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Facsimile (202) 566-5000
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EXECUTIVE DIRECTOR REPORT
January 26, 2017

Activities	Updates
Certification of District Contribution to Fund for FY 2018	On January 12, 2017, letters were sent to Mayor Bowser and Council Chairman Mendelson certifying the amount of the District's contribution to the Teachers' Retirement Fund and the Police Officers and Fire Fighters' Retirement Fund for Fiscal Year 2018. Copies of these letters are attached for your information.
Actuarial Experience Study	At the February Board meeting, Cavanaugh Macdonald will provide the Board with the results of the actuarial experience study, which covers the period of FY 2010 through FY 2015.
DCRB Newsletter – Police/Fire Edition	At the end of February, DCRB expects to distribute the second edition of the newsletter for police officers and firefighters. This newsletter will introduce the Board's Trustees who were elected by police officers and firefighters, and will contain articles about purchasing post-1956 military service, Social Security's Windfall Elimination Provision, and the value of Police/Fire Plan assets from FY 2009 through FY 2016.
Updated Fact Sheets	Attached for your information are Police/Fire Plan, Teachers' Plan, and Funding fact sheets that reflect information provided in the October 1, 2016 Actuarial Valuation Report. Similarly, the slides shown on the flat-screen monitors in the reception area, the Investment Department and outside my office have been updated to reflect information for FY 2016.
Staff Change – CFO's Office	John Henry, the District's Associate Treasury for Asset Management, has announced that he will be leaving the District to accept the position of Director or Finance for Jefferson County Alabama. His last day with the District's CFO's Office is January 27, 2017. We will miss working with him and wish him the best in his new position.
Staffing Changes Since the Last Board Meeting	**Hires:** None **Terminations:** None
Recent Retirement-Related Articles (attached)	"State and Local Pension Reform Since the Financial Crisis," Center for Retirement Research at Boston College, Jean-Pierre Aubry and Caroline V. Crawford, January 2017.

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January 12, 2017

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Re: Certification of the District of Columbia Fiscal Year 2018 (FY 2018) Payment to the Teachers' Retirement Fund and the Police Officers and Fire Fighters' Retirement Fund

Dear Chairman Mendelson:

The District of Columbia Retirement Board ("Board") is required to certify to the Mayor and the Council of the District of Columbia the normal contribution rate for each separate retirement fund, specifically: (i) the Teachers' Retirement Fund and (ii) the Police Officers and Fire Fighters' Retirement Fund (collectively the "Funds"). Accordingly, pursuant to D.C. Official Code § 1-907.03 the Mayor and the Council are required to include the entire certified amount in the District of Columbia annual budget.

On December 15, 2016, Trustees of the Board approved the enrolled actuary's (Cavanaugh Macdonald Consulting, LLC) enclosed certification of the District of Columbia FY 2018 payment to the Funds. As in past years, the enrolled actuary's calculation of the District's contribution to the Funds is based solely on data maintained by the District's Office of Pay and Retirement Services. This letter constitutes the Board's statutorily required certification of the District's payment to the Funds for FY 2018, as noted in this table:

Retirement Fund	Normal Contribution Rate	Normal Contribution Amount (in thousands)
Teachers' Retirement Fund	7.47%	$ 59,046
Police Officers and Fire Fighters' Retirement Fund (Combined)	35.69%	$ 105,596
Total FY 2018 District Contribution		**$ 164,642**

Should you have any questions or concerns, please do not hesitate to contact me at (202) 343-3200.

Sincerely,

Eric O. Stanchfield

Eric O. Stanchfield
Executive Director

Enclosure: Actuarial Certification

cc: Trustees of the D.C. Retirement Board

Jeffrey Barnette • Lyle M. Blanchard • Barbara Davis Blum • Joseph W. Clark • Mary A. Collins • Gary W. Hankins
Darrick O. Ross • Nathan A. Saunders • Edward C. Smith • Thomas N. Tippett • Michael J. Warren • Lenda P. Washington

Joseph M. Bress
Chairman

Eric O. Stanchfield
Executive Director

Required Actuarial Certification
Under District of Columbia Code §1-907 for Fiscal Year 2018 ($Thousands)

Certification	Code Section	Teachers	Police	Fire	Police/Fire Combined	Total District
FY 2018 Employer Normal Cost Rate	N/A	7.47%	34.22%	38.84%	35.69%	21.58%
FY 2018 Unfunded Accrued Liability Cost Rate	N/A	4.04%	(13.53)%	(4.58)%	(10.68%)	(3.32)%
Estimated FY 2018 Covered Payroll	N/A	$456,697	$311,126	$145,608	$456,734	$913,431
FY 2018 Employer Normal Cost	1-907.03(a)(3)(A)	$34,115	$106,467	$56,554	$163,021	$197,136
FY 2018 Unfunded Accrued Liability Payment	1-907.03(a)(3)(C)	$18,451	$(42,095)	$(6,669)	$(48,764)	$(30,313)
FY 2018 District Payment before 1-907.02 (c)	N/A	$52,566	$64,372	$49,885	$114,257	$166,823
FY 2016 Shortfall/Overpayment	1-907.02 (c)	$6,480	$(4,420)	$(4,241)	$(8,661)	$(2,181)
FY 2018 District Payment	N/A	$59,046	$59,952	$45,644	$105,596	$164,642
Present Value of Future Benefits	1-907.03(a)(3)(B)	$2,591,123	$4,560,533	$2,229,006	$6,789,539	$9,380,662
Current Value of Assets	1-907.03(a)(3)(D)	$1,822,113	$3,503,500	$1,450,964	$4,954,464	$6,776,577
Actuarial Value of Assets	1-907.03(a)(3)(E)	$1,845,476	$3,528,543	$1,456,508	$4,985,051	$6,830,527

Actuarial Assumptions

The actuarial assumptions used for the valuation represent the actuary's best estimates of the future experience for the plans. Upon review of recommended economic assumptions, the Board elected to choose an interest rate assumption slightly more conservative than the actuary's recommended rate.

Edward J. Koebel

1/12/2017

Edward J. Koebel, EA, FCA, MAAA

(Date)

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DISTRICT OF COLUMBIA • DCRB • RETIREMENT BOARD

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E-mail: dcrb@dc.gov

January 12, 2017

The Honorable Muriel Bowser
Mayor of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Re: Certification of the District of Columbia Fiscal Year 2018 (FY 2018) Payment to the Teachers' Retirement Fund and the Police Officers and Fire Fighters' Retirement Fund

Dear Mayor Bowser:

The District of Columbia Retirement Board ("Board") is required to certify to the Mayor and the Council of the District of Columbia the normal contribution rate for each separate retirement fund, specifically: (i) the Teachers' Retirement Fund and (ii) the Police Officers and Fire Fighters' Retirement Fund (collectively the "Funds"). Accordingly, pursuant to D.C. Official Code § 1-907.03 the Mayor and the Council are required to include the entire certified amount in the District of Columbia annual budget.

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Sincerely,

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Enclosure: Actuarial Certification

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The actuarial assumptions used for the valuation represent the actuary's best estimates of the future experience for the plans. Upon review of recommended economic assumptions, the Board elected to choose an interest rate assumption slightly more conservative than the actuary's recommended rate.

Edward J. Koebel

1/12/2017

Edward J. Koebel, EA, FCA, MAAA

(Date)

DCRB QuickFacts Police/Fire Plan

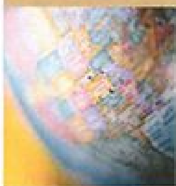
Members As of October 1, 2016	8,655 5,359 active members paying into the system 3,003 retirees and beneficiaries receiving benefits 293 terminated members with a deferred vested benefit
Total 2016 Benefits Paid (in thousands)	$81,316 (benefit payments, refunds and transfers)
Funded Status	110.82% based on the actuarial value of Plan assets
Total Fund Assets As of October 1, 2016 (in thousands)	$4,985,051 actuarial value
Employee Contribution Rate	7% if hired before November 10, 1996 8% if hired on/after November 10, 1996
Effective Date	July 1, 1997
Average Salary Hired before February 15, 1980 Hired on/after February 15, 1980	▪ Highest 12 consecutive months of pay, divided by three ▪ Highest 36 consecutive months of pay, divided by three
Vesting	Five or more years of service
Service Retirement Hired before November 10, 1996 Hired on/after November 10, 1996 * mandatory retirement age	• Any Age, 20 Yrs. of Service, hired before February 15, 1980 • Age 50, 25 Yrs. of Service with MPD • Age 60, 5 Yrs. of Service with MPD* • Any Age, 25 Yrs. of Service with MPD • Age 60, 5 Yrs. of Service with MPD*
Benefit Formula Hired before November 10, 1996 Hired on/After November 10, 1996	2.5% of Average Salary times up to 25 yrs. of service* + 3.00% of Average Salary times over 25 yrs. of service* + 2.5% of Average Salary times purchased or credited service 2.5% of Average Salary times total service * 20 years if hired before February 15, 1980.
For Deaths in Line-of-Duty	100% of Final Pay Spousal Benefit $50,000 Lump-Sum benefit
COLAs Capped at 3% if hired on/after November 1, 1996	Effective: March 1 Payable: April 1 2016 COLA: .7%

DCRB QuickFacts — Teachers' Plan

Members As of October 1, 2016	10,199 5,141 active members paying into the system 3,882 retirees and beneficiaries receiving benefits 1,176 terminated members with a deferred vested benefit
Total 2016 Benefits Paid (in thousands)	$75,298 (benefit payments, refunds and transfers)
Funded Status	90.93% based on the actuarial value of Plan assets
Total Fund Assets As of October 1, 2016 (in thousands)	$1,845,476 actuarial value
Employee Contribution Rate	7% if hired before November 1, 1996 8% if hired on/after November 1, 1996
Effective Date	July 1, 1997
Average Salary	Highest 36 consecutive months of pay, divided by three.
Vesting	Five or more years of service
Service Retirement Hired before November 1, 1996	• Age 55, 30 Yrs. of Service, including 5 years with DCPS • Age 60, 20 Yrs. of Service, including 5 years with DCPS • Age 62, 5 Yrs. of Service with DCPS
Hired on/after November 1, 1996	• Any Age, 30 Yrs. of Service, including 5 years with DCPS • Age 60, 20 Yrs. of Service, including 5 years with DCPS • Age 62, 5 Yrs. of Service with DCPS
Involuntary Retirement	Age 50, 20 Yrs. of Service, including 5 Yrs. with DCPS Any Age, 25 Yrs. of Service, including 5 Yrs. with DCPS
Benefit Formula Hired before November 1, 1996	1.5% of Average Salary times up to 5 yrs. of service + 1.75% of Average Salary times 6 through 10 yrs. of service+ 2.0% of Average Salary times service
Hired on/After November 1, 1996	2.0% of Average Salary times total service
COLAs Capped at 3% if hired on/after November 1, 1996	Effective: March 1 Payable: April 1 2016 COLA: .4%

DCRB QuickFacts Funding

Members As of October 1, 2016	18,854 10,500 active members paying into the system 6,885 retirees and beneficiaries receiving benefits 1,469 terminated members with a deferred vested benefit
Total 2016 Benefits Paid (in thousands)	$156,614
Funded Status **Police/Fire** **Teachers** Both Plans	110.82% based on the actuarial value of Plan assets 90.93% based on the actuarial value of Plan assets 104.6% Combined
Total Fund Assets As of October 1, 2016 (in thousands)	$6,830,527 (actuarial value) $4,985,051 total in Police/Fire Plan $1,845,476 total in Teachers' Plan
Investment Returns As of October 1, 2016 (annualized-gross of fees)	9.4% 1-Year 4.6% 10-Year 4.4% 3-Year 8.7% since inception (1982) 7.7% 5-Year
Employee Contribution Rate	7% if hired before Nov. 1(Teachers) or Nov. 10 (Police/Fire) 1996 8% if hired on/after Nov. 1 (Teachers) or Nov. 10 (Police/Fire) 1996
Funding Sources for FY 2016 (in thousands)	$ 66,377 employee contributions $180,584 employer contributions $570,690 investment earnings
Cash Flow For FY 2016 (in thousands)	$246,961 employee/employer contributions $156,614 payments made to members Contributions were sufficient to cover benefit payments
Key Assumptions	6.5% Investment Rate of Return 3.5% Inflation Rate 4.25% Wage Inflation Rate
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	7-Year Smoothing
COLAs	4.25% Members hired before November 1, 1996. 3.00% Members hired on or after November 1, 1996.



CENTER *for* RETIREMENT RESEARCH at BOSTON COLLEGE

STATE AND LOCAL PENSION PLANS

NUMBER 54, JANUARY 2017

STATE AND LOCAL PENSION REFORM SINCE THE FINANCIAL CRISIS

*By Jean-Pierre Aubry and Caroline V. Crawford**

INTRODUCTION

In the wake of the financial crisis, many state and local pension plans have reduced benefits and increased required employee contributions to curb rising employer costs. While past research suggests that most state plans have made some changes, little information is available about reforms at the local level.[1] This *brief* documents and compares the reform patterns for over 200 major state and local plans between 2009 and 2014 and investigates how and why the changes were made.

The discussion proceeds as follows. The first section describes the data and methodology. The second section provides background on legal protections that might impede changes in benefits for current employees. The third section catalogues and compares the benefit reforms made since the financial crisis – separately assessing reforms applied to current employees and to new hires. The fourth section introduces a regression analysis to better understand what factors have motivated both reforms overall and reforms aimed at current employees. The fifth section presents the regression results. The final section concludes that, unsurprisingly, the biggest factor related to reforms overall was the cost of the plan relative to the total revenue of its sponsoring government, while the main factor related to reforms for current employees was the strength of state legal protections for benefits.

DATA AND METHODOLOGY

The sample for this study covers all 114 state plans and 46 local plans from the *Public Plans Database* (PPD) and an additional 86 local plans. In total, the sample includes the major plans for every state, as

* *Jean-Pierre Aubry is associate director of state and local research at the Center for Retirement Research at Boston College (CRR). Caroline V. Crawford is a research associate at the CRR.* *The authors thank David Blitzstein, Keith Brainard, Steven Kreisberg, and Ian Lanoff for helpful comments.*

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well as major local plans from 102 cities, 22 counties, and 8 school districts. To be geographically representative, the sample of local plans is designed to include the largest locally-run plans in each state. The sample represents about 97 percent of the assets in state-administered plans and 67 percent of the assets in locally-administered plans. The reason for the difference in coverage is that state plans are few and large, while local plans are many and often small.

Other data sources used in this study, in addition to the PPD, include plan actuarial valuations and financial reports. For the few local plans that did not publish a financial report, the reports of the sponsoring city, county, or school district are used. The analysis catalogues major changes to employee benefits for each year during 2009-2014. These include changes to employee contributions, COLAs, benefit factors, the period used to calculate final average salary, retirement age and tenure provisions, and plan type (defined benefit vs. defined contribution).[2] Additionally, changes are categorized by whether they applied to current employees or only to new employees.

Legal Protections

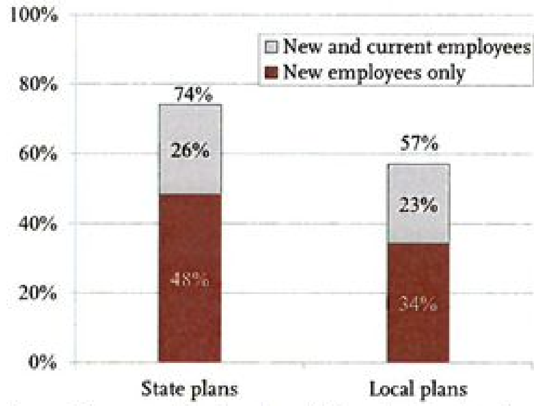
Before discussing the benefit changes, it is important to understand that many states have legal protections that constrain the ability to alter benefits for current employees. These protections vary significantly by state (see Table 1). The strongest protections are in states that prohibit reductions in both past and future benefit accruals for current employees. Such protections involve either explicit language on pensions in a state's constitution or the application of contract law.

At the other extreme are states with no legal protections, which treat pension benefits as a gratuity provided by the employer. Importantly, no states protect the benefits of new employees, making it much easier to cut benefits for this group.

Benefit Reform Patterns

Reflecting the differences in benefit protections, Figure 1 shows the percentage of states and localities making changes for both new and current employees. Two key points emerge. First, 74 percent of state plans made some type of reduction compared to 57

Figure 1. Percentage of Plans Making Benefit Changes, by Type of Employee, 2009-2014



Source: Plan actuarial valuations (AVs) and comprehensive annual financial reports (CAFRs), (2009-2014).

Table 1. Legal Basis for Protection of Public Pension Rights under State Laws

Legal basis	Benefit accruals protected			
	Past and future	Past and maybe future	Past only	None
State constitution	AK, IL, NY	AZ	HI, LA, MI	
Contract	CA, GA, KS, MA, NE, NH, NV, OR, PA, TN, VT, WA, WV	CO, ID, MD, MS, NJ, RI, SC	AL, AR, DE, FL, IA, KY, MO, MT, NC, ND, OK, SD, UT, VA	
Property	ME, WY	CT, NM	WI, OH	
Promissory estoppel[a]	MN			
Gratuity				IN, TX[b]

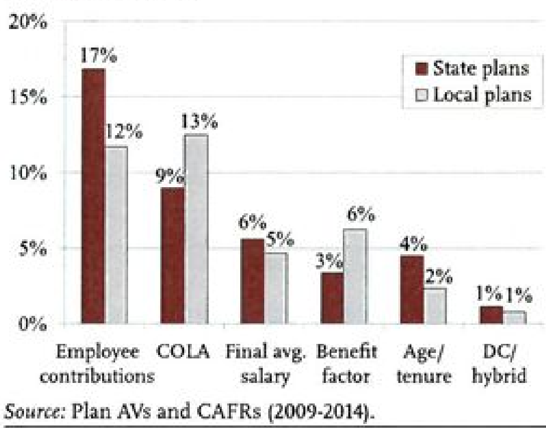
[a] Promissory estoppel is the protection of a promise even where no contract has been explicitly stated.
[b] In Texas, this gratuity approach applies only to state-administered plans. Accruals in many locally-administered plans are protected under the Texas constitution.
Sources: Munnell and Quinby (2012); and subsequent communications with plan administrators and legal experts.

percent of local plans. Second, while the majority of plans reduced benefits only for new employees, about one-quarter also cut benefits for current employees. While the magnitude of the reforms varies substantially across plans, this *brief* focuses only on whether a reform was made.

Cuts for Current Employees

The most common benefit reductions for current employees are increases to their pension contributions and reductions to the COLA (see Figure 2). While the increase in employee contributions does reduce an employee's net pension benefit (the portion of the benefit that is paid for by the employer), the prevalence of the reform suggests that it is viewed differently than direct reductions to benefits. In terms of the COLA, prior research by the Center revealed that, in many states, COLAs are not viewed as "core" benefits and have less protection under the law. As a result, they appear easier to cut than the benefit factor, the final average salary period, or retirement age and tenure provisions.[3]

Figure 2. Percentage of Plans Making Benefit Changes to Current Employees, by Type of Reform, 2009-2014



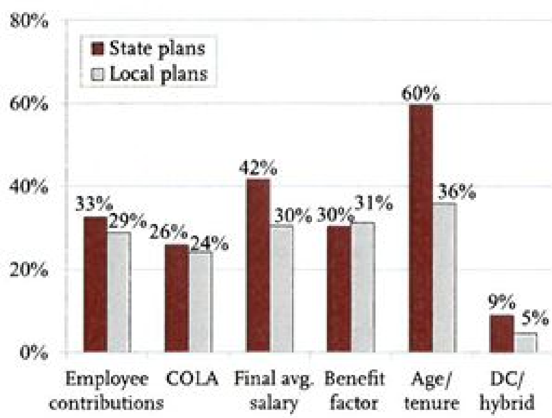
Source: Plan AVs and CAFRs (2009-2014).

What is surprising is that a handful of state and local governments were able to make changes to current employee benefits beyond increases to employee contributions and cuts to COLAs. In these cases, the core benefits were reduced (see Appendix Table A1). Such reductions were sometimes achieved through advance negotiations or compromises reached after cuts were challenged in court. For example, the Vermont Teachers' Retirement System enacted reform after negotiations with the National Education Association; and Rhode Island's Employees' Retirement System and Municipal Employees' Retirement System, after years of litigation, were able to reach a settlement with unions representing virtually all of the affected employees. In other cases, benefit reductions passed legal muster because they applied only to future benefit accruals in states where protections were limited to past accruals.

Cuts for New Employees

For new employees, the pattern of reform is somewhat different – reductions to core benefits are much more common (see Figure 3). The most common change was to increase the age and tenure required to claim benefits. The next most common changes were to reduce the benefit factor, lengthen the period used to calculate final average salary, and increase employee contributions. Interestingly, local plans are much less likely to increase age and tenure requirements than state plans. A possible explanation is that most police and fire plans are administered at the local level, and their employee unions are particularly sensitive to altering retirement ages.

Figure 3. Percentage of Plans Making Benefit Changes to New Employees, by Type of Reform, 2009-2014



Source: Plan AVs and CAFRs (2009-2014).

Regression Analysis

A 2013 analysis by the Center suggests that plans tend to tailor their reforms to the nature and size of their pension challenge.[4] These initial findings highlight the importance of taking a closer look at what factors motivate and predict reform activity. To achieve this aim, the analysis used two probit regressions. The first regression investigates what motivates the decision to enact any benefit cuts at all. The second regression focuses – for the plans that have made reforms – on what motivates extending cuts to current employees, rather than limiting them to new hires.

The dependent variable for the first regression is whether the plan made any cuts between 2009 and 2014. If a plan reduced benefits in any way or raised employee contributions, it was flagged as making a reform. For the second regression, the sample is limited to only the plans that cut benefits. The dependent variable is the probability of making changes for current employees. As described below, the independent variables of interest for both regressions cover several 2009 plan characteristics to reflect the nature and size of the pension challenge faced prior to the reform period.

State or locally-run plan. As noted above, state-run plans appear to have greater reform activity than local plans. One reason may be that locally-run plans are much more likely to cover police and fire employees, so reform requires negotiating with unions that may have strong political influence.[5] Also, in smaller cities where the government is among the largest employers, cutting benefits can significantly impact the local economy.

Annual required contribution (ARC). ARC payments cover the plan's normal cost (the present value of benefits earned by employees for that year's employment) and amortize the unfunded liability (the gap between existing plan assets and benefit promises). Plans with a higher ARC as a percentage of revenue put more pressure on the overall budgets of their government sponsors, so they may be more likely to make reforms than less expensive plans.

Employee contributions. Plans with lower employee contributions are expected to be more likely to take advantage of this reform option.

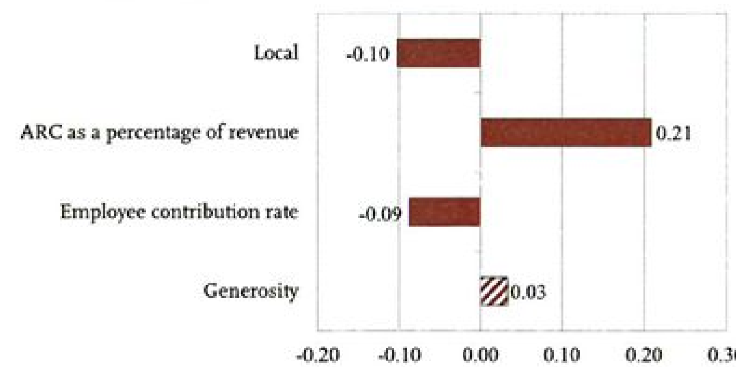
Generosity of benefits. Plan generosity is measured by the average benefit paid to each employee divided by average salary. The hypothesis is that plans offering more generous benefits are more likely to see benefit reductions during periods of financial stress.

Strength of benefit protections. In general, state and local benefits for current employees enjoy strong legal protections. Yet, some variation exists. A handful of states have constitutional provisions that explicitly prevent reducing the benefits of current employees, while others have little or no protection. This variable captures whether a state has explicit constitutional protections. Stronger protections are expected to reduce the likelihood of benefit reductions.

Regression Results

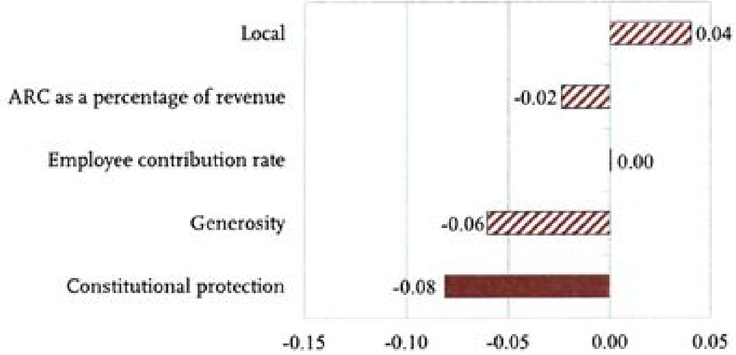
Figure 4 reports the effects of the independent variables on the probability of reform (see Appendix Table A2 for full results). The values represent the

Figure 4. Effect of Plan Characteristics on Probability of Benefit Reform, 2009-2014



Notes: Solid bars are statistically significant. Values represent a one-standard-deviation change in the probability of each variable.
Sources: Plan AVs and CAFRs (2009-2014); *Public Plans Database* (2009); U.S. Census (2009); and Munnell and Quinby (2012).

Figure 5. Effect of Plan Characteristics and Constitutional Protection on Probability of Benefit Reform for Current Employees, 2009-2014



Notes: Solid bars are statistically significant. Values represent a one-standard-deviation change in the probability of each variable.
Sources: Plan AVs and CAFRs (2009-2014); *Public Plans Database* (2009); U.S. Census (2009); and Munnell and Quinby (2012).

marginal effect of a one-standard-deviation change in each variable. For the most part, the variables have the expected relationship. Overall, local plans are less likely to reduce benefits than state plans. Across both state and local plans, plans with a higher ARC as a percentage of revenue are more likely to make cuts, as are plans with lower employee contributions. The coefficient for plan generosity has the expected sign, but is not statistically significant.

Figure 5 reports the effect of the independent variables on the probability of reform for current employees (see Appendix Table A3 for full results). None of the plan characteristics are statistically significant. The only statistically significant variable is the strength of the state's benefit protection. As expected, the results show that plans in states with strong benefit protections are less likely to make changes to current employee benefits.

Conclusion

Since the financial crisis, state and local governments have enacted pension reforms to mitigate rising costs. The results of this analysis suggest that nearly three-quarters of state plans and over half of local plans have made some kind of pension reform since 2009. Moreover, nearly one-quarter of plans have made changes that impact current employees. The most common change is to increase employee contributions, but reductions in COLAs and pushing out the age and tenure eligibility for retirement have been used as well.

The regression results show that plans with a higher ARC as a percentage of total government revenue are more likely to experience plan changes, as are plans with lower employee contributions. This pattern is not surprising as plans with high ARCs, as a percentage of revenue, put greater budgetary pressure on governments, and increasing the employee contribution often avoids running afoul of the legal protection of benefits. Interestingly, plan characteristics do not make it any more likely that cuts are extended to current employees. Instead, the strength of a state's benefit protection was the only factor that mattered, significantly decreasing the likelihood of benefit cuts for this group.

Endnotes

1 Munnell et al. (2013); Brainard and Brown (2016).

2 Employer actions – such as increasing their own contributions, lowering the assumed return, or changing amortization methods – were outside the scope of this *brief*.

3 Munnell, Aubry, and Cafarelli (2016).

4 Munnell et al. (2013).

5 Ninety percent of police and fire employees are covered under a local plan.

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APPENDIX

Table A1. Plans Making Changes to Current Employee Core Benefits, 2009-2014

Strength of protection Plan name	Explanation
Constitutional	
Detroit Police and Fire Retirement System*	Agreement reached after negotiations.
Detroit General Retirement System*	City bankruptcy prompted vote by plan participants.
Fort Worth Employees' Retirement Fund[a]*	Reforms apply to future service, ongoing litigation.
Contract: Past and future accruals	
Vermont Teachers' Retirement System	Agreement reached after negotiations.
Contract: Past and maybe future accruals	
Baltimore Fire and Police Employees' Retirement System	Passed after litigation.
Rhode Island Employees' Retirement System*	Reached settlement after litigation.[b]
Rhode Island Municipal Employees' Retirement System*	Reached settlement after litigation.[b]
Contract: Past accruals only	
Arkansas Teacher Retirement System*	Reforms apply to future service.
Lexington Policemen's and Firefighters' Retirement Fund*	Accruals before retirement are not protected.
Miami Firefighters' and Police Officers' Retirement Trust	Non-vested employees are not protected.
Newport News Employees' Retirement Fund	Reforms apply to future service.
North Dakota Teachers' Retirement Fund[c]*	No legal action.
Pensacola General Pension and Retirement Fund*	Reforms apply to future service.
South Dakota Retirement System	Reforms apply to future service.
Virginia Retirement System[d]	Accruals before retirement are not protected.
Property-based approach: Past accruals only	
Cincinnati Retirement System*	Reached settlement after litigation.
Milwaukee County Employees' Retirement System	Reforms apply to future service.
Ohio Public Employees Retirement System*	Accruals before retirement are not protected.

* Reviewed by plan sponsor.
[a] While Texas views benefits provided by state-administered pension plans as a gratuity, the benefits provided by some locally-administered plans, such as Fort Worth Employees, are protected in the state constitution.
[b] A 2015 settlement was reached between the Rhode Island Employees' Retirement System and Municipal Employees' Retirement System and six of the nine unions, representing 99 percent of affected state employees.
[c] Some constitutional protection may be available, but the extent of that protection has not been tested in litigation.
[d] Data from the National Conference on Public Employee Retirement Systems (NCPERS) states that retirement benefits do not vest until a member qualifies for retirement. Based on existing case law, legal policy analysts at the Virginia Retirement System were unable to confirm or deny that its plan benefits are protected as NCPERS describes.
Sources: Plan AVs and CAFRs (2009-2014); Munnell and Quinby (2012).

TABLE A2. MARGINAL EFFECTS OF PLAN CHARACTERISTICS ON BENEFIT REFORM, 2009-2014

	Marginal effects
Local	-0.21***
	(0.07)
ARC as a percentage of revenue	5.10***
	(1.18)
Employee contribution rate	-2.31**
	(0.97)
Generosity	0.19
	(0.20)
Sample size	208
R-squared	0.12

Note: Marginal effects are significant at the 1-percent level (***) or 5-percent level (**). The sample was reduced from 246 to 208 after excluding state plans that had no state government ARC and plans with missing data.
Sources: Plan AVs and CAFRs (2009-2014); PPD (2009); U.S. Census (2009); and Munnell and Quinby (2012).

TABLE A3. MARGINAL EFFECTS OF PLAN CHARACTERISTICS & CONSTITUTIONAL PROTECTION ON BENEFIT REFORMS FOR CURRENT EMPLOYEES, 2009-2014

	Marginal effects
Local	0.08
	(0.09)
ARC as a percentage of revenue	-0.52
	(1.01)
Employee contribution rate	0.02
	(1.47)
Generosity	-0.46
	(0.35)
Constitutional protection	-0.20**
	(0.09)
Sample size	139
R-squared	0.04

Note: Marginal effects are significant at the 5-percent level (**). The sample was reduced from 246 to 139 after excluding state plans that had no state government ARC, plans with missing data, and plans that made no reform to benefits during this time period.
Sources: Plan AVs and CAFRs (2009-2014); PPD (2009); U.S. Census (2009); and Munnell and Quinby (2012).

About the Center

The mission of the Center for Retirement Research at Boston College is to produce first-class research and educational tools and forge a strong link between the academic community and decision-makers in the public and private sectors around an issue of critical importance to the nation's future. To achieve this mission, the Center sponsors a wide variety of research projects, transmits new findings to a broad audience, trains new scholars, and broadens access to valuable data sources. Since its inception in 1998, the Center has established a reputation as an authoritative source of information on all major aspects of the retirement income debate.

Affiliated Institutions

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Syracuse University
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The CRR gratefully acknowledges the Center for State and Local Government Excellence for its support of this research. The Center for State and Local Government Excellence (http://www.slge.org) is a proud partner in seeking retirement security for public sector employees, part of its mission to attract and retain talented individuals to public service. The opinions and conclusions expressed in this *brief* are solely those of the authors and do not represent the opinions or policy of the CRR or the Center for State and Local Government Excellence.

WILL BE PROVIDED AT THE MEETING.

NO WRITTEN REPORT

NO COMMITTEE MEETING WAS HELD THIS MONTH

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TO: BOARD OF TRUSTEES

FROM: EDWARD SMITH, CHAIRMAN

DATE: JANUARY 26, 2017

SUBJECT: BENEFITS COMMITTEE REPORT

The last Benefits Committee meeting was held on November15, 2016. The following report reflects Benefits Department activities and projects that occurred since the December Board meeting.

Annual Benefit Statement Project

Benefits statements were mailed to a pilot group of 192 active firefighter members of the Police Officers and Firefighters Retirement Plan. The statements identify accrued and projected benefits as of June 30, 2016. The pilot group was asked to provide feedback via an online survey link.

As of January 10, 2017, DCRB received approximately 40 survey responses (21%). A final reminder requesting completion of the survey was sent out on January 17, 2017.

The feedback, which has been very positive, suggested including sick leave in the calculation, showing additional calculation details, and utilizing more recent data. Benefits is investigating the possibility of adding unused sick leave hours to the benefit calculations and recalculating the accrued benefit using service history data as of December 31, 2016. We are currently discussing these issues with Cavanaugh Macdonald and the District's Office of Pay and Retirement Services.

2017 Disability Annuitant Earned Income Verification Project

Based on a review of the Plans' annual earned income review provisions and procedures by AON Hewitt Investment Consulting, the Benefits and Legal Departments are reviewing the current procedures for suggested revisions and best practices.

Jeffrey Barnette ● Lyle M. Blanchard ● Barbara Davis Blum ● Joseph W. Clark ● Mary A. Collins ● Gary W. Hankins
Darrick O. Ross ● Nathan A. Saunders ● Edward C. Smith ● Thomas N. Tippett ● Michael J. Warren ● Lenda P. Washington

Joseph M. Bress
Chairman

Eric O. Stanchfield
Executive Director

Benefits Department Monthly Statistics

Activity	December	November	October
Retirement Claims Received	130	82	82
Processed Retirements	153	167	171
Average Processing Days	63	63	68
Telephone Calls	3,678	3,516	2,695
Walk-in Customers	190	148	99
Scanned Documents	14,536	10,375	9,882
QDROs Approved	1 final, 1 rejected	7 final	1 final
Purchase of Service	3 ($16,618)	8 ($59,638)	6 ($11,561)

You will find more details of the Benefits Department statistics in the attached reports.

MEMBER SERVICES CUSTOMER SATISFACTION SURVEY
December 2016

Background

The reported survey outcomes are the results of the December 2016 Member Services Customer Satisfaction Survey. The data collected are from active and retired members of the District of Columbia Police Officers and Firefighters' and Teachers' Retirement Plans, their survivors and beneficiaries. The purpose of the survey is to gather and measure the customer experience, gaging their satisfaction in an effort to improve our service to them, as necessary.

Survey Objective

The resulting feedback will be used to:

- Increase member satisfaction and confidence
- Deliver actionable data to decision-makers
- Reduce caller and in-person wait times for service
- Set reasonable service expectations

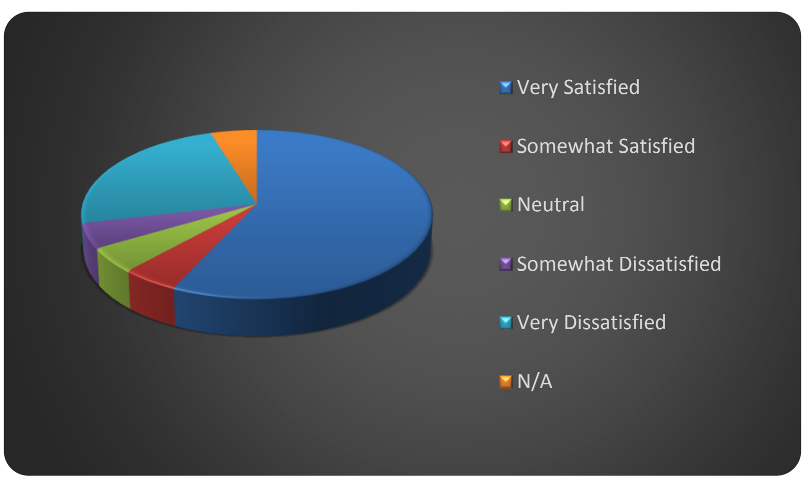
Methodology

- This month, survey participants were Plan members who made onsite visits to the DCRB member Service Center and members who contacted the center by email to the dcrb.benefits@dc.gov address. Some members arrived after having scheduled an appointment; others came in for assistance with updating their member information. The survey participants were randomly selected.

Participants

- 95 surveys were sent.
- 23 responses were received from members.

Overall DCRB Member Satisfaction

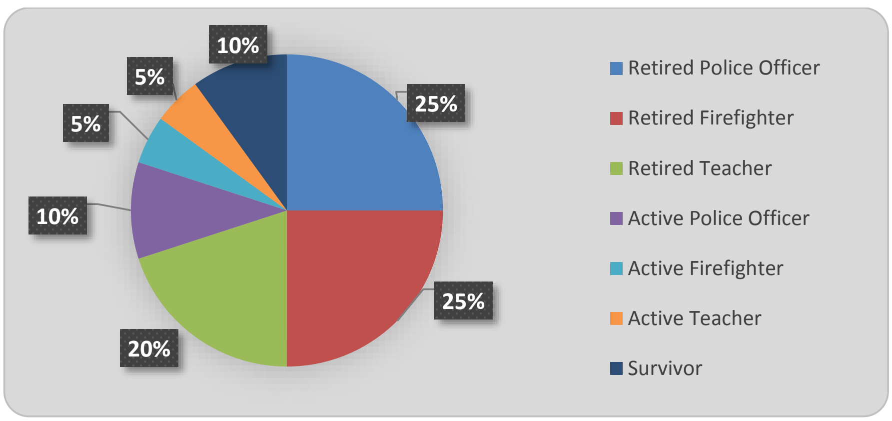


MSC Satisfaction Survey_December.2016

MEMBER SERVICES CUSTOMER SATISFACTION SURVEY
December 2016

Overall, how satisfied are you with the member service provided by DCRB?		
Answer Options	**Response Percent**	**Response Count**
Very Satisfied	57.1%	12
Somewhat Satisfied	4.8%	1
Neutral	4.8%	1
Somewhat Dissatisfied	4.8%	1
Very Dissatisfied	23.8%	5
N/A	4.8%	1
	answered question	21
	skipped question	2

Membership Type



Knowledge and Skills

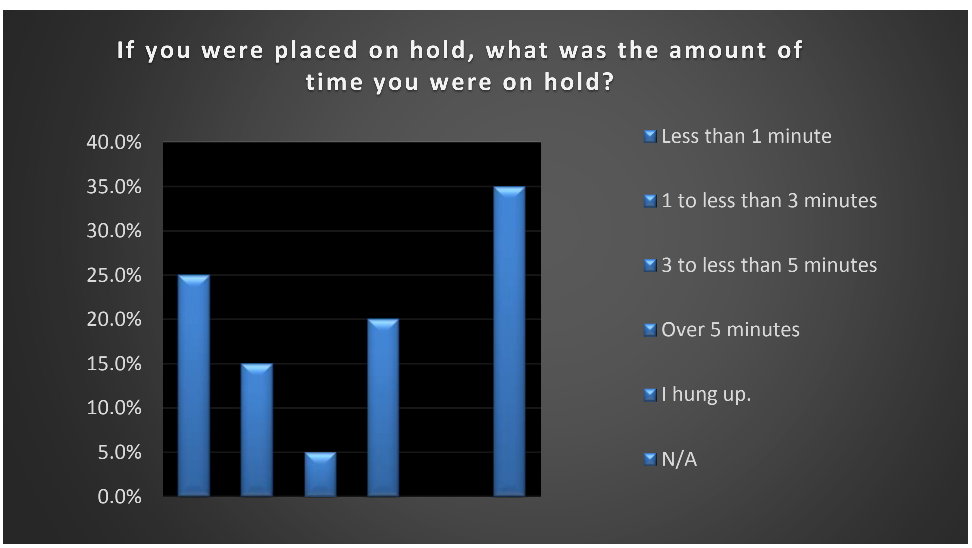
How satisfied were you with how the representative addressed your problem/inquiry?						
Answer Options	**Strongly Agree**	**Agree**	**Neither Agree/Disagree**	**Disagree**	**Strongly Disagree**	**Response Count**
Had the right information.	14	0	2	0	3	21
Understood your questions.	14	3	1	0	1	21
Provided clear answers.	14	2	1	0	2	21
Answered your questions.	14	2	1	0	2	21
Appeared well organized.	14	1	2	0	2	21
					answered question	21
					skipped question	2

MEMBER SERVICES CUSTOMER SATISFACTION SURVEY
December 2016

Reason for Contact

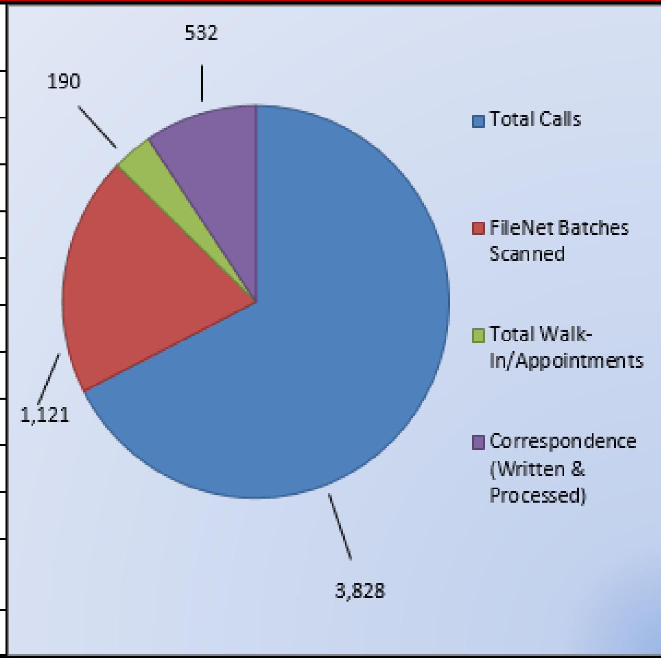
Answer Options	Response Percent	Response Count
Name/Address Change	21.1%	4
Direct Deposit	10.5%	2
Health/Life Insurance	21.1%	4
Redeposit/Purchase of Service	10.5%	2
Student Certification	5.3%	1
Beneficiary Change	10.5%	2
Retirement	15.8%	3
Tax Withholding Election	0.0%	0
Refund	10.5%	2
Death of Annuitant	0.0%	0
Disability	0.0%	0
I did not contact DCRB.	5.3%	1
Other (please specify)		3
	answered question	**19**
	skipped question	**4**

Contact Wait Time



DCRB Member Services Center Statistics for December 2016

Call Center Statistics	
Total Calls	**3,828**
Inbound Calls	2,670
Outbound Calls (Voicemails & Follow-up calls)	1,158
Average Talk Time	*5:09 minutes*
Average Caller Wait Time	*3:46 minutes*
Total Walk-In/Appointments	**190**
FileNet Batches Scanned	**1,121**
Documents Pages Scanned	14,536
Correspondence *(Written & Processed)*	**532**
Email & Fax	686
Processed Documents (EFTs, address & name changes, tax forms, 1099s, & 2809s , etc.)	1,590
Total	**5,671**



Top 3 Contact Trends	
Health Insurance	1. Questions regarding Open Enrollment 2017 premiums 2. Requests for Health Benefits Enrollment forms (District & Feds) 3. How to report Medicare Parts A & B during Open Enrollment Season
Life Insurance	1. Request for Beneficiary Forms 2. Valuation of Life Insurance policy 3. Questions about premium reduction at age 65 *(Feds)*
Refunds	1. Refund application and process 2. Refund Status

Member Services December Statistical Comparison by Year

	2015	2016	Comments
Walk-Ins/Appointments	233	190	
Total Calls *(includes voice mails)*	3,464	3,828	*Call volume increased due to Open Season Activities*
Emails	365	420	
Total	**4,062**	**4,438**	

Member Services Center_12.2016

RETIREMENT CASE PROCESSING - MONTHLY REPORT
JANUARY 1, 2017

CASES AVAILABLE FOR PROCESSING	CASES RECEIVED (but may not have been ready for payment)	CASES PROCESSED	CASE TYPE	PLAN		
				Fire	Police	Teacher
51	16	35	Beneficiary (One-Time Payments)	4	13	18
10	6	4	Deferred Annuity	0	0	4
3	0	3	Garnishment/Levy	2	0	1
2	0	2	Health/Life Benefit Adjust.	0	2	0
56	28	28	Optional/Voluntary & Involuntary Annuity	5	12	11
16	1	15	Survivor Annuity	2	11	2
2	0	2	Student Certifications	1	1	0
12	0	12	Annuity Adjustments	2	7	3
1	0	1	Auto Debt Collections	0	0	1
7	0	7	Octo Review Monetary & Non Monetary Adjustments	0	1	6
2	0	2	Post 56 Adjustments	0	2	0
5	0	5	CAPS[1]	0	5	0
116	79	37	Refund of Contributions**	2	5	30
283	130	153		18	59	76

[1] *Corrective Action Project*

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TO: BOARD OF TRUSTEES

FROM: LYLE BLANCHARD, CHAIRMAN

DATE: JANUARY 26, 2017

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the December Board Meeting:

COUNCIL OF THE DISTRICT OF COLUMBIA

A21-0603, "Omnibus Public Safety and Justice Amendment Act of 2016"

This Act incorporates the provisions of the "Senior Law Enforcement Officer Amendment Act of 2016 (B21-827)" and the "Law Enforcement Career Opportunity Amendment Act of 2016 (B21-847)." The bill was originally introduced as the "Immigration Services Protection Act of 2016" but was renamed by the Committee on Judiciary to the "Omnibus Public Safety and Justice Amendment Act of 2016."

Status: The bill, B21-0724, was introduced on April 29, 2016, and enacted with Act number A21-0603 on January 6, 2017.

B22-0041, "Force of 4,200 – Police Officer Recruitment and Retention Act of 2017"

This Bill will allow any sworn officer of the Fraternal Order of Police MPD Labor Committee (Compensation Unit 3) who is eligible to retire, but who continues to work for an additional five years after October 1, 2017, to receive one-time compensation at the end of the fifth year, equal to the regular salary earned by that officer during his or her fifth year.

Status: The bill was introduced by Councilmembers Gray and Evans on January 10, 2017, and was referred to the Committee on Judiciary and Public Safety.

WILL BE PROVIDED AT THE MEETING.

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January 24, 2017

Audit Results Presentation to:

District of Columbia Retirement Board – Audit Committee

CliftonLarsonAllen

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Agenda

- 2016 Audit Results
- Required Communications

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2016 Audit Results

- Independent Auditors' Report - Unmodified "clean" opinion that the financial statements are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- Limited procedures were performed, and no opinion was rendered on management's discussion and analysis, required supplemental information, and the Introductory, Investment, Actuarial, and Statistical sections.
- Limited procedures were performed, and an unmodified "clean" "in-relation to" opinion was rendered on the supplemental schedules.

2016 Audit Results (continued)

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- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
  - No material weaknesses or significant deficiencies were identified.
  - No material findings associated with compliance or other matters were identified.
- Letter to the Board providing required communications with those charged with governance

Required Governing Body Communications

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- Auditor's responsibility under U.S. Generally Accepted Auditing Standards
- Significant accounting policies
- Management judgments and accounting estimates
  - Valuation of alternative investments
  - Actuarial assumptions and methods used
- Financial statement disclosures
- No audit adjustments or passed adjustments

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Other Communications

- Management was very cooperative and professional during the audit process
- No disagreements with management
- Management did not consult with other accountants on the application of GAAP or GAAS
- No major issues were discussed with management prior to retention
- Management Representations

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District of Columbia Teachers' and Police Officers and Firefighters' Retirement Fund

Financial Statements and Schedules (with Independent Auditors' Report thereon)

As of and for the Years Ended September 30, 2016 and 2015

TABLE OF CONTENTS

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
District of Columbia Teachers' Retirement Fund and
District of Columbia Police Officers and Firefighters' Retirement Fund

Report on Financial Statements
We have audited the accompanying combining statements of fiduciary net position of the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund, Pension Trust Funds of the Government of the District of Columbia (the District), as of September 30, 2016 and 2015, and the related combining statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States**.** Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund as of September 30, 2016 and 2015, and the respective changes in their financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, these financial statements only present the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund and do not purport to, and do not, present the financial position of the Government of the District of Columbia as of September 30, 2016 and

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Board of Trustees
District of Columbia Teachers' Retirement Fund and
District of Columbia Police Officers and Firefighters' Retirement Fund

2015, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in the net pension liability and related ratios, employer contributions and investment returns, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 and the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund financial statements. The supplementary information, including the schedules of administrative expenses, investment expenses, and payments to consultants, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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, including the schedules of administrative expenses, investment expenses, and payments to consultants, as listed in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017 on our consideration of the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
January 3, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This discussion and analysis provides an overview of the financial activities of the District of Columbia Teachers' Retirement Fund (TRF) and Police Officers and Firefighters' Retirement Fund (POFRF), for the years ended September 30, 2016, 2015 and 2014, which collectively will be referred to as the "District Retirement Funds" or the "Fund." This discussion and analysis should be read in conjunction with the financial statements, the notes to the financial statements, the required supplementary information and the supplementary information provided in this report.

The District of Columbia Retirement Board (the Board or DCRB) is an independent agency of the District of Columbia (the District or D.C.) government. The Board is responsible for managing the assets of the District Retirement Funds. As authorized by D.C. Code, the Board pools the assets of the TRF and the POFRF into a single investment portfolio. The Board allocates the investment returns and expenses, and the administrative expenses of the Board, between the two District Retirement Funds in proportion to their respective net position. The Board maintains financial records of contributions, purchases of service, benefit payments, refunds, investment earnings, investment expenses and administrative expenses.

Effective October 1, 2005, the Board entered into a Memorandum of Understanding (MOU) with the District of Columbia and the United States Department of the Treasury (the U.S. Treasury) to administer the pension benefits under the TRF and the POFRF for all retirees, survivors and beneficiaries that are the financial responsibility of the District of Columbia (service earned on and after July 1, 1997) and the Federal Government (service through June 30, 1997). In addition to the Board's administrative duties, the U.S. Treasury also provides certain administrative services related to the administration of pension benefits under the District of Columbia Teachers' Retirement Plan and the District of Columbia Police Officers and Firefighters' Retirement Plan (the Plans). The administrative costs incurred while administering the pension benefits are shared by DCRB and the U.S. Treasury in accordance with an MOU that is agreed to annually between the two parties.

OVERVIEW OF THE FINANCIAL STATEMENTS AND SCHEDULES

The following discussion and analysis are intended to serve as an introduction to DCRB's financial statements. The basic financial statements include:

The Combining Statements of Fiduciary Net Position are a point-in-time snapshot of plan fund balances at fiscal year end. It reports the assets available to pay future benefits to retirees, and any liabilities that are owed as of the statement date. The resulting Net Position (Assets – Liabilities = Net Position) represents the value of assets restricted for pensions net of liabilities owed as of the financial statement date.

The Combining Statements of Changes in Fiduciary Net Position display the effect of financial transactions that occurred during the fiscal year, where Additions – Deductions = Change in Net Net Position. This increase (or decrease) in Net Position reflects the change in the value of Net Position Restricted for Pensions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Notes to Financial Statements contain disclosures and discussions which support the data presented in the financial statements. The notes present information about the creation and administration of the Fund, significant accounting policies, and investments. The notes are an integral part of the financial statements and should be considered in conjunction with any review of the financial statements.

The Required Supplementary Information The required supplementary information consists of schedules of changes of employers' net pension liability and related ratios, employer contributions, and the money-weighted rate of investment returns.

The Supplementary Information includes additional information on the District Retirement Funds including schedules of administrative expenses, investment expenses and payments to consultants. These schedules include more detailed information pertaining to the Plans.

ANALYSIS OF FINANCIAL INFORMATION

DCRB's funding objective is to meet long-term benefit obligations with net investment income and employer and member contributions. The discussion below provides an analysis of the current year's financial activities in relation to the current member population and relevant economic conditions for the combined Funds.

Additions to Net Position (Revenues)

Additions to net position are comprised of employer contributions, employee contributions, net investment income, and other income. These additions for fiscal year 2016 totaled $818.2 million, an increase of $868.5 million over the fiscal year 2015 amount of $(50.3) million. This increase was primarily due to the higher investment returns in fiscal year 2016.

Employer contributions in fiscal year 2016 totaled $180.6 million, an increase of $37.7 million over the fiscal year 2015 amount of $142.9 million. The fiscal year 2016 employer contribution was derived from the contribution rate calculated in the actuary's report for the period ended October 1, 2014 multiplied by covered payroll and adjusted for timing differences caused by the contribution being calculated 2 years in arrears. This adjustment is required by the D.C. Code.

Employee contributions in fiscal year 2016 totaled $66.4 million, an increase of $1.1 million over the fiscal year 2015 amount of $65.3 million. Employee contributions consist of amounts paid by members for future retirement benefits.

Investment income, net of investment fees, for fiscal year 2016 totaled $567.4 million, a return of 9.3%. Net investment income for fiscal year 2015 totaled $(259.9) million, a return of (4.1%). Other income in fiscal year 2016 totaled $3.8 million, an increase of $2.4 million over the fiscal year 2015 amount of $1.4 million. Other income consists mainly of reimbursements of administrative expenses from the U.S. Treasury.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Deductions from Net Position (Expenses)

The statutory mandate of DCRB is to provide retirement, survivor and disability benefits to qualified members and their survivors. The costs of such programs include recurring benefit payments, elective refunds of contributions to employees who terminate employment, and the cost of administering the District Retirement Funds.

Deductions from net position are comprised of benefit payments, retirement benefits payable to the U.S. Treasury, refunds and administrative expenses. These deductions for fiscal year 2016 totaled $174.3 million, an increase of $23.1 million or 15.3% over the fiscal year 2015 amount of $151.2 million.

Benefit payments for fiscal year 2016 totaled $147.6 million, an increase of $19.9 million or 15.5% over the fiscal year 2015 amount of $127.7 million. This increase reflects the combination of a net growth of 8.8% in the number of retirees and survivors receiving benefits, coupled with COLA adjustments and an overall increase in the final average salary for new retirees. In fiscal years 2016 and 2015, benefit payments made on behalf of current retirees, survivors and beneficiaries comprised approximately 85% of DCRB expenses.

Refunds in fiscal year 2016 totaled $8.4 million, an increase of $1.4 million or 20.3% over the fiscal year 2015 amount of $7.0 million. Refunds of member accounts are at the discretion of the member, and vary from year to year.

Administrative expenses in fiscal year 2016 totaled $17.7 million, an increase of $1.2 million or 7.2% over the fiscal year 2015 amount of $16.5 million. In fiscal years 2016 and 2015, the administrative expenses were equivalent to 26 and 27 basis points of the assets under management, respectively.

Funding Status

As of October 1, 2016 (the date of the most recent actuarial valuation), the funding status was 104.6% for the combined District Retirement Funds. DCRB is a well-funded yet immature system as a result of the 1999 asset split with the U.S. Treasury in which the U.S. Treasury assumed responsibility for all benefit obligations prior to July 1, 1997. As with all immature systems, a higher percentage of benefits are funded by current contributions. As the system matures, investment income will provide a greater percentage of the funds necessary to pay retirement benefits. Therefore, the long-term rate of investment return is critical to DCRB's long-term funding status.

At October 1, 2016, the actuarial value of assets set aside to pay pension benefits was $1.8 billion for the TRF and $5.0 billion for the POFRF for a total of $6.8 billion. The fair value of these assets at September 30, 2016, included on the financial statements of DCRB was $1.8 billion for the TRF and $5.0 billion for the POFRF for a total of $6.8 billion. Therefore, when viewing the actuarial funding status in this case, the actuarial value of assets would provide a similar funding position to the fair value of assets as of the October 1, 2015 valuation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS SUMMARY

Net position may serve over time as a useful indication of DCRB's financial strength. At the close of fiscal years 2016 and 2015, the net position of DCRB totaled $6.8 and $6.1 billion, respectively. Net position serves to meet DCRB's ongoing obligations to Plan participants and their survivors and beneficiaries.

SUMMARY OF FINANCIAL INFORMATION

The following Condensed and Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position present financial information for the combined Funds and compares fiscal years 2016, 2015 and 2014.

Condensed and Combining Statements of Fiduciary Net Position
(Dollars in thousands)

	2016	2015	2014	2016 Percent Change	2015 Percent Change
Assets					
Cash and short-term investments	$ 51,480	$ 75,492	$ 27,400	-31.8%	175.5%
Receivables	14,235	14,077	155,149	1.1%	-90.9%
Prepaid expenses	10	47	194	-78.7%	-75.8%
Investments	6,728,612	6,056,101	6,275,768	11.1%	-3.5%
Collateral from securities lending	-	-	24,982	-	-100.0%
Total assets	6,794,337	6,145,717	6,483,493	10.6%	-5.2%
Liabilities					
Other payables	7,879	4,214	6,404	87.0%	-34.2%
Investment commitments payable	9,878	8,867	117,663	11.4%	-92.5%
Obligations under securities lending	-	-	25,336	-	-100.0%
Total liabilities	17,757	13,081	149,403	35.7%	-91.2%
Net Position Restricted For Pensions	$ 6,776,580	$ 6,132,636	$ 6,334,090	10.5%	-3.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed and Combining Statements of Changes in Fiduciary Net Position

(Dollars in thousands)

	2016	2015	2014	2016 Percent Change	2015 Percent Change
Additions					
Employer contributions	$ 180,584	$ 142,943	$ 142,402	26.3%	0.4%
Plan member contributions	66,376	65,300	61,572	1.6%	6.1%
Net investment income (loss)	567,419	(259,930)	470,980	318.3%	-155.2%
Other income	3,843	1,397	1,864	175.1%	-25.1%
Total additions (reductions)	818,222	(50,290)	676,818	1727.0%	-107.4%
Deductions					
Benefit payments	147,554	127,710	112,616	15.5%	13.4%
Retirement benefits payable to U.S. Treasury	676	-	-		
Refunds	8,384	6,972	7,427	20.3%	-6.1%
Administrative expenses	17,664	16,482	13,517	7.2%	21.9%
Total deductions	174,278	151,164	133,560	15.3%	13.2%
Change In Net Position	$ 643,944	$ (201,454)	$ 543,258	419.6%	-137.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The Teachers' Retirement Fund financial highlights for fiscal year 2016 are as follows:

- Net position restricted for pensions as of September 30, 2016 was $1.8 billion, an increase of $151.5 million or 9.1% over fiscal year 2015.
- Investment income, net of investment expenses, for fiscal year 2016 was $152.3 million, a return of 9.3%. Investment income, net of investment expenses, for fiscal year 2015 was $(72.6) million, a return of (4.2%).
- Total additions for fiscal year 2016 were $231.4 million, an increase of $232.5 million over fiscal year 2015. In fiscal year 2015, there was a total reduction of ($1.1 million). Employer contributions for fiscal year 2016 were $44.5 million, an increase of $5.0 million or 12.5% over fiscal year 2015. Employee contributions for fiscal year 2016 were $33.6 million, an increase of $2.0 million or 6.2% over fiscal year 2015. Other income for fiscal year 2016 was $1.0 million, an increase of $600 thousand over the fiscal year 2015 amount of $400 thousand.
- Total deductions for fiscal year 2016 were $80.1 million, an increase of $5.9 million or 8.0% over fiscal year 2015. Pension benefit payments for fiscal year 2016 were $68.6 million, an increase of $4.6 million or 7.1% over fiscal year 2015. Refunds of member contributions for fiscal year 2016 were $6.2 million, an increase of $600 thousand or 11.3% over fiscal year 2015. Administrative expenses for fiscal year 2016 were $4.8 million, an increase of $300 thousand or 5.9% over fiscal year 2015.
- The Board's funding objective is to meet long-term pension benefit obligations. As of October 1, 2016, the date of the latest actuarial valuation, the TRF's ratio of plan net position to total pension liability (at September 30, 2016) was 88.27%. In general, this means that for each dollar's worth of future pension liability, the TRF has accumulated $0.88 to meet that obligation. This ratio increased 2.6% over the prior year funded ratio of 85.6%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Police Officers and Firefighters' Retirement Fund financial highlights for fiscal year 2016 are as follows:

- Net position restricted for pensions as of September 30, 2016 was $5.0 billion, an increase of $492.5 million or 11% over fiscal year 2015.
- Investment income, net of investment expenses, for fiscal year 2016 was $415.1 million, a return of 9.3%. Investment income, net of investment expenses, for fiscal year 2015 was $(187.3) million, a return of (4.1%).
- Total additions for fiscal year 2016 were $586.9 million, an increase of $636.1 million over fiscal year 2015. In fiscal year 2015, there was a total reduction of ($49.2) million. Employer contributions for fiscal year 2016 were $136.1 million, an increase of $32.7 million or 31.6% over fiscal year 2015. Member contributions for fiscal year 2016 were $32.8 million, a decrease of $900 thousand or (2.7%) over fiscal year 2015. Other income for fiscal year 2016 was $2.8 million, an increase of $1.8 million over the fiscal year 2015 amount of $1.0 million.
- Total deductions for fiscal year 2016 were $94.2 million, an increase $17.2 million or 22.3% over fiscal year 2015. Pension benefit payments for fiscal year 2016 were $78.9 million, an increase of $15.3 or 24.0% over fiscal year 2015. Refunds of member contributions for fiscal year 2016 were $2.2 million, an increase of $800 thousand or 56.1% over fiscal year 2015. Administrative expenses for fiscal year 2016 were $12.9 million, an increase of $900 thousand or 7.7% over fiscal year 2015.
- The Board's funding objective is to meet long-term pension benefit obligations. As of October 1, 2016, the date of the latest actuarial valuation, the POFRF's ratio of plan net position to total pension liability (at September 30, 2016) was 105.9%. In general, this means that for each dollar's worth of future pension liability, the POFRF has accumulated about $1.06 to meet that obligation. This ratio increased 4.1% over the prior year ratio of 101.8%.

ADDITIONAL INFORMATION

These financial statements of the District Retirement Funds are presented in accordance with accounting principles generally accepted in the United States of America. Questions about these financial statements or other inquiries should be addressed to the Executive Director, District of Columbia Retirement Board, 900 7th Street, NW, 2nd Floor, Washington, D.C. 20001.

FINANCIAL STATEMENTS

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Combining Statements of Fiduciary Net Position
For the Years ended September 30, 2016 and 2015
(Dollar amounts in thousands)

	2016			2015		
	Teachers' Retirement Fund	Police Officers and Firefighters' Retirement Fund	Total	Teachers' Retirement Fund	Police Officers and Firefighters' Retirement Fund	Total
Assets						
Cash and short-term investments	$ 13,993	$ 37,487	$ 51,480	$ 18,352	$ 57,140	$ 75,492
Receivables:						
Federal Government	777	2,107	2,884	248	652	900
Investment sales proceeds	1,618	4,407	6,025	500	1,333	1,833
Interest & dividends	127	344	471	1,871	4,994	6,865
Employee contributions	2,480	2,375	4,855	2,253	2,226	4,479
Total receivables	5,002	9,233	14,235	4,872	9,205	14,077
Prepaid expenses	3	7	10	13	34	47
Investments at fair value:						
Domestic equity	525,588	1,430,431	1,956,019	379,824	1,013,536	1,393,360
International equity	559,372	1,522,376	2,081,748	458,933	1,224,239	1,683,172
Fixed income	488,528	1,329,569	1,818,097	511,262	1,364,270	1,875,532
Real estate	128,811	350,569	479,380	107,792	287,638	395,430
Private equity	105,699	287,669	393,368	193,163	515,444	708,607
Total investments at fair value	1,807,998	4,920,614	6,728,612	1,650,974	4,405,127	6,056,101
Total assets	1,826,996	4,967,341	6,794,337	1,674,211	4,471,506	6,145,717
Liabilities						
Retirement benefits payable to U.S. Treasury	459	217	676	-	-	-
Accounts payable and other liabilities	1,377	3,751	5,128	735	1,950	2,685
Due to Federal Government	56	154	210	20	53	73
Due to District of Columbia Government	501	1,364	1,865	401	1,055	1,456
Investment commitments payable	2,654	7,224	9,878	2,417	6,450	8,867
Total liabilities	5,047	12,710	17,757	3,573	9,508	13,081
Net Position Restricted For Pensions	$ 1,821,949	$ 4,954,631	$ 6,776,580	$ 1,670,638	$ 4,461,998	$ 6,132,636

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

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Combining Statements of Changes in Fiduciary Net Position
For the Years ended September 30, 2016 and 2015
(Dollar amounts in thousands)

	2016			2015		
	Teachers' Retirement Fund	Police Officers and Firefighters' Retirement Fund	Total	Teachers' Retirement Fund	Police Officers and Firefighters' Retirement Fund	Total
Additions						
Contributions:						
District Government	$ 44,469	$ 136,115	$ 180,584	$ 39,513	$ 103,430	$ 142,943
Plan member	33,591	32,785	66,376	31,621	33,679	65,300
Total contributions	78,060	168,900	246,960	71,134	137,109	208,243
Investment (loss) income:						
Net (depreciation) appreciation in fair value of investments	147,820	371,288	519,108	(76,764)	(205,187)	(281,951)
Interest and dividends	8,245	54,220	62,465	7,476	26,733	34,209
Total gross investment (loss) income	156,065	425,508	581,573	(69,288)	(178,454)	(247,742)
Less:						
Investment expenses	3,803	10,351	14,154	3,378	8,878	12,256
Net investment (loss) income	152,262	415,157	567,419	(72,666)	(187,332)	(259,998)
Securities lending income	-	-	-	24	63	87
Less: securities lending expense	-	-	-	5	14	19
Net securities lending income	-	-	-	19	49	68
Total net investment (loss) income	152,262	415,157	567,419	(72,647)	(187,283)	(259,930)
Other income	1,033	2,810	3,843	385	1,012	1,397
Total (reductions) additions	231,355	586,867	818,222	(1,128)	(49,162)	(50,290)
Deductions						
Benefit payments	68,634	78,920	147,554	64,076	63,634	127,710
Retirement benefits payable to U.S. Treasury	459	217	676	-	-	-
Refunds	6,205	2,179	8,384	5,576	1,396	6,972
Administrative expenses	4,746	12,918	17,664	4,543	11,939	16,482
Total deductions	80,044	94,234	174,278	74,195	76,969	151,164
Change in Net Position	151,311	492,633	643,944	(75,323)	(126,131)	(201,454)
Net Position Restricted For Pensions:						
Beginning of Year	1,670,638	4,461,998	6,132,636	1,745,961	4,588,129	6,334,090
End of Year	$ 1,821,949	$ 4,954,631	$ 6,776,580	$ 1,670,638	$ 4,461,998	$ 6,132,636

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

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 1: ORGANIZATION

The District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund were established in 1979 by the District of Columbia Retirement Reform Act (the Reform Act, Pub. L. 96-122, D. C. Code § 1-701 et seq.). The Fund holds in trust the assets available to pay pension benefits to teachers, police officers and firefighters of the District of Columbia Government. The Reform Act also established the District of Columbia Retirement Board.

The National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act, Title XI of the Balanced Budget Act of 1997, Pub. L. 105-33) transferred significant assets and liabilities of the District Retirement Funds to the Federal Government. The Revitalization Act transferred to the Federal Government the liability for retirement benefits for employee service credit earned prior to July 1, 1997, by participants of the District Retirement Funds. The assets transferred to the Federal Government were intended to partially fund this liability.

On September 18, 1998, the Council of the District of Columbia (the Council) enacted the Police Officers, Firefighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 (the Replacement Act). The Replacement Act established the District Retirement Funds for employee service earned after June 30, 1997, and provided for full funding of these benefits on an actuarially sound basis.

The Board is an independent agency of the District of Columbia government that is responsible for managing the assets of the TRF and the POFRF. Although the assets of these funds are commingled for investment purposes, each fund's assets may only be used for the payment of benefits to the participants of that fund and certain administrative expenses.

The District Retirement Funds are included in the District's Comprehensive Annual Financial Report as a pension trust fund.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION

District of Columbia Retirement Board – The Board consists of 12 trustees, three appointed by the Mayor of the District, three appointed by the Council of the District, and six elected by the active and retired participants. Included are one active and one retired representative each, from the police officers, firefighters, and teachers. Each of the six representatives of the Plans' participants is elected by the respective groups of active and retired employees. In addition, the District's Chief Financial Officer or his designee serves as a non-voting, ex-officio trustee.

Since its inception, the Board has operated under a committee system which provides a two-tiered process for fiduciary review and analysis. In this manner, the Board, consistent with its fiduciary duties, reviews all issues brought before it. The Board has six standing committees: Benefits, Audit, Fiduciary, Investments, Legislative, and Operations. To implement its policies, the Board retains an executive director and other staff who are responsible for the day-to-day management of the District Retirement Funds and the administration of the benefits paid from the Funds.

Teachers' Retirement Fund

Other Entities involved in Plan Administration – The District of Columbia Public School's (the DCPS) Office of Human Resources makes decisions regarding voluntary and involuntary retirement, survivor benefits, and annual medical and income reviews.

Benefits Calculation – DCRB's Benefits Department receives the approved retirement applications for all active Plan members found eligible for retirement by the DCPS Office of Human Resources, and carries out the day-to-day processing of retirement benefits. DCRB also processes employee requests for refunds of contributions and purchases of service.

Eligibility – Permanent, temporary, part-time and probationary teachers and certain other employees of the District of Columbia public day schools are automatically enrolled in the Teachers' Retirement Fund on their date of employment. Certain D.C. Public Charter School employees are also eligible to be participants. However, substitute teachers and employees of the Department of School Attendance and Work Permits are not covered.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

Title 38, Chapter 20 of the D.C. Official Code (D.C. Code § 38-2021.01 et seq. (2001 Ed.)) establishes benefit provisions which may be amended by the District City Council. For employees hired before November 1, 1996, the annual retirement benefit is the average salary, as defined, multiplied by 1.5% for each of the first five years of service, plus 1.75% for each of the second five years; plus 2% for each additional year over 10 years. For employees hired on or after November 1, 1996, the annual retirement benefit is the average salary, as defined, multiplied by 2% for each year of service. The average salary is the highest average consecutive 36 months of pay.

The annuity may be further increased by crediting unused sick leave as of the date of retirement. Participants receiving retirement benefits receive an annual benefit increase proportional to changes in the Consumer Price Index; however, the annual increase may not exceed 3% for participants hired on or after November 1, 1996. Participants may select from among several survivor options.

Participants who have 5 years of school service (by working for the District of Columbia public school system), and who become disabled and can no longer perform their jobs satisfactorily, may be eligible for disability retirement. Such disability retirement benefits are calculated in the same manner as a retirement benefit, however, a minimum disability benefit applies.

Voluntary retirement is available for teachers who have a minimum of 5 years of school service and who achieve the following age and length of service requirements:

- at age 62 with 5 years of service;
- at age 60 with 20 years of service; and
- at age 55 with 30 years of service; if hired before November 1, 1996; or
- at any age with 30 years of service, if hired by the school system on or after November 1, 1996.

Employees who are involuntarily separated other than for cause and who have 5 years of school service, may be eligible for retirement at any age with 25 years of service or at age 50 with 20 years of service.

An involuntary retirement benefit is reduced if, at the time of its commencement, the participant is under the age of 55.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

Police Officers and Fire Fighters' Retirement Fund

***Other Entities involved in Plan Administration* –** The District of Columbia Police Officers and Firefighters' Retirement and Relief Board makes findings of fact, conclusions of law, and decisions regarding eligibility for retirement and survivor benefits, determines the extent of disability, and conducts annual medical reviews. The Police and Fire Clinic determines medical eligibility for disability retirement.

Benefits Calculation – DCRB's Benefits Department receives the retirement orders for retirement benefit calculations for all active Plan members found eligible for retirement by the District of Columbia Police Officers and Firefighters' Retirement and Relief Board, and carries out the day-to-day processing of retirement benefits. DCRB also processes employee requests for refunds of contributions and purchases of service. Effective 2013, DCRB began conducting annual disability income reviews.

***Eligibility* –** A participant becomes a member when he/she begins work as a police officer or firefighter in the District. Cadets are not eligible to join the Fund.

Retirement and disability benefit provisions for District of Columbia police officers and firefighters are established by the "Policemen and Firemen's Retirement and Disability Act" (D.C. Code § 5-701 et seq. (2001 Ed.)).

Members Hired Before February 15, 1980 – Members are eligible for optional retirement with full benefits at any age after 20 years of departmental service, or for deferred retirement at age 55 after five years of departmental service. The annual basic retirement benefit equals 2.5% of average base pay, which is defined as the highest average consecutive 12 months of base pay, multiplied by departmental service through 20 years; plus 3% of average base pay multiplied by average base pay times departmental service over 20 years; plus 2.5% of average base pay multiplied by years of other creditable service; however, the aggregate annual basic retirement benefit may not exceed 80% of the member's average base pay. Members terminated after five years of police or fire service are entitled to a deferred pension beginning at age 55. Benefits are also provided to certain survivors of active, retired, or terminated vested members. Retirement benefits are increased by the same percentage in base pay granted to active participants.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

Members with a service-related disability receive a disability retirement benefit of 2.5% of average base pay multiplied by the number of years of creditable service. A minimum annual disability retirement benefit of 66 2/3% of average base pay and a maximum annual disability retirement benefit of 70% of average base pay apply.

Members with a non-service related disability and at least five years of departmental service receive a disability retirement benefit of 2% of average base pay multiplied by the number of years of creditable service. A minimum annual disability retirement benefit of 40% of average base pay and a maximum annual disability retirement benefit of 70% of average base pay apply.

Members Hired On or After February 15, 1980 and Before November 10, 1996 – Members are eligible for optional retirement with full benefits at age 50 with at least 25 years of departmental service, or after age 55 with five years of departmental service. The annual basic retirement benefit equals 2.5% of average base pay, which is defined as the highest average consecutive 36 months of base pay, multiplied by the number of years of creditable service through 25 years; plus 3% of average base pay multiplied by the number of years of departmental service over 25 years; plus 2.5% of average base pay multiplied by the number of years of other creditable service; however, the aggregate annual basic retirement benefit may not exceed 80% of the member's average base pay. Members separated from the Police or Fire Department after five years of departmental service are entitled to a deferred pension beginning at age 55.

Benefits are also provided to certain survivors of active, retired or terminated vested members. Members who retired after February 15, 1980 receive annual benefit increases proportional to changes in the Consumer Price Index.

Members Hired on or After November 10, 1996 – Members are eligible for retirement at any age, with at least 25 years of departmental service or after age 55 with five years of departmental service. The annual basic retirement benefit equals 2.5% of average base pay, which is defined as the highest average consecutive 36 months of base pay, multiplied by creditable service; however, the aggregate annual basic retirement benefit may not exceed 80% of the average base pay. Members separated after five years of departmental service are entitled to a deferred pension beginning at age 55. Benefits are also provided to certain survivors of active, retired, or terminated vested members. Members receive

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

annual benefit increases proportional to changes in the Consumer Price Index, however, the increase is capped at 3%.

Members with a service-related disability receive a disability retirement benefit of 70% of base pay multiplied by the percentage of disability. A minimum annual disability retirement benefit of 40% of base pay applies.

Members with a non-service related disability and at least five years of departmental service receive a disability retirement benefit of 70% of base pay multiplied by the percentage of disability. A minimum annual disability retirement benefit of 30% of base pay applies.

Prior to reaching age 50, a disability retirement benefit will be reduced or terminated if outside earnings exceed a certain limit.

Participant Data

The number of participants for the years ended September 30 was as follows:

TRF	**2016**	**2015**	**2014**
Retirees and survivors receiving benefits (post June 30, 1997)	3,882	3,718	3,601
Active plan members	5,141	4,866	4,499
Vested terminations	1,176	1,152	969
Total participants	10,199	9,736	9,069

POFRF	**2016**	**2015**	**2014**
Retirees and survivors receiving benefits (post June 30, 1997)	3,003	2,609	2,365
Active plan members	5,359	5,537	5,551
Vested terminations	293	319	257
Total participants	8,655	8,465	8,173

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

Contributions

Fund members contribute by salary deductions at rates established by D.C. Code § 5-706 (2001 Ed.). Members contribute 7% (or 8% for Teachers and Police Officers and Firefighters hired on or after November 1, 1996 and November 10, 1996, respectively) of annual gross salary, including any differential for special assignment and longevity, but excluding overtime, holiday, or military pay.

The District is required to contribute the amounts necessary to finance the Plan benefits of its members through annual contributions at actuarially determined amounts in accordance with the provisions of the Replacement Act. The amount of the District contributions for fiscal years 2016 and 2015 were equal to the amounts computed, if any, by the Board's independent actuary.

Contribution requirements of members are established by D.C. Code § 5-706 and requirements for District of Columbia government contributions to the Fund are established at D.C. Code § 1-907.02 (2001 Ed.), which may be amended by the City Council. Administrative costs are paid from investment earnings.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – DCRB's financial statements were prepared in accordance with accounting principles generally accepted in the United States (GAAP) using the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. Employee contributions are recognized at the time compensation is paid to Plan members. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the retirement Plan's commitment.

Federal Income Tax Status – The District Retirement Funds are qualified plans under section 401(a) of the Internal Revenue Code and are exempt from federal income taxes under section 501(a).

Use of Estimates in Preparing Financial Statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board to make estimates and assumptions that affect the reported amounts of assets, liabilities, additions and

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NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

deductions to net position restricted for pensions and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Investment Expenses – The District of Columbia Appropriation Act authorized Fund earnings to be used for investment expenses incurred in managing the assets and administering the Fund. The total investment expenses borne by the District Retirement Funds was $14,154,932 in 2016 and $12,256,010 in 2015. A significant number of the alternative investment managers provide account valuations net of management expenses. Those expenses are netted against investment income and, because they are not separable, are recorded and reported net of management expenses in the net (depreciation) appreciation in the fair value of investments.

New Accounting Pronouncement **–** GASB Statement No. 72, Fair Value Measurement and Application, which was adopted during the year ended September 30, 2016, addresses accounting and reporting issues related to fair value measurements. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Comprehensive footnote disclosure regarding this Statement is found in Note 4 beginning on page 33. The information as of September 30, 2015 was unavailable because of the transition to the new custodian.

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NOTE 4: INVESTMENTS

The Board is authorized to manage and control the investment of the District Retirement Funds' assets. The Board broadly diversifies the investments of the District Retirement Funds to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, as required by D.C. Code § 1-741(a)(2)(C), (2001 Ed.).

***Master Trust* –** The Board has pooled all of the assets under its management (the Investment Pool), as is authorized by D.C. Code § 1-903(b), (2001 Ed.), with a master custodian under a master trust arrangement (the Master Trust). Using an investment pool, each Fund owns an undivided proportionate share of the pool.

District and employee contributions are deposited in the respective Retirement Fund for which the contribution was made, and benefit payments and employee contribution refunds are withdrawn from the Fund in which the recipient participates. Investment performance and administrative expenditures are allocated between the two Funds based upon their proportionate net position in the pool.

The values of investments of the Investment Pool as of September 30 are as follows:

(Dollars in thousands)	**2016**	**2015**
Cash and short-term investments	$ 51,480	$ 75,492
Investments:		
Domestic equity	1,956,019	1,393,360
International equity	2,081,748	1,683,172
Fixed income	1,818,097	1,875,532
Real estate	479,380	395,430
Private equity	393,368	708,607
Total investments	6,728,612	6,056,101
Total	$ 6,780,092	$ 6,131,593

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NOTE 4: INVESTMENTS (CONTINUED)

***Annual money-weighted rate of return* –** The money-weighted rate of return shows investment performance when taking into account the impact of cash infusion into and disbursements from the pension system. For the years ended September 30, 2016 and 2015, the money-weighted rates of return, as calculated by the custodian, were as follows:

	FY 2016	FY 2015
Total Portfolio	9.346%	-4.006%

***Debt Instruments* –** As of September 30, 2016, the Investment Pool held the following debt instruments:

(Dollars in thousands)

Investment Type		Fair Value	% of Segment	Duration (years)	Rating*
US Agency	$	29,916	1.65%	3.69	AA+
Asset Backed		11,300	0.62%	2.58	AAA
Bank Loans		83,759	4.61%	0.16	CCC+
CMBS		18,424	1.01%	5.39	AA
CMO		13,920	0.77%	1.33	AA+
Commingled funds		1,603	0.09%	-	NR
Corporate - US		323,326	17.78%	6.05	BBB+
Corporate - Euro		13,154	0.72%	1.08	CCC+
Foreign		382,125	21.02%	6.02	A-
Mortgage Pass-Through		232,759	12.80%	2.32	AA+
Municipal		7,087	0.39%	11.42	AA-
Unclassified		-	0.00%	-	
US Treasury		621,812	34.20%	7.10	AA+
Yankee		-	0.00%	-	
Other		78,912	4.34%	3.09	B-
Total Fixed Income	$	1,818,097	100.00%		

* Using quality ratings provided by Standard & Poor's

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NOTE 4: INVESTMENTS (CONTINUED)

As of September 30, 2015, the Investment Pool held the following debt instruments:

(Dollars in thousands)

Investment Type	Fair Value	% of Segment	Duration (years)	Rating*
US Agency	$ 25,623	1.37%	4.12	AA+
Asset Backed	4,934	0.26%	2.44	AAA
Bank Loans	129,633	6.91%	4.69	NR
CMBS	16,447	0.88%	4.66	AA
Corporate	443,721	23.66%	5.42	BBB-
Foreign	369,210	19.69%	4.54	A
Mortgage Pass-Through	243,503	12.98%	3.54	AA+
Municipal	8,310	0.44%	11.27	AA-
Unclassified	1,904	0.10%	1.63	AA+
US Treasury	616,117	32.85%	6.61	AA+
Yankee	9,350	0.50%	6.88	B-
Other	6,780	0.36%	N/A	NR
Total Fixed Income	$ 1,875,532	100.00%		

* Using quality ratings provided by Standard & Poor's

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NOTE 4: INVESTMENTS (CONTINUED)

***Interest Rate Risk* –** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity will have a greater sensitivity to fair value changes that are related to market interest rates. The Board monitors the interest rate risk inherent in its portfolio by measuring the weighted average duration of its portfolio. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. As a general rule, the risk and return of the Board's fixed income segment of the portfolio is compared to the Barclays Capital U.S. Universal Index. To mitigate interest rate risk, the fixed income segment is expected to maintain a weighted average duration (sensitivity to interest rate changes) within +/-2 years of the duration of this Index.

***Credit Risk* –** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Unless specifically authorized otherwise in writing by the Board, fixed income managers invest in investment grade instruments rated in the top four rating categories by a recognized statistical rating service.

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NOTE 4: INVESTMENTS (CONTINUED)

***Foreign Currency Risk* –** Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. As a general policy, investment managers with authority to invest in issuers denominated in a foreign currency may reduce exposure to currency risk by systematically hedging foreign currency positions back to U.S. dollars through the forward currency markets. Since the forward exchange rate is seldom equal to the spot exchange rate, forward hedging gains and losses may arise. For the years ended September 30, 2016 and 2015, the Investment Pool held amounts in commingled funds which invested in foreign currencies totaling $2.4 billion and $2.0 billion, respectively.

As of September 30, 2016, the Investment Pool held investments that were denominated in a currency other than the United States Dollar, as summarized below:

(Dollars in thousands)	**Asset Class**				
	Cash	**Equities**	**Fixed Income**	**Private Equity**	**Total**
Australian Dollar	$ -	$ -	$ -	$ -	$ -
Canadian Dollar	-	-	-	1,258	1,258
Danish Krone	-	-	-	-	-
Euro	76	-	-	29,203	29,279
Hong Kong Dollar	-	-	-	-	-
Japanese Yen	-	-	-	-	-
Mexican Peso	-	-	-	-	-
Pound Sterling	-	-	-	-	-
Singapore Dollar	-	-	-	-	-
South African Rand	-	-	-	-	-
Swedish Krona	-	-	-	-	-
Swiss Franc	110	-	-	-	110
Total Foreign	186	-	-	30,461	30,647
Total Foreign Currency Exposure	$ 186	$ -	$ -	$ 30,461	$ 30,647

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NOTE 4: INVESTMENTS (CONTINUED)

As of September 30, 2015, the Investment Pool held investments that were denominated in a currency other than the United States Dollar, as summarized below:

(Dollars in thousands)	Asset Class				
	Cash	Equities	Fixed Income	Private Equity	Total
Australian Dollar	$ (652)	$ -	$ 6,107	$ -	$ 5,455
Canadian Dollar	492	2,273	20,124	-	22,889
Danish Krone	-	9,088	-	-	9,088
Euro	16,076	290,358	15,347	261,330	583,111
Hong Kong Dollar	-	32,050	-	-	32,050
Japanese Yen	532	220,725	-	-	221,257
Mexican Peso	172	-	-	-	172
Pound Sterling	1	54,215	928	-	55,144
Singapore Dollar	-	687	-	-	687
South African Rand	-	1,040	-	-	1,040
Swedish Krona	-	30,338	-	-	30,338
Swiss Franc	-	74,634	-	-	74,634
Total Foreign	16,621	715,408	42,506	261,330	1,035,865
Total Foreign Currency Exposure	$ 16,621	$ 715,408	$ 42,506	$ 261,330	$1,035,865

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NOTE 4: INVESTMENTS (CONTINUED)

***Securities Lending Transactions* –** The Board's policies permit the District Retirement Funds to participate in securities lending transactions by relying on a

Securities Lending Authorization Agreement, which authorizes the master custodian to lend the Board's securities to qualified broker-dealers and banks pursuant to a form of loan agreement.

In April 2015, the Board discontinued its participation in State Street's securities lending program. In 2016, the Board made the decision to transition custodial services from State Street to Northern Trust (see Note 6). As a result, the Board made the decision to discontinue the securities lending program in order to manage the operational risks associated with the planned transition. The Board may participate in securities lending through its new custodian bank in the future; however, it chose not to do so in fiscal year 2016.

For the first six months of fiscal year 2015 the master custodian, at the direction of the Board, loaned certain of the District Retirement Funds' public equity and fixed income securities for which it received collateral in the form of United States and foreign currency cash, securities issued or guaranteed by the United States government, the sovereign debt of foreign countries and irrevocable bank letters of credit. This collateral could not be pledged or sold unless the borrower defaulted on the loan. Borrowers were required to deliver and maintain collateral for each loan in an amount equal to (i) at least 102% of the fair value of the loaned security in the United States; or (ii) 105% of the fair value of the loaned securities in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States.

The Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool (the Quality D Fund). The Quality D Fund does not meet the requirements of the Securities and Exchange Commission Rule 2a-7 of the Investment Company Act of 1940, and accordingly, the master custodian has valued the Fund's investments at fair value for reporting purposes.

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NOTE 4: INVESTMENTS (CONTINUED)

The Quality D Fund is not registered with the Securities and Exchange Commission. The master custodian, and consequently the investment vehicles it sponsors (including the Quality D Fund), are subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. The fair value of the Funds' position in the Quality D Fund is not the same as the value of the District Retirement Funds' shares.

There was no involuntary participation in an external investment pool by the Quality D Fund and there was no income from one fund that was assigned to another fund by the master custodian during 2015.

During 2015, the Board did not restrict the amount of the loans that the master custodian made on its behalf. There were no failures by any borrowers to return loaned securities or pay distributions thereon and there were no losses resulting from a default of the borrowers or the master custodian during 2015.

As of September 30, 2016 and 2015 the fair value (USD) of securities on loan, associated collateral and invested cash collateral was $0.

At times, the fair value of the shares in the Quality D Fund purchased with cash collateral by the lending agent was less than the cost. As of September 30, 2016 and 2015, there were no unrealized losses.

Net security lending income is composed of three components: gross income, broker rebates, and agent fees. Gross income is equal to earnings on cash collateral received in a security lending transaction. A broker rebate is the cost of using that cash collateral. Agent fees represent the fees paid to the agent for administering the lending program. Net security lending income is equal to gross income less broker rebates and agent fees. The Fund's share of securities lending income and expense are reflected on the Combining Statements of Changes in Fiduciary Net Position.

Derivative Investments – Derivatives are generally defined as contracts in which the value depends on, or derives from, the value of an underlying asset, reference rate, or index. Derivative investments generally contain exposure to credit risk, market risk, and/or legal risk. Credit risk is the exposure to the default of another party to the transaction (counterparty). Market risk is the exposure to changes in the market, such as a change in interest rates, currency exchange rates, or a change

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NOTE 4: INVESTMENTS (CONTINUED)

in the price or principal value of a security. The Board believes that all contracts entered into are legally permissible in accordance with the policy of the Board.

During 2016 and 2015, the District Retirement Funds, in accordance with the policy of the Board, and through the District Retirement Funds' investment managers who have full discretion over investment decisions, invested in various derivative instruments either to increase potential earnings or to hedge against potential losses. A list of the derivatives aggregated by type is shown later in this note.

TBAs (to-be-announced, sometimes referred to as dollar rolls) are used by the District Retirement Funds as an alternative to holding mortgage-backed securities outright to raise the potential yield and to reduce transaction costs. The selected TBAs are used because they are expected to behave the same in duration and convexity as mortgage-backed securities with identical credit, coupon and maturity features. Credit risk is managed by limiting these transactions to primary dealers.

Market risk for this type of security is not significantly different from the market risk for mortgage-backed securities.

Foreign currency forwards, futures contracts and foreign currency options are generally used by the District Retirement Funds for defensive purposes. These contracts hedge a portion of the District Retirement Funds' exposure to particular currencies on occasion when significant adverse short-term movement in exchange rate levels is expected.

Foreign currency forward and futures contracts can pose market risk when the maximum potential loss on a particular contract is greater than the value of the underlying investment. Market risks arise due to movements in the foreign exchange rates underlying the contracts used by the District Retirement Funds. Credit risk is managed by limiting transactions to counterparties with short-term credit ratings of Al or Pl or by trading on organized exchanges. Market risk for currency options is limited to the purchase cost. Credit risk for currency options is also managed by limiting transactions to counterparties with investment-grade ratings or by trading on organized exchanges.

Equity index futures were also used by the District Retirement Funds in order to gain exposure to equity markets in a more efficient and liquid manner than directly investing in all of the underlying equity securities. Equity index futures may pose

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NOTE 4: INVESTMENTS (CONTINUED)

market risk when the maximum potential loss on a particular contract is greater than the value of the underlying investment. Market risks arise due to movements in the equities markets underlying the contracts used by the District Retirement Funds. The notional amounts of the contracts are not included in the derivatives holdings disclosed. Credit risk is managed by dealing with member firms of the futures exchanges.

Exchange-traded and over-the-counter bond futures and options are used by the District Retirement Funds to gain exposure to fixed income markets in a more efficient and liquid manner than by purchasing the underlying bonds. Market risk for these futures and options is limited to purchase cost. Credit risk is managed by limiting transactions to counterparties with investment-grade ratings or by trading with member firms of organized exchanges.

Warrants are used by the District Retirement Funds to gain equity exposure and to enhance performance. Warrants are often distributed by issuers to holdings of common stock and bonds, and are held for the same fundamental reasons as the original common stock and/or bond holdings. Rights are a security that gives the holder the entitlement to purchase new shares issued by a corporation at a predetermined price in proportion to the number of shares already owned.

Market risk for warrants and rights is limited to the purchase cost. Credit risk for warrants and rights is similar to the underlying equity and/or bond holdings. Again, all such risks are monitored and managed by the District Retirement Funds' external investment managers who have full discretion over such investment decisions.

Swaps represent an agreement between two or more parties to exchange a sequence of cash flows during a predetermined timeframe. The District Retirement Funds utilize swaps for several different reasons: to manage interest rate fluctuations, to protect against a borrower default, and to gain market exposure without having to actually own the asset.

The District Retirement Funds may manage credit exposure through the use of credit default swaps. A credit default swap (CDS) is a contract whereby the credit risk associated with an investment is transferred by entering into an agreement with another party who, in exchange for periodic fees, agrees to make payments in the event of a default or other predetermined credit event. One of the main

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NOTE 4: INVESTMENTS (CONTINUED)

advantages of a CDS is that it allows for exposure to credit risk while limiting exposure to other risks such as interest rate and currency risk.

The District Retirement Funds also hold derivative instruments indirectly by participating in pooled, commingled, or short-term funds that hold derivatives. Information regarding any risks associated with these holdings is not generally available. There were no derivatives as of September 30, 2016. The following is a list of derivatives aggregated by type as of September 30, 2015:

	Changes in Fair Value (4)		Fair Value at September 30, 2015 (5)		
Investment Derivatives	**Classification**	**Amount (1)**	**Classification**	**Amount (2)**	**Notional (3)**
Credit Default Swaps Bought	Investment Revenue	$ (71,881)	Swaps	$ -	$ -
Credit Default Swaps Written	Investment Revenue	51,904	Swaps	-	-
Fixed Income Futures Long	Investment Revenue	519,101	Futures	-	-
Fixed Income Futures Short	Investment Revenue	(134,495)	Futures	-	-
Fixed Income Options Bought	Investment Revenue	(31,513)	Options	-	-
Fixed Income Options Written	Investment Revenue	70,141	Options	-	-
Foreign Currency Options Written	Investment Revenue	1,619	Options	-	-
FX Forwards	Investment Revenue	(49,491)	Long Term Instruments	-	-
Pay Fixed Interest Rate Swaps	Investment Revenue	(520,352)	Swaps	-	-
Receive Fixed Interest Rate Swaps	Investment Revenue	236,204	Swaps	-	-
Warrants	Investment Revenue	371,524	Common Stock	-	-
Grand Totals		$ 442,761		$ -	

(1) Negative values (in brackets) refer to losses
(2) Negative values refer to liabilities
(3) Notional may be a dollar amount or size of underlying for futures and options, negative values refer to short positions
(4) Excludes futures margin payments
(5) DCRB had no derivatives in the investment portfolio as of September 30, 2015

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NOTE 4: INVESTMENTS (CONTINUED)

***Fair Value Measurements* -** DCRB categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 **-** Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) are not classified in the fair value hierarchy as they do not have a readily determinable fair value. Examples include member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. DCRB's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table on page 34 shows the fair value leveling of the investments for the Investment Pool.

Equity securities classified in Level 1 of the fair value hierarchy are valued at the last sale price or official close price as of the close of trading on the applicable exchange where the security principally trades.

Equity and fixed income securities classified in Level 2 of the fair value hierarchy are valued at prices provided by independent pricing vendors. The vendors provide these prices after evaluating observable inputs including, but not limited to: quoted prices for similar securities, the mean between the last reported bid and ask prices (or the last bid price in the absence of an asked price), yield curves,

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NOTE 4: INVESTMENTS (CONTINUED)

yield spreads, credit ratings, deal terms, tranche level attributes, default rates, cash flows, prepayment speeds, broker/dealer quotations, inflation and reported trades.

Investments measured at the Net Asset Value (NAV) - The unfunded commitment and redemption frequency and notice period for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the table on page 34.

Real Estate and Private Equity - DCRB has made commitments to purchase partnership interests in private equity and real estate funds as part of its long term asset allocation plan for private markets. As shown in the table on page 35, the unfunded commitments totaled $404.5 million, as of September 30, 2016. This represents global investments in 28 real estate and 18 private equity funds. In general, investments in the private markets program are illiquid and redemptions are structurally limited over the life of the investment. The private equity program spans a range of underlying strategies including buyouts, growth equity/venture, private debt, secondaries and fund-of-funds. The real estate program includes investments in a broad range of real estate strategies (i.e., core, value-added, opportunistic), infrastructure and natural resources funds.

Domestic and International Equities – DCRB has investments in 6 funds with a domestic focus and 5 funds with an international focus, in which the equity securities maintain some level of market exposure; however, the level of market exposure may vary through time.

Fixed income - DCRB has investments in 5 funds, including corporate bonds, and U.S. Treasury obligations, with redemption notifications not greater than 30 days.

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	Investments measured at Fair Value (Dollars in 000s)			
	Sept 30, 2016	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				
Domestic equity	$ 264,682	$ 264,682	$ -	$ -
Fixed income	234,083	-	234,083	-
Private equity	896	896	-	-
Total investments by fair value level	$ 499,661	$ 265,578	$ 234,083	$ -

Investments measured at the net asset value (NAV)	
Domestic equity	$ 1,691,337
International equities	2,081,748
Fixed income	1,584,014
Real estate	479,380
Private equity	392,472
Total investments measured at NAV	$ 6,228,951
Total investments	$ 6,728,612

Additional information for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the table below:

	Sept 30, 2016	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equities	$ 1,691,337	$ -	Daily	None
International equities	2,081,748	-	Daily	None
Fixed income	1,584,014	-	Daily, Monthly	3-30 days
Real estate	479,380	204,735	None	N/A
Private equity	392,472	199,766	None	N/A
Total investments measured at NAV	$ 6,228,951	404,501		

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NOTE 5: NET PENSION LIABILITY/(ASSET)

The components of the net pension liability/(asset) of the District Retirement Funds at September 30, 2016 and 2015, were as follows:

(Dollars in thousands)	2016		2015	
	TRF	**POFRF**	**TRF**	**POFRF**
Total Pension Liability	$ 2,064,138	$ 4,675,562	$ 1,950,811	$ 4,383,414
Fiduciary Net Position	1,821,949	4,954,631	1,670,638	4,461,998
Net Pension Liability (Asset)	$ 242,189	$ (279,069)	$ 280,173	$ (78,584)
Ratio of Fiduciary Net Position to Total Pension Liability (Asset)	88.27%	105.97%	85.64%	101.79%

Actuarial Assumptions **-** The total pension liability was determined based on an actuarial valuation as of October 1, 2015 and 2014, then updated using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of September 30, 2016 and 2015, respectively:

Teachers' Retirement Fund

Inflation	3.5 percent
Salary increases	4.45 - 8.25 percent, including wage inflation of 4.25 percent
Investment rate of return	6.5 percent, net of pension plan investment expense, and including inflation
Mortality	Pre-retirement and post-retirement mortality rates were based on the RP 2000 Combined Mortality Table projected to 2015 with Projection Scale AA set back three years for females. Post-disability mortality rates were based on the RP 2000 Disabled Mortality Table set back 1 year for males and set back 5 years for females.

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NOTE 5: NET PENSION LIABILITY/(ASSET) (CONTINUED)

Police and Firefighters' Retirement Fund

Inflation	3.5 percent
Salary increases	4.25 - 9.25 percent, including wage inflation of 4.25 percent
Investment rate of return	6.5 percent, net of pension plan investment expense, and including inflation
Mortality	Pre-retirement and post-retirement mortality rates were based on the RP 2000 Combined Mortality Table projected to 2015 with Projection Scale AA set forward 1 year for females.

The actuarial assumptions used in the October 1, 2015 valuation were based on the results of the most recent actuarial experience study for the period October 1, 2006 to September 30, 2010, dated November 7, 2011.

The discount rate used to measure the total pension liability was 6.5 percent. 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 the District contributions will be made in accordance with the Board's funding policy adopted in 2012. 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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 5: NET PENSION LIABILITY/(ASSET) (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 and 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	5.1%
Foreign Equity (Developed)	20.0%	5.0%
Foreign Equity (Emerging)	8.0%	6.9%
Investment Grade Bonds	15.0%	0.2%
Treasury Inflation-Protected Securities (TIPS)	3.0%	1.4%
High Yield Bonds	3.0%	3.7%
Foreign Bonds (Developed)	2.0%	1.0%
Emerging Markets Debt (Local)	2.0%	3.5%
Real Estate	5.0%	4.6%
Infrastructure	2.0%	5.7%
Private Equity	8.0%	7.3%
Hedge Funds	10.0%	3.4%
Total	100.0%	

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 5: NET PENSION LIABILITY/(ASSET) (CONTINUED)

***Disclosure of the sensitivity of the net pension liability to changes in the discount rate* -** The following presents the net pension liability of the Teachers' Retirement Fund and the Police Officers and Firefighters' Retirement Fund, calculated using the discount rate of 6.5 percent, as well as what the Plan's net pension liability calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate (dollar amounts in thousands):

FY 2016	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Teachers' Plan's Net Pension Liability/(Asset)	$ 571,400	$ 242,189	$ (36,976)
Police and Firefighters' Plan's Net Pension Liability/(Asset)	$ 532,621	$ (279,069)	$ (943,216)

FY 2015	Decrease (5.50%)	Current Discount Rate (6.50%)	Increase (7.50%)
Teachers' Plan's Net Pension Liability	$ 598,302	$ 280,173	$ 23,315
Police and Firefighters' Plan's Net Pension Liability/(Asset)	$ 698,746	$ (78,585)	$ (704,007)

NOTE 6: CONVERSION TO NEW CUSTODIAN

DCRB elected to transition to a new custodian in fiscal year 2016, ending its relationship with State Street Corporation and transitioning to Northern Trust as of December 1, 2015.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUNDS
Notes to the Basic Financial Statements
For the years ended September 30, 2016 and 2015

NOTE 7: RETIREMENT BENEFITS PAYABLE TO U.S. TREASURY

During 2016, the U.S. Treasury completed a calculation of the share of employee contributions (refunds) processed in FY 1999 and 1998 and originally paid by U.S. Treasury. Pursuant to the February 1, 2005, Memorandum of Understanding (MOU) concerning the refunds under the District of Columbia Police Officers and Firefighters', and Teachers' Retirement Programs, the District government and Treasury agreed to begin paying refunds in accordance with its respective statutory responsibilities and that the District would also reimburse Treasury for its share of past refunds. The MOU provides direction for the calculation of the District and Treasury portions of refunds and which records to use for the calculation. The U.S. Treasury requested reimbursement of $676,330 for the District's share of refunds issued in FY 1999 and FY 1998.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUND
Required Supplementary Information
Schedules of Changes in the Net Pension Liability and Related Ratios
(Dollar amounts in thousands)

Teachers' Retirement Fund

	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total pension liability			
Service Cost	$ 61,599	$ 53,297	$ 50,409
Interest	124,370	118,378	112,204
Benefit changes	-	-	-
Difference between expected and actual experience	2,656	(7,246)	-
Changes of assumptions	-	-	-
Benefit payments	(69,093)	(64,076)	(59,832)
Refunds	(6,205)	(5,576)	(5,790)
Net change in total pension liability	113,327	94,777	96,991
Total pension liability - beginning	1,950,811	1,856,034	1,759,043
Total pension liability - ending (a)	2,064,138	1,950,811	1,856,034
Plan net position			
Contributions - District Government	44,469	39,513	31,636
Contributions - Plan member	33,591	31,621	28,751
Net investment (loss) income	152,262	(72,647)	132,086
Benefit payments	(69,093)	(64,076)	(59,832)
Administrative expense	(4,746)	(4,543)	(3,787)
Refunds	(6,205)	(5,576)	(5,790)
Other income	1,033	385	522
Change in net position	151,311	(75,323)	123,586
Plan net position - beginning	1,670,638	1,745,961	1,622,375
Plan net position - ending (b)	1,821,949	1,670,638	1,745,961
Net pension liability - ending (a) - (b)	$ 242,189	$ 280,173	$ 110,073
Ratio of plan net position to total pension liability - (b) / (a)	88.27%	85.64%	94.07%
Covered employee payroll	$ 438,079	$ 417,090	$ 378,926
Net pension liability as a percentage of covered-employee payroll	55.28%	67.17%	29.05%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Required Supplementary Information
Schedules of Changes in the Net Pension Liability and Related Ratios
(Dollar amounts in thousands)

Police and Firefighters' Retirement Fund

	Sept 30, 2016	Sept 30, 2015	Sept 30, 2014
Total pension liability			
Service Cost	$ 198,020	$ 192,114	$ 176,102
Interest	282,285	257,943	235,097
Benefit changes	-	-	-
Difference between expected and actual experience	(106,840)	(2,477)	-
Changes of assumptions	-	-	-
Benefit payments	(79,137)	(63,634)	(52,784)
Refunds	(2,179)	(1,396)	(1,637)
Net change in total pension liability	292,149	382,550	356,778
Total pension liability - beginning	4,383,413	4,000,863	3,644,085
Total pension liability - ending (a)	4,675,562	4,383,413	4,000,863
Plan net position			
Contributions - District Government	136,115	103,430	110,766
Contributions - Plan member	32,785	33,679	32,821
Net investment (loss) income	415,157	(187,283)	338,894
Benefit payments	(79,137)	(63,634)	(52,784)
Administrative expense	(12,918)	(11,939)	(9,730)
Refunds	(2,179)	(1,396)	(1,637)
Other income	2,810	1,012	1,342
Change in net position	492,633	(126,131)	419,672
Plan net position - beginning	4,461,998	4,588,129	4,168,457
Plan net position - ending (b)	4,954,631	4,461,998	4,588,129
Net pension liability (asset) - ending (a) - (b)	$ (279,069)	$ (78,585)	$ (587,266)
Ratio of plan net position to total pension liability (asset) - (b) / (a)	105.97%	101.79%	114.68%
Covered employee payroll	$ 438,114	$ 446,201	$ 426,135
Net pension liability (asset) as a percentage of covered-employee payroll	-63.70%	-17.61%	-137.81%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Required Supplementary Information
Schedules of Employer Contributions
(Dollar amounts in thousands)

Teachers' Retirement Fund

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	$ 44,469	$ 39,513	$ 31,636	$ 6,407	$ -	$ -	$ -	$ -	$ 6,000	$ 14,600
Actual employer contributions	44,469	39,513	31,636	6,407	-	-	-	-	6,000	14,600
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 438,079	$ 417,090	$ 378,926	$ 369,071	$ 381,235	$ 384,455	$ 337,516	$ 336,600	$ 359,100	$ 349,900
Actual contributions as a percentage of covered-employee payroll	10.15%	9.47%	8.35%	1.74%	0.00%	0.00%	0.00%	0.00%	1.67%	4.17%

Notes to Schedule:

Valuation Date: Actual contributions are based on valuations as of October 1, two years prior to end of fiscal year in which contributions are reported.
Methods and Assumptions used to determine contribution rates for fiscal year 2016 are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Asset valuation method	7-year smoothed market
Inflation	3.5%
Salary increases	4.45% to 8.25%, including wage inflation of 4.25%
Investment rate of return	6.50%, net of pension plan investment expense, and including inflation
Cost of Living Adjustments	3.50% (Limited to 3.0% for those hired after 11/1/1996)

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Required Supplementary Information
Schedules of Employer Contributions
(Dollar amounts in thousands)

Police and Firefighters' Retirement Fund

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	$ 136,115	$ 103,430	$ 110,766	$ 96,314	$ 116,700	$ 127,200	$ 132,300	$ 106,000	$ 137,000	$ 140,100
Actual employer contributions	136,115	103,430	110,766	96,314	116,700	127,200	132,300	106,000	137,000	140,100
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 438,114	$ 446,201	$ 426,135	$ 413,380	$ 414,877	$ 421,221	$ 423,854	$ 436,100	$ 421,950	$ 396,300
Actual contributions as a percentage of covered-employee payroll	31.07%	23.18%	25.99%	23.30%	28.13%	30.20%	31.21%	24.31%	32.47%	35.35%

Notes to Schedule:

Valuation Date: Actual contributions are based on valuations as of October 1, two years prior to end of fiscal year in which contributions are reported.
Methods and Assumptions used to determine contribution rates for fiscal year 2016 are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Asset valuation method	7-year smoothed market
Inflation	3.5%
Salary increases	4.25% to 9.25%, including wage inflation of 4.25%
Investment rate of return	6.50%, net of pension plan investment expense, and including inflation
Cost of Living Adjustments	3.50% (Limited to 3.0% for those hired after 11/10/1996)

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Required Supplementary Information
Schedule of Investment Returns

Annual Money-Weighted Rates of Return

	FY 2016	FY 2015	FY 2014
Total Portfolio	9.346%	-4.006%	-8.178%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS'
RETIREMENT FUND
Supplementary Information
Schedules of Administrative Expenses
For the years ended September 30, 2016 and 2015

	2016	2015
Personal services		
Salaries	$ 6,180,879	$ 4,760,425
Fringe benefits	1,318,468	1,301,367
Total personal services	7,499,347	6,061,792
Non-personal services		
Office supplies	99,222	126,214
Telephone	91,324	71,496
Rent	1,753,961	1,634,856
Travel	208,681	206,727
Professional fees	6,378,535	6,225,496
Postage	27,327	29,241
Printing	52,725	14,387
Insurance	150,954	150,693
Dues & memberships	41,177	32,718
Audit costs	62,500	85,500
Actuarial fees	180,000	153,584
Legal fees	337,453	524,213
Investment fees	12,862,522	11,377,263
Contractual services (STAR)	1,697,283	1,077,383
Equipment and rental	375,969	966,527
Depreciation	-	-
Total non-personal services	24,319,633	22,676,298
Total administrative expenses	31,818,980	28,738,090
Investment expenses	(14,154,932)	(12,256,010)
Net administrative expenses	$ 17,664,048	$ 16,482,080

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Supplementary Information
Schedules of Investment Expenses
For the years ended September 30, 2016 and 2015

	2016	2015
Investment managers*	$ 11,811,259	$ 10,117,761
Investment administrative expense	1,051,263	878,747
Investment consultants	1,017,272	1,030,008
Investment custodian	275,138	229,494
Total investment expenses	$ 14,154,932	$ 12,256,010

*Fees paid to traditional investment managers only; traditional investment managers are those that invest primarily in public equity and fixed income securities. A significant number of alternative investments are presented net of expenses. Management expenses are netted against investment income and because they are not readily separable from specific investment income as of the financial statement reporting date, amounts are recorded and reported net of management expenses and therefore are not included on this schedule.

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Supplementary Information
Schedules of Payments to Consultants
For the years ended September 30, 2016 and 2015

Professional/Consultant	Nature of Service	FY 2016	FY 2015
Administrative Consultants			
Software Information Resource Corp.	Information technology consulting	$ 1,731,030	-
U.S. Treasury Office of D.C. Pensions	Benefit payment processing	1,220,209	1,077,383
Mobomo, LLC	Information technology consulting	760,125	809,190
Morgan, Lewis & Bockius	Legal counsel	323,739	410,882
Softech & Associates, Inc.	Information technology consulting	248,000	242,000
Ectam, LLC	Information technology consulting	236,880	213,485
D.C. Office of the Chief Technology Officer	Information technology consulting	228,000	228,000
Cavanaugh Macdonald Consulting	Actuarial services	194,655	121,147
Managed Frameworks, LLC	Information technology consulting	179,057	195,772
DLT Solutions, Inc.	Information technology consulting	175,915	87,507
Midtown Personnel Inc.	Benefits consulting	168,261	80,858
Business Development Associates, LLC	Information technology consulting	157,541	38,789
D.C. Department of Human Resources	Information technology consulting	136,607	137,859
Analytica LLC	Information technology consulting	128,338	-
Intuitive Technology Group, LLC	Information technology consulting	118,724	37,802
Gartner, Inc.	Information technology consulting	116,898	102,193
Mark Jackson	Information technology consulting	106,630	98,673
FireEye, Inc.	Information technology consulting	105,283	-
Yared Desta	Information technology consulting	99,912	88,858
TW Telecom	Information technology consulting	97,658	89,548
IT-CNP, Inc..	Information technology consulting	94,802	-
Equinix, Inc.	Information technology consulting	94,393	79,158
Networking for Future, Inc.	Information technology consulting	73,672	471,745
Vonage Business formerly Icore Networks, Inc.	Information technology consulting	63,681	56,642
Clifton Larson Allen	Financial audit	62,500	85,500
National Associates, Inc.	Benefits consulting	61,130	3,868
RSM US LLP formerly RSM McGladrey, Inc.	Financial system consulting	47,582	62,200
Katharine A. Schultz	Executive consultant	45,072	-
Steven Van Rees	Operations consultant	43,650	-
ASI Government, Inc.	Temporary staffing services	40,934	152,006
Capitol Document Solutions	Information technology consulting	40,239	32,481
Newlin LLC	Accounting & audit consulting	39,071	79,605
HBP, Inc.	Graphic design for publications	38,693	13,993
Avitecture	Information technology consulting	37,198	104,472
Diligent Corp	Information technology consulting	31,575	35,225
CEM Benchmarking, Inc.	Investment consultant	30,000	-
DC Net	Information technology consulting	28,985	-
eVestment Alliance	Online Investment service	22,932	21,840
Advent Software, Inc.	Investment consulting	20,538	-
Sebastian Podesta	Professional services	18,893	39,095
Project Made Easy	Information technology consulting	17,400	-
ZixCorp Systems, Inc.	Information technology consulting	16,575	18,663
Kofax, Inc.	Information technology consulting	16,562	15,670
Groom Law Group	Legal counsel	13,159	113,017

DISTRICT OF COLUMBIA
TEACHERS' AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT FUND
Supplementary Information
Schedules of Payments to Consultants
For the years ended September 30, 2016 and 2015

Professional/Consultant	Nature of Service	FY 2016	FY 2015
American Arbitration Association	Arbitration services	12,918	-
InfoLock Technologies	Information technology consulting	10,090	48,758
Corporate Investigations, Inc.	Professional services	8,468	8,965
Human Resources Technologies, Inc.	Information technology consulting	7,958	14,469
Tecknomic LLC	Information technology consulting	7,316	-
Exemplis LLC	Professional services	6,117	-
The Newberry Group, Inc.	Information technology consulting	5,451	38,716
Shaquja Clark	Executive consultant	3,736	-
Clayton Gordon	Information technology intern	3,325	-
ImageTag, Inc.	Information technology consulting	3,000	-
Syed-Mohd Nasib Hafeez	Information technology consulting	2,656	-
Carlson Dettmann LLC	Information technology consulting	2,450	-
William Harris	Information technology consulting	2,223	-
RaeShawn White	Benefits intern	1,356	-
Brea Grisham	Benefits intern	1,002	-
John Siegmund	Investment intern	894	-
Armstrong Teasdale	Legal counsel	555	-
Linea Solutions, Inc.	Business process re-engineering	-	506,241
Tony Phan	Information technology consulting	-	173,280
AON Consulting	Insurance consulting	-	141,556
MVS, Inc.	Professional services	-	140,422
Worldwide Staffing Exchange	Information technology consulting	-	81,963
D.C. Metropolitan Police Dept	Information technology consulting	-	65,580
Leslie Randle	Information technology consulting	-	61,040
Christina Lipscombe	Information technology consulting	-	57,898
Valsatech	Information technology consulting	-	38,198
Telecommunications Development Corp	Information technology consulting	-	37,280
Cheiron, Inc.	Actuarial auditing services	-	37,000
Document Access Systems	Information technology consulting	-	34,900
Document Management Solutions	Information technology consulting	-	19,225
True Ballot, Inc.	Board elections	-	18,118
SHI International Corporation	Information technology consulting	-	16,973
Total administrative consultants		**7,612,213**	**$ 6,985,704**
Investment Consulting			
Cliffwater, LLC	Traditional investment consulting	525,006	682,508
Meketa Investment Group	Traditional investment consulting	403,334	290,000
Insightful Pension Consulting Group, LLC	Investment consultant	53,932	-
Zeno Consulting Group, LLC	Traditional investment consulting	35,000	57,500
Total investment consultants		**1,017,272**	**1,030,008**
Total payments to consultants		**$ 8,629,485**	**$ 8,015,713**

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DISTRICT OF COLUMBIA RETIREMENT BOARD

MOTION:

TO APPROVE THE FY2016 AUDIT AND PRELIMINARY ANNUAL FINANCIAL STATEMENTS.

PRESENTED TO THE BOARD ON JANAURY 24, 2017

NO WRITTEN REPORT PROVIDED

DC Retirement Board
Conference Listing as of January 26, 2017

Sponsor	Name of Conference	Date	Location	Cost	Description
National Conference on Public Employee Retirement Systems	NCPERS 2017 Legislative Conference	January 29-31, 2017	Washington, DC	Registration thru 01/06/2017 $400 Registration after 01/06/2017 $ 500	The Legislative Conference provides you with a great opportunity to learn about the critical legislative and regulatory issues that affect your fund. It will equip you with the tools needed to deal with the political and legislative challenges that face your pension funds. Pension trustees, union officials, administrators, pension staff members, and companies that provide products and services to the public pension community should attend this conference.
International Foundation of Employee Benefit Plans	IFEBP's Advanced Trustees and Administrators Institute	February 20-22, 2017	Lake Buena Vista, FL	Registration thru 01/09/2017 Member: $1,445	The conference is designed to keep experienced trustees stay informed of the latest industry trends, legal and regulatory changes, and best practices as well as bring new ideas to light. Trustees will also gain a better understanding of how to run their pension and health and welfare funds.
National Association of State Retirement Administrators	2017 NASRA Winter Meeting and Joint Legislative Conference	February 25-27, 2017	Washington, DC	Member : $600	The conference will feature leaders in the fields of retirement plan investment and administration covering a variety of subjects including investment management, world events applicable to the pension industry, the economy, human resources, trends, and more.
International Foundation of Employee Benefit Plans	Benefits Conference for Public Employees	April 25-26, 2017	Columbus, OH	Registration thru 03/14/2017 Member: $995	The Benefits Conference for Public Employees features two days of unique learning. Attendees will focus on emerging issues and current legislative and regulatory initiatives from around the country. This unique conference has been designed for deputies, department managers, key administrative staff and supervisors in governmental agencies or municipalities as well as benefit plans. Trustees and fiduciaries of governmental plans will also find value in attending.
Government Finance Officers Association	GFOA's 111th Annual Conference	May 21-24, 2017	Denver, CO	Registration thru 01/26/2017 Member: $380 Registration thru 04/06/17 Member: $425 After 04/06/17 Member: $475	The GFOA's 111th Annual Conference is professional development that will feature unparalleled opportunities for sharing ideas, sharpening skills, discovering new tools and technologies, and networking with peers from across North America and around the world.
International Foundation of Employee Benefit Plans	The Washington Legislative Update	May 22-23, 2017	Washington, DC	Registration thru 04/10/2017 Member: $1,195	Access a direct pipeline to what's happening on the Hill and in key agencies. Hear from expert speakers about the issues, trends and future direction of the industry. Prepare for the future and learn how your plans may be impacted by the new administration as well as recently enacted and proposed legislation and regulations. Network with peers facing similar challenges. Take away creative ideas and solutions that work. The content of this program is designed for trustees, administrators and plan professionals in the following areas: •Those whose roles require a keen knowledge of legislative and governmental activity •Employee benefit representatives who are responsible for strategic change •Others serving multiemployer, single employer and public sector benefit plans.

DISTRICT OF COLUMBIA RETIREMENT BOARD
Training & Travel Report
As of
January 26, 2017

Name	Description	Sponsor/Vendor	Location	Dates	
				From	To
Trustees					
No Trustee Travel					
Staff					
Sheila Morgan-Johnson	Due Diligence	Resource Capital Funds Due Diligence Meeting (River Equity, A Private Equity Group, and Colorado Pera	Denver, CO	01/11/17	01/12/17
Deborah Reaves	Education	Constitutional and Administrative Law (Strayer University)	Prince Georges Campus	01/03/17	03/20/17
Patrick Sahm	Due Diligence	Resource Capital Funds Due Diligence Meeting (River Equity, A Private Equity Group, and Colorado Pera	Denver, CO	01/11/17	01/12/17