses	(2,952,902)	(2,563,568)	(2,397,208)	(1,984,031)	(1,722,361)	(1,704,098)	(1,810,777)	(1,674,654)	(1,696,334)	(1,587,371)
Net Change in Plan Fiduciary Net Position	$ 34,119,284	$ 42,643,194	$ (51,568,596)	$ 165,133,298	$ (19,428,292)	$ 41,265,593	$ 52,595,473	$ 91,817,392	$ (15,657,202)	$ (4,139,961)
Plan Fiduciary Net Position - Beginning of Year	$ 1,098,796,486	$ 1,056,153,292	$ 1,107,721,888	$ 942,588,590	$ 962,016,882	$ 920,751,289	$ 868,155,816	$ 776,338,424	$ 791,995,626	$ 796,135,587
Plan Fiduciary Net Position - End of Year	**$ 1,132,915,770**	**$ 1,098,796,486**	**$ 1,056,153,292**	**$ 1,107,721,888**	**$ 942,588,590**	**$ 962,016,882**	**$ 920,751,289**	**$ 868,155,816**	**$ 776,338,424**	**$ 791,995,626**
Net Pension Liability - Beginning of Year	$ 144,256,470	$ 125,238,331	$ 19,432,079	$ 134,825,027	$ 75,398,577	$ 60,388,572	$ 122,485,248	$ 147,835,489	$ 130,016,545	$ 73,296,330
Net Pension Liability - End of Year	202,065,631	144,256,470	125,238,331	19,432,079	134,825,027	75,398,577	60,388,572	122,485,248	147,835,489	130,016,545
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.9%	88.4%	89.4%	98.3%	87.5%	92.7%	93.8%	87.6%	84.0%	85.9%
Covered Payroll[2]	$ 198,110,374	$ 174,899,540	$ 178,007,608	$ 172,387,068	$ 160,221,081	$ 156,412,817	$ 143,534,600	$ 141,670,765	$ 135,041,803	$ 129,134,125
Net Pension Liability as a percentage of Covered Payroll	102.0%	82.5%	70.4%	11.3%	84.2%	48.2%	42.1%	86.5%	109.5%	100.7%

[1] Covered payroll for FYE 2019 and later is as of beginning of fiscal year. Covered payroll for years prior to FYE 2019 is as of the valuation date one year prior to the beginning of the fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions (unaudited)

Year	Actuarially Determined Employer Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 28,149,976	$ 28,149,976	$ -	$ 129,134,125	21.80%
2016	27,191,305	27,191,305	-	135,041,803	20.14%
2017	20,268,189	20,268,189	-	141,670,765	14.31%
2018	19,422,872	24,822,301	(5,399,429)	143,534,600	17.29%
2019	17,514,943	24,792,093	(7,277,150)	156,412,817	15.85%
2020	19,244,687	19,244,687	-	160,221,081	12.01%
2021	22,312,947	22,312,947	-	172,387,068	12.94%
2022	26,174,744	26,174,744	-	178,007,608	14.70%
2023	25,682,999	25,682,999	-	174,899,540	14.68%
2024	28,367,491	28,367,491	-	198,110,374	14.32%

Covered payroll for FYE 2019 and later is as of beginning of fiscal year. Covered payroll for years prior to FYE 2019 is as of the valuation date one year prior to the beginning of the fiscal year.

Notes to Schedule

Valuation Date	July 1, 2022
Timing	Actuarially determined contribution rates are calculated as of the June 30 preceding the fiscal year in which contributions are made

Key Methods and Assumptions Used to Determine Contribution Rates for FYE 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open 15-year period
Asset valuation method	5-year smoothed fair value
Discount rate	6.70% net of investment expenses
Salary increases	Varies by service from 2.50% to 6.30% per year
Cost-of-living adjustments	2.25% compounded annually for benefits based on credited service accrued up to July 1, 2012 and sick leave accrued until January 1, 2013; 1.90% compounded thereafter
Inflation	2.50% per year

Mortality

Actives

Non-Police: Pub-2010 General Employee Mortality Table [PubG-2010 Employee], projected with generational mortality improvement from 2010 using Scale MP-2020

33% of deaths are assumed to be service related

Park Police: Pub-2010 Public Safety Employee Mortality Table [PubS-2010 Employee], projected with generational mortality improvement from 2010 using Scale MP-2020

90% of deaths are assumed to be service related

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule (continued)

Healthy Retirees

Non-Police: Pub-2010 General Healthy Retiree Mortality Table [PubG-2010 Healthy Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Park Police: Pub-2010 Public Safety Healthy Retiree Mortality Table [PubS-2010 Healthy Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Disabled Retirees

Non-Police: Pub-2010 Non-Safety Disabled Retiree Mortality Table [PubNS – 2010 Disabled Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Park Police: Pub-2010 Safety Disabled Retiree Mortality Table [PubS-2010 Disabled Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Beneficiaries

All Plans: Pub-2010 General Healthy Retiree Mortality Table [PubG-2010 Healthy Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

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Schedule of Money-Weighted Rate of Returns for Years Ended June 30

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
6.87%	7.51%	-1.32%	21.85%	2.29%	7.38%	8.03%	14.62%	0.21%	0.70%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The **Schedule of Changes in Net Pension Liability and Related Ratios** shows the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service and the liability of the Commission to plan members for benefits provided by the plan.

The **Schedule of Employer Contributions** highlights the historical actuarially determined contribution less the actual Commission contribution and reflects the actual contributions as a percentage of covered payroll for the 10-year period ended June 30, 2024. The Commission has consistently contributed 100% of the actuarially determined employer contribution.

The **Schedule of Money-Weighted Rate of Returns** expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

SUPPLEMENTARY SCHEDULE

Schedule of Administrative Expenses
Fiscal Years Ended June 30

	Actual 2024	Actual 2023
PERSONNEL SERVICES		
Salaries and wages	$ 1,327,582	$ 1,106,237
Social Security contributions	97,526	81,476
Retirement contributions	133,203	105,284
Insurance contributions	191,245	159,599
Other employee benefits	103,684	103,746
Unemployment compensation	6,262	526
TOTAL PERSONNEL SERVICES	1,859,502	1,556,868
Professional and contractual services		
Actuarial	92,652	53,433
Auditing & tax services	25,828	12,093
Legal	159,060	153,150
Computer services	221,081	217,006
Payroll & miscellaneous services	5,564	8,064
Total professional and contractual services	504,185	443,746
Communication costs		
Advertising	1,000	785
Telephone	1,200	1,200
Postage	569	924
Travel,conference and meetings	25,233	10,137
Total communication costs	28,002	13,046
Other services and charges		
Office space rental	132,019	117,548
Equipment leasing	3,000	3,000
Equipment	-	26,832
Supplies	2,765	4,888
Maintenance	106,921	105,699
Bonding and insurance	86,887	74,578
Dues and subscriptions	6,359	2,106
Other services	3,438	2,749
Total other services and charges	341,389	337,400
Amortization/Depreciation	219,824	212,508
Total	$ 2,952,902	$ 2,563,568

SUPPLEMENTARY SCHEDULE

Schedule of Investment Expenses
Fiscal Years Ended June 30

	2024	2023
Investment managers		
Fixed income	$ 1,720,981	$ 1,879,036
U.S. equity	241,874	199,822
International equity	596,408	561,088
Private equity [1]	(206,683)	850,082
Real assets	54,427	63,180
Total investment managers fees	2,407,007	3,553,208
Other investment service fees		
Custodian fees	278,755	272,703
Investment consulting fees	243,927	229,147
Security lending fees:		
Borrower rebate	1,880,562	1,196,613
Management fees	32,952	29,088
Total other investment service fees	2,436,196	1,727,551
Total	$ 4,843,203	$ 5,280,759

[1]The 2024 balance w as reduced by 208,480 relating to a tax w ithholding on a cash distribution. The 2023 balance includes $712,876 relating to tax w ithholding on a cash call.

Schedule of Payments to Consultants
Fiscal Years Ended June 30

Firm Name	Nature of Service	2024	2023
SB & Company, LLC	Auditor	$ 25,828	$ 12,093
Wilshire Advisors, LLC	Investment Consultant	243,927	229,147
Cheiron, Inc.	Actuary	64,389	53,433
Gabriel, Roeder, Smith & Company	Actuary Auditor	28,263	-
Groom Law Group	Legal	94,860	88,950
The Maryland-National Capital Park and Planning Commission Legal Department	Legal	64,200	64,200
Planning Commission DHRM Department	Computer Services	143,815	141,690
Total		$ 665,282	$ 589,513

INVESTMENT SECTION

INVESTMENT MANAGER DIRECTORY

U.S. EQUITY

J.P. Morgan Investment Management
The Northern Trust Company
Rhumbline Advisors, L.P.

INTERNATIONAL EQUITY

Capital Group
Earnest Partners, L.L.C.

GLOBAL LOW VOLATILITY EQUITY

BlackRock Institutional Trust Company, N.A.

PRIVATE EQUITY

Wilshire Advisors, LLC

FIXED INCOME

U.S. Core Fixed Income

CSM Advisors, LLC
Eaton Vance

High Yield Fixed Income

Loomis Sayles & Company, L.P.
Neuberger Berman Fixed Income, LLC

Global Opportunistic Fixed Income

Golub Capital
Oaktree Capital Management, L.P.
White Oak Global Advisors, LLC
HarbourVest Credit Opp. Fund II

Bank Loans

Nuveen Senior Loan Fund

Emerging Market Debt

Prudential Trust Company

PRIVATE REAL ASSETS

Aberdeen Capital Management, LLC
Grosvenor Capital Management
Principal Global Investors, LLC

PUBLIC REAL ASSETS

State Street Global Advisors

Wilshire

INVESTMENT CONSULTANT'S REPORT

To: Andrea L. Rose, Executive Director
The Maryland-National Capital Park and Planning Commission
Employees' Retirement System Board of Trustees

From: Bradley A. Baker, Managing Director
Wilshire Advisors, LLC ("Wilshire")

Date: August 19, 2024

Subject: Annual Investment Consultant's Review

Overview

The overall goal of the Maryland-National Capital Park and Planning Commission Employees' Retirement System ("ERS") is to provide benefits, as anticipated under the ERS' governing plan document, to its participants and their beneficiaries through a carefully planned and executed investment program. Through this program, the ERS seeks to produce a return on investment commensurate with levels of liquidity and investment risk that are prudent and reasonable given the financial status of the ERS and the prevailing capital market conditions. While the ERS recognizes the importance of the preservation of capital, it also recognizes the critical importance of a reasonable investment return in meeting the long-term financial requirements of the ERS. It adheres to the theory of capital market pricing that maintains that varying degrees of investment risk should be rewarded with varying levels of compensating return. Consequently, prudent risk-taking is both necessary and justifiable.

The current asset allocation policy is based upon an Asset Liability Valuation ("ALV") study completed by Wilshire in April 2022 based upon the June 2021 Actuarial Valuation conducted by the actuary, Cheiron. A new asset allocation policy was approved, and the portfolio was subsequently rebalanced thereafter to the new allocation. The asset allocation policy has been fully implemented as of the end of FY2022. Private market investments will be evaluated on a continual basis and will fund gradually over time.

Asset Class	Target %	Range %
U.S. Equity	15.0	10 - 20
International Equity	10.0	5 - 15
Global Low Volatility Equity	8.5	5 - 12
Private Equity	8.0	5 - 12
Total Equity	***41.5***	***35 - 48***
U.S. Core Fixed Income	11.5	8 - 15
High Yield Fixed Income	10.0	7 - 13
Bank Loans	5.0	2 - 8
Emerging Market Debt ("EMD")	5.0	2 - 8
Global Opportunistic Fixed Income	10.0	5 - 15
Total Fixed Income	***41.5***	***35 - 48***
Public Real Assets	2.0	0 - 5
Private Real Assets	15.0	10 - 20
Total Real Assets	***17.0***	***12 - 22***

Outline of Investment Policies

The policies and procedures of the investment program guide its implementation and outline the specific responsibilities of the ERS.

Therefore, it is the policy of the ERS to:

1. Base the investment of the assets of the ERS on a financial plan that will consider:
    a. The financial condition of the ERS
    b. The expected long-term capital market outlook
    c. The ERS' risk tolerance
    d. Future changes of active and retired participants
    e. Projected inflation and the rate of salary increases
    f. Cash flow requirements
    g. Targeted funding level as a percentage of the actuarial funding target.

In developing its financial plan, the Board has relied on the ERS' investment consultant, as one of the ERS' expert fiduciaries, to advise the Board as to the long-term capital market outlook and the Board's options available to meet its investment objectives in light of that investment outlook. The investment consultant has advised the Board as to the potential impact on the funding level of alternative investment policies in terms of risk and return based on various levels of asset diversification and the current and projected liability structure of the ERS. Based on this advice, the Board has adopted an overall investment performance goal commensurate with the level of risk necessary to reach those goals.

2. Based on the financial plan and the advice of the investment consultant, the Board shall determine the specific allocation of the investments among the various asset classes considered prudent given the ERS' liability structure. The long-term asset allocation shall be expressed in terms of a target and ranges for each asset class to provide sufficient flexibility to take advantage of short-term market opportunities as they may occur. Asset allocation shall be sufficiently diversified to maintain a prudent level of risk, as determined by the Board, based on the investment consultant's expert opinion and projections that utilize reasonable, generally accepted capital market assumptions to ensure the current asset mix has a high probability of achieving the long-term goals of the retirement program.

3. In accordance with the asset allocation guidelines so adopted, the ERS' investment consultant shall advise and recommend to the Board external investment managers with demonstrated experience and expertise whose investment styles collectively will implement the planned asset allocation. Based on these recommendations, the Board will select the investment advisors that it deems most capable of carrying out the ERS' investment objectives. Upon the advice of the investment consultant, the Board will set guidelines for these managers and regularly review their investment performance against stated objectives.

4. It is the responsibility of the Board to administer the investments of the ERS at the lowest reasonable cost, taking into account the need to ensure quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs, and other administrative costs chargeable to the ERS.

The Board of the ERS has general supervision of the investment and reinvestment of the funds of the ERS (the "Funds"). The specific investment-related duties of the Board and, by delegation, of its investment consultant and advisors, include but are not limited to:

1. Selection and appointment of investment consultant and management professionals to assist the Board to carry out its duties;

2. Establishment and implementation of investment policy with the advice and assistance of the Board's investment consultant and investment advisors;

3. Review and general supervision of the activities of the Board's investment consultant and investment advisors with regard to the ERS' assets.

Investment Results

The ERS' investment consultant, Wilshire, calculates the investment results provided. The returns are accurate and representative of the actual performance of the Plan. The following describes the performance measurement process that is used to arrive at the investment results:

Performance measurement reporting begins with the monthly collection of data from three sources:

- Banks – Wilshire obtains transaction and asset information from trustee banks electronically. These transactions and security holdings are then loaded into client files on Wilshire's performance measurement system. Wilshire also tracks the availability and timeliness of statements sent by trustee banks. In addition, Wilshire has a dedicated team of data analysts responsible for maintaining statement receipts and portfolio data feeds and loading asset portfolios into the performance system.

- Investment Managers – Wilshire receives investment manager returns and detailed account statement information to use in the return reconciliation process.

- External Data Vendors and Wilshire Data Sources – Wilshire's centralized security data division collects extensive security level data from external data vendors, while the index department collects returns and portfolios on over 800 benchmarks. Wilshire's manager research department collects manager returns and portfolios for the construction of universes. This data is also loaded into the performance system.

Monthly rates of return are calculated by Wilshire software using a time-weighted rate of return methodology based upon fair values. Wilshire's calculation procedure is consistent with the recommendations of both the CFA Institute and the Bank Administrative Institute.

Tolerance ranges have been established for each asset class for return variance with the manager. When returns fall outside this tolerance range, Wilshire will review individual holdings, prices, accruals, cash flows and fees to determine where the discrepancies lie. If an error has been made, Wilshire will work with appropriate parties to correct the error. If the difference is due to structural differences in the way the sources perform their calculations, Wilshire will include an explanation in the reconciliation. Reconciliation work is documented and can be provided to the client for its records.

Wilshire

Market Overview

Major Asset Class Returns for Periods Ending June 30, 2024

	QTR	YTD	1 Year	3 Year	5 Year	10 Year
Equity						
FT Wilshire 5000 Index	3.31	13.58	23.15	8.36	14.41	12.36
Standard & Poor's 500 Index	4.28	15.29	24.56	10.01	15.05	12.86
MSCI EAFE (N) Index	-0.42	5.34	11.54	2.89	6.46	4.33
MSCI ACWI ex-U.S. (N) Index	0.96	5.69	11.62	0.46	5.55	3.84
MSCI Emerging Market (N) Index	5.00	7.49	12.55	-5.07	3.10	2.79
MSCI ACWI Minimum Volatility (N) Index	0.35	5.07	9.08	2.60	4.68	6.75
Fixed Income						
Bloomberg U.S. Aggregate Bond Index	0.07	-0.71	2.63	-3.02	-0.23	1.35
Merrill Lynch High Yield BB/B Index	1.21	2.51	10.05	1.61	3.69	4.24
Morningstar Leverage Loan Index	1.90	4.40	11.11	6.14	5.53	4.60
Bloomberg Global Aggregate Bond Index	-1.10	-3.16	0.93	-5.49	-2.02	-0.42
Treasury Bills (91 Day)	1.32	2.63	5.40	3.03	2.16	1.51
Real Assets						
Bloomberg U.S. TIPS Index	0.79	0.70	2.71	-1.33	2.07	1.91
Bloomberg Commodity Index	2.89	5.14	5.00	5.65	7.25	-1.29
Wilshire Global REIT Index	-0.60	-0.91	5.01	-2.14	1.75	4.23
NCREIF ODCE (EW) Index	-0.82	-10.32	1.13	2.58	5.80	5.71
U.S. Consumer Price Index ("CPI")	0.59	2.42	2.97	4.96	4.17	2.80

U.S. Equity

The U.S. stock market was up 3.3% for the second quarter and is up 13.6% for the year-to-date. A majority of sectors were negative, however, with the best performing being technology (+12.5%) and the worst being materials (-5.5%) and industrials (-3.3%). Small-cap underperformed large-cap by 850 basis points while growth stocks generally outperformed value.

As yields began to rise in early 2022, few were immune to the consequences of higher debt service payments, including the U.S. government. Higher rates and the size of the total U.S. debt – currently 120% of annual gross domestic product (GDP) – has resulted in net interest payments rising to equal 13% of the annual U.S. budget, roughly equal to the dollars spent on national defense and Medicare. A recent report by the non-partisan Congressional Budget Office (CBO) projects interest costs to continue to grow as deficits are expected for the next ten years. The CBO forecasts deficits to remain greater than 5% of annual GDP, which would be "more than the 3.7 percent that deficits have averaged over the past 50 years."

Non-U.S. Equity

New data in England shows that the country has recovered from a mild recession last year, albeit at a tepid pace. Prospects in Germany are dimming due to global trade conflicts that are weighing on the industrial sector. Economic activity in China remains uneven as manufacturing activity fell in June while services slipped to a five-month low. Many expect the Chinese government to offer policy support in the short term.

Fixed Income

The U.S. Treasury yield curve was up across most of the maturity spectrum during the quarter. The 10year Treasury yield ended the quarter at 4.40%, up 20 basis points. Credit spreads were up during the quarter with high yield bond spreads up 10 basis points after falling below 3% in March. The FOMC left the overnight rate unchanged while their "dot plot" is messaging that the current expectation is for a modest decrease in rates in 2024. Fed Chair Jerome Powell said about rates, "Fortunately, we have a strong economy and we have the ability to approach this question carefully."

Portfolio Review

The ERS' net of fee investment performance as of June 30, 2024 is detailed in the following table:

Maryland-NCPPC ERS	$000	Comp %	Calendar YTD %	1 Year %	3 Year %	5 Year %	Inception %
Total Fund (9/30/89)	**1,135,017**	**100.0%**	**2.8**	**6.6**	**4.0**	**6.7**	**7.5**
Policy Index/Blended Benchmark			*4.7*	*10.5*	*3.0*	*6.2*	*7.5*
U.S. Equity (3/31/95)	**171,887**	**15.1%**	**13.3**	**22.8**	**7.9**	**14.0**	**10.1**
FT Wilshire 5000 Index			*13.6*	*23.2*	*8.4*	*14.4*	*10.5*
International Equity (3/31/95)	**108,618**	**9.6%**	**4.6**	**9.5**	**-0.6**	**6.4**	**6.3**
Policy Index			*5.7*	*11.6*	*0.5*	*5.6*	*4.9*
Global Low Volatility Equity (6/30/17)	**97,730**	**8.6%**	**5.2**	**9.6**	**3.0**	**5.0**	**6.8**
MSCI ACWI Min. Volatility Index (N)			*5.1*	*9.1*	*2.6*	*4.7*	*6.4*
Private Equity (6/30/13)	**106,948**	**9.4%**	**-3.3**	**-2.8**	**12.2**	**15.7**	**10.0**
MSCI ACWI Index (N) +3%			*13.0*	*23.0*	*8.6*	*14.1*	*12.5*
Fixed Income (3/31/95)	**440,794**	**38.8%**	**2.1**	**7.5**	**1.6**	**3.8**	**5.8**
Bloomberg Barclays Global Agg. Index			*-3.2*	*0.9*	*-5.5*	*-2.0*	*3.6*
Private Real Asset (9/30/07)	**163,338**	**14.4%**	**-3.2**	**-5.8**	**5.4**	**4.3**	**3.2**
Policy Index			*5.0*	*8.1*	*10.2*	*9.4*	*3.9*
Public Real Asset (3/31/13)	**17,655**	**1.6%**	**2.0**	**5.8**	**3.0**	**5.6**	**2.9**
Policy Index			*2.3*	*6.0*	*3.1*	*5.5*	*2.9*
Cash	**28,047**	**2.5%**	**--**	**--**	**--**	**--**	**--**

The chart above displays the calendar year to date (YTD), one- (Fiscal Year to Date (FYTD)), three-, five- and inception-to-date returns for the total fund and each of the underlying composites (Periods greater than one-year represent annualized figures). Monthly rates of return are calculated by Wilshire software using a time-weighted rate of return methodology based upon fair values. Wilshire's calculation procedure is consistent with the recommendations of both the CFA Institute and the Bank Administrative Institute. The chart shows the relevant broad market benchmark for the asset classes. As applicable, it also shows the policy index, which is a blend of benchmarks used currently and historically; and in some cases, represents a weighted benchmark consisting of multiple indexes.

The ERS' total portfolio posted a return of +6.6% over the trailing one-year period ending June 30,

2024. While posting strong positive absolute returns, the portfolio lagged its policy index, which

returned +10.5%. Over the past one-year period, the plan's public equity portfolios along with fixed income and public real assets portfolio posted positive results, while private equity and real assets posted negative results primarily due to softness in commercial real estate as well as a declining commodities market. Total portfolio returns have been +4.0% and +6.7% over the three- and five-year periods, respectively, which are on an average annualized basis. Strong U.S. Equity markets combined with maturing Private Market (Equity, Fixed Income and Real Assets) portfolios have contributed to both absolute and relative returns during these longer-term periods.

Within equity markets, the U.S. Equity portfolio posted a +22.8% return compared to that of +23.2% for the FT Wilshire 5000 Index over the trailing one-year period ending June 30, 2024. Longer-term results over the three- and five-year periods were quite strong, posting a +7.9% and +14.0% return, respectively, during each of those time periods. The International Equity portfolio posted positive absolute and relative investment returns over the past year. The portfolio returned +9.5% while the MSCI ACWI ex-U.S. Index, comprised of both developed and emerging market stocks, was up +11.6% over the trailing one-year period in U.S. Dollar terms. While the Global Low Volatility Equity portfolio lagged global equity markets, the portfolio returned +9.6% in absolute terms over the past one-year period with much less volatility. Lastly, the Private Equity portfolio has continued to mature yet rising interest rates and revaluations negatively impacted returns which posted a -2.8% in this segment of the portfolio over the past year.

The Fixed Income portfolio returned +7.5% during the past year, while the domestic investment grade market represented by the Bloomberg U.S. Aggregate Index returned +0.9% directly impacted by rising interest rates as a result of a general tightening environment spearheaded by the Federal Reserve here in the U.S. "Non-core" investments within the public fixed income portfolio (high yield, bank loans, emerging market debt) all posted positive returns for the one-year period as these segments of the portfolio boosted performance compared to investment grade fixed income. The investment opportunities within the Global Opportunistic segment of the portfolio posted strong absolute returns over the one-year period of +7.0% and will continue to be evaluated and considered as legacy investments continue to mature and provide a return of capital.

Within the real asset segment of the portfolio, public investments posted positive results on trailing one-year absolute returns of +5.8%, while private posted a -5.8% during the same time period. The public real assets composite has underlying exposures to real estate securities, commodities, global natural resource/energy stocks and global infrastructure. All the underlying exposures within the

Public Real Asset segment of the portfolio are implemented through passively managed index funds. The private real assets composite has been impacted by softness in the commercial real estate market over the past year stemming from dislocations in the office sector and debt financing concerns. The remaining portion of the portfolio provides exposure to various natural resource, energy, and infrastructure related investments, some of which are returning positively while others are still early in their lifecycles and results are not fully meaningful at this stage.

The ERS Board continued its efforts in maintaining best practices with its investment monitoring, focused on competitive fees and ongoing education. Current portfolio investments are reviewed and monitored on ongoing basis, while due diligence on potential investments opportunities is conducted on a regular basis.

If you have any questions or need any further information regarding the Plan or investment results, please do not hesitate to contact me.

Sincerely,

Bradley A. Baker

Bradley A. Baker

Managing Director

Important Information

Wilshire is a global financial services firm providing diverse services to various types of investors and intermediaries. Wilshire's products, services, investment approach and advice may differ between clients and all of Wilshire's products and services may not be available to all clients. For more information regarding Wilshire's services, please see Wilshire's ADV Part 2 available at www.wilshire.com/ADV.

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This material may include estimates, projections, assumptions and other "forward-looking statements." Forward-looking statements represent Wilshire's current beliefs and opinions in respect of potential future events. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual events, performance and financial results to differ materially from any projections. Forwardlooking statements speak only as of the date on which they are made and are subject to change without notice. Wilshire undertakes no obligation to update or revise any forward-looking statements.

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More information

For more information, please contact us directly:

T +1 310 451 3051

Wilshire

1299 Ocean Ave, Ste 600, Santa Monica, CA 90401

wilshire.com

INVESTMENT MANAGER MATRIX
As of June 30, 2024

Manager Name and/or Fund Name	Style	Fair value[1,2]	% of Fund
U.S. Equity			
J.P. Morgan Commingled Pension Trust Fund	130/30 Short Extension	$ 24,231,446	2.13%
Northern Trust Collective Russell 2000 Index Fund	Small Cap	30,162,859	2.66%
RhumbLine S&P 500 Pooled Index Trust	Large Core	117,493,209	10.35%
		$ 171,887,514	**15.14%**
International Equity			
Capital Group Institutional All Countries Equity Trust	ACWI ex-U.S.	$ 55,840,400	4.92%
Earnest Partners, L.L.C.	ACWI ex-U.S.	52,777,490	4.65%
		$ 108,617,890	**9.57%**
Global Low Volatility Equity			
Blackrock MSCI ACWI Minimum Volatility Index	MSCI ACWI Minimum Volatility	**$ 97,729,693**	**8.61%**
Private Equity			
Wilshire MNCPPC Employee Retirement System Global, L.P. (I)	Other	$ 36,768,657	3.24%
Wilshire MNCPPC Employee Retirement System Global, L.P. (II)	Other	56,913,686	5.01%
Wilshire MNCPPC Employee Retirement System Global, L.P. (III)	Other	13,265,471	1.17%
		$ 106,947,814	**9.42%**
Fixed Income			
CSM Advisors, LLC	Core	$ 63,720,192	5.63%
Eaton Vance	Core	65,829,704	5.80%
Golub Capital 11	Middle Market Direct Lending	17,500,000	1.54%
Golub Capital 15	Middle Market Direct Lending	12,500,000	1.10%
Loomis Sayles High Yield Full Discretion Trust	High Yield	55,763,261	4.91%
Neuberger Berman High Yield Bond Fund, LLC	High Yield	51,668,396	4.55%
Nuveen Senior Loan Fund	Bank Loans	55,278,785	4.87%
Oaktree Opportunities Fund VIII, L.P.	Distressed Opportunities	11,171	0.00%
White Oak Yield Spectrum Fund, L.P.	Middle Market Direct Lending	16,773,856	1.48%
PGIM Emerging Market Debt Fund	Emerging Market Debt	51,545,140	4.54%
HarbourVest Credit Opp. Fund II	Opportunistic	50,203,691	4.42%
		$ 440,794,196	**38.84%**
Private Real Assets			
Principal U.S. Property Account	Real Estate	$ 62,528,699	5.51%
Aberdeen Energy & Resources Partners II, L.P.	Real Assets	15,896	0.00%
Aberdeen Energy & Resources Partners III, L.P.	Real Assets	14,402,314	1.27%
Aberdeen Real Estate Partners III, L.P.	Real Estate	11,459,618	1.01%
GCM Grosvenor Real Asset Investments, L.P.	Real Assets	63,352,514	5.58%
GCM Grosvenor Customized Infrastructure Strategies III, L.P.	Real Assets	11,578,963	1.02%
		$ 163,338,004	**14.39%**
Public Real Assets			
SSgA Custom Real Asset Non-Lending Strategy	Diversified	**$ 17,654,670**	**1.56%**
Cash		**$ 28,047,007**	**2.47%**
TOTAL		**$ 1,135,016,788**	**100.00%**

[1] Net of Accrued Income on Investments and Investments Payable.

[2] Fair values provided by Wilshire Associates and not prepared by, reviewed or approved by any of the ERS' partnerships, general partners and/or any of their respective affiliates.

LIST OF LARGEST HELD DOMESTIC EQUITIES

As of June 30, 2024

Equity Income Securities	No. of Shares	Fair Value
TAIWAN SEMICON MAN TWD10	4,853	$1,756,824
HITACHI NPV	7,686	1,555,822
ICON PLC COM	15,323	1,332,561
PRYSMIAN SPA EUR0.10	61,818	1,263,973
SAFRAN SA EUR0.20	13,615	1,256,687
MEDIATEK INC TWD10	54,000	1,251,483
RELX PLC ORD GBP0.1444	14,700	1,226,523
ASML HOLDING NV EUR0.09	32,391	1,198,722
BARCLAYS PLC ORD GBP0.25	20,817	1,187,047
LEONARDO SPA NPV	26,639	1,105,524
BAE SYSTEMS ORD GBP0.025	449,519	1,080,176
ERSTE GROUP BANK AG NPV	28,562	1,046,242
LONZA GROUP AG CHF1 (REGD)	13,900	1,033,627
SHELL PLC ORD EUR0.07	72,566	1,028,387
AMADEUS IT GROUP EUR0.01	20,397	969,475
CHECK PT SOFTWARE TECHNOLOGIES ORDILS.01	265,300	943,965
ADR ICICI BK LTD	1,160	931,226
ADR EQUINOR ASA SPONSORED ADR	12,600	929,799
DENSO CORP NPV	132,402	913,107
CDN NATL RAILWAYS COM NPV	36,600	896,700

A complete list of assets can be obtained at the office of the ERS.

LIST OF LARGEST HELD FIXED INCOME SECURITIES

As of June 30, 2024

Fixed Income Securities	Par	Fair Value
UNITED STATES TREAS NTS DTD 04/30/2022 2.875% 04-30-2029	4,432,000	$4,087,648
UNITED STATES TREAS BDS 2.875 DUE DUE 05-15-2043	4,551,000	3,588,848
UNITED STATES OF AMER TREAS NOTES 4.625%04-30-2031	2,492,000	2,533,663
UNITED STATES OF AMER TREAS BONDS 4.25% 02-15-2054	2,541,000	2,411,828
UNITED STATES OF AMER TREAS NOTES 1.125%NTS 08-31-2028 USD	2,441,000	2,103,012
UNITED STATES TREAS 2.375% DUE 02-15-2042 REG	2,262,000	1,957,343
UNITED STATES TREAS NTS 3.125% DUE 08-31-2029 REG	1,660,000	1,550,025
UNITED STATES TREAS BDS DTD 00300 4.75% 11-15-2053	1,225,000	1,297,391
UNITED STATES TREAS BDS DTD 11/15/2023 4.75% 11-15-2043	1,230,000	1,258,318
FEDERAL HOME LOAN MORTGAGE CORP POOL #QG0600 4.5% 04-01-2053 BEO	1,186,989	1,115,293
BANK OF AMERICA CORPORATION 5.468% 01-23-2035	1,089,000	1,089,000
UNITED STATES OF AMER TREAS NOTES 4.125% 03-31-2029	1,074,000	1,060,939
FEDERAL FARM CREDIT BANK 5.95% 07-11-2033	991,000	990,139
INTL BK FOR RECON & DEV MEDIUM TRANCHE #TR 00702 2.7% DUE 12-28-2037 REG	1,267,000	1,148,959
UNITED STATES OF AMER TREAS NOTES 4.25% 08-31-2030	821,000	807,447
FNMA POOL#CB6725 4.5% 07-01-2053	819,711	764,125
DUKE ENERGY 5.3% DUE 02-15-2040	777,000	881,901
FEDERAL HOME LN MTG CORP POOL# SD2428 5.0% 01-01-2053	771,005	751,248
UNITED STATES TREAS NTS 2.75% 08-15-2032	834,000	750,354
BANK AMER CORP FLTG RT 1.658% DUE 03-11-2027	772,000	721,065

A complete list of assets can be obtained at the office of the ERS.

SCHEDULE OF BROKERS COMMISSIONS

As of June 30, 2024

Broker	Shares	Commissions	Commission per share
BANK OF AMERICA CORPORATION	15,327	$1,018	6.64%
BANK OF AMERICA MERRILL LYNCH SECS	1,540	39	2.53%
BMO NESBITT BURNS INC	4,290	111	2.59%
BNP PARIBAS SECURITIES SERVICES SA	4,200	256	6.10%
BNY CONVERGEX EXECUTION SOLUTIONS	3,535	340	9.62%
CAPITAL INSTITUTIONAL SERV NEW YORK	258	9	3.49%
CITIBANK N.A.	9,709	278	2.86%
CLSA LIMITED	3,150	187	5.94%
CLSA SINGAPORE PTE LTD.	4,300	51	1.19%
CREDIT LYONNAIS SECS(ASIA) TAIWAN	9,000	414	4.60%
DAIWA CAPITAL MARKETS SINGAPORE LTD	6,500	165	2.54%
GOLDMAN SACHS JAPAN CO., LTD.	4,300	108	2.51%
GOLDMAN, SACHS AND CO.	24,008	659	2.74%
J.P. MORGAN SECURITIES LLC	727	19	2.61%
J.P. MORGAN SECURITIES PLC	11,741	521	4.44%
JEFFERIES HONG KONG LIMITED	18,800	286	1.52%
JEFFERIES LLC.	2,266	1,241	54.77%
JPMORGAN SECURITIES (ASIA PACIFIC)	1,700	98	5.76%
LIQUIDNET EUROPE LIMITED	41,210	1,286	3.12%
LIQUIDNET INC	2,853	100	3.51%
MACQUARIE SECURITIES AUSTRALIA LTD	11,600	294	2.53%
MERRILL LYNCH EQUITIES (AUSTRALIA)	4,050	166	4.10%
MERRILL LYNCH INTERNATIONAL LIMITED	1,050	67	6.38%
MORGAN STANLEY AND CO., LLC	53,725	536	1.00%
PAREL	225	58	25.78%
PERSHING SECURITIES LIMITED	5,462	558	10.22%
RBC DOMINION SECURITIES INC.	12,939	330	2.55%
RBC EUROPE LIMITED	756	50	6.61%
UBS AG LONDON BRANCH	4,520	52	1.15%
UBS SECURITIES ASIA LIMITED	15,700	391	2.49%
UBS SECURITIES HONG KONG LIMITED	1,600	94	5.88%
	281,053	$ 9,782	

The above table is a condensed version of brokers' commissions. A complete list can be obtained at the office of the ERS.

ACTUARIAL SECTION

Classic Values, Innovative Advice

LETTER OF TRANSMITTAL

August 26, 2024

Board of Trustees
Employees' Retirement System
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737

Dear Members of the Board:

At your request, we have conducted an actuarial valuation of the Maryland-National Capital Park and Planning Commission (the Commission) Employees' Retirement System as of June 30, 2023. The valuation is organized as follows:

The primary purpose of the actuarial valuation and this report is to measure, describe and identify as of the valuation date:

- The financial condition of the System,
- Past and expected trends in the financial progress of the System,
- The employers' contributions for Fiscal Year ending 2025,
- The risks of the System, and
- Information required for accounting statements.

Cheiron prepared the following schedules for inclusion in the Actuarial Section of the Annual Comprehensive Financial Report, based on the June 30, 2023 actuarial valuation.

- Schedule of Funding Progress
- Schedule of Funded Liabilities by Type (formerly referred to as the Solvency Test)
- Summary of Current Actuarial Assumptions and Methods

All results and information shown for years prior to July 1, 2019 were based on the prior actuary's valuation results.

The results of this report rely on future System experience conforming to the underlying assumptions. To the extent that actual System experience deviates from the underlying assumptions, the results will vary accordingly. The actuarial assumptions, with the exception of the discount rate, were adopted by the Board based on the proposed demographic assumptions shown in the Actuarial Experience Study covering the period July 1, 2015 through June 30, 2020. The results of this study were presented to and adopted by the Board of Trustees on May 4, 2021. These assumptions were first implemented for the June 30, 2021 actuarial valuation and the June 30, 2022 GASB reporting requirement. The Board of Trustees approved a discount rate of 6.70% effective with June 30, 2022 actuarial valuation.

Actuarial funding is based on the Entry Age Normal Actuarial Cost Method. The actuarially determined contribution consists of the employer normal cost (cost of benefits for the upcoming year) and an amortization of the unfunded actuarial liability. An administrative expense rate of 0.20% of actuarial liabilities is added to the normal cost. The unfunded actuarial liability is amortized as a level dollar over an open 15-year period.

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the requirements of the Actuarial Standards of Practice (ASOP), in particular ASOPs Nos. 4, 27, 35 and 44.

The actuarially determined contribution increased from 16.22% of payroll for fiscal year ending 2024 to 17.95% of payroll for fiscal year ending 2025. The actuarially determined contribution for the fiscal year ending June 30, 2025 is $35,554,919. The System's unfunded actuarial liability increased from $107.7 million as of June 30, 2022 to $157.6 million as of June 30, 2023. During the year there was an investment loss of $3.7 million and a liability loss of $50.4 million. In addition, there was a plan amendment for Plans C and D which extended eligibility for the enhanced sick leave conversion first effective January 1, 2024. This change resulted in a net increase in the liabilities of about $0.3 million.

The following table shows a breakdown of the employer contributions for the fiscal year ending 2025 between Park Police and Non-Police members:

Police and Non-Police Contributions

	Contribution for FYE June 30, 2025	2023 Payroll	Contribution as % of Payroll
Non-Police	$ 28,753,673	$ 177,992,096	16.15%
Park Police	6,801,246	20,118,278	33.81%
Total	**$ 35,554,919**	**$198,110,374**	**17.95%**

The Net Employer Normal Cost payable at the beginning of the year increased from $15,710,084 (9.0% of payroll) to $17,411,672 (8.8% of payroll). The amortization of the Unfunded Actuarial Liability increased from $10,876,131 to $15,910,651 due to the liability loss.

The following table shows a breakdown of the actuarial (gain)/loss by source:

Sources of (Gain)/Loss

	(Gain)/Loss	% of Liability
New members entering System	$ 817,542	0.1%
Salary increases for prior year greater than expected	12,786,383	1.1
Known salary adjustments for FY 2024	20,251,090	1.7
Data updates	341,823	0.0
Active member decrements	(926,573)	-0.1
Service Transfers/Purchase	1,233,237	0.1
Inactive mortality	(2,975,170)	-0.2
Retiree COLA more than expected	18,022,654	1.5
Benefit Payments different than expected	1,544,528	0.1
Miscellaneous changes	(662,818)	-0.1
Total	**$50,432,696**	**4.2%**

For the System, the actuarial value has been calculated by taking the fair value of assets less 80% of the investment gain (loss) during the preceding year, less 60% of the investment gain (loss) during the second preceding year, less 40% of the investment gain (loss) during the third preceding year, and less 20% of the investment gain (loss) in the fourth preceding year. The investment gain (loss) is calculated by taking the difference between the expected value of assets, based on an expected return of 6.70% for the year ended June 30, 2023, and the actual value of assets. If the actuarial value of assets is less than 80% or more than 120% of the fair value, an adjustment is made to the actuarial value to bring the value within this corridor.

As of June 30, 2023, the Actuarial Valuation of Assets including the receivable contribution was $1,136,158,437 while the Fair Value of Assets including the receivable contribution was $1,127,163,977. The return on the Fair Value of Assets during the year was 7.52%, which was more than the assumed investment return. The return on the Actuarial Value of Assets was 6.36%, which was less than the assumed rate of return. Over the five-year period ending June 30, 2023, the Fair Value of Assets returned an average of 6.58%.

The purpose of this report is to present the annual actuarial valuation of the Maryland-National Capital Park and Planning Commission Employees' Retirement System. This report is for the use of Board and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. The report does not include calculations related to GASB Statements No. 67 and 68, which are provided in a separate report.

In preparing our report, we relied on information supplied by the Maryland-National Capital Park and Planning Commission Employees' Retirement System staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23, Data Quality.

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

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

This actuarial report was prepared exclusively for the Maryland-National Capital Park and Planning Commission Employees' Retirement System for the purpose described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Sincerely,
Cheiron

Janet Cranna, FSA, FCA, EA, MAAA
Principal Consulting Actuary

Patrick Nelson, FSA, CERA, EA, MAAA
Consulting Actuary

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(Unaudited)

Ten-year historical trend information about the ERS is presented below. This information is intended to help users assess the ERS' funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other public employee retirement systems.

Actuarial Valuation Date[2]	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) – (1)	(4) Funded Ratio % (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
7/1/2014	$ 766,531,514	$ 879,190,389	$ 112,658,875	87.19%	$ 135,041,803	83.43%
7/1/2015	830,052,104	887,487,374	57,435,270	93.53%	141,670,765	40.54%
7/1/2016	856,279,531	949,298,226	93,018,695	90.20%	143,534,600	64.81%
7/1/2017	899,336,519	991,624,737	92,288,218	90.69%	150,820,889	61.19% (1)
7/1/2018	943,070,635	993,322,340	50,251,705	94.94%	156,444,006	32.12% (1)
7/1/2019	968,142,434	1,043,820,211	75,677,777	92.75%	160,221,081	47.23% (1)
7/1/2020	995,043,914	1,091,238,867	96,194,953	91.18%	172,387,068	55.80% (1)
6/30/2021	1,060,873,621	1,145,821,511	84,947,890	92.59%	178,007,608	47.72% (1)
6/30/2022	1,101,798,189	1,209,526,280	107,728,091	91.09%	174,899,540	61.59% (1)
6/30/2023	1,136,158,437	1,293,753,448	157,595,011	87.82%	198,110,374	79.55% (1)

[1] This ratio is now reported based on the Net Pension Liability, as defined in GASB 67. The UAAL as a percentage of payroll is no longer required but is shown here for historical comparison.

[2] Effective 2021, the charts are as of 6/30.

Analysis of the dollar amounts of plan net assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the ERS' funding status on a going-concern basis. Analysis of this percentage over time indicates whether the ERS' funding is becoming stronger or weaker. Generally, the greater the funded ratio is, the stronger the system.

Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and enables analysis of the ERS' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage is the stronger the funding of the system.

Notes:
Actuarial valuations are completed annually.
The Entry Age Normal actuarial cost method is used for both funding and for financial reporting purposes. All actuarial assumptions are the same for both funding and accounting/GASB purposes.

SOLVENCY TEST

Valuation Date	Actuarial Accrued Liabilities for: Member Contributions	Vested Terminations, Retirees and Beneficiaries	Active Members (Employer Financed Portion)	Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Reported Assets (%)		
7/1/2014	$ 68,872,476	$ 516,903,400	$ 293,414,513	$ 766,531,514	100	100	61.6
7/1/2015	72,702,687	531,683,180	283,101,507	830,052,104	100	100	79.7
7/1/2016	74,857,685	541,562,389	332,878,152	856,279,531	100	100	72.1
7/1/2017	77,964,472	576,223,626	337,436,639	899,336,519	100	100	72.7
7/1/2018	79,764,769	619,013,482	294,544,089	943,063,291	100	100	82.9
7/1/2019	81,289,107	669,986,483	292,544,621	968,142,434	100	100	74.1
7/1/2020	86,481,783	697,496,428	307,260,656	995,043,914	100	100	68.7
6/30/2021	91,347,180	737,273,146	317,201,185	1,060,873,621	100	100	73.2
6/30/2022	89,430,254	809,016,373	311,079,653	1,101,798,189	100	100	65.4
6/30/2023	89,295,464	879,671,191	324,786,693	1,136,158,437	100	100	51.5

Effective 2021, the charts are as of 6/30

August 22, 2024

Board of Trustees
The Maryland-National Capital Park and Planning Commission
Employees' Retirement System
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737

Dear Members of the Board:

The purpose of this report is to provide accounting and financial disclosure information for The Maryland-National Capital Park and Planning Commission (the Commission) Employees' Retirement System (the System) in accordance with GASB 67 and 68. This information includes:

- Determination of the discount rate as of June 30, 2024,
- Projection of the Total Pension Liability from the valuation date to the measurement date,
- Calculation of the Net Pension Liability at the discount rate as well as discount rates 1% higher and lower than the discount rate,
- Changes in the Net Pension Liability,
- Schedule of Employer Contributions,
- Disclosure of Deferred Inflows and Outflows, and
- Calculation of the Annual Pension Expense for the System.

In preparing our report, we relied on information (some oral and some written) supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, Data Quality.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

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

This report was prepared for The Maryland-National Capital Park and Planning Commission Employees' Retirement System for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron

Janet Cranna, FSA, FCA, EA, MAAA	Patrick Nelson, FSA, CERA, EA, MAAA
Principal Consulting Actuary	Consulting Actuary

ACTUARIAL ASSUMPTIONS AND VALUATION METHODS

Actuarial Cost Method

The funding method for the valuation of liabilities used for this valuation is the Entry Age Normal (EAN) method. Under this funding method, a normal cost rate is determined as a level percentage of pay for each active member. The normal cost rate multiplied by payroll equals the total normal cost for each active member. The normal cost contributions (employer and active member) will pay for projected benefits at retirement for each active member.

The actuarial liability is the difference between the present value of future benefits and the present value of future normal costs. The difference between this actuarial liability and the actuarial value of assets is the unfunded actuarial liability (UAL).

The portion of the actuarial liability in excess of System assets, the UAL, is amortized to develop an additional cost that is added to each year's employer normal cost. Under this funding method, actuarial gains and losses are directly reflected in the size of the unfunded actuarial liability.

Actuarial Value of Assets

The actuarial value of assets has been calculated by taking the value of assets less 80% of the investment gain/(loss) during the preceding year, less 60% of the investment gain/(loss) during the second preceding year, less 40% of the investment gain/(loss) during the third preceding year, and less 20% of the investment gain/(loss) during the fourth preceding year.

The investment gain (loss) is calculated by taking the difference between the expected fair value of assets and the actual fair value of assets.

If the actuarial value of assets is less than 80% or more than 120% of the fair value, an adjustment is made to the actuarial value to bring the value within this corridor.

Amortization Method

Amortize the unfunded actuarial accrued liability as a level dollar over an open 15-year period.

Valuation Date

June 30, 2023

Investment Rate of Return

6.70% compounded annually, net of investment expenses.

Salary Increases

Wage inflation is assumed to be 2.5%. Sample individual salaries are expected to increase according to the table below which includes wage inflation and merit.

Years of Service	Park Police	Non-Police
0	6.30%	5.40%
5	5.50	5.00
10	5.30	4.50
15	4.50	4.10
20	3.50	3.60
25	3.50	2.85
30+	3.50	2.60

Additional wage adjustments for FYE 2024 for FOP Officers based on information provided by the Employees' Retirement System have also been included.

ACTUARIAL ASSUMPTIONS AND VALUATION METHODS (continued)

Mortality

Actives

Non-Police: Pub-2010 General Employee Mortality Table [PubG-2010 Employee], projected with generational mortality improvement from 2010 using Scale MP-2020
33% of deaths are assumed to be service related

Park Police: Pub-2010 Public Safety Employee Mortality Table [PubS-2010 Employee], projected with generational mortality improvement from 2010 using Scale MP-2020
90% of deaths are assumed to be service related

Healthy Retirees

Non-Police: Pub-2010 General Healthy Retiree Mortality Table [PubG-2010 Healthy Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Park Police: Pub-2010 Public Safety Healthy Retiree Mortality Table [PubS- 2010 Healthy Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Disabled Retirees

Non-Police: Pub-2010 Non-Safety Disabled Retiree Mortality Table [PubNS – 2010 Disabled Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Park Police: Pub-2010 Safety Disabled Retiree Mortality Table [PubS-2010 Disabled Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Beneficiaries

All Plans: Pub-2010 General Healthy Retiree Mortality Table [PubG-2010 Healthy Retiree], projected with generational mortality improvement from 2010 using Scale MP-2020

Withdrawal

Sample rates:

Park Police		Non-Police	
Years of Service	**Rates**	**Years of Service**	**Rates**
0	9.00%	0	12.00%
2	5.70%	5	6.00%
4	3.60%	10	3.35%
6	2.50%	15	1.50%
8	1.80%	20	1.00%
10	1.20%	25+	0.00%
12	0.60%		
14+	0.00%		

Disability

Rates are as follows:

Age	Park Police	Non-Police
20-29	0.25%	0.05%
30-34	0.50%	0.05%
35-39	0.75%	0.10%
40-44	0.75%	0.25%
45+	1.00%	0.50%

ACTUARIAL ASSUMPTIONS AND VALUATION METHODS (continued)

Retirement Rates from Active or Terminated Vested:

Sample rates:

Years of Service	Park Police[1]
5-20	5%
21-24	10%
25-29	15%
30+	100%

[1]100% Retirement also assumed at age 65

Age	Non Police[1] Plan B	Non Police[1] Plan E
45	2.5%	2.5%
50	5.0%	5.0%
55	7.0%	7.0%
60	11.0%	9.0%
65	15.0%	15.0%
70+	100.0%	100.0%

Marriage

75% of male active members and 40% of female active members are assumed to be married. The male spouse is assumed to be three years older than the female.

Expenses

Administrative expenses are added to the normal cost and are assumed to be 0.2% of the actuarial accrued liability. The assumed investment rate of return is deemed to be net of investment expenses

Cost-of-Living Adjustment

2.25% compounded annually for benefits based on credit service accrued until July 1, 2012, and sick leave accrued until January 1, 2013, 1.9% compounded annually thereafter.

Social Security Wage Base Increase

3.0% compounded annually.

Non-Service-Connected Death Benefit Election

All Plan B participants are assumed to elect the annuity payable for life (default) if eligible for the non-service-connected death benefit.

Unused Sick Leave Service Credit

Accrued at a rate of 0.36 additional months per year of service.

Rationale of actuarial assumptions

The actuarial assumptions are based upon the actuarial experience study covering the period July 1, 2015 through June 30, 2020. These assumptions were adopted by the Board of Trustees on May 4, 2021.

Prior to each valuation, the Board of Trustees reviews the investment return assumption based on the future market outlook, the current asset allocation, and the Board's risk tolerance

Changes in Actuarial Assumptions

None

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date	Total Number of Members	Annual Salary	Annual Average Pay	% Increase/ Decrease in Average Pay
Employees				
7/1/2014	1,879	$ 121,352,682	$ 64,584	4.4
7/1/2015	1,901	126,806,443	66,705	3.3
7/1/2016	1,876	128,457,729	68,474	2.7
7/1/2017	1,899	134,573,069	70,865	3.5
7/1/2018	1,937	139,906,333	72,228	1.9
7/1/2019	1,916	142,853,700	74,558	3.2
7/1/2020	2,009	153,930,444	76,620	2.8
6/30/2021	2,025	159,786,465	78,907	3.0
6/30/2022	1,930	157,047,937	81,372	3.1
6/30/2023	1,995	177,992,096	89,219	9.6
Park Police				
7/1/2014	191	$ 13,689,120	$ 71,671	3.2
7/1/2015	203	14,864,322	73,223	2.2
7/1/2016	197	15,076,871	76,532	4.5
7/1/2017	203	16,247,820	80,039	4.6
7/1/2018	207	16,537,673	79,892	-0.2
7/1/2019	207	17,367,381	83,900	5.0
7/1/2020	216	18,456,624	85,447	1.8
6/30/2021	205	18,221,143	88,884	4.0
6/30/2022	197	17,851,603	90,617	2.0
6/30/2023	197	20,118,278	102,123	12.7
Total				
7/1/2014	2,070	$ 135,041,802	$ 65,238	4.3
7/1/2015	2,104	141,670,765	67,334	3.2
7/1/2016	2,073	143,534,600	69,240	2.8
7/1/2017	2,102	150,820,889	71,751	3.6
7/1/2018	2,144	156,444,006	72,968	1.7
7/1/2019	2,123	160,221,081	75,469	3.4
7/1/2020	2,225	172,387,068	77,477	2.7
6/30/2021	2,230	178,007,608	79,824	3.0
6/30/2022	2,127	174,899,540	82,228	3.0
6/30/2023	2,192	198,110,374	90,379	9.9

As of 2021, the charts are as of 6/30.

SCHEDULE OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM THE ROLLS

	Added to rolls[1]		Removed from rolls[2]		Rolls end of year			
As of Date	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowance
June 30, 2023	111	$ 4,663,144	41	$ 1,094,376	1,874	$ 66,785,808	8.26%	$ 35,638
June 30, 2022 [4]	124	4,879,281	37	982,479	1,804	61,692,352	6.95%	34,198
June 30, 2021 [3]	88	3,076,655	33	811,570	1,717	57,685,506	3.35%	33,597
July 1, 2020	84	2,847,544	31	901,782	1,662	55,814,206	4.06%	33,583
July 1, 2019	117	4,322,963	40	993,901	1,609	53,638,651	8.17%	33,337
July 1, 2018	104	3,860,862	33	769,236	1,532	49,588,355	7.33%	32,368
July 1, 2017	89	3,145,674	24	465,503	1,461	46,199,983	6.62%	31,622
July 1, 2016	87	2,903,320	15	221,758	1,396	43,331,139	5.70%	31,039
July 1, 2015	76	2,516,877	26	549,556	1,324	40,994,405	5.72%	30,963
July 1, 2014	63	1,827,720	26	622,566	1,272	38,775,456	3.68%	30,484

As of 2021, the charts are as of 6/30

[1]Additions to the rolls include new retirees and the beneficiaries of an active or retired member's death.

[2]Removed from the rolls include deaths of retirees, deaths of the surviving beneficiaries, surviving children who have reached the age of 18 or 23 if a full-time student, and the expiration of 10-year certain benefits.

[3]As of 2021, the charts are as of 6/30. This means that the COLA adjustments effective 7/1 are not included. It will also affect the % increase in annual allowances and annual allowance values. This will even out in 2022.

[4]The Number at Year End differs from Valuation total for one person now counted as removed because we were notified late of a 2021 death.

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STATISTICAL SECTION

STATISTICAL SECTION NARRATIVE

To assist readers, the Statistical Section of this ACFR presents information to add historical perspective, context, and detail to the Financial Statements, Notes to Financial Statements, and Required Supplementary Information presented in the preceding sections. To provide historical perspective, assess the ERS' overall financial condition, and a sense of trend, the exhibits in this Section are presented in multiple-year formats.

The **Schedule of Changes in Fiduciary Net Position** shows the historical combined effects of the additions and deductions of fiduciary net position over the 10-year period ended June 30, 2024 as well as detailing the ERS' largest source of revenue capacity - investment income June 30, 2015, 2017 through 2021, 2023 and 2024. Investment loss for the years ended June 30, 2016 and 2022 assists in providing a context on how the ERS' financial position has changed over time.

The **Schedule of Benefit and Refund Deductions from Fiduciary Net Position by Type** provides the general information of payment trends of annuity data by benefit type and refund of contributions for the 10-year period ended June 30, 2024.

The **Schedule of Average Benefit Payments** provides the summary of statistics relating to the average annuitant's receipt of annuities over the ten-year period ended June 30, 2024.

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

For Years Ended June 30

(dollars in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ADDITIONS										
Employer contributions	$28,367	$25,683	$ 26,175	$ 22,313	$ 19,245	$24,792	$24,822	$20,268	$ 27,191	$28,150
Member contributions	9,469	8,303	7,728	8,084	7,797	7,541	7,201	6,751	6,418	6,340
Investment income gain/(loss)(net of expenses)	71,483	79,025	(20,830)	194,758	10,900	62,439	70,471	111,662	(4,851)	3,340
Total Additions	109,319	113,011	13,073	225,155	37,942	94,772	102,494	138,681	28,758	37,830
DEDUCTIONS										
Benefit payments	71,265	66,592	61,422	57,660	55,068	51,057	47,628	44,628	42,258	39,992
Refunds	982	1,212	823	378	580	745	460	561	461	391
Administrative expenses	2,953	2,564	2,397	1,984	1,722	1,704	1,811	1,675	1,696	1,587
Total Deductions	75,200	70,368	64,642	60,022	57,370	53,506	49,899	46,864	44,415	41,970
CHANGE IN FIDUCIARY NET POSITION	**$34,119**	**$42,643**	**$(51,569)**	**$165,133**	**$(19,428)**	**$41,266**	**$52,595**	**$91,817**	**$(15,657)**	**$ (4,140)**

SCHEDULE OF BENEFIT AND REFUND DEDUCTIONS

From Fiduciary Net Position by Type
For Years Ended June 30

(dollars in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Type of Benefit										
Pension annuities	$ 64,049	$ 59,650	$ 54,966	$ 52,052	$ 49,427	$ 46,584	$ 42,965	$ 40,379	$ 38,268	$ 35,806
Survivor annuities[1]	6,595	5,925	5,480	5,088	4,798	4,387	4,106	3,828	3,695	3,595
Death Benefits[1]	541	930	891	437	761	271	470	335	200	498
Disability benefits	80	87	85	83	82	86	87	86	95	93
Total Benefits	$ 71,265	$ 66,592	$ 61,422	$ 57,660	$ 55,068	$ 51,057	$ 47,628	$ 44,628	$ 42,258	$ 39,992
Member Refunds of Contributions	$ 982	$ 1,212	$ 823	$ 378	$ 580	$ 745	$ 460	$ 561	$ 461	$ 391

[1]Effective June 30,2023 the Survivor Benefits are allocated between Survivor Annuities and Death Benefits. All prior years have been restated.

SCHEDULE OF AVERAGE BENEFIT PAYMENTS

As of June 30, 2023 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	65	208	227	257	317	432	368	1,874
Average monthly benefit	$ 539	$ 764	$ 1,293	$ 1,963	$ 3,179	$ 3,979	$ 5,018	$ 2,970
Average final average salary	$ 50,386	$ 52,435	$ 60,945	$ 67,872	$ 77,406	$ 77,053	$ 86,225	$ 71,907
Average years of service	4.5	8.6	13.6	18.6	23.5	29.1	34.1	22.7

As of June 30, 2022 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	65	203	219	248	307	415	347	1,804
Average monthly benefit	$ 514	$ 747	$ 1,246	$ 1,890	$ 3,022	$ 3,861	$ 4,863	$ 2,851
Average final average salary	$ 48,990	$ 51,921	$ 59,597	$ 66,410	$ 74,261	$ 76,304	$ 84,596	$ 70,243
Average years of service	4.5	8.6	13.5	18.5	23.5	29.1	34.1	22.6

As of June 30, 2021 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	61	195	209	235	303	398	316	1,717
Average monthly benefit	$ 522	$ 750	$ 1,190	$ 1,830	$ 2,934	$ 3,824	$ 4,881	$ 2,801
Average final average salary	$ 49,918	$ 51,587	$ 57,397	$ 64,324	$ 72,169	$ 74,899	$ 83,126	$ 68,625
Average years of service	4.6	8.5	13.2	18.2	23.2	29.0	34.0	22.5

As of July 1, 2020 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	60	188	201	218	298	373	324	1,662
Average monthly benefit	$ 528	$ 745	$ 1,176	$ 1,746	$ 2,886	$ 3,834	$ 4,861	$ 2,800
Average final average salary	$ 49,999	$ 50,670	$ 56,197	$ 61,745	$ 71,161	$ 75,005	$ 81,015	$ 67,638
Average years of service	4.0	8.1	13.0	18.0	23.1	28.8	33.7	22.2

As of July 1, 2019 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	58	188	184	211	296	365	307	1,609
Average monthly benefit	$ 526	$ 736	$ 1,163	$ 1,722	$ 2,867	$ 3,766	$ 4,889	$ 2,779
Average final average salary	$ 50,217	$ 50,670	$ 55,597	$ 60,911	$ 70,939	$ 73,696	$ 80,311	$ 66,940
Average years of service	4.0	8.1	13.0	18.0	23.1	28.7	33.7	22.1

As of July 1, 2018 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	58	181	176	201	287	345	284	1,532
Average monthly benefit	$ 487	$ 719	$ 1,151	$ 1,693	$ 2,822	$ 3,690	$ 4,746	$ 2,697
Average final average salary	$ 46,368	$ 50,103	$ 55,012	$ 59,813	$ 70,473	$ 72,596	$ 78,227	$ 65,629
Average years of service	3.9	8.1	13.0	18.1	23.1	28.7	33.7	22.0

As of July 1, 2017 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	59	172	164	189	279	325	273	1,461
Average monthly benefit	$ 466	$ 692	$ 1,137	$ 1,650	$ 2,764	$ 3,563	$ 4,683	$ 2,642
Average final average salary	$ 42,267	$ 49,019	$ 53,555	$ 58,444	$ 68,913	$ 70,056	$ 76,920	$ 63,877
Average years of service	4.0	8.1	13.0	18.1	23.1	28.7	33.7	22.0

As of July 1, 2016 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	58	169	157	184	272	323	233	1,396
Average monthly benefit	$ 455	$ 684	$ 1,144	$ 1,633	$ 2,757	$ 3,537	$ 4,722	$ 2,593
Average final average salary	$ 41,468	$ 48,615	$ 53,006	$ 57,328	$ 68,187	$ 68,112	$ 77,203	$ 62,784
Average years of service	3.9	8.1	13.1	18.1	23.1	28.8	33.7	21.8

As of July 1, 2015 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	58	161	147	192	260	303	203	1,324
Average monthly benefit	$ 467	$ 703	$ 1,166	$ 1,733	$ 2,772	$ 3,578	$ 4,761	$ 2,580
Average final average salary	$ 42,664	$ 48,314	$ 53,111	$ 58,300	$ 67,077	$ 67,205	$ 76,338	$ 62,064
Average years of service	3.9	8.1	13.0	18.2	23.1	28.6	33.4	21.4

As of July 1, 2014 — **Years of Credited Service --->**

	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
Number of Retirees and Survivors	54	152	145	173	249	270	229	1,272
Average monthly benefit	$ 452	$ 691	$ 1,082	$ 1,603	$ 2,752	$ 3,441	$ 4,600	$ 2,540
Average final average salary	$ 41,194	$ 47,568	$ 50,122	$ 55,644	$ 67,593	$ 66,475	$ 73,373	$ 60,988
Average years of service	3.9	8.1	12.9	18.1	23.1	28.7	33.6	21.7

Prepared by the Employees' Retirement System
A Fiduciary Component Unit of
The Maryland-National Capital Park and Planning Commission
6611 Kenilworth Avenue, Suite 100
Riverdale, Maryland 20737