District of Columbia Retirement Board

a Pension Trust Fund of the District of Columbia

Comprehensive Annual Financial Report

For the fiscal years ended September 30, 2014 and 2013

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Comprehensive Annual Financial Report

For the fiscal years ended September 30, 2014 and 2013

Prepared by the District of Columbia Retirement Board's Finance Department
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Washington, D.C. 20001
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March 31, 2015

Board of Trustees
District of Columbia Retirement Board
900 7th Street N.W.
2nd Floor,
Washington, D.C. 20001

Eric O. Stanchfield,
Executive Director

Dear Board Members:
I am pleased to present the Comprehensive Annual Financial Report ("CAFR") of the District of Columbia Retirement Board ("DCRB" or the "Board") for the fiscal years ended September 30, 2014 and 2013.

During the fiscal year ended September 30, 2014, DCRB continued its mission to prudently invest the assets of the pension plans of the police officers, firefighters, and teachers of the District of Columbia, while providing those employees with retirement services. DCRB has exclusive authority and discretion to manage the assets of the District of Columbia Teacher's Retirement Plan and the District of Columbia Police Officers and Firefighters' Retirement Plan (collectively referred to as the "Plans") and to provide participants with retirement services. Our goal is to provide these services to our members from their date of hire, throughout their lifetime and their survivors' lifetime, and to safeguard the integrity of the District of Columbia Police Officers and Firefighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund (collectively referred to as the "Fund").

LETTER OF TRANSMITTAL (CONTINUED)

Fiscal Year 2014 Initiatives
We continue to move forward with a focus on achieving five overarching goals. These goals are:

1. Expanding and improving benefits administration capabilities while assuring benefits are paid to our members timely and accurately.

2. Prudently investing Fund assets to provide long-term sustainable risk-adjusted returns.

3. Refining DCRB's organizational structure to meet changing agency responsibilities and needs.

4. Fostering member and stakeholder trust through enhanced communications and collaborative outreach.

5. Safeguarding the integrity of the Fund.

Using these five goals as a guide, I would like to outline our accomplishments during fiscal year 2014.

1. Expanding and improving benefits administration capabilities
In fiscal year 2014, we made progress on two critical projects aimed at expanding and improving benefits administration. These projects, Data Reclamation and Business Process Reengineering ("BPR"), help ensure that our members will benefit from business processes that reflect current industry practices.

<u>Data Reclamation</u>
One of the primary objectives of the Data Reclamation project is to establish a database of service, salary, and contribution history that will reduce the processing time required to pay initial pension payments. In addition, this database ultimately will enable the production of annual benefit statements for active members.

We continued our partnership on pension data integrity with key District stakeholder agencies, including: the District of Columbia Public Schools, the Metropolitan Police Department, the Office of the Chief Technology Officer, the Office of Pay and Retirement Services and the District of Columbia Department of Human Resources (representing the Fire and Emergency Medical Services Department).

We made improvements to the management of annuitant data in a number of ways, including implementing new security policies, reclaiming missing service history and performing a comprehensive gap analysis. There were approximately 10,000 active member records at the time the analysis began. We are pleased to report that at this time, in collaboration with the agencies indicated, we have reclaimed all records with gaps in service history (4,600) and we are currently in the process of auditing those records.

LETTER OF TRANSMITTAL (CONTINUED)

1. Expanding and improving benefits administration capabilities (Continued)
The data will be instrumental in DCRB's ability to provide new retirees with an initial benefit payment within 30 days of our receiving completed retirement application packages, instead of the current 60-day timeframe. The ultimate result of this effort will be a system where pension-related information is housed in a single secure location, and where records are managed electronically, using a calculation system owned and maintained by DCRB. This approach will align DCRB, operationally, with other public pension funds nationwide.

In the future, DCRB plans to implement an Enterprise Data Quality tool and a Master Data Management ("MDM") system that will allow DCRB to collect Plan member information from multiple systems into a single data source. This MDM system will gather data from the District's PeopleSoft active member repository and from the U.S. Department of the Treasury's ("U.S. Treasury") System to Administer Retirement ("STAR"), and aggregate the information in a database that will become a single source for maintaining the Plans. All of these efforts are intended to reduce reliance on paper documents and minimize the turnaround time to deliver initial pension payments.

Business Process Reengineering
The primary objectives of the BPR project, which we began in fiscal year 2013, are to improve accuracy, promote greater efficiency and increase the speed of pension transactions. As part of the BPR process, our Benefits Department reconfigured existing workflows, restructured the department, redefined and developed new roles, performed staff skills assessments and delivered targeted training through the District's Workforce Development Administration. We implemented BPR project recommendations throughout fiscal year 2014, while focusing on cross-training staff, performing quality reviews and conducting business continuity planning.

DCRB already launched a multi-year Retirement Modernization Program focused on the areas of benefits administration and information technology. The program includes Data Reclamation, BPR and the activities that will lead up to our eventual acquisition of a Pension Information Management System ("PIMS"). PIMS will enable DCRB to provide a full range of retirement services for members, including benefits statements, benefit estimates, member self-service and the integration of pension data into systems designed to produce pension payments.

2. Prudently investing Fund assets
DCRB's ongoing objective is to prudently manage the Fund assets with the goal of earning a return that meets or exceeds DCRB's actuarial investment return assumption of 6.5 percent over the long-term. To complement the significant progress previously mentioned in building a solid foundation for achieving long-term, sustainable, risk-adjusted returns, we routinely review investment manager performance against benchmark returns and rebalance the portfolio when appropriate to maintain compliance with asset allocation targets. Further, we are moving forward with searches for investment consultants and a custodial bank, targeted for completion in 2015 and 2016, respectively.

The Fund posted a return of 8.4 percent for the fiscal year ended September 30, 2014. Since inception in October 1982, the Fund has generated an annualized gross return of 9.1 percent, surpassing the actuarial return target of 6.5 percent. We continue to review the Fund's strategic asset allocation to meet or exceed the actuarial return objective and provide liquidity to meet Fund obligations.

LETTER OF TRANSMITTAL (CONTINUED)

3. Refining DCRB's organizational structure

The Benefits Department implemented a Quality Compliance Unit, which is responsible for second and third level review of annuity calculations. This enhanced review was put into place to minimize errors prior to the payment of benefits. The Benefits Department, with the assistance of the Information Technology Department, also obtained access to active payroll systems, both the legacy systems and the District's current PeopleSoft system, which allows DCRB to begin a retirement case prior to final receipt of all documents. This reduces the time from our receipt of the initial retirement application to the first annuity payment.

Business continuity in the event of a disaster is a critical goal of our agency. In fiscal year 2014, DCRB completed a number of projects focused on security and infrastructure availability, including updating our disaster recovery plan and implementing an alternate disaster recovery site. This site includes the remote replication of the agency's enterprise architecture to ensure continuity of operations.

During this past fiscal year, DCRB also refined policies and best practices to protect the sensitive member information managed by our Agency. Data security continues to be a priority for us. We have installed various data security measures to mitigate the risk of data loss and to keep sensitive, personally identifiable information ("PII") confidential. Additionally, we conduct annual cyber security training for all employees and contractors.

In fiscal year 2014, an Audit Committee charter was formally established. One of the key responsibilities of this Committee is to provide independent review and oversight of DCRB's financial reporting processes and internal controls. Committee initiatives will be refined during fiscal year 2015. In addition, DCRB will train and prepare its staff to use new applications and systems that will improve its operations, and we will continue our practice of filling any vacant positions on an as-needed basis. During the early months of fiscal year 2015, DCRB sponsored a pension training program conducted by the International Foundation of Employee Benefit Plans (IFEBP) which included courses on Governance, Legislative and Regulatory Developments, the Legal Environment, Actuarial Principles, Pension Plan Design, Investments, Business Improvement Strategies and Emerging Issues. Many DCRB staff as well as Trustees attended this program, which also included partners from several other District agencies and pension professionals from Arlington County and the City of Alexandria. As a result of their attending the training and completing the required examinations, eighteen DCRB staff members received the IFEBP's Certificate of Achievement in Public Plan Policy.

During fiscal year 2014, we provided annual training for staff and Trustees on ethics and fiduciary principles, and we issued PII policies to all staff and contractors. In addition, DCRB conducted background checks and fingerprinting for new DCRB employees and contractors.

LETTER OF TRANSMITTAL (CONTINUED)

4. Fostering member and stakeholder trust through enhanced communications
DCRB reaches out to members and the public to provide information on current issues and Fund performance. In addition, DCRB distributes its newsletter to our members via e-mail and hard copy. We also maintain a retirement calculator on our website so active members can enter their information and receive personalized retirement estimates.

DCRB continues to receive member feedback by issuing surveys to callers and by monitoring phone calls and correspondence for quality and training purposes. In fiscal year 2014, we utilized our website to provide more user-friendly access to our comprehensive annual financial reports, Board meeting minutes and additional member forms. We mailed updated Summary Plan Descriptions to all members in 2013. Hard copies of these plan documents are provided to constituent human resources offices for distribution to new members. Digital copies are available for download on our website.

In the future we plan to enhance staff efficiency by developing intranet capabilities (an "employee portal") that will enhance collaboration through improved staff communication and information sharing. The employee portal will enable DCRB to migrate to a more secure information-sharing organization. In this future state, authorized staff will be able to access information in the event of a disaster. DCRB will enhance its outreach and collaboration with stakeholder agencies and will also work with those agencies to streamline our processes.

5. Safeguarding the integrity of the Fund
DCRB ensures that its financial reporting is in accord with regulatory guidance and industry best practices by undergoing an annual, independent financial audit. For fiscal years 2014 and 2013 we received unmodified ("clean") opinions from our independent audit firm. DCRB publishes its audited financial statements in its Comprehensive Annual Financial Report ("CAFR"). For the fiscal year ended September 30, 2013, we once again received the Government Finance Officers Association's ("GFOA") Certificate of Achievement Award for Excellence in Financial Reporting. The Board also contracts for an annual actuarial valuation prepared by an independent actuary.

Financial highlights and funded status
As fiduciaries, our duty is to maintain an adequate funding level to assure payment of pension benefits to our members. In order to do this, the Fund must be well-funded, receive the appropriate contributions and adopt a successful long-term investment strategy. As of September 30, 2014, the Fund was valued at $6.3 billion, an increase of approximately $540 million, 9.4 percent, in the total asset value from the end of fiscal year 2013. As of October 1, 2014, the Plan's funded ratio was 101.4 percent, based on the Entry Age Normal (EAN) actuarial valuation method.

Retirement contributions
The Replacement Plan Act established the method for calculating the employer's (District of Columbia) annual contribution to the retirement Fund. The Board's independent actuary determines the level of covered payroll, expressed as a percentage of payroll ("normal contribution rate") for each participant group. In fiscal year 2014, $142.4 million in employer contributions and $61.6 million in employee contributions were deposited into the Fund. In fiscal year 2013, $102.7 million in employer contributions and $58.7 million in employee contributions were deposited into the Fund.

LETTER OF TRANSMITTAL (CONTINUED)

Benefit payments, refunds and benefit reimbursements paid to the U.S. Treasury
As of September 30, 2014, the Plans had 23,982 active members, annuitants and survivors. Of this number, 13,932 were retirees and survivors who receive monthly pension payments and 10,050 were active members. During the fiscal year, $112.6 million in pension benefits and $7.4 million in refunds were paid from the Fund. DCRB's annual benefit payments continued to increase in fiscal year 2014 due to the expected increase in District service retirements and a corresponding decline in federal service retirements and is estimated to continue increasing in the future. During fiscal year 2013, $30.9 million was paid to the U.S. Treasury based on a project to reconcile the District's portion of annuitant benefit payments made between October 1, 1997 and December 31, 2007. See Note 8: Retirement Benefits Payable to U.S. Treasury for an expanded discussion on this payment.

Administrative expenses
DCRB's net administrative expenses for fiscal year 2014 totaled $13.5 million. The detail for these expenses can be found in the Financial Section. The Management's Discussion and Analysis section has a more in-depth discussion of DCRB's funded status, as well as a complete analysis of the additions and deductions to the Plans' net position.

Management responsibility for financial reporting
The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with DCRB management. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the Plans' Net Position and the Changes in Net Position and that all disclosures necessary to enable the reader to gain the maximum understanding of the financial activities of the Fund have been included.

The accounting records of DCRB are maintained by DCRB staff. Pension payment information is contained within STAR, which is managed by the U.S. Treasury. DCRB's employee payroll is processed through the District of Columbia's PeopleSoft System.

The independent auditors' report was issued by the public accounting firm of CliftonLarsonAllen LLP, whose selection was approved by the DCRB Board of Trustees. This report on the Plans is presented in the Financial Section of the CAFR.

The actuarial certification and related schedules included in the CAFR were provided by Cavanaugh Macdonald Consulting, LLC, whose selection was approved by the DCRB Board of Trustees. The valuation results are presented in the Actuarial Section of this CAFR.

The Fund's fiduciary bank, State Street Bank and Trust Company, records and reports all investment and cash management transactions, and the Board exercises close review and controls over those records and transactions.

The Management's Discussion and Analysis section provides a narrative introduction and overview of DCRB's financial statements. It is contained within the Financial Section and serves to supplement the Introductory Section of the Comprehensive Annual Financial Report, as well as financial statements, notes and supplementary

LETTER OF TRANSMITTAL (CONTINUED)

information within the Financial Section.

Additional disclosures that are specifically required by statute are also included in the report. DCRB management is responsible for maintaining internal accounting controls to provide reasonable assurance that transactions are properly authorized and recorded on an accrual basis in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and that financial statements conform with Governmental Accounting Standards Board ("GASB") and American Institute of Certified Public Accountants ("AICPA") reporting standards and GFOA guidelines. Consideration is given to the adequacy of internal accounting controls for systems under the control of DCRB and systems that are shared with other governmental offices or service providers. DCRB requires that its service providers undergo an annual service organization control report (SOC 1 report, formerly SAS70) review by independent public accountants and that government offices whose systems are used by DCRB are subjected to an annual audit. These controls are designed to provide reasonable assurance regarding the safekeeping of assets and the reliability of financial records.

We believe the internal controls in effect during the fiscal years ended September 30, 2014 and 2013 adequately safeguarded the Fund's assets and provided reasonable assurance regarding the proper recording of financial transactions. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgment by management.

Awards

GFOA Awarded the Certificate of Achievement for Excellence in Financial Reporting to DCRB for its CAFR for the fiscal years ended September 30, 2013 and 2012. This was the sixth consecutive year we received this award. In order to be awarded a Certificate of Achievement, DCRB must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and other applicable regulatory requirements. A Certificate of Achievement is valid for a period of one year. We believe that our CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for continuing certification.

We were also among the public retirement systems that received the Public Pension Coordinating Council's ("PPCC") Public Pension Standards 2013 Award in recognition of meeting professional standards for plan design and administration. The PPCC is a national confederation of state retirement associations whose standards are widely recognized benchmarks for public pension systems in the areas of plan design, funding, actuarial and financial audits and member communications.

LETTER OF TRANSMITTAL (CONTINUED)

In Closing. . .
I am pleased to report that the Trust is in excellent shape. Our Board, in consultation with its independent actuary, has maintained conservative investment assumptions, the Plans are adequately funded and we pay members timely. We have an excellent board and an experienced team to manage our initiatives.

I would like to express my appreciation to the U.S. Treasury's Office of D.C. Pensions, the District of Columbia City Council, the D.C. Office of Financial and Operations Systems, the D.C. Office of Budget and Planning, all other D.C. Government Offices that support the Board, and the DCRB trustees, staff, consultants and service providers for their tireless efforts to assure the financial soundness and successful operation of the District of Columbia Retirement Board.

If you have any questions regarding this CAFR of the District of Columbia Retirement Board for the fiscal years ended September 30, 2014 and 2013, please direct them to my office at any time.

Respectfully submitted,

Eric O. Stanchfield,
Executive Director
District of Columbia Retirement Board

ABOUT DCRB

History

DCRB is an independent agency of the District of Columbia government that was created by Congress in 1979 under the Retirement Reform Act ("Reform Act"). Prior to the Reform Act, eligibility and benefit rules and financing arrangements for the Plans were authorized by acts of Congress and administered by the Federal Government. Benefits were paid monthly from the general revenues of the U.S. Treasury on a "pay-as-you-go" basis when workers retired, not on a prefunded basis using actuarial assumptions and methods.

In 1997, with the passage of the National Capital Revitalization and Self-Government Improvement Act ("Revitalization Act"), the Federal Government assumed responsibility for the unfunded pension liabilities for retirement benefits earned as of June 30, 1997.

In 1998, the District of Columbia passed the Police Officers, Firefighters and Teachers Retirement Benefit Replacement Plan Act ("Replacement Plan Act") which established retirement plans for pension benefits accrued after June 30, 1997.

With the passage of the District's Office of Financial Operations and Systems Reorganization Act of 2004, DCRB assumed certain benefits administration responsibilities for the Plans from the District's Office of Pay and Retirment Services ("OPRS"). Those responsibilities included recordkeeping, related administrative tasks and the payment of benefits for participants hired on or after July 1, 1997 who earned benefits under the District Plans. DCRB also assumed the same administrative responsibilities for participants hired prior to July 1, 1997 and whose benefit costs are the responsibility of the U. S. Treasury.

ABOUT DCRB (CONTINUED)

Profile of the Plans

The District of Columbia Police Officers and Firefighters' Retirement Plan provides retirement, service-related disability, non-service-related disability and death benefits. All police officers and firefighters of the District of Columbia automatically become members on their date of employment. Police cadets are not eligible.

The District of Columbia Teachers' Retirement Plan provides retirement, disability retirement and death benefits. Permanent, temporary, part-time and probationary teachers for the District of Columbia public day schools become members automatically on their date of employment. Other employees covered include school librarians, principals and counselors. Former District of Columbia teachers working at charter schools may be eligible to remain in the Plan.

In order to minimize administrative expenses while providing a broad range of investment options that are economically feasible, the assets of the Plans are comingled for investment purposes. The investment returns of the Fund are calculated based on the fair value of the assets. The Board seeks long-term investment returns in excess of the actuarial investment rate of return assumption at a level of risk commensurate with the expected levels of returns and consistent with sound and responsible investment practices. The Board, working closely with investment consultants and with input from its actuary, selects the optimal asset allocation policy which best reflects the risk tolerance and investment goals for the Fund.

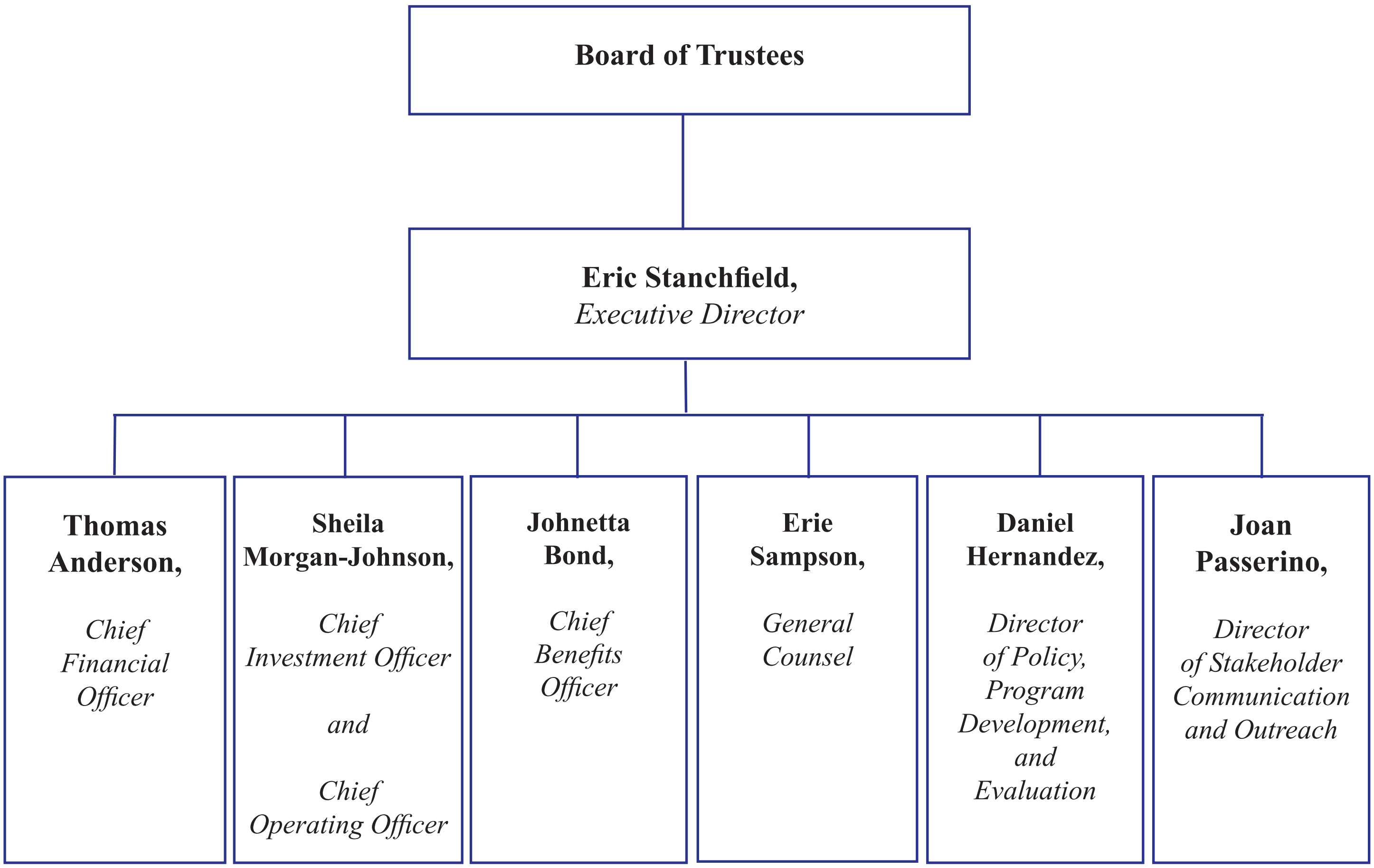
The asset allocation policy is implemented through the careful screening and selection of investment managers that have an audited, favorable, long-term track record, a disciplined investment process and reasonable investment management fees.

The Fund also seeks to outperform the Policy Benchmark, computed as the weighted average index return of the strategic asset allocation as described in the Investments Section.

Upon assuming responsibility for administering the Plans in October 2005, DCRB established a Member Services Center that is available to all active Plan members and retirees, calculates benefit payments and works closely with the U.S. Treasury's Office of D.C. Pensions ("ODCP") to implement system changes resulting from software upgrades or legislation affecting Plan provisions. DCRB produces Plan communications that include periodic newsletters and Summary Plan Descriptions as prescribed by statute. ODCP maintains the retirement information system that calculates benefits, issues monthly benefit payments to retirees and survivors and handles all payment-related activities, including tax withholdings and premiums for health and life insurance coverage.

By statute, the Board of Trustees is responsible for establishing DCRB's annual budget. The budget relies on monies derived from the Fund's investment earnings and employer and employee contributions. In addition, DCRB receives reimbursements as the third-party administrator for the frozen federal plans covering members whose pension benefits are financed by the U.S. Treasury. The District Council provides oversight of the budget process, and pursuant to Section 1-711 (f) of the District of Columbia Code, "may establish the amount of funds which will be allocated by the Board for administrative expenses, but may not specify the purposes for which such funds may be expended or the amounts which may be expended for the various activities."

ORGANIZATIONAL STRUCTURE



Auditor:
CliftonLarsonAllen, LLP

Actuary:
Cavanaugh Mcdonald Consulting, LLC

Investment Advisors:
Cliffwater, LLC
Meketa Investment Group
Zeno Consulting Group, LLC

BOARD OF TRUSTEES

The twelve member DCRB Board of Trustees consists of six individuals elected by their participant groups (two each by active and retired police officers, firefighters and teachers), three appointed by the Mayor and three appointed by the City Council. In addition, the District's Treasurer serves on the Board as an ex-officio member representing the District's Chief Financial Officer.

Lyle M. Blanchard
Treasurer
Council Appointee
Term:
01/28/2013-01/27/2017

Joseph M. Bress
Chairman
Council Appointee
Term:
01/28/2012 - 01/27/2016

Joseph W. Clark
Parliamentarian
Mayoral Appointee
Term:
05/06/2014 - 01/27/2018

Mary A. Collins

Elected Retired Teacher
Term:
01/28/2014 - 01/27/2018

Barbara Davis Blum

Mayoral Appointee
Term:
01/28/2012 - 01/27/2016

Gary W. Hankins
Sergeant-at-Arms
Elected Retired Police
Term:
10/05/2013 - 01/27/2017

Darrick O. Ross

Elected Active Police
Term:
01/28/2011 - 01/27/2015

Nathan A. Saunders

Elected Active Teacher
Term:
01/28/2013 - 01/27/2017

BOARD OF TRUSTEES (CONTINUED)

Edward C. Smith

Elected Active Firefighter
Term:
01/28/2013 - 01/27/2017

Thomas N. Tippett

Elected Retired Firefighter
Term:
01/28/2012 - 01/27/2016

Michael J. Warren
Secretary
Council Appointee
Term:
01/28/2011 - 01/27/2015

Lenda P. Washington

Mayoral Appointee
Term:
05/06/2014 - 01/27/2019

Jeffery E. Barnett

Designee of the
D.C. Chief
Financial Officer

AWARDS

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District of Columbia Retirement Board

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

AWARDS (CONTINUED)

PPCC

Public Pension Coordinating Council

Recognition Award for Funding
2013

Presented to

District of Columbia Retirement Board

In recognition of meeting professional standards for
plan funding asset forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

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

Alan H. Winkle

Alan H. Winkle
Program Administrator

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Board of Trustees
District of Columbia Teachers' Retirement Fund and the
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, 2014 and 2013, 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.

Auditor's 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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, 2014 and 2013, 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, 2014 and 2013, 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 funding progress, 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 funding progress, 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.

The introductory, investment, actuarial and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2015 on our consideration of the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Firefighters' Retirement Fund 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 internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
January 21, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 fiscal years ended September 30, 2014 and 2013, 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") government. The Board is responsible for managing the assets of the District Retirement Funds. As authorized by DC 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 Police Officers and Firefighters' Plan and the District of Columbia Teachers' 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 is 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 held in trust for pension benefits net of liabilities owed as of the financial statement date.

The Combining Statements of Changes in Fiduciary Net Position displays the effect of financial transactions that occurred during the fiscal year, where Additions – Deductions = Net Increase (or Net Decrease) in Net Position. This increase (or decrease) in Net Position reflects the change in the value of Net Position Held in Trust for Pension Benefits.

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 includes the schedules of changes in the net pension liability and related ratios, the schedules of employer contributions and the schedule of investment returns. The schedules of changes in net pension liability show the increase or the decrease in the liability of the District Retirement Funds to plan members for benefits provided.

The Supplementary Information includes additional information on the District Retirement Funds including a schedule of funding progress, the schedules of administrative expenses, investment expenses and payments to consultants. The schedule of funding progress includes actuarial information about the status of the defined benefit pension Plans from an ongoing, long-term perspective and the progress made in accumulating sufficient assets to pay pension benefits under these Plans when due.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL HIGHLIGHTS

The Teachers' Retirement Fund (TRF) financial highlights for fiscal year 2014 are as follows:

- Net Position held in trust for pension benefits as of September 30, 2014 was $1.7 billion, an annual increase of $0.1 billion or 7.6%.

- The investment income net of investment expenses for fiscal year 2014 was $132.1 million, a gain of 8.1%.

- The Fund's share of administrative expenditures for fiscal year 2014 was $3.8 million, equivalent to 22 basis points of assets under management.

- The Board's funding objective is to meet long-term pension benefit obligations. As of October 1, 2013, the date of the latest actuarial valuation, the TRF's funded ratio based on the actuarial value of assets was 90.2% In general, this means that for each dollar's worth of future pension liability, the TRF has accumulated $0.90 to meet that obligation. The Plan's funded ratio decreased 4.2% over the prior year due primarily to investment losses in 2008 and 2009 which are smoothed into the calculation of the unfunded accrued liability for 2013. As of October 1, 2012, the actuarial valuation indicated a funded ratio of 94.4% for the TRF.

- Revenues (additions to Plan net position) for fiscal year 2014 were $193.0 million, which consists of member contributions of $28.8 million, employer contributions of $31.6 million, net income from investment activities of $132.1 million and other income totaling $0.5 million. Additions to the Plan net position for fiscal year 2013 totaled $203.4 million, comprised of $28.1 million in employee contributions, employer contributions of $6.4 million, $168.1 million in net income from investment activities and $0.8 million in other income.

- Expenses (deductions from Plan net position) decreased $15.2 million from $84.6 million during fiscal year 2013 to $69.4 million in fiscal year 2014, or 17.9%. This decrease relates primarily to retirement benefits payable to the U.S. Treasury which totaled $21.5 million for fiscal year 2013. See *Note 8: Retirement Benefits Payable to the U.S. Treasury* for an expanded discussion on this payable. Additionally, pension benefit payments increased $5.7 million or 10.4% from 2013 to 2014. Refunds of member contributions increased $0.6 million from $5.2 million in fiscal year 2013 to $5.8 million in fiscal year 2014 and administrative expenses in fiscal year 2014 increased by $0.2 million to $3.8 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL HIGHLIGHTS (CONTINUED)

The Police Officers and Firefighters' Retirement Fund (POFRF) financial highlights for fiscal year 2014 are as follows:

- Net position held in trust for pension benefits as of September 30, 2014 was $4.6 billion, an annual increase of $0.4 billion or 10.1%.

- The investment income net of investment expenses for fiscal year 2014 was $338.9 million, a gain of 8.1%.

- The Fund's share of administrative expenditures for fiscal year 2014 was $9.7 million, equivalent to 21 basis points of assets under management.

- The Board's funding objective is to meet long-term pension benefit obligations. As of October 1, 2013, the date of the latest actuarial valuation, the POFRF's funded ratio was 110.1%. In general, this means that for each dollar's worth of future pension liability, the POFRF has accumulated approximately $1.10 to meet that obligation. This actuarial report indicated that if future activity proceeded according to assumptions, the POFRF has accumulated sufficient assets to pay all pension liabilities for active members and retirees. The Plan's funded ratio remained at the same level as the prior year. As of October 1, 2012, the actuarial valuation indicated a funded ratio of 110.1%.

- Revenues (additions to Plan net position) for fiscal year 2014 were $483.8 million, which consists of member contributions of $32.8 million, employer contributions of $110.8 million, net income from investment activities of $338.9 million and $1.3 million in other income. Additions to the Plan net position for fiscal year 2013 totaled $552.5 million, comprised of $30.6 million in employee contributions, $96.3 million of employer contributions, $423.6 million in net income from investment activities and $2.0 million in other income.

- Expenses (deductions from Plan net position) decreased $1.8 million from $65.9 million during fiscal year 2013 to $64.2 million in fiscal year 2014, or 2.7%. This slight decrease occurred primarily because the retirement benefits payable amount to the U.S. Treasury in FY 2013, which totaled $9.4 million, was not required in FY 2014. See *Note 8: Retirement Benefits Payable to the U.S. Treasury* for an expanded discussion on the FY 2013. Pension benefit payments increased $7.1 million from $45.7 million in fiscal year 2013 to $52.8 million in fiscal year 2014. Refunds of member contributions decreased $0.4 million from $2.0 million in fiscal year 2013 to $1.6 million in fiscal year 2014, and administrative expenses increased $0.8 million compared to the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

SUMMARY OF FINANCIAL INFORMATION

The following Condensed Statements of Fiduciary Net Position and Changes in Fiduciary Net Position presents financial information for the combined TRF and POFRF and compares fiscal years 2014, 2013, and 2012.

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

	2014	2013	2012	Amount Increase (Decrease) from 2013 to 2014	Percent Increase/ (Decrease) from 2013 to 2014
Assets					
Cash and short-term investments	$ 27,400	$ 96,058	$ 74,516	$ (68,658)	-71.5%
Receivables	155,149	99,673	149,288	55,476	55.7%
Investments at fair value	6,275,768	5,775,078	5,165,012	500,690	8.7%
Collateral from securities lending	24,982	83,478	96,652	(58,496)	-70.1%
Prepaid and other assets	194	-	-	194	100.0%
Capital assets	-	-	3	-	0.0%
Total assets	6,483,493	6,054,287	5,485,471	429,206	7.1%
Liabilities					
Other payables	6,404	2,608	4,658	3,796	145.6%
Retirement benefits payable to U.S. Treasury	-	30,894	-	(30,894)	-100.0%
Investment commitments payable	117,663	145,811	197,676	(28,148)	-19.3%
Obligations under securities lending	25,336	84,142	97,797	(58,806)	-69.9%
Total liabilities	149,403	263,455	300,131	(114,052)	-43.3%
Net position	$ 6,334,090	$ 5,790,832	$ 5,185,340	$ 543,258	9.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

SUMMARY OF FINANCIAL INFORMATION (CONTINUED)

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

	2014	2013	2012	Amount Increase (Decrease) from 2013 to 2014	Percent Increase/ (Decrease) from 2013 to 2014
Employer contributions	$ 142,402	$ 102,721	$ 116,700	$ 39,681	38.6%
Employee contributions	61,572	58,710	59,037	2,862	4.9%
Net investment income	470,980	591,698	642,883	(120,718)	-20.4%
Other income	1,864	2,843	2,256	(979)	-34.4%
Total additions	676,818	755,972	820,876	(79,154)	-10.5%
Benefit payments	112,616	99,836	87,069	12,780	12.8%
Retirement benefits payable to U.S. Treasury (See Note 8)	-	30,894	-	(30,894)	-100.0%
Refunds	7,427	7,210	7,048	217	3.0%
Administrative expenses	13,517	12,540	9,598	977	7.8%
Total deductions	133,560	150,480	103,715	(16,920)	-11.2%
Changes in net position	$ 543,258	$ 605,492	$ 717,161	$ (62,234)	-10.3%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF FINANCIAL INFORMATION

DCRB's funding objective is to meet long-term benefit obligations with net investment income and contributions. Accordingly, the collection of employer and member contributions and the income generated from investment activities provide the reserves needed to finance future retirement benefits. 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 TRF and POFRF.

Additions to Net Position (Revenues)

As noted, the reserves needed to finance retirement benefits are accumulated primarily through the collection of member and employer contributions and through investment income (net of investment expenses). Revenues for the year ended September 30, 2014 totaled $676.8 million, which included $471.0 million of net income on investments and $204.0 million of contributions. For fiscal year 2013, revenues totaled $756.0 million, which included $591.7 million of net investment income and $161.4 million of contributions. Total revenues for fiscal year 2014 decreased by $79.2 million compared to the prior year, mainly due to the lower investment returns in fiscal year 2014.

Employee contributions increased from $58.7 million in fiscal year 2013 to $61.6 million in fiscal year 2014. Employee contributions include amounts paid by members for future retirement benefits.

Employer contributions increased $39.7 million from $102.7 million in fiscal year 2013 to $142.4 in fiscal year 2014. The fiscal year 2014 employer contribution is derived from the contribution rate calculated in the actuary's report for the period ended October 1, 2012 multiplied by covered payroll and adjusted for differences caused by the contribution being calculated 2 years in arrears. This adjustment is required by DC Code.

Other income totaled $1.9 million in fiscal year 2014, reflecting a $1.0 million decrease from the $2.8 million received in fiscal year 2013. Other income consists mainly of reimbursements of administrative expenses from the U.S. Treasury.

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.

Expenses for the year ended September 30, 2014 totaled $133.6 million, a decrease of 11.2% over fiscal year 2013. In fiscal year 2013 expenses increased by 45.1% when compared to fiscal year 2012, from $103.7 million in 2012 to $150.5 million in fiscal year 2013. In the fiscal years 2013 and 2014, pension benefits paid on behalf of current retirees, survivors and beneficiaries comprise approximately 66% to 84% of the expenses reported.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF FINANCIAL INFORMATION (CONTINUED)

Benefit payments for fiscal year 2014 increased by $12.8 million over the fiscal year 2013 level, or 12.8%. This increase reflects the combination of a net growth of 3.5% in the number of retirees and survivors receiving benefits, coupled with COLA adjustments, an overall increase in the final average salary for new retirees and the changing demographics of the retiree population. Pension benefits for fiscal year 2013 reflect similar increases, rising $12.8 million, or 14.7%, over fiscal year 2012 levels.

Retirement benefits payable to the U.S. Treasury totaled $30.9 million for fiscal year 2013. The payment was made to the U.S. Treasury on March 31, 2014. See *Note 8: Retirement Benefits Payable to U.S. Treasury* for an expanded discussion on this payable.

Refunds of member accounts are at the discretion of the member, and vary from year to year. In fiscal year 2014, members elected refunds totaling $7.4 million, which represents an increase of $0.3 million or 3.7% from fiscal year 2013. Refunds issued in fiscal year 2013 totaled $7.2 million representing a $0.2 million increase over the 2012 level of $7.0 million.

Administrative expenses for fiscal years 2014 and 2013 totaled $13.5 million and $12.5 million, respectively.

Funding Status

As previously noted, the District Retirement Fund's net investment income for the year ended September 30, 2014 represented a gain of $471.0 million, or 8.1%. 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.

To fully understand the funding status of a retirement system, it is often advisable to view actuarial data in conjunction with financial data. The actuarial value of assets used to calculate funded status is not based on year-end fair value (market value) as of the valuation date. Market gains and losses for actuarial funding purposes are smoothed over a rolling seven year period. This smoothing of gains and losses mitigates the need to constantly increase or lower contributions because volatile market conditions can be recognized (smoothed in) over several years.

The reality of actuarial smoothing techniques is that the fair value (market value) of assets may be significantly different from funding value (actuarial value) of assets at a given point in time. This means that in periods of extended market decline, the fair value of assets will usually be less than the funding or actuarial value of assets. This is the case with DCRB during the current market downturn which began in 2008. Conversely, during periods of extended market gains, where the actual rate of return exceeds the assumed rate of return, the fair value of assets will usually be greater than the funding or actuarial value of assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF FINANCIAL INFORMATION (CONTINUED)

At October 1, 2013, the date of the latest actuarial valuation, the actuarial value of assets set aside to pay defined benefit pension benefits was $1.59 billion for the TRF and $4.01 billion for the POFRF, for a total of $5.60 billion. The fair value of these defined benefit assets at September 30, 2013 included on the financial statements of DCRB was $1.62 billion for the TRF and $4.17 billion for the POFRF, for a total of $5.79 billion. Therefore, when viewing the actuarial funding status, the fair value of assets would provide a more favorable funding position to the actuarial value of assets as of the October 1, 2013 valuation. Again, it is important to note that during years when the actual rate of return on investments significantly exceeds the assumed rate of return on investment, the actuarial value of assets can be less than the market value of pension assets, making the funding status seem less favorable than the actual market values would have indicated.

FINANCIAL ANALYSIS SUMMARY

Net position may serve over time as a useful indication of DCRB's financial position. At the close of fiscal years 2014 and 2013, the net position of DCRB totaled $6.3 billion and $5.8 billion, respectively. The net position is available to meet DCRB's ongoing obligations to Plan participants and their survivors and beneficiaries. DCRB has weathered the financial market fluctuations over the past five years and remains a well-funded Plan with a funding status as of October 1, 2013, the date of the most recent actuarial valuation, of 103.6% for the District Retirement Funds.

ADDITIONAL INFORMATION

These financial statements present the finances of the District Retirement Funds 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, DC 20001.

FINANCIAL STATEMENTS

COMBINING STATEMENTS OF FIDUCIARY NET POSITION
As of September 30, 2014 and 2013
(Dollar amounts in thousands)

	2014			2013		
	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	$ 7,236	$ 20,164	$ 27,400	$ 26,826	$ 69,232	$ 96,058
Receivables:						
Federal Government	393	1,009	1,402	339	831	1,170
Investment sales proceeds	38,641	101,573	140,214	25,271	64,249	89,520
Interest & dividends	2,421	6,363	8,784	1,525	3,878	5,403
Employee contributions	1,949	2,800	4,749	1,718	1,862	3,580
Total receivables	43,404	111,745	155,149	28,853	70,820	99,673
Prepaid expenses	54	140	194	-	-	-
Investments at fair value:						
Domestic equity	407,220	1,070,427	1,477,647	387,487	985,128	1,372,615
International equity	529,802	1,392,460	1,922,262	500,701	1,272,960	1,773,661
Fixed income	516,152	1,356,768	1,872,920	456,696	1,161,082	1,617,778
Real estate	97,721	256,872	354,593	100,533	255,591	356,124
Private equity	178,676	469,670	648,346	184,877	470,023	654,900
Total investments at fair value	1,729,571	4,546,197	6,275,768	1,630,294	4,144,784	5,775,078
Collateral from securities lending transactions at fair value	6,885	18,097	24,982	23,566	59,912	83,478
Total assets	1,787,150	4,696,343	6,483,493	1,709,539	4,344,748	6,054,287
LIABILITIES						
Accounts payable and other liabilities	1,163	3,038	4,201	556	1,397	1,953
Retirement benefits payable to U.S. Treasury	-	-	-	21,503	9,391	30,894
Due to Federal Government	204	523	727	78	190	268
Due to District of Columbia Government	414	1,062	1,476	112	275	387
Investment commitments payable	32,426	85,237	117,663	41,162	104,649	145,811
Obligations under securities lending	6,982	18,354	25,336	23,753	60,389	84,142
Total liabilities	41,189	108,214	149,403	87,164	176,291	263,455
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 1,745,961	$ 4,588,129	$ 6,334,090	$ 1,622,375	$ 4,168,457	$ 5,790,832

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

COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the years ending September 30, 2014 and 2013
(Dollar amounts in thousands)

	2014			2013		
	Teachers' Retirement Fund	Police Officers and Firefighters' Retirement Fund	Total	Teachers' Retirement Fund	Police Officers and Firefighters' Retirement Fund	Total
ADDITIONS						
Contributions:						
District Government	$ 31,636	$ 110,766	$ 142,402	$ 6,407	$ 96,314	$ 102,721
District employees	28,751	32,821	61,572	28,129	30,581	58,710
Total contributions	60,387	143,587	203,974	34,536	126,895	161,431
Investment income:						
Net appreciation in fair value of investments	99,689	254,518	354,207	155,749	392,333	548,082
Interest and dividends	36,145	94,002	130,148	14,411	36,238	50,649
Total gross investment income	135,834	348,520	484,355	170,160	428,571	598,731
Less:						
Investment expenses	3,826	9,830	13,656	2,186	5,352	7,538
Net investment income	132,008	338,690	470,698	167,974	423,219	591,193
Securities lending income	101	267	368	199	502	702
Less: securities lending expense	24	63	87	56	140	196
Net securities lending income	78	204	282	143	362	505
Total net investment income	132,086	338,894	470,980	168,117	423,581	591,698
Other income	522	1,342	1,864	796	2,047	2,843
Total additions	192,995	483,823	676,818	203,449	552,523	755,972
DEDUCTIONS						
Benefit payments	59,832	52,784	112,616	54,180	45,656	99,836
Retirement benefits payable to U.S. Treasury	-	-	-	21,503	9,391	30,894
Refunds	5,790	1,637	7,427	5,250	1,960	7,210
Administrative expenses	3,787	9,730	13,517	3,627	8,913	12,540
Total deductions	69,409	64,151	133,560	84,560	65,920	150,480
Change in Net Position	123,586	419,672	543,258	118,889	486,603	605,492
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:						
BEGINNING OF YEAR	1,622,375	4,168,457	5,790,832	1,503,486	3,681,854	5,185,340
END OF YEAR	$ 1,745,961	$ 4,588,129	$ 6,334,090	$ 1,622,375	$ 4,168,457	$ 5,790,832

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

NOTES TO FINANCIAL STATEMENTS

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 pension Plans 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.

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 Plan 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 seven standing committees: Benefits, Strategic Planning, 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 with 20 years of departmental service, or for deferred retirement at 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 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

***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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: FUND ADMINISTRATION AND DESCRIPTION (CONTINUED)

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.

Participant Data

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

TRF	2014	2013
Retirees and survivors receiving benefits (post June 30, 1997)	3,601	3,448
Active plan members	4,499	4,379
Vested terminations	969	912
Total participants	9,069	8,739

POFRF	2014	2013
Retirees and survivors receiving benefits (post June 30, 1997)	2,365	2,183
Active plan members	5,551	5,510
Vested terminations	257	226
Total participants	8,173	7,919

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2014 and 2013 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 – The financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized by the District Retirement Funds at the time compensation is paid to fund members. Employer contributions to the District Retirement Funds 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.

GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*, provides authoritative guidance related to the accounting and financial reporting of intangible assets, including internally developed software. GASB Statement 51 was effective for periods beginning after June 15, 2009. As of September 30, 2013 the District Retirement Funds do not have any intangible assets that are required to be reported in accordance with GASB Statement 51.

GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, established the standards for recognizing, measuring, and disclosing information regarding derivative instruments and transactions. GASB Statement 53 was implemented for the year ended September 30, 2010.

GASB Statement 63 defines elements of deferred inflows and outflows as an acquisition or consumption of net assets that is applicable to a future reporting period and the term net position is defined as the difference between assets and deferred outflows less liabilities and deferred inflows. The Plan implemented the standard in 2013. However, because the Plan does not currently have deferred inflow or outflow transactions the implementation is reflected as a change of the term "Net Assets" to "Net Position" in the Financial Statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Pronouncements - GASB Statement No. 67, *Financial Reporting for Pension Plans*, was issued and is effective for periods beginning after June 15, 2013 (that is, for fiscal years ended June 30, 2014 or later). This Statement revises existing guidance for the financial reports of most pension plans for state and local governments. It replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 also enhances note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

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).

Method Used to Value Investments **–** Investments are reported at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale. All investments, with the exception of real assets, hedge funds, and private equity, are valued based on closing market prices or broker quotes. Securities not having a quoted market price have been valued based on yields currently available on comparable securities of issuers with similar credit ratings.

The fair value of investments in real assets, hedge funds or private equity, in the absence of a readily ascertainable market value, are based on management's valuation of estimates and assumptions from information and representations provided by the respective general partners.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Actuarial Data – The District Retirement Funds used the Aggregate Actuarial Cost method to determine the annual employer contribution for all Plan years through fiscal year 2012 (including the employer contribution amount for fiscal year 2013). The "Actuarial Method Amendment Act of 2012" changed the funding method from the Aggregate Actuarial Cost Method to the Entry Age Normal Cost Method as of October 1, 2012. As a result, the calculation used to determine employer contributions for fiscal year 2014 and beyond are based on the Entry Age Normal Cost Method, not the Aggregate Actuarial Cost Method. Any excess of the actuarial present value of projected benefits of the group included in an actuarial valuation over the sum of the actuarial value of assets plus the actuarial present value of employee contributions is allocated on a level basis over the earnings or service of the group between the valuation date and assumed exit date.

This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of the actuarial present value allocated to a valuation year is called the normal cost. The actuarial accrued liability is equal to the actuarial value of assets.

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 deductions to net position held in trust for pension benefits 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 $13,655,870 in 2014 and $7,538,045 in 2013. 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 readily separable, amounts are recorded and reported net of management expenses in the net appreciation/(depreciation) in the fair value of investments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 so as 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

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

(Dollars in thousands)	**2014**	**2013**
Cash and short-term investments	$ 27,400	$ 96,058
Investments at fair value:		
Domestic equity	1,477,647	1,372,615
International equity	1,922,262	1,773,661
Fixed income	1,872,920	1,617,778
Real estate	354,593	356,124
Private equity	648,346	654,900
Total investments at fair value	6,275,768	5,775,078
Total	$ 6,303,168	$ 5,871,136

Money-weighted rate of return – As of September 30, 2014, this is the return data for the Fund, as presented based on a money-weighted rate of return methodology as calculated by the custodian.

Investment Performance	FY 2014
Total Portfolio	8.178%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

Debt Instruments **–** As of September 30, 2014, the Investment Pool held the following debt instruments:

(Dollars in thousands)

Investment Type	Fair Value	% of Segment	Duration	Rating*
US Agency	$ 20,322	1.09%	4.64	AA+
Asset Backed	5,787	0.31%	2.46	AA+
Bank Loans	108,393	5.79%	4.69	NR
CMBS	2,748	0.15%	3.13	AA+
CMO	7,586	0.41%	5.49	AA+
Corporate	469,896	25.09%	5.01	BB
Foreign	379,422	20.26%	2.70	AA+
Mortgage Pass-Through	177,148	9.46%	4.39	AA+
Municipal	13,739	0.73%	10.01	AA-
Unclassified	2,470	0.13%	2.26	AA+
US Treasury	657,401	35.10%	5.55	AA+
Yankee	16,305	0.87%	6.88	A
Other	11,703	0.62%	N/A	NR
Total Fixed Income	$ 1,872,920	100.00%		

* Using quality ratings provided by Standard & Poor's

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

As of September 30, 2013, the Investment Pool held the following debt instruments:

(Dollars in thousands)

Investment Type	Fair Value	% of Segment	Duration	Rating*
US Agency	$ 26,394	1.63%	4.30	AA
Asset Backed	4,794	0.30%	1.86	AA
Bank Loans	81,451	5.03%	5.92	NR
CMBS	812	0.05%	0.67	AAA
CMO	9,907	0.61%	7.51	AAA
Corporate (Investment grade and non-investment grade)	327,275	20.23%	4.92	BBB-
Euro	679	0.04%	0.66	BB+
Foreign (Developed markets and emerging markets)	296,174	18.31%	5.23	A
Mortgage Pass-Through	222,258	13.74%	4.57	AA+
Municipal	15,066	0.93%	9.92	AA
Unclassified	20,493	1.27%	6.77	NR
US Treasury	587,427	36.31%	6.44	AA+
Yankee	15,491	0.96%	4.87	AA
Other	9,557	0.59%	N/A	NR
Total Fixed Income	$ 1,617,778	100.00%		

* Using quality ratings provided by Standard & Poor's

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 US 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

As of September 30, 2014, 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	Swaps	Total
Australian Dollar	$ (357)	$ -	$ 6,037	$ -	$ 754	$ 6,434
Brazilian Real	-	-	-	-	(40)	(40)
Canadian Dollar	-	-	2,256	-	-	2,256
Danish Krone	-	1,318	-	-	-	1,318
Euro	8,377	50,731	15,451	20,972	(24)	95,507
Hong Kong Dollar	-	6,745	-	-	-	6,745
Japanese Yen	238	36,111	-	-	(170)	36,179
Mexican Peso	7	-	-	-	88	95
Pound Sterling	(14)	5,968	937	-	-	6,891
Swedish Krona	-	4,969	-	-	-	4,969
Swiss Franc	-	10,557	-	-	-	10,557
Total Foreign	$ 8,251	$ 116,399	$ 24,681	$ 20,972	$ 608	$ 170,911

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

As of September 30, 2013, 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					
			Fixed	Private		
	Cash	Equities	Income	Equity	Swaps	Total
Australian Dollar	$ 1	$ 1,134	$ -	$ -	$ 87	$ 1,222
Brazilian Real	-	-	-	-	(493)	(493)
Canadian Dollar	207	-	2,159	-	21	2,387
Euro	7,287	54,663	11,153	26,836	(95)	99,844
Hong Kong Dollar	-	6,848	-	-	-	6,848
Japanese Yen	101	31,300	-	-	(68)	31,333
Pound Sterling	-	4,722	1,516	-	-	6,238
South Korean Won	-	1,265	-	-	-	1,265
Swedish Krona	-	6,763	-	-	-	6,763
Swiss Franc	-	10,057	-	-	-	10,057
Total Foreign	$ 7,596	$ 116,752	$ 14,828	$ 26,836	$ (548)	$ 165,464

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.

During 2014 and 2013, 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 market value of the loaned security in the United States; or (ii) 105% of the market 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2014 or 2013.

During 2014 and 2013, 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 2014 and 2013.

The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in the Quality D Fund which is comprised of a liquidity pool and a duration pool. As of September 30, 2014 the liquidity pool had an average duration of 39.86 days and an average weighted final maturity of 111.67 days for USD collateral. As of this date the duration pool had an average duration of 41.98 days and an average weighted final maturity of 2,263.38 days for USD collateral. Because the securities lending transactions were terminable at will their duration did not generally match the duration of the investments made with the cash collateral received from the borrower. Investments in the liquidity pool are restricted to issuers with a short-term credit rating not lower than A1/P1, or long-term ratings not lower than A-/A3, or the equivalent thereof. In addition, investments have a remaining final maturity of no more than 18 months. The liquidity pool will have a dollar-weighted average maturity of no more than 75 calendar days and a dollar-weighted average maturity to final not to exceed 180 calendar days. The Quality D Fund may invest up to 10% of its assets at the time of purchase in other investment vehicles managed by the investment management division of the master custodian provided they conform to fund guidelines. On September 30, 2014 and 2013, the Board had no credit risk exposure to borrowers.

As of September 30, 2014 the fair value (USD) of securities on loan was $24,726,473. Associated collateral totaling $25,336,553 was comprised of cash which was invested in the Quality D Fund. As of September 30, 2014 the invested cash collateral had a fair value of $24,981,841.

As of September 30, 2013 fair value (USD) of securities on loan was $83,900,215. Associated collateral totaling was $84,142,627 was comprised of cash which was invested in the Quality D Fund. As of September 30, 2013 the invested cash collateral had a fair value of $83,477,900.

During the fiscal year ended September 30, 2014 and 2013, market value of the shares in the Quality D Fund purchased with cash collateral by the lending agent was less than the cost, resulting in unrealized losses of $354,712 and $664,727, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

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. Security lending income for fiscal years 2014 and 2013 was recorded on a cash basis which approximated the accrual basis. The Fund's share of securities lending income and expense are on page 37.

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 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 2014 and 2013, 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. See pages 56 and 57 for a list of the derivatives aggregated by type and see below for a description of these derivatives.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

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 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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

The following is a list of derivatives aggregated by type as of September 30, 2014:

	Changes in Fair Value (4)		Fair Value at September 30, 2014		
Investment Derivatives	Classification	Amount (1)	Classification	Amount (2)	Notional (3)
Credit Default Swaps Bought	Investment Revenue	$ (773,258)	Swaps	$ 281,540	$ 15,706,896
Credit Default Swaps Written	Investment Revenue	(165,052)	Swaps	288,992	36,616,396
Fixed Income Futures Long	Investment Revenue	713,035	Futures	-	2,900,000
Fixed Income Futures Short	Investment Revenue	(2,071,641)	Futures	-	(20,078,233)
Fixed Income Options Bought	Investment Revenue	(205,199)	Options	98,513	2,100,000
Fixed Income Options Written	Investment Revenue	515,459	Options	(224,826)	(42,773,378)
Foreign Currency Options Written	Investment Revenue	(82,886)	Options	(181,392)	(13,561,071)
Futures Options Written	Investment Revenue	71,643	Options	-	-
FX Forwards	Investment Revenue	1,400,267	Long Term Instruments	1,059,501	96,764,033
Pay Fixed Interest Rate Swaps	Investment Revenue	(1,191,411)	Swaps	323,261	37,393,299
Receive Fixed Interest Rate Swaps	Investment Revenue	835,731	Swaps	873,499	38,993,497
Rights	Investment Revenue	-	Common Stock	-	-
Warrants	Investment Revenue	166,514	Common Stock	166,527	$ 352
Grand Totals		$ (786,798)		$ 2,685,616	

(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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: INVESTMENTS (CONTINUED)

The following is a list of derivatives aggregated by type as of September 30, 2013:

	Changes in Fair Value (4)		Fair Value at September 30, 2013		
Investment Derivatives	Classification	Amount (1)	Classification	Amount (2)	Notional (3)
Credit Default Swaps Bought	Investment Revenue	$ (847,227)	Swaps	$ 646,094	36,312,001
Credit Default Swaps Written	Investment Revenue	(6,243)	Swaps	226,944	13,500,000
Fixed Income Futures Long	Investment Revenue	121,240	Futures	-	33,250,000
Fixed Income Futures Short	Investment Revenue	(4,429)	Futures	-	(11,080,444)
Fixed Income Options Bought	Investment Revenue	(11,021)	Options	303,713	2,100,000
Fixed Income Options Written	Investment Revenue	501,464	Options	(334,689)	(42,609,714)
Foreign Currency Options Bought	Investment Revenue	(21,941)	Options	-	-
Foreign Currency Options Written	Investment Revenue	49,376	Options	-	-
Futures Options Bought	Investment Revenue	4,062	Options	-	-
Futures Options Written	Investment Revenue	21,263	Options	-	-
FX Forwards	Investment Revenue	(226,234)	Long Term Instruments	(67,600)	46,440,388
Pay Fixed Interest Rate Swaps	Investment Revenue	1,619,308	Swaps	1,233,514	26,891,720
Receive Fixed Interest Rate Swaps	Investment Revenue	(748,031)	Swaps	(385,288)	27,595,263
Rights	Investment Revenue	222,624	Common Stock	-	-
Warrants	Investment Revenue	(31,114)	Common Stock	13	2,142
Grand Totals		$ 643,097		$ 1,622,701	

(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) Excl. futures margin payments

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: COMMITMENTS

As of September 30, 2014, the District Retirement Funds have entered into investment funding commitments related to alternative investments to fund an additional $274,611,591 at some future date.

NOTE 6: ACTUARIAL INFORMATION

The District Retirement Funds used the Aggregate Actuarial Cost method to determine the annual employer contribution for all Plan years through fiscal year 2012 (including the employer contribution amount for fiscal year 2013). The "Actuarial Method Amendment Act of 2012" changed the funding method from the Aggregate Actuarial Cost Method to the Entry Age Normal Cost Method as of October 1, 2012. As a result, the calculation used to determine employer contributions for fiscal year 2014 and beyond are based on the Entry Age Normal Cost Method, not the Aggregate Actuarial Cost Method.

The funded status of each Plan, under the Entry Age Normal Actuarial Cost Method as of October 1, 2013, the most recent actuarial valuation date, is as follows:

(Dollars in thousands)

Plan	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
Teachers	$ 1,585,775	$ 1,759,043	$ 173,268	90.1%	$ 369,071	46.95%
Fire & Police	$ 4,013,534	$ 3,644,085	$ (369,449)	110.1%	$ 413,380	-89.37%

The funded status of each Plan, under the Entry Age Normal Actuarial Cost Method as of October 1, 2012 is as follows:

(Dollars in thousands)

Plan	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
Teachers	$ 1,585,626	$ 1,680,548	$ 94,922	94.4%	$ 381,235	24.90%
Fire & Police	$ 3,804,853	$ 3,456,976	$ (347,877)	110.1%	$ 414,877	-83.85%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: ACTUARIAL INFORMATION (CONTINUED)

Fiscal year 2014 employer contributions required under the Entry Age Normal Cost Method and contributions made are as follows:

(Dollars in thousands)	Based on Actuarial Valuation Date October 1	Annual Required Contribution	Percentage Contributed
Teachers	2012	$ 31,636	100.0%
Fire and Police	2012	110,766	100.0%

Fiscal year 2013 employer contributions required under the Entry Age Normal Cost Method and contributions made are as follows:

(Dollars in thousands)	Based on Actuarial Valuation Date October 1	Annual Required Contribution	Percentage Contributed
Teachers	2011	$ 6,407	100.0%
Fire and Police	2011	96,314	100.0%

The calculation of the actuarial value of assets includes a smoothing of investment gains and losses over a seven year period. For the year ended September 30, 2014 and 2013, the District Retirement Funds experienced an investment gain of 8.1% and 11.4%, respectively. The difference between these investment gains and the assumed rate of 6.50% will be recognized over the next seven years and will have an impact on the funding ratio in the future.

See the Required Supplementary Information (RSI) section for the schedule of employer contributions.

The funding progress and employer contribution information presented above and the employer contribution information in the RSI schedule were determined as part of the actuarial valuations at the date indicated. As discussed in *Note 3: Summary of Significant Accounting Policies,* the "Actuarial Method Amendment Act of 2012" changed the funding method from the Aggregate Actuarial Cost Method to the Entry Age Normal Cost Method as of October 1, 2012. As a result, the calculation used to determine employer contributions for fiscal year 2014 and beyond are based on the Entry Age Normal Cost Method, not the Aggregate Actuarial Cost Method.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: ACTUARIAL INFORMATION (CONTINUED)

The following is additional information for the District Retirement Funds as of the valuation date October 1, 2013 and 2012:

	2013	2012
Actuarial cost method for contributions	Entry Age Normal	Entry Age Normal
Actuarial cost method for accrued liabilities	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	19 years	20 years
Asset valuation method	7 year smoothed market return	7 year smoothed market return
Actuarial assumptions:		
Investment rate of return	6.50%	6.50%
Projected salary increases:		
Police Officers and Fire Fighters	4.75-9.25%	4.75-9.25%
Teachers	4.45-8.25%	4.45-8.25%
Includes inflation at	3.50%	3.50%
Cost-of-living adjustments (COLAs)	3.50%	3.50%
COLAs for Post November 10, 1996 hires	Limited to 3.00%	Limited to 3.00%

NOTE 7: NET PENSION LIABILITY/(ASSET)

The components of the net pension liability/(asset) of the Fund at September 30, 2014, were as follows:

(Dollars in thousands)

	TRF	POFRF
Total Pension Liability	$ 1,856,034	$ 4,000,863
Fiduciary Net Position	1,745,961	4,588,129
Net Pension Liability/(Asset)	$ 110,073	$ (587,266)
Ratio of Fiduciary Net Position to Total Pension Liability/(Asset)	94.07%	114.68%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: NET PENSION LIABILITY/(ASSET) (CONTINUED)

Actuarial Assumptions. The total pension liability was determined based on an actuarial valuation as of October 1, 2013, repetition using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of September 30, 2014:

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.

Police and Firefighters' Retirement Fund	
Inflation	3.5 percent
Salary increases	4.45 - 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, 2013 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: NET PENSION LIABILITY/(ASSET) (CONTINUED)

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.

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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 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%
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%
Infrasturcture	2.0%	5.7%
Private Equity	8.0%	7.3%
Hedge Funds	10.0%	3.4%
Total	100.0%	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: 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 Plan, for the Teachers' Retirement Fund (TRF) and the Police Officers and Firefighters' Retirement Fund (POFRF), respectively, 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 1-percentage point lower (5.5 percent) or 1-percentage point higher (7.5 percent) than the current rate:

(Dollars in thousands)

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Teachers' Plan's Net Pension Liability/(Asset)	$ 414,305	$ 110,073	$ (134,985)

(Dollars in thousands)

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Police and Firefighters' Plan's Net Pension Liability/(Asset)	$ 130,907	$ (587,266)	$ (1,165,043)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8: RETIREMENT BENEFITS PAYABLE TO U.S. TREASURY

During 2013, the U.S. Treasury completed a reconciliation project that compared the estimated District benefit payments received by the U.S. Treasury for the District's portion of annuitant benefit payments made between October 1, 1997 and December 31, 2007 to the amount of total District benefit payments actually disbursed by the U.S. Treasury for the same period. The reconciliation results were audited by the independent auditing firm of Lani Eko & Company, CPAs who issued an unmodified ("clean") audit opinion on the reconciliation.

This reconciliation of District benefit payments was conducted in accordance with various Memoranda of Understanding and letters of agreement between the U.S. Treasury, the District of Columbia government and DCRB. The methodology for calculating the District's portion of annuitant benefit payments was governed by the Balanced Budget Act of 1997, as amended, and the U.S. Treasury's regulations published in Subpart C of 31 CFR Part 29, Split Benefit Regulations.

Under provisions detailed in the Balance Budget Act of 1997, the U.S. Treasury assumed financial responsibility for a specific population of annuitants for both the Teachers and Police Officers and Firefighters' retirement Plans. Generally, the U.S. Treasury assumed the liability for retirement benefits earned through June 30, 1997 (the "split" date) and the District assumed the liability for service earned thereafter. To account for these shared or split benefit payments, the U.S. Treasury developed and implemented a software system to calculate the respective split benefit payment liabilities. Until the time that the system was fully implemented, December 31, 2007, the District made estimated payments to cover their portion of the annuitants' benefits payments during this interim period.

The total benefit payments paid during this interim period totaled $791,864,131 and the District's adjusted portion totaled $175,259,446. The amount of estimated payments provided by DCRB to the U.S. Treasury for this same period totaled $144,365,632, leaving an amount due to the U.S. Treasury of $30,893,814. The U.S. Treasury invoiced the District for this amount on June 20, 2013.

DCRB accrued this liability as of September 30, 2013 on the Statement of Fiduciary Net Position under Retirement benefits payable to the U.S. Treasury. In addition, the expense was recorded in fiscal year 2013 and is reflected in the Statement of Changes in Fiduciary Net Position. The portion of the liability and expense attributed to the Teachers' Retirement Fund was $21,503,251 and the portion attributed to the Police Officers and Firefighters' Fund was $9,390,563. The payment was made to the U.S. Treasury on March 31, 2014.

FINANCIAL SECTION - REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

Teachers' Retirement Fund

	September 30, 2014
Total pension liability	
Service Cost	$ 50,409
Interest	112,204
Benefit changes	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefits payments	(59,832)
Refunds of contributions	(5,790)
Net change in total pension liability	96,991
Total pension liability - beginning	1,759,043
Total pension liability - ending (a)	1,856,034
Plan net position	
Contributions - employer	31,636
Contributions - member	28,751
Net investment income	132,086
Benefits payments	(59,832)
Administrative expense	(3,787)
Refunds of contributions	(5,790)
Other	522
Net change in plan net position	123,586
Plan net position - beginning	1,622,375
Plan net position - ending (b)	1,745,961
Net pension liability - ending (a) - (b)	$ 110,073
Ratio of plan net position to total pension liability -- (b) / (a)	94.07%
Covered employee payroll	$ 378,926
Net pension liability as a percentage of covered-employee payroll	29.05%

Notes to schedule:
Changes in Benefit Terms. A new benefit tier was added for members joining the System on and after November 1, 1996.

Changes in actuarial assumptions and methods. The following changes to the actuarial assumptions were made as identified: 1) In 2012, many economic assumptions were changed including the assumed investment rate of return which was decreased from 7.0% to 6.5%. 2) Many demographic assumptions were also changed as a result of an experience study dated November 7, 2011. 3) The actuarial cost method was changed from the aggregate method to the entry age normal method. 4) A funding policy was adopted which changed the amortization methodology to a level dollar payment over a closed period of 20 years. The minimum employer contribution was established as the lesser of the entry age normal cost of the current employee contribution rate.

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

Required Supplementary Information

SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

Police and Firefighters' Retirement Fund

	September 30, 2014
Total pension liability	
Service Cost	$ 176,102
Interest	235,097
Benefit changes	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefits payments	(52,784)
Refunds of contributions	(1,637)
Net change in total pension liability	356,778
Total pension liability - beginning	3,644,085
Total pension liability - ending (a)	4,000,863
Plan net position	
Contributions - employer	110,766
Contributions - member	32,821
Net investment income	338,894
Benefits payments	(52,784)
Administrative expense	(9,730)
Refunds of contributions	(1,637)
Other	1,342
Net change in plan net position	419,672
Plan net position - beginning	4,168,457
Plan net position - ending (b)	4,588,129
Net pension liability/(asset) - ending (a) - (b)	$ (587,266)
Ratio of plan net position to total pension liability – (b) / (a)	114.68%
Covered employee payroll	$ 426,135
Net pension liability/(asset) as a percentage of covered-employee payroll	(137.81)%

Notes to schedule:
Changes in Benefit Terms. A new benefit tier was added for members joining the System on and after November 10, 1996.

Changes in actuarial assumptions and methods. The following changes to the actuarial assumptions were made as identified: 1) In 2012, many economic assumptions were changed including the assumed investment rate of return which was decreased from 7.0% to 6.5%. 2) Many demographic assumptions were also changed as a result of an experience study dated November 7, 2011. 3) The actuarial cost method was changed from the aggregate method to the entry age normal method. 4) A funding policy was adopted which changed the amortization methodology to a level dollar payment over a closed period of 20 years. The minimum employer contribution was established as the lesser of the entry age normal cost of the current employee contribution rate.

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

Required Supplementary Information
SCHEDULES OF EMPLOYER CONTRIBUTIONS
(Dollar amounts in thousands)

Teachers' Retirement Fund

	2014	2013	2012	2011	2010
Actuarially determined employer contribution	$ 31,636	$ 6,407	$ -	$ -	$ -
Actual employer contributions	31,636	6,407	-	-	-
Annual contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	378,926	369,071	381,235	384,455	337,516
Actual contributions as a percentage of covered-employee payroll	8.35%	1.74%	0.00%	0.00%	0.00%

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 2014 are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	7-year smoothed market
Inflation	3.50%
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)

Required Supplementary Information

SCHEDULES OF EMPLOYER CONTRIBUTIONS (CONTINUED)

(Dollar amounts in thousands)

Teachers' Retirement Fund

	2009	2008	2007	2006	2005
Actuarially determined employer contribution	$ -	$ 6,000	$ 14,600	$ 15,500	$ 9,200
Actual employer contributions	-	6,000	14,600	15,500	9,200
Annual contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	336,600	359,100	349,900	322,300	326,000
Actual contributions as a percentage of covered-employee payroll	0.00%	1.67%	4.17%	4.81%	2.82%

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 2014 are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	7-year smoothed market
Inflation	3.50%
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)

Required Supplementary Information

SCHEDULES OF EMPLOYER CONTRIBUTIONS (CONTINUED)

(Dollar amounts in thousands)

Police and Firefighters' Retirement Fund

	2014	2013	2012	2011	2010
Actuarially determined employer contribution	$ 110,766	$ 96,314	$ 116,700	$ 127,200	$ 132,300
Actual employer contributions	110,766	96,314	116,700	127,200	132,300
Annual contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	426,135	413,380	414,877	421,221	423,854
Actual contributions as a percentage of covered-employee payroll	25.99%	23.30%	28.13%	30.20%	31.21%

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 2014 are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	7-year smoothed market
Inflation	3.50%
Salary increases	4.45% 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 11/1/1996)

Required Supplementary Information

SCHEDULES OF EMPLOYER CONTRIBUTIONS (CONTINUED)

(Dollar amounts in thousands)

Police and Firefighters' Retirement Fund

	2009	2008	2007	2006	2005
Actuarially determined employer contribution	$ 106,000	$ 137,000	$ 140,100	$ 117,500	$ 112,100
Actual employer contributions	106,000	137,000	140,100	117,500	112,100
Annual contribution deficiency (excess)	-	-	-	-	-
Covered-employee payroll	436,100	421,950	396,300	351,000	339,000
Actual contributions as a percentage of covered-employee payroll	24.31%	32.47%	35.35%	33.48%	33.07%

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 2014 are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	7-year smoothed market
Inflation	3.50%
Salary increases	4.45% 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 11/1/1996)

Required Supplementary Information
SCHEDULE OF INVESTMENT RETURNS

Annual Money-Weighted Rate of Return

Investment Performance	FY 2014
Total Portfolio	8.178%

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

FINANCIAL SECTION - SUPPLEMENTARY INFORMATION

Supplementary Information
SCHEDULE OF FUNDING PROGRESS
(Dollar amounts in thousands)

Until September 30, 2011, the District of Columbia Retirement Board used the Aggregate Actuarial Cost Method, which does not result in the calculation of an unfunded accrued liability. The numbers shown below have been determined based on the Entry Age Normal Cost Method.

Actuarial Valuation Date	Actuarial Value of Assets	EAN Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a percent of Payroll
10/1/2007						
Teachers	$1,396.0	$1,251.3	$(144.7)	111.6%	$374.9	-38.6%
Fire & Police	2,672.9	2,647.3	(25.6)	101.0%	396.3	-6.5%
Total	$4,068.9	$3,898.6	$(170.3)	104.4%	$771.2	-22.1%
10/1/2008						
Teachers	$1,447.6	$1,338.0	$(109.6)	108.2%	$359.3	-30.5%
Fire & Police	2,932.1	2,938.8	6.7	99.8%	422.0	1.6%
Total	$4,379.7	$4,276.8	$(102.9)	102.4%	$781.2	-13.2%
10/1/2009						
Teachers	$1,445.0	$1,304.5	$(140.5)	110.8%	$336.6	-41.7%
Fire & Police	$3,048.4	$3,027.9	$(20.5)	100.7%	$436.1	-4.7%
Total	$4,493.4	$4,332.4	$(161.0)	103.7%	$772.7	-20.8%
10/1/2010						
Teachers	$1,571.0	$1,328.3	$(242.7)	118.3%	$337.5	-71.9%
Fire & Police	3,418.8	3,166.8	(252.0)	108.0%	423.9	-59.4%
Total	$4,989.8	$4,495.1	$(494.7)	111.0%	$761.4	-65.0%
10/1/2011						
Teachers	$1,573.7	$1,544.9	$ (28.8)	101.9%	$384.5	-7.5%
Fire & Police	3,593.7	3,309.8	(283.9)	108.6%	421.2	-67.4%
Total	$5,167.4	$4,854.7	$(312.7)	106.4%	$805.7	-38.8%
10/1/2012						
Teachers	$1,585.6	$1,680.5	$ 94.9	94.4%	$381.2	24.9%
Fire & Police	3,804.9	3,457.0	(347.9)	110.1%	414.9	-83.9%
Total	$5,390.5	$5,137.5	$(253.0)	104.9%	$796.1	-31.8%
10/1/2013						
Teachers	$1,585.8	$1,759.0	$ 173.3	90.1%	$369.1	46.9%
Fire & Police	4,013.5	3,644.1	(369.5)	110.1%	413.4	-89.4%
Total	$5,599.3	$5,403.1	$(196.2)	103.6%	$782.5	-25.1%

Supplementary Information

SCHEDULES OF ADMINISTRATIVE EXPENSES

	2014	2013
Personal services		
Salaries	$ 4,401,050	$ 3,955,243
Fringe benefits	1,243,960	1,135,431
Total personal services	5,645,010	5,090,674
Non-personal services		
Office supplies	115,479	187,114
Telephone	56,417	50,320
Rent	1,553,897	1,513,248
Travel	180,854	176,771
Professional fees	4,292,365	3,789,821
Postage	24,902	137,543
Printing	14,888	91,396
Insurance	121,055	113,691
Dues & memberships	34,099	28,071
Audit costs	48,500	75,940
Actuarial fees	66,077	145,531
Legal fees	364,876	529,457
Investment fees	12,788,148	6,586,544
Contractual services (STAR)	871,995	940,705
Equipment and rental	994,762	618,653
Depreciation	-	3,164
Total non-personal services	21,528,314	14,987,969
Total administrative expenses	27,173,324	20,078,643
Investment expenses	(13,655,870)	(7,538,044)
Net administrative expenses	$ 13,517,454	$ 12,540,598

Supplementary Information
SCHEDULES OF INVESTMENT EXPENSES

	2014	2013
Investment managers*	$ 11,400,214	$ 5,498,505
Investment administrative expense	867,722	933,637
Investment consultants	1,018,869	974,522
Investment custodian	369,065	131,380
Total investment expenses	$ 13,655,870	$ 7,538,044

* Fees paid to traditional investment managers only; traditional investment managers are those that invest primarily in public equity and fixed income securities. A signficant 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.

Supplementary Information

SCHEDULES OF PAYMENTS TO CONSULTANTS

Professional/Consultant	Nature of Service	2014	2013
Administrative Consultants			
U.S. Treasury Office of D.C. Pensions	Benefit payment processing	$ 891,622	$ 940,705
Valsatech	Information technology consulting	297,064	231,815
Avitecture	Information technology consulting	270,694	7,995
Networking for Future	Information technology consulting	252,911	-
Morgan, Lewis & Brokius	Legal counsel	249,180	404,297
Tony Phan	Information technology consulting	227,220	155,680
Ectam, LLC	Information technology consulting	197,900	10,080
Managed Frameworks, LLC	Information technology consulting	172,469	20,086
Gartner, Inc.	Information technology consulting	171,000	83,010
Telecommunications Development Corporation	Information technology consulting	158,800	75,760
D.C. Office of the Chief Technology Officer	Information technology consulting	138,023	1,386,082
DLT Solutions, Inc.	Information technology consulting	127,323	303,011
Mobomo, LLC	Information technology consulting	120,232	74,875
AON Consulting	Insurance consulting	112,290	113,691
Document Access Systems	Information technology consulting	97,200	91,280
Robert Half International, Inc.	Information technology consulting	69,477	5,620
TW Telecom	Information technology consulting	68,087	-
Leslie Randle	Information technology consulting	67,337	-
Cavanaugh Macdonald Consulting	Actuarial services	66,077	142,031
Mark Jackson	Information technology consulting	63,189	-
Newlin LLC	Accounting & audit consulting	62,955	98,708
National Associates, Inc.	Information technology consulting	62,598	15,990
Equinix, Inc.	Information technology consulting	60,155	44,906
Icore Networks, Inc.	Information technology consulting	52,767	-
Linea Solutions, Inc.	Business process re-engineering	51,833	127,456
Clifton Larsen Allen	Financial audit	51,500	91,000
Groom Law Group	Legal counsel	51,187	159,029
Worldwide Staffing Exchange	Information technology consulting	49,260	15,680
Sebastian Podesta	Professional Services	40,898	-
Christina Lipscombe	Information technology consulting	40,800	18,900
American Arbitration Association	Arbitration services	39,466	57,561
RSM McGladrey, Inc.	Financial system consulting	37,413	30,958
Capital Document Solutions	Information technology consulting	30,273	26,948
Yvonne Lesesne	Temporary Staffing Services	27,720	-
EDAC Systems, Inc.	Information technology consulting	25,715	12,684
Midtown Personnel Inc.	Information technology consulting	25,127	14,284
Yared Desta	Information technology consulting	25,080	-
eVestment Alliance	Online Investment Service	20,800	-
ASI Government, Inc.	Temporary Staffing Services	20,775	-
Kofax, Inc.	Information technology consulting	15,516	15,438
Intuitive Technology Group, LLC	Information technology consulting	13,177	17,240
ZixCorp Systems, Inc.	Information technology consulting	11,564	11,564
HBP, Inc.	Graphic design for publications	10,250	-
True Ballot, Inc	Board elections	8,950	20,000
NGEN, LLC	Information technology consulting	-	149,477
CEM Benchmarking, Inc.	Define Benefit Investment Cost Effective Analysis	-	50,000
D.C. Department of Human Resources	Information technology consulting	-	27,660
Steven T. Van Rees, Sr.	Procurement consulting	-	17,716
Total administrative consultants		4,653,873	5,069,217
Investment Consulting			
Cliffwater, LLC	Traditional investment consulting	718,280	707,855
Meketa Investment Group	Traditional investment consulting	276,839	241,667
Zeno Consulting Group, LLC	Traditional investment consulting	23,750	25,000
Total investment consultants		1,018,869	974,522
Total payments to consultants		$ 5,672,742	$ 6,043,739

INVESTMENT SECTION

REPORT ON INVESTMENT ACTIVITY

Prepared by Sheila Morgan-Johnson, Chief Investment Officer

INTRODUCTION

The District of Columbia Retirement Board, a defined benefit plan, manages and controls the assets of the Teachers' Retirement Fund and the Police Officers and Firefighters' Retirement Fund. The Board is charged by law with responsibility for the investment of these assets. The Board retains the services of independent investment consultants who possess specialized experience and resources in asset allocation, investment strategy and investment manager selection. The Board's traditional investment managers acknowledge their fiduciary responsibility in writing. Investment managers are accorded full discretion within general and specific investment manager policy guidelines.

INVESTMENT OBJECTIVES AND POLICIES

The Board targets investment returns that meet or exceed the actuarial investment return target at a level of risk commensurate with the target return and consistent with prudent investment practices. The current actuarial investment return target is 6.5%, net of investment management fees and administrative expenses. In addition to meeting or exceeding the actuarial return target over the long-term, a secondary return objective is to exceed the annualized total return of the Board's strategic asset allocation benchmark (the "Policy Benchmark").

As of September 30, 2014, the Policy Benchmark included the following components:

Asset Class	Performance Benchmark	Weight
Fixed Income	Fixed Income Benchmark[1]	27%
U.S. Equities	Russell 3000 Index	21%
International Developed Markets Equities	MSCI World Index ex-U.S. (net)	18%
Emerging Markets Equities	MSCI Emerging Markets Index (net)	9%
Absolute Return	1-Month LIBOR	10%
Private Equity	Cambridge Associates U.S. Private Equity Index (lag)	8%
Real Assets	CPI-U + 700 bps	7%

As a long-term investor, the Board believes that it can generate the highest risk-adjusted returns through a diversified portfolio with an emphasis on equity investments. Although equities are generally more volatile than other asset classes in the short-term, if properly diversified, they are expected to yield higher total returns in the long-term. In addition, while the Board generally believes in the value of active management, it utilizes lower-cost passive investment strategies (e.g., index funds) in more efficient markets where active managers have a lower likelihood of generating excess returns.

FISCAL YEAR 2014 GLOBAL MARKET REVIEW

Global equity markets extended their recovery streak to a fifth year in the aftermath of the global financial crisis. U.S. stock markets rallied nearly 11% during the final (calendar) quarter of 2013 as investors shrugged off the government shutdown in October and U.S. unemployment rates dropped to 7%.

[1] The Fixed Income Benchmark is a composite of 49% BC U.S. Aggregate Index, 15% BC U.S. TIPS Index, 11% BC U.S. High-Yield Index, 11% CSFB Levered Loan Index; 7% BC Global Aggregate ex U.S. Index, and 7% JPM GBI-EM Global Diversified Index.

REPORT ON INVESTMENT ACTIVITY

FISCAL YEAR 2014 GLOBAL MARKET REVIEW (CONTINUED)

Despite a fair amount of market volatility based on geopolitical worries, U.S. stocks saw a small gain during the first quarter of 2014, while non-U.S. markets were nearly unchanged during the first quarter. Markets continued their upward trend with a strong rally in the second quarter, with global equity markets rising 5% (in U.S. dollars). In the third quarter, U.S. equity markets held steady while other developed and emerging markets experienced declines of 5.7% and 3.5%, respectively, led by renewed concerns about economic growth potential in Europe and Asia.

In terms of the cumulative performance over the course of fiscal year 2014 (ending September 30, 2014), the Russell 3000 Index, an index that measures the performance of the 3,000 largest U.S. companies and represents approximately 98% of the U.S. equity market, increased 17.8%. International developed equity markets, as measured by the MSCI World ex U.S. Index, rose 4.9% in U.S. dollar terms, while emerging markets, as measured by the MSCI Emerging Markets Index, generated a 4.3% return in U.S. dollar terms. The Barclays Capital U.S. Aggregate Bond Index, a broad measure of U.S. fixed income markets, rose by 3.1%, driven by a small decline in U.S. interest rates.

FISCAL YEAR 2014 INVESTMENT RESULTS

As of September 30, 2014, the Fund's total net assets stood at $6.3 billion after the payment of all benefits and administrative expenses, an increase of approximately $540 million compared to the end of fiscal year 2013. The Fund generated a net return of 8.2%, underperforming the Total Fund Benchmark by 0.5%. At the same time, the Fund outperformed the actuarial return target of 6.5% by 1.7%. The actuarial return target is the annual net investment return the Board hopes to generate over the long-term.

The underperformance relative to the Total Fund Benchmark was driven by the Fund's asset allocation, i.e., the division of investments across stocks, bonds, and other asset classes. When compared to the Total Fund Benchmark, this relative performance was hurt by an underweight to Private Equity investments, which generated a benchmark return of 22.0% during the fiscal year, and an overweight to Emerging Markets Stocks and Fixed Income investments, which generated benchmark returns of 4.3% and 3.1%, respectively. In addition, below-average returns from the Fund's real estate portfolio also contributed to underperformance.

The outperformance relative to the actuarial return target resulted from the Board's investments in U.S. stocks (17.5% for the fiscal year), private equity (23.0%), and infrastructure (12.8%). In aggregate, 31.5% of the Fund's assets were invested in these asset classes at the end of the fiscal year.

Since its inception in October 1982, the Fund has underperformed the Total Fund Benchmark by roughly 1% per year, but has exceeded the actuarial return target by approximately 2.6% per year over the last 32 years.

Exhibit 1 shows the gross returns for the Fund and each asset class over the one, three, five, and ten-year time periods ending September 30, 2014. The returns were calculated by the Board's custodian bank, State Street, and are time-weighted returns computed in compliance with the CFA Institute's Global Investment Performance Standards (GIPS). Benchmark returns are presented below showing each asset class for relative performance comparison purposes.

REPORT ON INVESTMENT ACTIVITY

EXHIBIT 1
Investment Performance (Gross of Fees) as of September 30, 2014

Asset Class	1-Year	3-Year	5-Year	10-Year
Total Fund	**8.4%**	**11.4%**	**9.4%**	**6.5%**
Total Fund Benchmark[1]	*8.7%*	*11.0%*	*9.1%*	*7.2%*
Cash and Cash Equivalents	**0.1%**	**0.1%**	**0.2%**	**1.9%**
3-month U.S. Treasury Bills	*0.1%*	*0.1%*	*0.1%*	*1.6%*
Fixed Income	**2.9%**	**3.3%**	**5.2%**	**4.9%**
Fixed Income Benchmark[2]	*3.1%*	*2.7%*	*4.3%*	*4.7%*
U.S. Equities	**17.5%**	**23.5%**	**16.0%**	**8.3%**
Russell 3000 Index	*17.8%*	*23.1%*	*15.8%*	*8.4%*
International Developed Markets Equities	**5.3%**	**13.5%**	**7.6%**	**7.7%**
MSCI World Index ex U.S.(net)	*4.9%*	*13.2%*	*7.1%*	*7.3%*
Emerging Markets Equities	**5.0%**	**7.6%**		
MSCI Emerging Markets Index (net)	*4.3%*	*7.2%*		
Absolute Return	**2.9%**	**2.3%**	**10.0%**	
1-Month LIBOR + 5%[3]	*5.3%*	*1.9%*	*1.2%*	
Private Equity	**23.3%**	**12.5%**	**15.4%**	**10.4%**
Cambridge Associates U.S. Private Equity Index	*22.0%*	*14.8%*	*17.6%*	*15.2%*
Real Assets	**9.5%**			
CPI + 7%	*8.8%*			

[1] The Total Fund Benchmark is a composite of 22% Russell 3000 Index, 20% MSCI World Index ex U.S. (net), 8% MSCI Emerging Markets (net); 25% Fixed Income Benchmark, 10% 1-Month LIBOR, 8% Cambridge Associates U.S. Private Equity Index, 7% CPI + 7%. **From 9/1/11 to 6/30/12**, 22% Russell 3000 Index, 20% MSCI World Index ex U.S. (net), 8% MSCI Emerging Markets (net); 27% Barclays Capital U.S. Universal Bond Index, 8% Cambridge Associates U.S. Private Equity Index, 10% 1-Month LIBOR, 4% NCREIF ODCE Index, 1% Wilshire U.S. Real Estate Securities Index. **From 4/1/06 to 8/31/11:** 40% Russell 3000 Index, 20% MSCI All Country World Index ex U.S., 25% Barclays Capital U.S. Universal Bond Index, 6% Cambridge Associates U.S. Private Equity Index, 4% 1-Month LIBOR, 4% NCREIF ODCE Index, 1% Wilshire U.S. Real Estate Securities Index. **From 4/1/03 to 3/31/06:** 40% Russell 3000 Index, 20% MSCI EAFE Index, 25% Lehman Brothers Aggregate Bond Index, 10% Cambridge Associates U.S. Private Equity Index, 5% NCREIF Property Index. **From 6/30/99 to 3/31/03:** 43.7% Russell 3000 Index, 20% MSCI EAFE Index, 30.3% Lehman Brothers Aggregate Bond Index, 5% Cambridge Associates U.S. Private Equity Index, 1% 3-month U.S. Treasury Bills.

[2] The Fixed Income Benchmark is a composite of 49% BC U.S. Aggregate Index, 15% BC U.S. TIPS Index, 11% BC U.S. High-Yield Index, 11% CSFB Levered Loan Index; 7% BC Global Aggregate ex U.S. Index, and 7% JPM GBI-EM Global Diversified Index. **From 4/1/12 to 9/30/13,** 60% BC U.S. Aggregate Index, 12% BC U.S. TIPS Index, 12% BC U.S. High-Yield Index, 8% BC Global Aggregate ex U.S. Index, 8% JPM GBI-EM Global Diversified Index. **From 4/1/06 to 3/31/12**, BC U.S. Universal Index. **From inception to 3/31/06**, BC U.S. Aggregate Index.

[3] The Absolute Return Benchmark is the 3-month LIBOR + 5%. **From 7/1/06 to 9/30/13**, 1-month LIBOR.

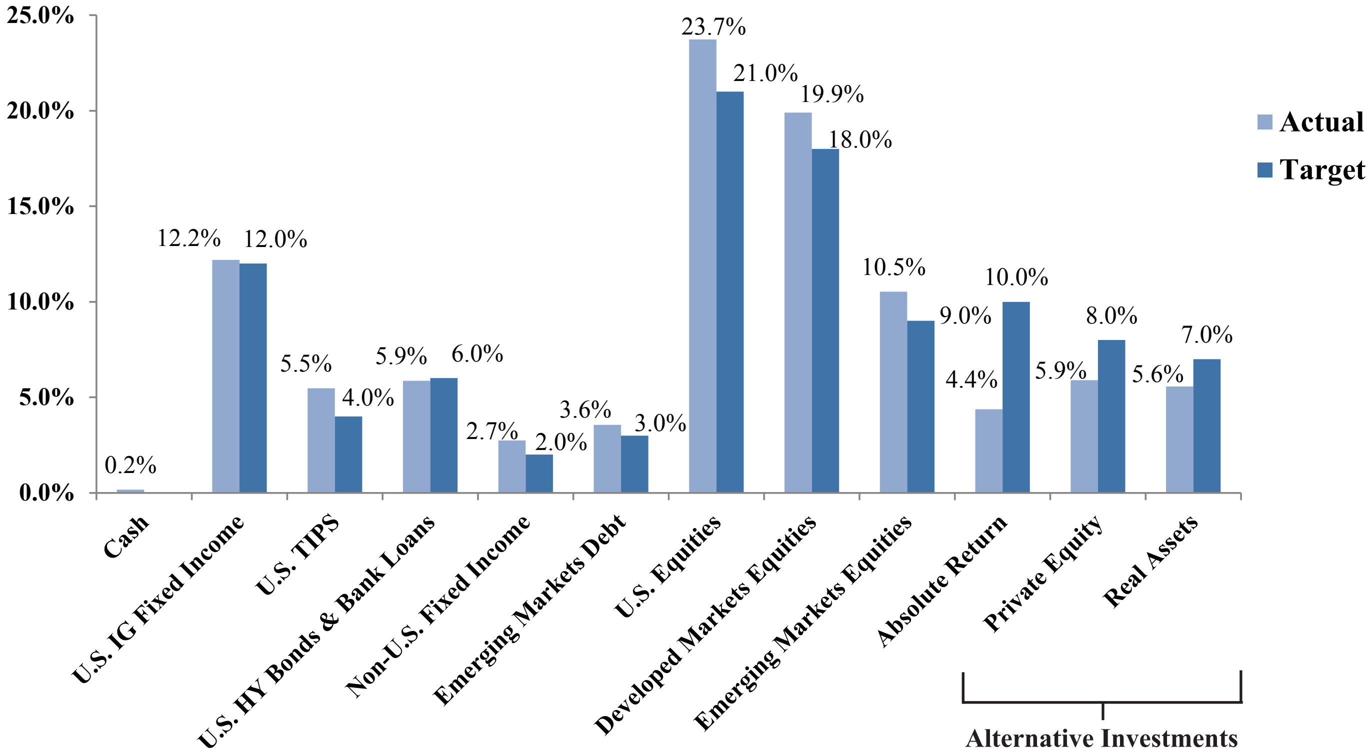
Note: All returns are time-weighted and gross of fees.

REPORT ON INVESTMENT ACTIVITY

ASSET ALLOCATION

There were no changes to the strategic asset allocation during fiscal year 2014. The Board last reviewed the asset allocation in July 2013. The current targets and actual allocations are shown in Exhibit 2.

EXHIBIT 2
Actual and Target Asset Allocations as of September 30, 2014



As of September 30, 2014, the Fund's asset classes were within their respective target allocation ranges with the exception of the Absolute Return program, which was moderately below the targeted minimum (6.0%).

On the traditional investment side (fixed income and public equities), the Board continued to work with Meketa to implement an allocation to bank loans, a new asset class. In addition, the Board selected a new international developed markets equity manager.

The Board also continued to work with Cliffwater, its alternatives investment consultant, to commit additional capital to private equity and private real assets funds. To maintain appropriate vintage year diversification, the Board expects to commit additional capital on a consistent pace going forward, subject to the availability of attractive opportunities in these markets.

REPORT ON INVESTMENT ACTIVITY

OTHER UPDATES

During fiscal year 2014, the investment staff continued to work with Meketa and Cliffwater to enhance the diversification of the portfolio. In October 2013, the Board selected a manager for its new allocation to bank loans. In January 2014, the Board made its first investment in a Global REIT Index strategy. Within the private equity program, the Board made its first commitment to a Latin American private equity fund. In addition, the Board approved a secondary investment in an existing Western Europe-focused buyout manager.

In November 2013, the Board approved an Environmental, Social, and Governance (ESG) policy, which the staff and consultants are working to implement.

In fiscal year 2015, the Board plans to review the services provided by its custodian bank and investment consultants. In addition, it may consider changes to the current asset allocation and investment manager structure, as warranted by the market environment and manager-specific events.

INVESTMENT ACTIVITY SUMMARY

During fiscal year 2014, the Board implemented the following traditional investment manager changes:

Termination:

- PIMCO – *Stocks PLUS Fund*
- The Vanguard Group - *U.S. Real Estate Securities Index Fund*

Additions:

- Northern Trust Asset Management - *Global REIT Index Fund*

During fiscal year 2015, the Board expects to fund previously-approved mandates for international developed markets equities and U.S. bank loans.

REPORT ON INVESTMENT ACTIVITY

LIST OF LARGEST HOLDINGS

Top 10 Fixed Income Holdings

Rank	Security Name	Moody's Quality Rating	Par Value	Interest Rate	Maturity Date	Market Value
1	US TREASURY N/B	Aaa	$66,500,000	2.750%	2/15/2024	$68,064,080
2	US TREASURY N/B	Aaa	$20,400,000	1.625%	7/31/2019	$20,272,500
3	BWU002SB9 IRS USD R V 03MLIBOR	Aaa	$17,700,000	0.234%	6/19/2023	$17,700,000
4	SWU006I21 IRS AUD R F 4.00000	Aaa	$19,400,000	4.000%	6/18/2019	$17,522,805
5	US FOODS INC	Caa2	$14,780,000	8.500%	6/30/2019	$15,670,495
6	FORESIGHT ENERGY/FINANCE	Caa1	$14,800,000	7.875%	8/15/2021	$15,577,000
7	TSY INFL IX N/B	Aaa	$16,153,865	0.125%	7/15/2024	$15,509,003
8	SWPC03GC8 CDS USD R F 1.00000	n/a	$14,200,000	1.000%	6/20/2019	$14,427,853
9	HARBINGER GROUP INC	Caa1	$14,379,000	7.750%	1/15/2022	$14,271,158
10	BREITBURN ENER/BREIT FIN	B3	$11,875,000	7.875%	4/15/2022	$12,023,438

Top 10 Public Equity Holdings

Rank	Security Name	Shares	Market Value
1	VISA INC CLASS A SHARES	37,300	$7,958,701
2	FACEBOOK INC A	83,500	$6,599,840
3	AMAZON.COM INC	19,800	$6,384,312
4	FRESENIUS SE + CO KGAA	128,196	$6,347,379
5	SALESFORCE.COM INC	94,600	$5,442,338
6	NOVARTIS AG REG	55,468	$5,233,323
7	REGENERON PHARMACEUTICALS	14,500	$5,227,540
8	LINKEDIN CORP A	24,700	$5,132,413
9	GOOGLE INC CL A	8,000	$4,707,280

A complete list of portfolio holdings is available upon request.

REPORT ON INVESTMENT ACTIVITY

SCHEDULE OF FEES AND COMMISSIONS

During fiscal year 2014, the Board paid the following fees and commissions:

Expense Category	Amount	Percent of Fund
Investment Managers*	$11,400,214	0.180%
Investment Consultants	1,018,869	0.016%
Investment Administrative Expense	867,722	0.014%
Investment Custodian	369,065	0.006%
Subtotal	13,655,870	0.216%
Brokerage Commissions**	675,090	0.011%
Total	**$14,330,960**	**0.227%**

* Includes fees paid to traditional investment managers only. Traditional investment managers are those that invest primarily in public equity and fixed income securities.

** Includes separate accounts and commingled funds. Brokerage commissions are a component of net appreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position.

Manager	Total Shares Traded	Total Commission (Dollar Value)	Commission (Cents Per Share)	Commission (Basis Points)	Number of Trades	Trade Value (Dollars in Millions)
Separate Accounts						
Gryphon International Inv Corp	837,219	-$ 7,751	-2.1	-2	338	$ 76
Sands Capital Management	3,744,762	-61,692	-1.6	-13	326	49
Commingled Funds						
Copper Rock International	30,608,011	-239,802	-0.8	-15	1,003	164
LSV Emerging Markets	27,375,320	-19,911	-0.1	-5	2,579	39
Northern Trust R3000	62,098,915	-121,827	-0.2	-1	52,766	1,814
Northern Truest Global REIT	890,543	-1,989	-0.2	-2	1,445	13
State Street Global Advisors	1,174,907,201	-212,119	-0.0	-5	n/a	441
Total	1,300,461,971	-$ 675,091	-0.1	-3	n/a	$ 2,596

REPORT ON INVESTMENT ACTIVITY

INVESTMENT SUMMARY

Asset Class	Percent of Fund
Cash and Cash Equivalents	0.2%
Fixed Income	29.8%
U.S. Equities	23.7%
International Developed Markets Equities	19.9%
Emerging Markets Equities	10.5%
Absolute Return	4.4%
Private Equity	5.9%
Real Assets	5.6%
Total	**100.0%**

ACTUARIAL SECTION

INDEPENDENT ACTUARY'S CERTIFICATION LETTER

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

December 10, 2014

The Board of Trustees
District of Columbia Retirement Board
900 7th Street, NW, 2nd Floor
Washington, DC 20001

Dear Trustees:

We are pleased to submit the results of the annual actuarial valuations of the District of Columbia Retirement Board Teachers' Retirement Plan and Police Officers' & Firefighters' Retirement Plan, prepared as of October 1, 2014.

The purpose of this report is to provide a summary of the funded status of each Plan as of October 1, 2014, to recommend rates of contribution to be paid by the District in the 2016 fiscal year. The information needed for this Plan under the new Governmental Accounting Standards Board Statement No. 67 was provided in a separate report. However, for informational purposes only, we have also provided accounting information under GASB 25 and 27 in Section VII of the report. While not verifying the data at source, the actuary performed tests for consistency and reasonability.

The promised benefits are included in the actuarially calculated contribution rates which are developed using the entry age normal cost method. Seven-year smoothed market value of assets is used for actuarial valuation purposes. The assumptions recommended by the actuary and adopted by the Board are reasonably related to the experience under the Fund and to reasonable expectations of anticipated experience under the Fund.

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INDEPENDENT ACTUARY'S CERTIFICATION LETTER (CONTINUED)

The funding policy adopted by the Board in 2012 includes the following funding goals:

- To maintain an increasing or stable ratio of Plan assets to accrued liabilities and reach a 100 percent minimum funded ratio;
- To develop a pattern of stable or declining contribution rates when expressed as a percentage of member payroll as measured by valuations prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board, with a minimum employer contribution equal to the lesser of the normal cost determined under the Entry Age Normal funding method or the current active member contribution rate.

The funding policy not only states the overall funding goals and benchmarks for the Plan, but sets the methods and assumptions. The level dollar amortization period was set to 20 years in 2012 and will decline one year each year until a funded ratio of 100 percent is reached. Therefore, the amortization period this year is 18 years.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA
Chief Executive Officer

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

Jonathan T. Craven, ASA, FCA, EA, MAAA
Senior Actuary

TJC/EJK/JTC:kc

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

(DEMOGRAPHIC ASSUMPTIONS ADOPTED ON OCTOBER 20, 2011)

(ECONOMIC ASSUMPTIONS ADOPTED ON NOVEMBER 15, 2012)

VALUATION DATE: All assets and liabilities are computed as of October 1, 2014. Demographic information was collected as of June 30, 2014.

INVESTMENT RATE OF RETURN: 6.50% per annum, compounded annually (net of investment expenses).

INFLATION ASSUMPTION: 3.50% per annum.

PAYROLL GROWTH ASSUMPTION: 4.25% per annum.

PERCENT MARRIED: 64% of Teachers are assumed to be married and 80% of Police Officers and Firefighters are assumed to be married, with the wife 3 years younger than the husband. Active members are assumed to have one dependent child aged 10.

ACTUARIAL METHOD: Entry Age Normal Cost Method.

ASSETS: The method of valuing assets is intended to recognize a "smoothed" market value of assets. Under this method, the difference between actual return on market value from investment experience and the expected return on market value is recognized over a seven-year period. The actuarial value of assets is constrained to an 80% to 120% corridor around market value of assets. In addition, there is an adjustment made for the effect of the adjustment pursuant to D.C. Code §1-907.02(c).

WITHDRAWAL ASSUMPTION: For Teachers, it was assumed that 35% of the vested members who terminate elect to withdraw their contributions while the remaining 65% elect to leave their contributions in the plan in order to be eligible for a benefit at their retirement date. For Police Officers and Firefighters, it was assumed that 80% of the vested members who terminate elect to withdraw their contributions while the remaining 20% elect to leave their contributions in the plan.

OTHER ASSUMPTIONS: To value the pre-retirement death benefit for Police Officers and Firefighters, the benefit form for all retirements (normal or disabled) is assumed to be a 67.8% Joint and Survivor annuity for all participants (based on 40% of average pay survivor benefits). One-fourth of all Police Officer and Firefighter active deaths are assumed to occur in the line of duty.

COST OF LIVING ADJUSTMENT: The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 3.5% per year.

MILITARY SERVICE: All Police and Fire members assumed to have 0.40 years of military service at retirement.

ADMINISTRATIVE EXPENSES: Budgeted administrative expenses of 1.20% of payroll are added to the normal cost rate.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

TEACHERS

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 4.25% per annum:

Pay Increase Assumptions for an Individual Member

Years of Service	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
5	4.00%	4.25%	8.25%
10	3.00	4.25	7.25
15	0.50	4.25	4.75
20	0.20	4.25	4.45
25	0.20	4.25	4.45
30	0.20	4.25	4.45
35	0.20	4.25	4.45

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, service retirement, and disability are shown in the following tables:

Percent of Members Separating Within the Next Year

	Withdrawal			Service Retirement		
Sample Ages	0 to 3 yrs of service	4 to 9 yrs of service	10 & up yrs of service	Under 30 yrs service	30 & up yrs service	Disability Retirement
20	25.0%	20.0%	0.00%			0.03%
25	23.5	20.0	0.00			0.03
30	22.0	16.0	3.75			0.05
35	20.5	14.0	3.75			0.07
40	19.0	12.0	3.75			0.09
45	17.5	10.0	3.75			0.15
50	16.0	10.0	3.75	2.5%	2.5%	0.22
55	14.5	10.0	3.75	6.0	33.0	0.32
60	13.0	10.0	3.75	27.0	25.0	0.40
62	0.0	0.0	0.00	25.0	25.0	
65				20.0	25.0	
70				30.0	30.0	
71				25.0	40.0	
75				100.0	100.0	

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

TEACHERS (CONTINUED)

MORTALITY: The RP-2000 Combined Mortality Table projected with Scale AA to 2015, set back 3 years for females is used for healthy active members, retirees, and beneficiaries. The RP-2000 Disabled Mortality Table set back 1 year for males and set back 5 years for females is used for disabled retirees. Mortality improvement is anticipated under these assumptions as recent mortality experience shows actual deaths are approximately 7-8% greater for healthy lives and 9% greater for disabled lives than expected under the selected tables.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

POLICE OFFICERS

SALARY INCREASES: Police Officers are assumed to receive a longevity increase of 5%, 10%, 15%, and 20% applied to individual base pay after 15, 20, 25, and 30 years of service. These are approximated by increases of 3.5% to final average salary. Representative values of the assumed annual rates of future salary increases before longevity increases are as follows and include inflation at 4.25% per annum:

Pay Increase Assumptions for an Individual Member			
Years of Service	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
5	3.56%	4.25%	7.81%
10	2.58	4.25	6.83
15	2.31	4.25	6.56
20	2.50	4.25	6.75
25	1.10	4.25	5.35
30	0.50	4.25	4.75
35	0.00	4.25	4.25

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, service retirement, and disability are shown in the following tables:

Percent of Members Separating Within the Next Year						
	Withdrawal (3 years of service & up)[1]		Disability Retirement[2]			
Sample Ages	Males	Females	Males	Females	Years of Service	Service Retirement[3]
20	6.00%	2.50%	0.02%	0.04%	20	12.5%
25	6.00	2.50	0.05	0.08	25	22.0
30	4.25	3.50	0.10	0.12	30	15.0
35	2.50	2.00	0.22	0.28	35	20.0
40	1.75	1.50	0.25	0.40	40	20.0
45	1.25	1.25	0.30	0.62		
50	1.25	1.25	0.40	0.70		
55	1.25	1.25	0.60	0.75		
60	0.00	0.00	0.80	0.90		

[1] Members of any age with less than 3 years of service have a 10% withdrawal assumption.

[2] It is assumed that 75% of the disabilities are due to accidents in the line of duty and the "percent of disability" is assumed to be 100%.

[3] 100% of active members are assumed to retire at age 65, regardless of service.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

POLICE OFFICERS (CONTINUED)

MORTALITY: The RP-2000 Combined Mortality Table projected with Scale AA to 2015 set forward 1 year for females is used for healthy active members, retirees and beneficiaries. The following disability mortality table is used for disabled retirees.

Disabled Retiree Mortality

Sample Ages	Males	Females
20	0.80%	0.50%
30	0.80	0.50
40	0.80	0.50
50	0.80	0.50
60	1.16	0.74
70	2.35	1.55
80	5.78	3.76
90	13.95	10.87
100	51.48	49.93

Mortality improvement is anticipated under these assumptions as recent mortality experience shows actual deaths are approximately 7% greater for healthy lives and 6% greater for disabled lives than expected under the selected tables.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

FIREFIGHTERS

SALARY INCREASES: Firefighters are assumed to receive a longevity increase of 5%, 10%, 15%, and 20% applied to individual base pay after 15, 20, 25, and 30 years of service. These are approximated by increases of 3.5% to final average salary. Representative values of the assumed annual rates of future salary increases before longevity increases are as follows and include inflation at 4.25% per annum:

Pay Increase Assumptions for an Individual Member

Years of Service	Merit & Seniority	Inflation & Productivity (Economy)	Total Increase (Next Year)
5	2.50%	4.25%	6.75%
10	2.50	4.25	6.75
15	2.50	4.25	6.75
20	2.50	4.25	6.75
25	2.50	4.25	6.75
30	2.50	4.25	6.75
35	2.50	4.25	6.75

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, service retirement, and disability are shown in the following tables:

Percent of Members Separating Within the Next Year

Sample Ages	Withdrawal (2 years of service & up)[1]	Disability Retirement[2]	Years of Service	Service Retirement[3]
20	3.50%	0.01%	20	12.5%
25	3.50	0.02	25	12.5
30	2.00	0.15	30	20.0
35	1.00	0.20	35	40.0
40	1.00	0.35	40	40.0
45	1.50	0.45		
50	1.50	0.52		
55	0.00	0.60		
60	0.00	0.70		

[1]Members of any age with less than 2 years of service have a 9% withdrawal assumption.
[2]It is assumed that 75% of the disabilities are due to accidents in the line of duty and the “percent of disability” is assumed to be 100%.
[3]100% of active members are assumed to retire at age 60, regardless of service.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

FIREFIGHTERS (CONTINUED)

MORTALITY: The RP-2000 Combined Mortality Table projected with Scale AA to 2015 set forward 1 year for females is used for healthy active members, retirees and beneficiaries. The following disability mortality table is used for disabled retirees.

Disabled Retiree Mortality

Sample Ages	Males	Females
20	0.59%	0.37%
30	0.59	0.37
40	0.59	0.37
50	0.59	0.37
60	0.85	0.54
70	1.72	1.13
80	4.22	2.75
90	10.19	7.94
100	37.60	36.47

Mortality improvement is anticipated under these assumptions as recent mortality experience shows actual deaths are approximately 7% greater for male and 1% greater for female healthy lives and 8% greater for disabled lives than expected under the selected tables. Police and Fire are combined in the valuation results and the female healthy life population is much greater for Police than Fire so the smaller margin under Fire is not an issue at this time.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES

SUMMARY OF DISTRICT OF COLUMBIA TEACHERS' RETIREMENT PLAN PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

Effective Date
Established on July 1, 1997. The U. S. Treasury Department is responsible for paying all benefits accrued before this date.

DEFINITIONS

Affiliated Employers
District of Columbia Public Schools, Public Charter Schools

Covered Members
Permanent, temporary, and probationary teachers for the District of Columbia public day schools become members automatically on their date of employment. Other employees covered by the Retirement of Public School Teachers Act – including librarians, principals, and counselors – also become members on their date of employment. Substitute teachers and employees of the Department of School Attendance and Work Permits are not covered. Some former D.C teachers working at charter schools are eligible to remain in the Program.

Service Credit
One year of school service is given for each year of employment with DCPS. After five years of service are accrued, additional service may be purchased or credited for service outside of DCPS.

Average Salary
Highest 36 consecutive months of pay, divided by three.

Vested
Members who accrue five or more years of Service Credit are vested for benefits. If these members leave service they may leave their Member Contribution Accounts with the Plan for a future benefit when reaching eligibility (deferred vested in this report).

CONTRIBUTIONS

Member Contributions
Members hired before November 1, 1996 are required to contribute 7% of annual pay. Members hired on or after November 1, 1996 contribute 8% of annual pay. Interest is not credited to each Member's accumulated contributions.

Refund of Member Contributions
In the event a member leaves service for a reason other than death or retirement, member contribution accounts are refunded upon request.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

TEACHERS' RETIREMENT PLAN (CONTINUED)

SERVICE RETIREMENT

Eligibility
The Age and Service Credit requirements to be eligible for a full Service Retirement are listed below:

-Members hired before November 1, 1996

Age	Service Credit
55	30, including 5 years school service
60	20, including 5 years school service
62	5 years school service

-Members hired on and after November 1, 1996

Age	Service Credit
Any Age	30, including 5 years school service
60	20, including 5 years school service
62	5 years school service

Benefit for members hired before November 1, 1996:

- 1.5% of Average Salary times service up to 5 years, plus

-1.75% of Average Salary times service between 5 and 10 years, plus

-2.0% of Average Salary times service over 10 years.

For members hired on or after November 1, 1996:

-2.0% of Average Salary times service.

All members receive a minimum benefit of 1.0% of Average Salary plus $25 for each year of service.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

TEACHERS' RETIREMENT PLAN (CONTINUED)

INVOLUNTARY SERVICE RETIREMENT

Eligibility
The Age and Service Credit requirements to be eligible for a Reduced Service Retirement are listed below:

-All Members, regardless of date of hire

Age	Service Credit
Any Age	25, including 5 years school service
50	20, including 5 years school service

Benefit
Service Retirement Benefit reduced by 1/6% per month (or 2% per year) that date of retirement precedes age 55.

DISABILITY RETIREMENT

Eligibility
Active members with five or more years of school service credit are covered (vested) for disability retirement. To be eligible, the member must be found to be totally and permanently disabled (mentally or physically) from regular and gainful employment.

Benefit
Equal to Service Retirement benefit. Minimum benefit is the lesser of a) or b):

a) 40% of Average Salary

b) Calculated benefit amount by projecting service to age 60.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

TEACHERS' RETIREMENT PLAN (CONTINUED)

SURVIVOR BENEFITS

LUMP SUM

Eligibility
Death before completion of 18 months of school service or death without an eligible spouse, child or parent.

Benefit
Refund of member contributions.

SPOUSE ONLY

Eligibility
Death before retirement and married for at least two years, or have a child by the marriage.

Benefit
55% of Service Retirement benefit. Minimum benefit is the lesser of a) or b):

a) 55% of 40% of Average Salary

b) 55% of the calculated benefit amount by projecting service to age 60.

SPOUSE & DEPENDENT CHILDREN

Eligibility
Death before retirement and married for at least two years, or have a child by the marriage. Children must be unmarried and under age 18, or 22 if full-time student. Also, any dependent child because of a disability incurred before age 18. Death does not have to occur before retirement for the children's benefit.

Spouse Benefit
55% of Service Retirement benefit. Minimum benefit is the lesser of a) or b):

a) 55% of 40% of Average Salary

b) 55% of the calculated benefit amount by projecting service to age 60.

Child Benefit
A benefit per child equal to the smallest of a) or b) or c):

a) 60% of Average Salary divided by the number of eligible children

b) $6,024* (if hired before 1/1/1980), $5,820* (if hired between 1/1/1980 and 10/31/1996), or $5,700* (if hired on or after 11/1/1996) per child

c) $18,072* (if hired before 1/1/1980), $17,460* (if hired between 1/1/1980 and 10/31/1996), or $17,460* (if hired on or after 11/1/1996) divided by the number of children.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

TEACHERS' RETIREMENT PLAN (CONTINUED)

DEPENDENT CHILDREN ONLY

Eligibility
Children must be unmarried and under age 18, or 22 if full-time student. Also, any dependent child because of a disability incurred before age 18. Death does not have to occur before retirement for the children's benefit.

Benefit
A benefit per child equal to the smallest of a) or b) or c):

a) 75% of Average Salary divided by the number of eligible children

b) $7,356* (if hired before 1/1/1980), $7,092* (if hired between 1/1/1980 and 10/31/1996), or $6,912* (if hired on or after 11/1/1996) per child

c) $22,068* (if hired before 1/1/1980), $21,276* (if hired between 1/1/1980 and 10/31/1996), or $20,736* (if hired on or after 11/1/1996) divided by the number of children.

PARENTS ONLY

Eligibility
Death before retirement and no eligible spouse or children, and parents must receive at least one-half of their total income from member.

Benefit
55% of Service Retirement benefit. Minimum benefit is the lesser of a) or b):

a) 55% of 40% of Average Salary

b) 55% of the calculated benefit amount by projecting service to age 60.

*Survivor benefit amounts are as of March 2009, and are subject to annual inflation adjustments.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

TEACHERS' RETIREMENT PLAN (CONTINUED)

DEFERRED VESTED RETIREMENT

Eligibility
Active members with five or more years of school service credit .

Benefit
Benefit is calculated in the same manner as Service Retirement benefit and may be collected starting at age 62.

OPTIONS

Retirement and disability benefits are payable for the life of the retired member. Optional reduced benefits may be elected at the time of retirement to provide for continuation of a reduced benefit amount to a designated beneficiary. Optional forms include:

a) Reduced Annuity with a Maximum Survivor Annuity (to Spouse)

Reduced benefit paid to member so that upon member's death, the spouse will receive 55% of the unreduced normal life annuity. Member's benefit is reduced by 2.5% of retirement benefit, up to $3,600, plus 10% of any retirement benefit over $3,600.

b) Reduced Annuity with a Partial Survivor Annuity (to Spouse)

Reduced benefit paid to member so that upon member's death, the spouse will receive a partial annuity that can range from $1 up to 55% of the unreduced normal life annuity amount. Member's benefit is reduced by the same amount as option a, multiplied by the ratio of the chosen benefit percent to the maximum benefit percent (55%).

c) Reduced Annuity with a Life Insurance Benefit

Member elects a life insurance amount, payable in a lump sum to designated beneficiary upon member's death.

d) **Reduced Annuity with a Survivor Annuity to a Person with an Insurable Interest**

A 55% joint and survivor annuity where the original benefit is reduce by 10% plus an additional 5% for each full 5 years, up to 25 years, that the designated beneficiary is younger than the member. Maximum reduction is 40% for any beneficiary who is 25 or more years younger than the member.

COST OF LIVING ADJUSTMENTS

Each year on March 1st, benefits which have been paid for at least twelve months proceeding March 1st are increased. The increase is equal to the annual CPI. COLA's are included in benefit payments on and after April 1st.

For members hired on or after November 1, 1996, the cost of living increase is limited to 3% per year. In addition, cost of living adjustments do not apply to retirement benefit payments resulting from voluntary contributions.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

SUMMARY OF DISTRICT OF COLUMBIA POLICE OFFICERS & FIREFIGHTERS' RETIREMENT PLAN PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

Effective Date
Established on July 1, 1997. The U. S. Treasury Department is responsible for paying all benefits accrued before this date.

DEFINITIONS

Affiliated Employers
District of Columbia Police Officers and Firefighters, except Police cadets.

Covered Members
All employees of DC Police Department and Fire Department become members on their first day of active duty. Membership is not automatic for uniformed EMT Firefighters.

Service Credit
One year of service is given for each year of employment with DCPD or DCFD. Additional service may be purchased or credited for lateral transfer service, EMT service, prior military service, and certain civilian service.

Average Salary
For members hired before February 15, 1980, the highest 12 consecutive months of pay. For members hired on or after February 15, 1980, the highest 36 consecutive months of pay, divided by 3.

Vested
Members who accrue five or more years of Service Credit are vested for benefits. If these members leave service they may leave their Member Contribution Accounts with the Plan for a future benefit when reaching eligibility (deferred vested in this report).

CONTRIBUTIONS

Member Contributions
Members hired before November 10, 1996 contribute 7.0% of salary. Members hired on or after November 10, 1996 contribute 8.0% of salary. Member contributions, together with any purchased service credit payments, are credited to individual Member Contribution Accounts. No interest is accrued on contributions.

Refund of Member Contributions
In the event a member leaves service for a reason other than death or retirement, member contribution accounts are refunded upon request.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

POLICE OFFICERS & FIREFIGHTERS' RETIREMENT PLAN (CONTINUED)

SERVICE RETIREMENT

Eligibility

The Age and Service Credit requirements to be eligible for a full Service Retirement are listed below:

- Members hired before November 10, 1996

Age	Service Credit
Any age	20 (only if hired before 2/15/1980)
50	25 years departmental service
60	5 years departmental service

- Members hired on and after November 10, 1996

Age	Service Credit
Any Age	25 years departmental service
60	5 years departmental service

Benefit

For members hired before November 10, 1996:

- 2.5% of Average Salary times departmental service up to 25 years (20 years if hired before 2/15/1980), plus

- 3.0% of Average Salary times departmental service over 25 years (or 20), plus

- 2.5% of Average Salary times purchased or credited service.

For members hired on or after November 10, 1996:

- 2.5% of Average Salary times total service.

All members are subject to a maximum benefit of 80% of Average Salary.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

POLICE OFFICERS & FIREFIGHTERS' RETIREMENT PLAN (CONTINUED)

SERVICE-RELATED DISABILITY RETIREMENT

Eligibility
Disabled as a result of an illness or injury in the line of duty.

Benefit
For members hired before February 15, 1980:

2.5% of Average Salary times total years of service, subject to a minimum of 66-2/3% of Average Salary and a maximum of 70% of Average Salary.

For members hired on or after February 15, 1980:

70% of final pay times percentage of disability, subject to a minimum of 40% of final pay.

NONSERVICE-RELATED DISABILITY RETIREMENT

Eligibility
Active members with five or more years of departmental service are covered (vested) for disability retirement. To be eligible, the member must be found to be totally and permanently disabled (mentally or physically) from regular and gainful employment.

Benefit
For members hired before February 15, 1980:

2.0% of Average Salary times total years of service, subject to a minimum of 40% of Average Salary and a maximum of 70% of Average Salary.

For members hired on or after February 15, 1980:
70% of final pay times percentage of disability, subject to a minimum of 30% of final pay.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

POLICE OFFICERS & FIREFIGHTERS' RETIREMENT PLAN (CONTINUED)

SURVIVOR BENEFITS

LUMP SUM
Eligibility
Death before retirement without an eligible spouse or child.

Benefit
Refund of member contributions according to the Plan's order of precedence.

LUMP SUM – DEATH IN LINE OF DUTY
Eligibility
Death occurring in the line of duty, not resulting from willful misconduct.

Benefit
$50,000

SPOUSE ONLY – DEATH IN LINE OF DUTY
Eligibility
Member killed in line of duty, after December 29, 1993.

Benefit
100% of final pay.

SPOUSE ONLY – DEATH NOT IN LINE OF DUTY
Eligibility
Member death, not in line of duty, after December 29, 1993. If retired, must be married for at least one year or have a child by the marriage.

Benefit
40% of the greater of a) or b):

a) Average Salary

b) Salary for step 6 salary class 1 of the DC Police and Fireman's Salary Act in effect, adjusted for cost-of-living increases if death occurs after retirement.

Benefit cannot be higher than rate of pay at death (or retirement if death occurs after retirement).

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

POLICE OFFICERS & FIREFIGHTERS' RETIREMENT PLAN (CONTINUED)

SPOUSE & DEPENDENT CHILDREN

Eligibility

Member death, not in line of duty, after December 29, 1993. If retired, must be married for at least one year or have a child by the marriage. Children must be unmarried and under age 18, or 22 if full-time student. Also, any dependent child because of a disability incurred before age 18. Death does not have to occur before retirement for the children's benefit.

Spouse Benefit

40% of the greater of a) or b):

a) Average Salary

b) Salary for step 6 salary class 1 of the DC Police and Fireman's Salary Act in effect, adjusted for cost-of-living increases if death occurs after retirement.

Benefit cannot be higher than rate of pay at death (or retirement if death occurs after retirement).

Child Benefit

A benefit per child equal to the smallest of a) or b) or c):

a) 60% of Average Salary divided by the number of eligible children

b) $3,552* (if hired before 11/1/1996) or $3,480* (if hired on or after 11/1/1996) per child

c) $10,656* (if hired before 11/1/1996) or $10,490* (if hired on or after 11/1/1996) divided by the number of children.

DEPENDENT CHILDREN ONLY

Eligibility

Children must be unmarried and under age 18, or 22 if full-time student. Also, any dependent child because of a disability incurred before age 18. Death does not have to occur before retirement for the children's benefit.

Benefit

75% of Average Salary divided by the number of eligible children, adjusted for cost-of-living increases.

*Survivor benefit amounts are as of March 2009, and are subject to annual inflation adjustments.

PROVISIONS INTERPRETED FOR VALUATION PURPOSES (CONTINUED)

POLICE OFFICERS & FIREFIGHTERS' RETIREMENT PLAN (CONTINUED)

DEFERRED VESTED RETIREMENT

Eligibility
Active members with five or more years of departmental service.

Benefit
Benefit is calculated in the same manner as Service Retirement benefit and may be collected starting at age 55.

OPTIONS

Retirement and disability benefits are payable for the life of the retired member. This includes an unreduced joint and survivor annuity as defined above in the "Survivor Benefits – Spouse and Dependent Children" section.

An optional reduced benefit may be elected at the time of retirement to provide for an additional survivor benefit to a designated beneficiary. Member's original annuity is reduced by 10% and that amount is added to the survivor's benefit. If the designated beneficiary is more than five years younger than the member, the additional amount will be reduced by 5% for each full five years that the beneficiary is younger than the member, subject to a maximum of 40%.

COST OF LIVING ADJUSTMENTS

Each year on March 1st, benefits which have been paid for at least twelve months proceeding March 1st are increased. The increase is equal to the annual CPI. COLA's are included in benefit payments on and after April 1st.

For members hired on or after November 10, 1996, the cost of living increase is limited to 3% per year. Members (not beneficiaries) hired before February 15, 1980, will receive equalization pay, which is defined as the percentage increase as active employees' salary increases.

SCHEDULE OF ACTIVE MEMBER VALUATION DATA
(Dollar amounts in thousands)

Teachers' Retirement Plan

Valuation Date	Number	Annual Payroll	Annual Average Pay	Percent increase in Average Pay
October 1, 2014	4,499	$378,926	$84.2	-0.07%
October 1, 2013	4,379	$369,071	$84.3	-0.63%
October 1, 2012	4,495	$381,235	$84.8	4.72%
October 1, 2011	4,747	$384,455	$81.0	13.96%
October 1, 2010	4,749	$337,516	$71.1	-2.85%
October 1, 2009	4,601	$336,600	$73.2	-1.82%
October 1, 2008	4,821	$359,250	$74.5	-0.08%
October 1, 2007	5,027	$374,900	$74.6	17.73%

Police Officers' Portion of the Police Officers and Firefighters' Retirement Plan

Valuation Date	Number	Annual Payroll	Annual Average Pay	Percent increase in Average Pay
October 1, 2014	3,902	$305,765	$78.4	3.04%
October 1, 2013	3,846	$292,494	$76.1	-0.69%
October 1, 2012	3,810	$291,780	$76.6	-1.26%
October 1, 2011	3,775	$292,785	$77.6	2.29%
October 1, 2010	3,915	$296,837	$75.8	-2.05%
October 1, 2009	4,014	$310,700	$77.4	0.72%
October 1, 2008	3,928	$301,875	$76.9	8.01%
October 1, 2007	3,844	$273,500	$71.1	6.38%

Firefighters' Portion of the Police Officers and Firefighters' Retirement Plan

Valuation Date	Number	Annual Payroll	Annual Average Pay	Percent increase in Average Pay
October 1, 2014	1,649	$132,650	$80.4	10.73%
October 1, 2013	1,664	$120,886	$72.6	0.33%
October 1, 2012	1,700	$123,097	$72.4	0.69%
October 1, 2011	1,786	$128,436	$71.9	1.51%
October 1, 2010	1,793	$127,017	$70.8	0.22%
October 1, 2009	1,774	$125,400	$70.7	2.02%
October 1, 2008	1,733	$120,075	$69.3	-3.74%
October 1, 2007	1,706	$122,800	$72.0	8.19%

SCHEDULE OF MEMBERS ADDED TO AND REMOVED FROM ROLLS
(Dollar amounts in thousands)

		New Members Added		Members Removed			Rolls at End of Year			
Fiscal Year Ended	Plan	Number	Annual Allowances	Number	Annual Allowances	Changes due to Plan Amendments	Number	Annual Allowances	Percentage Increase in Annual Allowances	Average Annual Allowances
9/30/2014	Teachers	218	$6,079	65	$955	$597	3,061	$58,687	10.80%	$16
	Fire/Police	237	$9,465	55	$895	$350	2,365	$58,450	18.01%	$25
9/30/2013	Teachers	202	$5,289	39	$436	$706	3,448	$52,966	11.73%	$15
	Fire/Police	174	$6,054	30	$298	$344	2,183	$49,530	14.05%	$23
9/30/2012	Teachers	204	$4,807	49	$594	$1,198	3,285	$47,407	12.88%	$14
	Fire/Police	234	$8,043	51	$557	$423	2,039	$43,430	22.23%	$21
9/30/2011	Teachers	226	$4,374	37	$490	$497	3,130	$41,996	12.73%	$13
	Fire/Police	326	$6,847	32	$238	$205	1,856	$35,530	23.72%	$19
9/30/2010	Teachers	203	$4,225	32	$337	$1,489	2,941	$37,254	16.76%	$13
	Fire/Police	127	$3,511	24	$208	$3,003	1,552	$28,717	27.04%	$19
9/30/2009	Teachers	406	$7,361	27	$281	($70)	2,770	$31,907	28.16%	$12
	Fire/Police	193	$2,639	108	$2,727	($563)	1,449	$22,605	-2.80%	$16
9/30/2008	Teachers	63	$ 939	36	$193	$429	2,391	$24,897	4.95%	$10
	Fire/Police	78	$5,349	28	$133	($1,229)	1,364	$23,257	20.69%	$17
9/30/2007	Teachers	230	$3,564	41	$241	$2,879	2,364	$23,721	35.40%	$10
	Fire/Police	153	$3,180	45	$171	$2,476	1,314	$19,270	39.78%	$15
9/30/2006	Teachers	199	$2,935	39	$262	$582	2,175	$17,520	22.82%	$ 8
	Fire/Police	166	$2,892	15	$68	$550	1,207	$13,786	32.40%	$11

ANALYSIS OF FINANCIAL EXPERIENCE
(Dollar amounts in millions)

Teachers' Retirement Plan

Gains & Losses in Accrued Liabilities Resulting from Difference Between Assumed Experience & Actual Experience

Type of Activity	$ Gain (or Loss) For Year Ending 10/1/2014	$ Gain (or Loss) For Year Ending 10/1/2013
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	$ (4.3)	$ (7.4)
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	(0.1)	(2.2)
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(0.7)	(0.6)
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	2.5	8.1
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	30.7	40.1
New Members. Additional unfunded accrued liability will produce a loss.	(25.4)	(16.5)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(41.2)	(51.4)
Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	4.0	0.4
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	(5.1)	(8.2)
Gain (or Loss) During Year From Financial Experience	$ (39.6)	$ (37.7)
Non-Recurring Items. Adjustments for plan amendments, assumption changes, method changes or asset transfer to U.S. Treasury.	(0.0)	(21.5)
Composite Gain (or Loss) During Year	$ (39.6)	$ (59.2)

ANALYSIS OF FINANCIAL EXPERIENCE
(Dollar amounts in millions)

Police Officers and Firefighters' Retirement Plan

Gains & Losses in Accrued Liabilities Resulting from Difference Between Assumed Experience & Actual Experience

Type of Activity	$ Gain (or Loss) For Year Ending 10/1/2014	$ Gain (or Loss) For Year Ending 10/1/2013
Age & Service Retirements. If members retire at older ages, there is a gain. If younger ages, a loss.	$ (23.9)	$ (7.2)
Disability Retirements. If disability claims are less than assumed, there is a gain. If more claims, a loss.	10.1	5.2
Death-in Service Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	1.4	1.5
Withdrawal From Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	(6.0)	(2.8)
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	24.0	161.4
New Members. Additional unfunded accrued liability will produce a loss.	(19.8)	(13.5)
Investment Income. If there is a greater investment income than assumed, there is a gain. If less income, a loss.	(68.3)	(101.9)
Death After Retirement. If retirants live longer than assumed, there is a loss. If not as long, a gain.	(1.1)	(0.4)
Other. Miscellaneous gains and losses resulting from changes in valuation software, data adjustments, timing of financial transactions, etc.	2.8	4.8
Gain (or Loss) During Year From Financial Experience	$ (80.8)	$ 47.1
Non-Recurring Items. Adjustments for plan amendments, assumption changes, method changes or asset transfer to U.S. Treasury.	0.0	(9.4)
Composite Gain (or Loss) During Year	$ (80.8)	$ 37.7

VALUATION BALANCE SHEET

District of Columbia
Teachers' Retirement Fund
As of October 1, 2014

Present and Prospective Assets

Actuarial value of present assets		$1,638,583,095
Present value of future members' contributions		251,355,008
Present value of future employer contributions:		
Normal contributions	183,999,796	
Unfunded accrued liability contributions	210,647,445	
Total prospective employer contributions		394,647,241
Total present and prospective assets		**$2,284,585,344**

Actuarial Liabilities

Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		$864,833,746
Present value of prospective benefits payable on account of inactive members		103,611,915
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	1,155,652,875	
Disability retirement benefits	32,186,195	
Survivor benefits	15,820,829	
Separation benefits	112,479,784	
Total		1,316,139,683
Total Actuarial Liabilities		**$2,284,585,344**

VALUATION BALANCE SHEET (CONTINUED)

District of Columbia
Police Officers and Firefighters' Retirement Fund
As of October 1, 2014

Present and Prospective Assets		
Actuarial value of present assets		$4,288,726,695
Present value of future members' contributions		368,513,935
Present value of future employer contributions:		
Normal contributions	1,840,685,916	
Unfunded accrued liability contributions	(290,189,631)	
Total prospective employer contributions		1,550,496,285
Total present and prospective assets		**$6,207,736,915**
Actuarial Liabilities		
Present value of benefits payable on account of retired members and survivors of deceased members now drawing retirement benefits		$1,087,689,328
Present value of prospective benefits payable on account of inactive members		61,826,029
Present value of prospective benefits payable on account of present active members:		
Service retirement benefits	4,599,015,175	
Disability retirement benefits	303,766,757	
Survivor benefits	84,945,669	
Separation benefits	70,493,957	
Total		5,058,221,558
Total Actuarial Liabilities		**$6,207,736,915**

SOLVENCY TEST
(Dollar amounts in thousands)

	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Actuarial Value of Assets		
Valuation Date	(1) Active Member Contributions	(2) Retirees, Survivors and Inactive Members	(3) Active Members (Employer Financed Portion)	Reported Assets	(1)	(2)	(3)
District of Columbia Teachers' Retirement Plan							
10/1/2006	$273,887	$624,110	$2,667,041	$3,482,600	100.0%	100.0%	100.0%
10/1/2007	$303,059	$805,475	$2,790,093	$4,068,900	100.0%	100.0%	100.0%
10/1/2008	$332,834	$851,489	$3,092,491	$4,379,700	100.0%	100.0%	82.5%
10/1/2009	$335,481	$995,361	$3,001,587	$4,493,400	100.0%	100.0%	80.4%
10/1/2010	$136,055	$622,253	$ 569,991	$1,570,968	100.0%	100.0%	97.6%
10/1/2011	$138,874	$718,884	$ 687,107	$1,573,654	100.0%	100.0%	70.3%
10/1/2012	$137,698	$819,842	$ 723,008	$1,503,346	100.0%	100.0%	75.5%
10/1/2013	$141,792	$883,495	$ 733,756	$1,622,376	100.0%	100.0%	81.4%
10/1/2014	$141,943	$968,446	$ 738,841	$1,746,030	100.0%	100.0%	86.0%
District of Columbia Police Officers and Firefighters' Retirement Plan							
10/1/2006	$273,887	$ 624,110	$2,667,041	$3,482,600	100.0%	100.0%	100.0%
10/1/2007	$303,059	$ 805,475	$2,790,093	$4,068,900	100.0%	100.0%	100.0%
10/1/2008	$332,834	$ 851,489	$3,092,491	$4,379,700	100.0%	100.0%	82.5%
10/1/2009	$335,481	$ 995,361	$3,001,587	$4,493,400	100.0%	100.0%	80.4%
10/1/2010	$211,961	$ 583,338	$2,371,531	$3,418,796	100.0%	100.0%	89.6%
10/1/2011	$224,928	$ 708,364	$2,376,533	$3,593,716	100.0%	100.0%	92.3%
10/1/2012	$235,924	$ 849,982	$2,371,070	$3,681,526	100.0%	100.0%	100.0%
10/1/2013	$247,202	$ 966,862	$2,430,021	$4,168,457	100.0%	100.0%	100.0%
10/2/2014	$255,735	$1,149,515	$2,593,287	$4,588,319	100.0%	100.0%	100.0%

STATISTICAL SECTION

SUMMARY

Introduction

The objective of the *Statistical Section* is to provide information to assist readers in understanding and assessing DCRB's overall financial condition when viewing the Financial Statements, Notes to the Financial Statements, the Required Supplementary Information and the Supplementary Information. The data presented throughout the section incorporates information from prior CAFRs and is useful in evaluating how the condition of the Plans has changed over time.

Financial Trends

The financial trend schedules show financial information about the growth of DCRB's assets and provide a context for how DCRB's financial position has changed over the past 10 years. The financial trend schedules presented are:

- Changes in Net Position
- Changes in the Net Position Liability and Related Ratios
- Money-Weighted Investment Returns
- Funding Progress
- Investment Expenses
- Administrative Expenses

Operating Information

The following schedules provide data of the environment in which DCRB operates. The schedules presented include:

- Annual Salaries and Benefits
- Employer Contributions
- Average Benefit by Type
- Schedule of Retired Members by Benefit Type and Option Selected
- Participant Data

SCHEDULES OF CHANGES IN NET POSITION
(Dollar amounts in thousands)

District of Columbia Teachers' Retirement Fund

	2005	2006	2007	2008	2009
ADDITIONS					
Contributions:					
District Government	$ 9,200	$ 15,500	$ 14,600	$ 6,000	$ -
District employees	24,778	25,807	26,793	25,919	24,907
Total Contributions	33,978	41,307	41,393	31,919	24,907
Total net investment income	137,333	120,114	217,731	(259,309)	(37,875)
Other income	-	-	740	990	793
Total additions	171,311	161,421	259,864	(226,400)	(12,175)
DEDUCTIONS					
Benefit payments	20,869	23,793	25,801	30,692	33,532
Retirement benefits payable to U.S. Treasury	-	-	-	-	-
Refunds*	n/a	n/a	n/a	n/a	5,316
Administrative expenses	2,210	1,010	2,901	2,919	2,340
Total deductions	23,079	24,803	28,702	33,611	41,188
Changes in Net Position	$148,232	$136,618	$231,162	$(260,011)	$(53,363)

District of Columbia Police Officers and Firefighters' Retirement Fund

	2005	2006	2007	2008	2009
ADDITIONS					
Contributions:					
District Government	$112,100	$117,500	$140,100	$ 137,000	$106,000
District employees	23,804	25,142	27,489	31,718	29,900
Total Contributions	135,904	142,642	167,589	168,718	135,900
Total net investment income	235,515	212,089	400,433	(516,438)	(58,228)
Other income	-	-	1,383	1,952	1,680
Total additions	371,419	354,731	569,406	(345,768)	79,352
DEDUCTIONS					
Benefit payments	13,564	15,795	20,587	25,364	24,569
Retirement benefits payable to U.S. Treasury	-	-	-	-	-
Refunds*	n/a	n/a	n/a	n/a	1,611
Administrative expenses	3,789	1,817	5,421	5,750	4,904
Total deductions	17,353	17,612	26,008	31,114	31,084
Changes in Net Position	$354,066	$337,119	$543,397	$(376,882)	$ 48,268

*Refunds included in Benefit Payments prior to 2009.

SCHEDULES OF CHANGES IN NET POSITION (CONTINUED)
(Dollar amounts in thousands)

District of Columbia Teachers' Retirement Fund

	2010	2011	2012	2013	2014
ADDITIONS					
Contributions:					
District Government	$ -	$ -	$ -	$ 6,407	$ 31,636
District employees	29,940	27,739	28,639	28,129	28,751
Total Contributions	29,940	27,739	28,639	34,536	60,387
Total net investment income	125,756	44,364	190,002	168,117	132,086
Other income	695	616	672	796	522
Total additions	156,391	72,719	219,313	203,449	192,995
DEDUCTIONS					
Benefit payments	37,611	42,532	48,145	54,180	59,832
Retirement benefits payable to U.S. Treasury	-	-	-	21,503	-
Refunds*	3,374	4,060	5,514	5,250	5,790
Administrative expenses	2,327	2,885	2,880	3,627	3,787
Total deductions	43,312	49,477	56,539	84,560	69,409
Changes in Net Position	$113,079	$23,242	$162,774	$118,889	$123,586

District of Columbia Police Officers and Firefighters' Retirement Fund

	2010	2011	2012	2013	2014
ADDITIONS					
Contributions:					
District Government	$132,300	$127,200	$116,700	$96,314	$110,766
District employees	31,607	30,474	30,398	30,581	32,821
Total Contributions	163,907	157,674	147,098	126,895	143,587
Total net investment income	270,277	81,973	452,881	423,581	338,894
Other income	1,555	1,435	1,584	2,047	1,342
Total additions	435,739	241,082	601,563	552,523	483,823
DEDUCTIONS					
Benefit payments	27,872	30,766	38,924	45,656	52,784
Retirement benefits payable to U.S. Treasury	-	-	-	9,391	-
Refunds*	1,974	1,913	1,534	1,960	1,637
Administrative expenses	5,145	6,678	6,718	8,913	9,730
Total deductions	34,991	39,357	47,176	65,920	64,151
Changes in Net Position	$400,748	$201,725	$554,387	$486,603	$419,672

*Refunds included in Benefit Payments prior to 2009.

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

District of Columbia Teachers' Retirement Fund

	2014
Total pension liability	
Service Cost	$ 50,409
Interest	112,204
Benefit changes	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefits payments	(59,832)
Refunds of contributions	(5,790)
Net change in total pension liability	96,991
Total pension liability - beginning	1,759,043
Total pension liability - ending (a)	1,856,034
Plan net position	
Contributions - employer	31,636
Contributions - member	28,751
Net investment income	132,086
Benefits payments	(59,832)
Administrative expense	(3,787)
Refunds of contributions	(5,790)
Other	522
Net change in plan net position	123,586
Plan net position - beginning	1,622,375
Plan net position - ending (b)	1,745,961
Net pension liability - ending (a) - (b)	$ 110,073
Ratio of plan net position to total pension liability -- (b) / (a)	94.07%
Covered employee payroll	$ 378,926
Net pension liability as a percentage of covered-employee payroll	29.05%

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

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS (Dollar amounts in thousands)

District of Columbia Police Officers and Firefighters' Retirement Fund

	2014
Total pension liability	
Service Cost	$ 176,102
Interest	235,097
Benefit changes	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefits payments	(52,784)
Refunds of contributions	(1,637)
Net change in total pension liability	356,778
Total pension liability - beginning	3,644,085
Total pension liability - ending (a)	4,000,863
Plan net position	
Contributions - employer	110,766
Contributions - member	32,821
Net investment income	338,894
Benefits payments	(52,784)
Administrative expense	(9,730)
Refunds of contributions	(1,637)
Other	1,342
Net change in plan net position	419,672
Plan net position - beginning	4,168,457
Plan net position - ending (b)	4,588,129
Net pension liability/(asset) - ending (a) - (b)	$ (587,266)
Ratio of plan net position to total pension liability -- (b) / (a)	114.68%
Covered employee payroll	$ 426,135
Net pension liability as a percentage of covered-employee payroll	-137.81%

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

SCHEDULE OF MONEY-WEIGHTED INVESTMENT RETURNS
(Dollar amounts in thousands)

Fiscal year	Total Portfolio
2014	8.178%
2013	-
2012	-
2011	-
2010	-
2009	-
2008	-
2007	-
2006	-
2005	-

Note: This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added in the future fiscal years until 10 years of information is available

SCHEDULE OF FUNDING PROGRESS
(Dollar amounts in thousands)

Until September 30, 2011, the District of Columbia Retirement Board used the Aggregate Actuarial Cost Method, which does not result in the calculation of an unfunded accrued liability. The numbers shown below have been determined based on the Entry Age Normal Cost Method.

Actuarial Valuation Date	Actuarial Value of Assets	EAN Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a percent of Payroll
10/1/2007						
Teachers	$1,396.0	$1,251.3	$(144.7)	111.6%	$374.9	-38.6%
Fire & Police	$2,672.9	$2,647.3	$ (25.6)	101.0%	$396.3	-6.5%
Total	$4,068.9	$3,898.6	$(170.3)	104.4%	$771.2	-22.1%
10/1/2008						
Teachers	$1,447.6	$1,338.0	$(109.6)	108.2%	$359.3	-30.5%
Fire & Police	$2,932.1	$2,938.8	$ 6.7	99.8%	$422.0	1.6%
Total	$4,379.7	$4,276.8	$(102.9)	102.4%	$781.2	-13.2%
10/1/2009						
Teachers	$1,445.0	$1,304.5	$(140.5)	110.8%	$336.6	-41.7%
Fire & Police	$3,048.4	$3,027.9	$ (20.5)	100.7%	$436.1	-4.7%
Total	$4,493.4	$4,332.4	$(161.0)	103.7%	$772.7	-20.8%
10/1/2010						
Teachers	$1,571.0	$1,328.3	$(242.7)	118.3%	$337.5	-71.9%
Fire & Police	$3,418.8	$3,166.8	$(252.0)	108.0%	$423.9	-59.4%
Total	$4,989.8	$4,495.1	$(494.7)	111.0%	$761.4	-65.0%
10/1/2011						
Teachers	$1,573.7	$1,544.9	$ (28.8)	101.9%	$384.5	-7.5%
Fire & Police	$3,593.7	$3,309.8	$(283.9)	108.6%	$421.2	-67.4%
Total	$5,167.4	$4,854.7	$(312.7)	106.4%	$805.7	-38.8%
10/1/2012						
Teachers	$1,585.6	$1,680.5	$ 94.9	94.4%	$381.2	24.9%
Fire & Police	$3,804.9	$3,457.0	$(347.9)	110.1%	$414.9	-83.9%
Total	$5,390.5	$5,137.5	$(253.0)	104.9%	$796.1	-31.8%
10/1/2013						
Teachers	$1,585.8	$1,759.0	$ 173.3	90.1%	$369.1	46.9%
Fire & Police	$4,013.5	$3,644.1	$(369.5)	110.1%	$413.4	-89.4%
Total	$5,599.3	$5,403.1	$(196.2)	103.6%	$782.5	-25.1%

SCHEDULES OF INVESTMENT EXPENSES

	2005	2006	2007	2008	2009
Investment Managers*	$7,950,600	$10,010,063	$11,585,638	$14,299,838	$10,675,572
Investment Administrative Expenses**	n/a	n/a	n/a	650,278	735,424
Investment Consultants	338,333	347,917	380,516	494,500	531,241
Investment Custodian	726,099	822,081	957,515	485,384	319,107
Total Investment Expenses	$9,015,032	$11,180,061	$12,923,669	$15,930,000	$12,261,344

*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.

** Investment Administrative Expenses not included prior to 2008

SCHEDULES OF INVESTMENT EXPENSES (CONTINUED)

	2010	2011	2012	2013	2014
Investment Managers*	$11,979,562	$10,621,784	$7,115,929	$5,498,505	$11,400,214
Investment Administrative Expenses	789,928	873,896	1,010,770	933,637	867,722
Investment Consultants	454,896	334,353	685,742	974,522	1,018,869
Investment Custodian	254,227	285,415	210,439	131,380	369,065
Total Investment Expenses	$13,478,613	$12,115,448	$9,022,880	$7,538,044	$13,655,870

*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.

SCHEDULES OF ADMINISTRATIVE EXPENSES

	2005	2006	2007	2008	2009
Personal services					
Salaries	$ 1,348,189	$ 2,386,718	$ 2,314,202	$ 2,757,520	$ 2,888,707
Fringe benefits	206,533	380,237	417,026	504,836	716,247
Total personal services	1,554,722	2,766,955	2,731,228	3,262,356	3,604,954
Non-personal services					
Office supplies	143,955	101,676	117,832	130,619	119,979
Telephone	15,569	33,771	20,603	32,673	16,791
Rent	183,249	1,012,781	1,196,975	1,282,134	1,378,513
Office support	9,584	214,813	184,963	101,728	60,080
Travel	111,396	87,815	96,054	89,320	66,767
Professional fees	432,864	1,421,340	3,103,663	2,763,644	2,371,368
Postage	33,926	46,516	36,163	54,721	73,262
Printing	33,297	56,167	40,579	56,551	19,110
Insurance	114,746	117,213	57,259	119,921	110,853
Dues and memberships	12,280	13,270	15,228	17,007	59,861
Audit costs	48,532	51,620	54,371	98,053	66,000
Actuarial fees	46,799	46,149	78,084	100,197	92,796
Legal fees	242,182	208,123	199,219	341,083	246,282
Investment fees	9,015,032	11,180,061	12,923,669	12,392,908	11,138,012
Contractual services (STAR)*	-	-	-	-	-
Equipment and rental	790,062	200,286	72,501	99,779	62,990
Depreciation	-	-	-	-	18,278
Total non-personal services	11,233,473	14,791,601	18,197,162	17,680,338	15,900,942
Total administrative expenses	$12,788,195	$17,558,556	$20,928,390	$20,942,694	$19,505,896

*Contractual services (STAR) were included in Professional fees prior to fiscal year 2013

SCHEDULES OF ADMINISTRATIVE EXPENSES (CONTINUED)

	2010	2011	2012	2013	2014
Personal services					
Salaries	$ 3,262,848	$ 3,906,824	$ 4,113,863	$ 3,955,243	$ 4,401,050
Fringe benefits	907,006	1,030,165	953,613	1,135,431	1,243,960
Total personal services	4,169,854	4,936,989	5,067,476	5,090,674	5,645,010
Non-personal services					
Office supplies	119,814	166,396	156,612	187,114	115,479
Telephone	12,696	14,274	48,484	50,320	56,417
Rent	1,418,772	1,444,127	1,465,447	1,513,248	1,553,897
Office support	113,747	67,712	1,236	-	-
Travel	45,397	38,063	148,224	176,771	180,854
Professional fees	2,329,026	2,867,022	3,069,219	3,789,821	4,292,365
Postage	9,880	37,641	29,103	137,543	24,902
Printing	34,867	35,408	33,002	91,396	14,888
Insurance	130,761	128,637	121,311	113,691	121,055
Dues and memberships	51,136	37,201	26,482	28,071	34,099
Audit costs	66,000	63,500	71,160	75,940	48,500
Actuarial fees	107,573	163,731	152,590	145,531	66,077
Legal fees	36,902	30,198	292,089	529,457	364,876
Investment fees	12,233,789	10,907,200	7,753,310	6,586,544	12,788,148
Contractual services (STAR)*	-	-	-	940,705	871,995
Equipment and rental	65,075	733,918	179,372	618,653	994,762
Depreciation	6,328	6,328	6,328	3,164	-
Total non-personal services	16,781,763	16,741,356	13,553,969	14,987,969	21,528,314
Total administrative expenses	$20,951,617	$21,678,345	$18,621,445	$20,078,643	$27,173,324

*Contractual services (STAR) were included in Professional fees prior to fiscal year 2013

SCHEDULE OF ANNUAL SALARIES AND BENEFITS
(Dollar amounts in millions)

	Annual Salaries of Active Members			Annual Retirement Benefits for Retirees & Beneficiaries		
Fiscal Year	Teachers	Police Officers and Firefighters	Total	Teachers	Police Officers and Firefighters	Total
2014	$379	$438	$817	$59	$58	$117
2013	$369	$413	$782	$53	$50	$103
2012	$381	$415	$796	$47	$43	$ 90
2011	$384	$421	$805	$42	$36	$ 78
2010	$338	$424	$762	$37	$29	$ 65
2009	$337	$436	$773	$32	$22	$ 54
2008	$359	$422	$781	$25	$22	$ 47
2007	$375	$396	$771	$24	$19	$ 43
2006	$322	$351	$673	$16	$13	$ 29
2005	$326	$339	$665	$14	$10	$ 24

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Dollar amounts in millions)

	Teachers' Retirement Fund		Police Officers and Firefighters' Retirement Fund		Total Fund	
Year Ending	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
September 30, 2014	$31.6	100%	$110.8	100%	$142.4	100%
September 30, 2013	$ 6.4	100%	$ 96.3	100%	$102.7	100%
September 30, 2012	-	100%	$116.7	100%	$116.7	100%
September 30, 2011	-	100%	$127.0	100%	$127.0	100%
September 30, 2010	-	100%	$132.3	100%	$132.3	100%
September 30, 2009	-	100%	$106.0	100%	$106.0	100%
September 30, 2008	$ 6.0	100%	$137.0	100%	$143.0	100%
September 30, 2007	$14.6	100%	$140.1	100%	$154.7	100%
September 30, 2006	$15.5	100%	$117.5	100%	$133.0	100%
September 30, 2005	$ 9.2	100%	$112.1	100%	$121.3	100%

SCHEDULE OF AVERAGE BENEFIT BY TYPE

District of Columbia Teachers' Retirement Plan

Retirement Effective Dates		Years of Credited Service 5-9	10-14	15-19	20-24	25-30	30+
	Average Monthly Benefit	$ 899	$ 1,950	$ 2,375	$ 3,551	$ 4,153	$ 5,669
2014	Average Final Average Salary	$79,848	$89,912	$88,883	$100,082	$98,560	$102,092
	Number of Active Recipients	16	21	18	26	47	56
	Average Monthly Benefit	$ 1,205	$ 1,741	$ 2,499	$ 3,441	$ 4,035	$ 5,427
2013	Average Final Average Salary	$82,567	$84,521	$90,461	$94,689	$94,689	$ 97,032
	Number of Active Recipients	17	18	10	44	36	64
	Average Monthly Benefit	$ 951	$ 1,637	$ 2,631	$ 3,333	$ 4,025	$ 5,406
2012	Average Final Average Salary	$76,185	$82,578	$90,729	$93,622	$94,547	$ 96,692
	Number of Active Recipients	19	17	8	47	33	62
	Average Monthly Benefit	$ 947	$ 1,628	$ 2,361	$ 3,097	$ 3,774	$ 5,216
2011	Average Final Average Salary	$80,717	$82,641	$84,659	$89,318	$90,961	$ 93,310
	Number of Active Recipients	11	16	17	46	39	65
	Average Monthly Benefit	-	-	-	-	-	-
2010	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2009	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2008	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2007	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2006	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2005	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-

Information prior to fiscal year 2011 not available at the time of this report.

SCHEDULE OF AVERAGE BENEFIT BY TYPE (CONTINUED)

District of Columbia Police Officers and Firefighters' Retirement Plan

		Years of Credited Service					
Retirement Effective Dates		**5-9**	**10-14**	**15-19**	**20-24**	**25-30**	**30+**
	Average Monthly Benefit	$ 2,343	$4,168	$ 1,950	$ 3,776	$ 5,241	$ 6,403
2014	Average Final Average Salary	$54,678	$65,126	$73,476	$80,064	$92,091	$95,990
	Number of Active Recipients	6	1	1	6	143	29
	Average Monthly Benefit	$ 2,773	$ 2,333	-	$ 2,561	$ 5,439	$ 6,906
2013	Average Final Average Salary	$40,134	$64,784	-	$77,175	$94,464	$103,254
	Number of Active Recipients	4	4	-	4	97	48
	Average Monthly Benefit	$ 1,795	$ 2,686	$ 4,404	$ 3,622	$ 5,409	$ 6,504
2012	Average Final Average Salary	$46,574	$65,588	$74,368	$78,462	$92,618	$96,968
	Number of Active Recipients	3	2	3	4	96	38
	Average Monthly Benefit	$ 2,195	$25,164	$ 3,048	$ 3,090	$ 5,600	$ 6,679
2011	Average Final Average Salary	$61,882	$66,531	$78,270	$82,825	$95,099	$99,070
	Number of Active Recipients	8	4	3	19	104	33
	Average Monthly Benefit	-	-	-	-	-	-
2010	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2009	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2008	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2007	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2006	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-
	Average Monthly Benefit	-	-	-	-	-	-
2005	Average Final Average Salary	-	-	-	-	-	-
	Number of Active Recipients	-	-	-	-	-	-

Information prior to fiscal year 2011 not available at the time of this report.

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT AND OPTION SELECTED

District of Columbia Teachers' Retirement Plan

Amount of Monthly Benefit	Number of Members by Type of Retirement								Number of Members by Option Selected				
	A	B	C	D	E	F	G	Total	1	2	3	4	Total
$1-250	11	0	0	0	17	2	2	32	11	0	0	0	11
$251-500	49	0	0	0	9	6	0	64	43	5	1	0	49
$501-750	82	2	0	1	29	14	1	129	77	8	0	0	85
$751-1,000	70	5	0	5	10	8	1	99	60	17	3	0	80
$1,001-1,250	54	4	0	3	19	15	1	96	43	17	1	0	61
$1,251-1,500	53	3	0	8	30	25	5	124	50	13	1	0	64
$1,501-1,750	73	11	0	20	32	10	0	146	78	24	1	1	104
$1,751-2,000	93	5	0	36	26	9	1	170	111	22	1	0	134
$2,001-3,000	620	48	0	173	116	12	3	972	668	169	4	0	841
$3,001-4,000	1,714	102	1	85	30	3	0	1,935	1,425	467	8	2	1,902
$4,001-5,000	1,529	59	0	11	2	0	0	1,601	1,277	318	4	0	1,599
$5,001-6,000	582	26	0	3	1	0	0	612	468	142	1	0	611
$6,001-7,000	179	11	0	0	0	0	0	190	153	37	0	0	190
$7,001-8,000	50	1	0	0	1	0	0	52	45	6	0	0	51
$8,001-9,000	20	0	0	0	0	0	0	20	16	4	0	0	20
$9,001-10,000	1	1	0	0	0	0	0	2	1	1	0	0	2
over $10,000	3	0	0	0	0	0	0	3	2	1	0	0	3
Total	5,183	278	1	345	322	104	14	6,247	4,528	1,251	25	3	5,807

Type of Retirement:
A - Retired From Affiliate or Resignation
B - Termination - Early Involuntary
C - Partial Total Disability
D - Disabled not in the Line of Duty
E - Survivor of a Retired Teacher
F - Survivor of a Active Teacher
G - Qualified Domestic Relations Order

Option Selected:
1 - Unreduced Annuity
2 - Reduced Annuity with Survivor Option
3 - Reduced Annuity with Life Insurance Benefit
4 - Reduced Annuity with Insurable Interest

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT AND OPTION SELECTED (CONTINUED)

District of Columbia Police Officers and Firefighters' Retirement Plan

Amount of Monthly Benefit	Number of Members by Type of Retirement							
	A	B	C	D	E	F	G	Total
$1-250	0	0	0	0	7	9	2	18
$251-500	2	0	0	0	42	19	4	67
$501-750	8	0	1	0	9	0	19	37
$751-1,000	1	0	0	1	4	4	23	33
$1,001-1,250	3	0	0	0	7	1	27	38
$1,251-1,500	5	0	1	3	7	0	25	41
$1,501-1,750	4	0	10	11	9	5	22	61
$1,751-2,000	8	0	31	32	72	1	22	166
$2,001-3,000	215	0	139	123	1,227	24	45	1,773
$3,001-4,000	1,113	0	492	65	206	7	1	1,884
$4,001-5,000	1,189	0	344	36	48	4	1	1,622
$5,001-6,000	815	0	77	11	12	0	0	915
$6,001-7,000	524	0	33	3	2	2	0	564
$7,001-8,000	278	0	9	0	2	0	0	289
$8,001-9,000	110	0	5	0	0	0	0	115
$9,001-10,000	46	0	3	0	0	0	0	49
over $10,000	106	0	2	0	0	0	0	108
Total	4,427	0	1,147	285	1,654	76	191	7,780

Type of Retirement:

A - Retired From Affiliate or Resignation

B - Termination - Early Involuntary

C - Partial Total Disability

D - Disabled not in the Line of Duty

E - Survivor of a Retired Police Officer or Firefighter

F - Survivor of a Active Police Officer or Firefighter

G - Qualified Domestic Relations Order

SCHEDULE OF PARTICIPANT DATA

Fiscal Year	Active			Retired Members, Beneficiaries, Disabled			Total
	Teachers	Police Officers and Firefighters	Subtotal	Teachers	Police Officers and Firefighters	Subtotal	
2014	4,499	5,551	10,050	3,601	2,365	5,966	16,016
2013	4,379	5,510	9,889	3,448	2,183	5,631	15,520
2012	4,495	5,510	10,005	3,285	2,039	5,324	15,329
2011	4,747	5,561	10,308	3,130	1,856	4,986	15,294
2010	4,749	5,708	10,457	2,941	1,552	4,493	14,950
2009	4,601	5,788	10,389	2,770	1,449	4,219	14,608
2008	4,821	5,661	10,482	2,391	1,364	3,755	14,237
2007	5,027	5,550	10,577	2,364	1,314	3,678	14,255
2006	5,088	5,256	10,344	2,175	1,207	3,382	13,726
2005	5,707	5,222	10,929	2,015	1,056	3,071	14,000

ADDITIONAL DISCLOSURES

SCHEDULES OF TRANSACTIONS - BOARD OF TRUSTEES

Trustee Name	2014 Expenditures	2013 Expenditures
Lyle Blanchard	$7,196	$ 9,253
Barbara Blum	$9,989	$ 6,327
Joseph Bress	$4,182	$ 3,370
Diana Bulger	$2,683	$ 3,830
James Bunn	$ -	$ 7,323
Joseph Clark	$4,103	$ -
Mary Collins	$6,785	$ -
Gary Hankins	$9,973	$ -
Deborah Hensley	$ -	$ -
Judith Marcus	$ -	$ 9,437
Darrick Ross	$9,910	$ 8,579
Nathan Saunders	$9,973	$10,000
Edward Smith	$5,775	$ 5,056
George Suter	$ -	$ 1,103
Thomas Tippett	$7,006	$ 6,863
Michael Warren	$ -	$ 3,861

NAMES AND ADDRESSES OF THE BOARD OF TRUSTEES

SCHEDULE OF TRUSTEE SPONSORED ACTIVITIES

Barbara D. Blum:

Date	Service Provider	Activity	Purpose of Activity
05/21/13	Pantheon	Meeting	Updates on investment outlook
06/05/13	Pantheon	Meeting	Updates on investment outlook
05/15/14	Warburg/Blackstone	Annual Meeting	Education of manager's strategic plan (transportation and meals provided at meeting)

Joseph W. Clark:

Date	Service Provider	Activity	Purpose of Activity
09/14/14	Profit Investments	Meeting with: Mayor of Jacksonville, FL, Governor of Virginia, Former Montgomery County Executive	Discussion of DCRB Plans and Fund

Judith C. Marcus:

Date	Service Provider	Activity	Purpose of Activity
10/03-04/13	Sands Capital Mgmt.	Client conference	Continuing education

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