Financial Section

ARLINGTON
VIRGINIA

ARLINGTON COUNTY
EMPLOYEES' RETIREMENT SYSTEM

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees of the Arlington County
Employees' Retirement System
Arlington, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the Arlington County Employees' Retirement System (the System) which comprise the statement of fiduciary net position as of June 30, 2017, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2017, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Trustees of the Arlington County
Employees' Retirement System

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 net pension liability/(asset) and related ratios, employer contributions and investment returns and related notes, 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's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit 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 audit was conducted for the purpose of forming an opinion on the System's financial statements. The schedules of administrative expenses and investment and consultant expenses are supplemental information and are presented for the purposes of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The introductory, investment, actuarial and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
November 17, 2017

MANAGEMENT'S DISCUSSION & ANALYSIS

The discussion and analysis presented in this section provides an overview of the Arlington County Employees' Retirement System's ("the System") financial activities for the fiscal year ended June 30, 2017. Please read this discussion and analysis in conjunction with the basic financial statements which follow and the letter from the Executive Director and Chief Investment Officer included in the *Introductory Section* of this Comprehensive Annual Financial Report.

The System provides retirement benefits to Arlington County Uniformed and General employees and to certain School Board employees. Total fiduciary net position held in trust combined with consistent and significant County contributions leave the System well positioned to continue to meet its obligations to members.

Financial Highlights

Net Position System net position at June 30, 2017 totaled $2.174 billion, an increase of $210 million, or 10.7%, from June 30, 2016, primarily due to an increase in the value of investments.

Additions and Deductions to Net Position Additions to net position include County and member contributions, interest and dividends on Fund investments and investment gains/losses; deductions to assets are primarily driven by benefit payments. For fiscal year 2017:

- Contributions decreased to $64.3 million from $66.6 million in fiscal year 2016.
- Dividends and interest on investments decreased to $35.5 million from $40.4 million in fiscal year 2016.
- Payments and refunds to members increased to $99.7 million from $95.3 million in fiscal year 2016.

Investment Gains and Losses Investment gains, which include realized and unrealized changes in investment portfolio market value, were $217.4 million in fiscal year 2017, a $252.0 million increase compared to the $34.6 million loss in fiscal year 2016.

- Fund gross investment returns, including dividends and interest, of 12.9% for the year outperformed the 11.1% benchmark. The Fund's investment results were largely attributable to net active equity manager outperformance and an underweight allocation to fixed income. The System's investment portfolio is well diversified and strives to balance capital preservation in down markets with generating an adequate risk adjusted return over the long term.

Funded Ratio As of June 30, 2017, the System was actuarially funded at 102.7%, up from 99.6% as of June 30, 2016, due to continued recognition of the favorable investment experience in the current and prior years. This funding ratio compares actuarial value of assets to the actuarial liabilities. The combination of liability and recognition of prior year investment experiences resulted in the increase in this ratio.

We also present the market value GASB 67 ratio of 102.4% as of June 30, 2017, which is the current market value to actuarial liabilities. The market value of assets is not a good measure on which to base the calculation of contributions to the System as it is subject to significant variability due to the volatility of market values.

MANAGEMENT'S DISCUSSION & ANALYSIS

SUMMARY OF FIDUCIARY NET POSITION AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 & 2016

Summary of Fiduciary Net Position

Assets	June 30, 2017	Increase (Decrease)	June 30, 2016
Cash	$ 7,091,977	$ (17,367,802)	$ 24,459,779
Receivables	6,275,308	(1,046,265)	7,321,573
Investments	2,162,529,363	228,801,041	1,933,728,322
Total Assets	**$ 2,175,896,648**	**$ 210,386,974**	**$ 1,965,509,674**
Liabilities			
Accrued Expense and Other Liabilities	$ 2,077,480	$ 66,635	$ 2,010,845
Total Liabilities	**$ 2,077,480**	**$ 66,635**	**$ 2,010,845**
Total Fiduciary Net Position	**$ 2,173,819,168**	**$ 210,320,339**	**$ 1,963,498,829**

Summary of Changes in Fiduciary Net Position

Additions	June 30, 2017	Increase (Decrease)	June 30, 2016
Employer Contributions	$ 51,782,007	$ (2,668,265)	$ 54,450,272
Member Contributions	12,498,591	305,336	12,193,255
Dividends & Interest	35,527,917	(4,844,369)	40,372,286
Investment Gains	217,354,325	251,989,117	(34,634,792)
Other	442,200	160,784	281,416
Investment Expense	(5,853,260)	1,380,046	(7,233,306)
Total Additions	**$ 311,751,780**	**$ 246,322,649**	**$ 65,429,131**
Deductions			
Retirement Benefits	$ 98,729,853	$ 4,741,076	$ 93,988,777
Refund of Contributions	946,394	(323,695)	1,270,089
Administrative & Consulting Expense	1,755,198	51,624	1,703,574
Total Deductions	**$ 101,431,445**	**$ 4,469,005**	**$ 96,962,440**
Change in Fiduciary Net Position	**$ 210,320,335**	**$ 241,853,644**	**$ (31,533,309)**

MANAGEMENT'S DISCUSSION & ANALYSIS

Overview of Financial Statements

The System's financial statements, which follow, include:

- Basic financial statements
- Notes to the financial statements
- Required supplementary information
- Supplementary information

Summarizing the information available in each:

Basic Financial Statements These statements include a statement of fiduciary net position and a statement of changes in fiduciary net position, presented as of and for the year ended June 30, 2017, respectively. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year-end, as well as changes in those resources during the year.

Notes to the Basic Financial Statements The financial statement notes provide additional information essential to fully understanding the data provided in the Basic Financial Statements. Specifically:

Note 1	Describes significant accounting policies
Note 2	Provides a description of the System, the funding policy and member contributions and benefits and lists the various actuarial assumptions
Note 3	Discusses System's net pension liability and long term expected rates of return
Note 4	Discusses System's deposits and investments and includes several tables categorizing investments by type while providing disclosure on interest rate, credit quality and currency related risks
Note 5	Provides a description of the System's investments by fair value
Note 6	Explains the System's tax status
Note 7	Describes any subsequent events since the financial statements were issued

Required Supplementary Information This information illustrates the System's change in net pension liability and related ratios, schedule of employer contributions and schedule of investment returns.

Supplementary Information Details regarding administrative and investment consultant related expenses are also provided.

Contact Information

The System's financial statements are designed to present users with a general overview of the System's finances and to demonstrate the prudent exercise of the Board's oversight. Please direct any questions or requests for further information to the Arlington County Employees' Retirement System, 2100 Clarendon Boulevard, Suite 504, Arlington, VA 22201. Copies of the Comprehensive Annual Financial Report are available from the Retirement Office or at the Central Public Library. The report may also be accessed at *www.arlingtonva.us/retirement*. A summary report will be issued to plan members in January 2018.

ARLINGTON COUNTY EMPLOYEES' RETIREMENT SYSTEM

(A Pension Trust Fund of Arlington County, Virginia)

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2017

ASSETS		
Cash and Cash Equivalents		$7,091,977
Contributions Receivable:		
Employer		3,035,329
Employee		722,625
Accrued Interest and Other Receivables		2,517,354
Investments, at Fair Value:		
Foreign, Municipal and U.S. Government Obligations	65,318,345	
Corporate Fixed Income Obligations	86,351,251	
Domestic and Foreign Equities	478,506,363	
Private Equity	62,639,056	
Real Estate Funds	7,718,263	
Pooled Equity	884,668,907	
Pooled Fixed Income	570,727,082	
Convertibles	6,600,095	
Total Investments		2,162,529,363
Total Assets		**2,175,896,648**
LIABILITIES		
Accrued Expenses and Other Liabilities		2,077,480
Total Liabilities		**2,077,480**
NET POSITION RESTRICTED FOR PENSIONS		**$2,173,819,168**

See accompanying notes to financial statements

ARLINGTON COUNTY EMPLOYEES' RETIREMENT SYSTEM
(A Pension Trust Fund of Arlington County, Virginia)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

ADDITIONS	
Contributions	
Employer	$51,782,007
Employee	12,498,591
Service Credit Buybacks	176,460
Total Contributions	$64,457,058
Investment Income	
Interest and Dividends	35,527,917
Net Appreciation/(Depreciation) in Fair Value	217,354,326
Commission Recapture	103
Investment Income/(Loss)	252,882,346
Less: Investment Expense	5,853,260
Net Investment Income/(Loss)	247,029,086
Securities Lending Activity	
Security Lending Income	354,176
Bank Management Fees	(88,539)
Net Income/(Loss) From Security Lending	265,637
Total Additions	**$311,751,781**
DEDUCTIONS	
Members' Benefits	98,729,853
Refund of Members' Contributions	946,394
Administrative Expenses	796,901
Other Consulting Expenses	958,297
Total Deductions	**101,431,445**
Net Increase in Net Position	**$210,320,336**
Net Position Restricted for Pensions, Beginning of Year	**1,963,498,832**
Net Position Restricted for Pensions, End of Year	**2,173,819,168**

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting with additions to fiduciary net position recognized when earned and deductions from fiduciary net position recorded when incurred. Member and employer contributions to the System are recognized in the period in which the contributions are due and payable in accordance with the terms of the plan as defined in the Arlington County Code. Benefits and refunds are recognized when due in accordance with the terms of the Plan.

The accounting and reporting policies of the system conform to accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions in fiduciary net position during the reporting period. Actual results could differ from those estimates.

Investments

The System's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The System utilizes independent pricing vendor services, quotations from market makers and alternative valuation methods when market quotations are either not readily available or not deemed representative of air value. Investment transactions are recorded as of the trade date. These transactions are not finalized until the settlement date. Unrealized appreciation and depreciation of investments is reflected in the Statement of Changes in Fiduciary Net Position for the year.

NOTE 2. PLAN DESCRIPTION

The Arlington County Employees' Retirement System (the System) is a pension trust fund of the Arlington County, Virginia (the County) financial reporting entity and is included in the County's comprehensive annual financial report. The accompanying financial statements present information on the operations of the System in conformity with generally accepted accounting principles.

The System is a single employer public employee defined benefit pension plan covering substantially all employees of the County.

Plan Administration

On November 16, 2004, amendments to Arlington County Chapters 21, 35 and 46 were made to transfer the System's administrative responsibilities to the County Manager while leaving investment responsibility with the Board of Trustees (the Retirement Board).

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2. PLAN DESCRIPTION

The Retirement Board consists of seven voting and three substitute members as follows:

- Three appointed by the County Board
- One appointed by the County Manager
- One trustee and one substitute elected by general employees
- One trustee and one substitute elected by police officers, firefighters, and deputy sheriffs (uniform)
- One trustee and one substitute elected by retired employees

If no eligible person is nominated for an elected position, the County Manager appoints an eligible person to serve as trustee.

The Arlington County Code requires that the trustees elected by active employees be active employees and that the trustees elected by retired employees currently be receiving retirement benefits from the System.

The trustees annually elect a President, Vice-President and Secretary from among their members, and appoint a Treasurer and Assistant Treasurer, who may or may not be a member of the Retirement Board.

The trustees annually approve a Retirement Board Investment Office administrative budget. Administrative expenses are funded from System assets.

Plan Membership
At June 30, 2017, System membership consisted of the following:

	General	Uniformed	School	Total
Active Employees:				
Vested	1,686	603	17	2,306
Non-vested	1,037	233	0	1,270
Total Active Employees	2,723	836	17	3,576
Vested Deferred	462	83	39	584
Retirees and Beneficiaries	2,227	821	956	4,004

Please refer to Chapters 21, 35 and 46 of the Arlington County Code for a more detailed description of the System.

Benefits Provided

The System provides retirement benefits as well as survivor and disability benefits. The table on the following page describes the benefits and how they are calculated.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2. PLAN DESCRIPTION

All plan members are eligible for disability benefits after two years of service and qualify for Social Security disability retirement. Disability retirement benefits are determined in the same manner as retirement benefits with no reduction for early retirement.

All normal retirement benefits vest after five years of credited service. If an employee leaves covered employment before five years of credited service, accumulated employee contributions plus interest are refunded to the employee or designated beneficiary. A summary of member contribution rates, normal service retirement and average final compensation for the employees covered under the various Chapters of the Arlington County Code for the period ending June 30, 2017 is provided on the following page.

Benefit terms provide for annual cost of living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are 100% of the CPI-U increase up to a maximum of 3% plus one half of the CPI-U increase for the next 9%. This equates to a maximum of 7.5% increase for a 12% increase in the CPI-U.

The System also provides a DROP (Deferred Retirement Option Plan) for employees eligible for retirement. Retirement benefits are paid into a stable value investment fund for DROP participants.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2. PLAN DESCRIPTION

Member Contributions and Retirement Benefits

	Participants Covered Under Chapter		
	21	**35**	**46**
Covers Employees Hired:	Before 2/8/81	Before 2/8/81	2/8/81 or After
Contribution Rates:			
General Employees	4%	N/A	4%
School Board Employees (Covered by VRS)	0%	0%	0%
Uniformed Employees:			
- Management	5.62%	N/A	5% through 1/3/09, 7.5% thereafter
- Non-Management	6.62%	N/A	5% through 1/3/09, 7.5% thereafter
Normal Retirement Age:			
General County Employees	60	N/A	62
School Board Employees	60	62	62
Uniformed Employees	50	N/A	52
"Rule of 80" Applies	Yes	No	Yes
Retirement Benefit: Percentage of Average Final Salary (AFS) times years of creditable service subject to a 30 year maximum. AFS is generally the average of the three highest compensation years, including overtime. For Chapter 46 employees retiring on or after 1/4/09, the New AFS definition excludes overtime and most premium pays.	2.5% for each of the first 20 years plus 2% for each of the next 10 years	2.125% reduced by the VRS benefits under Formula A	_Retiring on/prior to 1/3/09_ General: 1.5% Uniform: 2.0% until Social Security Eligible then 1.5%, 1.7% & 2.0% for each 10 year increment _Retiring on/after 1/4/09_ General: 1.7% New AFS *OR* 1.5% Prior AFS through 1/3/09 plus 1.7% New AFS thereafter Uniform: 2.5% through 1/3/09 plus 2.7% thereafter on New AFS *OR* 2.0% Prior AFS through 1/3/09 plus 2.7% New AFS thereafter until Social Security Eligible then 1.5%, 1.7% & 2.0% for each 10 year increment prior to 1/3/09
Employee contribution refund upon leaving County	Contributions plus interest	N/A	Contributions plus interest

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2. PLAN DESCRIPTION

Contributions

Chapters 21, 35 and 46 of the Arlington County Code establish the Plan and provide the basis for determining the contribution rates. The County Board may amend the Plan at any time.

Based on an annual actuarial valuation prepared by an actuary selected by the Retirement Board of Trustees, a contribution rate is recommended to the County Board for adoption. The actuarially determined rate results in contributions to the Plan which, along with member contributions, are anticipated to be sufficient to fund the value of benefits expected to be earned by plan members during the year, plus an amount to amortize any unfunded actuarial liability.

For the year ended June 30, 2017, the active member contribution rate was 4% of pay for general employees and 7.5% of pay for uniformed employees. The County's blended contribution rate was 20.3% of annual covered payroll.

Rate of Return

For the year ending June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3. NET PENSION LIABILITY

The components of the net pension liability of the County at June 30, 2017, were as follows:

($ in millions)		
Total Pension Liability	$	2,122.3
Plan Fiduciary Net Position		2,173.8
County's Net Pension Liability/(Asset)	$	(51.5)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		102.4%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions:

Investment rate of return	6.75%
Assumed inflation rate	3.00%
Projected salary increases	3.00%

Mortality rates were based on the RP 2000 Combined Mortality projected with scale AA.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3. NET PENSION LIABILITY

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. The discount rate of 6.75% was lowered from 7.25% with the June 30, 2016 valuation.

Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected pension plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s expected asset allocation as of June 30, 2017 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	6.6%
International Equity	7.1%
Fixed Income	2.9%
Cash/Short Term	1.7%
Non-Traditional	9.6%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The discount rate assumes that contributions from plan members will be made at the current contribution rate and that employer contributions will be made at rates actuarially determined by the Retirement Board. 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 actuarial assumed rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability/ (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.75%, as well as what the Plan’s net position liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
($ in millions)			
Plan's net pension liability/ (asset)	$237.4	($51.5)	($288.9)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

a. Legal Provisions and Investment Policy

The System is authorized by the Code of Virginia §51.1-803 to invest funds of the System in accordance with the prudent person rule. Arlington County Code §21-23, §35-21, and §46-22 require that assets of the System be invested with care, skill, prudence, and diligence under circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Arlington County Code §21-24, §35-22, and §46-23 require that investments be diversified to minimize the risk of large losses unless under the circumstances it is clearly not prudent to do so.

The System's written investment policy provides for investment in all major sectors of the capital markets in order to diversify and minimize total investment program risk. Such sectors include, but are not limited to:

- Convertible securities
- Cash, money market funds and other short term investment funds

NOTE 4. DEPOSITS AND INVESTMENTS

- Common stocks, preferred stocks, warrants and similar rights of U.S. and non-U.S. companies.
- Private equity. The System invests in private equity via a fund-of-funds and direct approach to maximize diversification by vintage year and investment type.
- Open and closed end pooled real estate funds and real estate investment trust securities
- Fixed income obligations of the U.S. government and its agencies, mortgage-backed securities, corporate bonds, and asset backed securities. In addition, fixed income obligations of non-U.S. governments, companies and supernational organizations, in other developed and emerging markets. Limits on concentration, credit quality and duration are governed by each investment manager's contract.

Since the Fund does not utilize a target allocation approach, the following table shows the Fund's ten year average allocation:

Asset Class	10 Year Average Allocation
Domestic Equity	46.7%
International Equity	17.2%
Fixed Income	29.9%
Cash/Short Term	1.8%
Non-Traditional	4.4%
Total	100.0%

While the above asset allocation is not a restrictive target (see investment restrictions on page 25), it is representative of the nature and mix of current and expected System investments.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

c. Investment Restrictions

The following summarizes the primary investment restrictions included in the System's investment policy statement. Individual investment manager contracts typically include additional guidelines and limitations.

Fixed income investments must be at least 20% of the Fund's assets at market value. The Fund must be rebalanced if the market weight of fixed income investments falls below 20%, unless the Board, acting on the recommendation of staff or the investment consultant to defer rebalancing, determines that it would not be consistent with the Board's fiduciary responsibility to rebalance (increase fixed income) at that time.

No new commitment to illiquid investments can be made which causes the allocation to illiquid investments, including existing market value and commitments, to exceed 15% of the System's market value.

Unless the Board grants prior authorization, the investment managers may not:

- Invest more than 10% of the market value of each portfolio in the securities of any one issuer, with the exception of the U.S. government and its agencies
- Hold more than 5% of the outstanding shares of a single company in each portfolio
- Hold unlisted equity securities that exceed 20% of the portfolio, exclusive of holdings in banks, utilities, and insurance companies
- Use leverage of any sort for any purpose beyond prudent industry standards
- Effect short sales of securities
- Purchase non-registered securities, such as private placements
- Pledge, mortgage or hypothecate securities, except in approved security lending programs

Investment managers are prohibited from:

- Making investments prohibited by county, state or federal law
- Investing in collectibles
- Making loans, including mortgage loans, to individuals

Derivatives are allowed only in cases where their use reduces the cost of a desired transaction and/or improves the risk characteristics of the portfolio. The Board may, however, approve the use of derivatives to implement investment processes intended to add value in specifically-designated, risk-controlled applications, such as currency management. Any such value-added investment program shall be approved only where:

- The potential exposures have been well defined by the Board and provide for a downside risk range for the Fund within established limits
- The value of the designated Fund assets subject to risk due to the program does not exceed 15% of the Fund's assets

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

- In any program where an active overlay strategy combining derivatives with underlying portfolio assets is to be used, the gross amount of any long and short exposures taken on by the overlay shall not exceed the value of the designated Funds assets being overlaid

The System's Investment Policy provides external investment managers with discretion to take actions, within approved guidelines, regarding each portfolio's foreign currency exposures using forward currency contracts. These contracts are agreements to exchange one currency for another currency at an agreed upon price and date. Investment managers use such contracts primarily to settle pending trades at a future date. Key risks include counter party non-performance and currency fluctuations. As of June 30, 2017, the System had $93,575 in open net forward currency contracts.

d. Cash and Cash Equivalents

At June 30, 2017, the System had cash and cash equivalents of $7,091,977. Cash deposits in bank accounts totaled $415,428. This amount was insured by the Federal Deposit Insurance Corporation up to $250,000 for each System participant. Cash equivalents totaling $6,676,549 is invested in the custodian's Short-Term Investment Fund. This account is uninsured and uncollateralized.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

e. Investments and Risk

The System's investments are recorded at fair value as described in Note 5. Fair Value of Investments, on page 33. The following table presents the fair value of investments by type at June 30, 2017:

SYSTEM INVESTMENTS

Investment Type *(in $ 000s)*	**Investment Value**
Foreign, Municipal and U.S. Governments	
Government and Government Agency Debt	$ 62,490
Government State and Local Debt	2,829
Total Foreign, Municipal, and U.S. Governments	65,319
Corporate Fixed Income Obligations	
Corporate Bonds	86,326
Asset Backed Securities	25
Bank Loans	1
Total Corporate Fixed Income Obligations	86,352
Domestic and Foreign Equities	
Common Stock	473,059
REITs	5,436
Preferred Stock	11
Total Domestic and Foreign Equities	478,506
Private Equity	
Private Equity	62,639
Real Estate Funds	
Real Estate	7,718
Pooled Equity	
Pooled Equity Funds	884,669
Pooled Fixed Income	
Pooled Bond Funds	570,727
Convertibles	
Convertible Equity	1,477
Corporate Convertible Bonds	5,123
Total Convertibles	6,600
Total	$ 2,162,530

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

Interest Rate Risk

Interest rate risk is driven by changes in general interest rate levels. The price of a fixed income security generally moves in the opposite direction of the change in interest rates. Securities with long maturities are highly sensitive to interest rate changes. The System has interest rate exposure on $156.8 million of directly owned fixed income securities and on $570.7 million invested in three pooled US fixed income funds. The System's directly owned fixed income investments and maturities at June 30, 2017 are:

INVESTMENT MATURITIES

Investment Type		Maturities (years)			
(in $ 000s)	**Fair Value**	**Under 1**	**1-5**	**6-10**	**Over 10**
Asset Backed Securities	$ 25	25	-	-	-
Bank Loans	1	-	1	-	-
Corporate Bonds	86,326	1,035	23,058	22,065	40,168
Corporate Convertible Bonds	5,123	848	1,840	678	1,757
Government & Government Agencies	58,210	19,015	32,471	4,529	2,195
Government State & Local Debt	7,109	4,280	-	-	2,829
Total	**$ 156,794**	**$ 25,203**	**$ 57,370**	**$ 27,272**	**$ 46,949**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

Interest rate sensitivity of a fixed income portfolio is best measured by effective duration which reflects the average percentage change in portfolio value due to a 1% change in interest rates. The effective duration for the System's directly held fixed income portfolio at June 30, 2017 is shown below:

INVESTMENT DURATIONS

Investment Type *(in $ 000s)*	**Fair Value**	**Effective Duration (Yrs)**
Asset Backed Securities	$ 25	0.90
Bank Loans	1	-
Corporate Bonds	86,326	7.12
Corporate Convertible Bonds	5,123	5.27
Government & Government Agencies	58,210	2.50
Government State & Local Debt	7,109	2.99
Total	**$ 156,794**	**5.11**

Custodial Credit Risk

In the event of counter-party failure, the System may not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities held by the counterparty, or counterparty's trust department, are uninsured and are not registered in the name of the System. The System requires that all investments be clearly marked as to ownership, and to the extent possible, be registered in the name of the System.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk

The System's credit quality distribution for the System's directly held fixed income investments of $156.8 million at June 30, 2017 is shown below:

FIXED INCOME CREDIT QUALITY DISTRIBUTION

Investment Type	**Credit Quality**							
(in $ 000s)	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**Below B**	**Unrated**
Asset Backed Securities	$ 25	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank Loans	-	-	-	-	-	-	-	1
Corporate Bonds	-	8,420	8,275	24,116	27,500	14,285	3,264	465
Corporate Convertible Bonds	-	-	1,049	1,403	711	320	678	962
Government & Government Agencies	51,485	-	4,557	-	2,168	-	-	-
Government State & Local Debt	4,281	-	-	-	-	2,829	-	-
Total	**$ 55,791**	**$ 8,420**	**$ 13,881**	**$ 25,519**	**$ 30,379**	**$ 17,434**	**$ 3,942**	**$ 1,428**

Note: Ratings based on S&P and Moody Quality Ratings

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

Foreign Currency Risk

Foreign investments include equity and fixed income securities, including convertible securities and cash. The Board has authorized specific investment managers to invest in non-dollar denominated securities. These managers have the ability to hedge a portion of their portfolio's foreign currency exposure. The System's exposure to foreign currency risk at June 30, 2017 was as follows:

FOREIGN CURRENCY EXPOSURE IN US DOLLARS

Currency *(in $ 000s)*	**Equity**	**Fixed Income & Convertible**	**Cash**	**Total**
Australian Dollar	$ 570	$ 4,631	$ -	$ 5,201
Brazilian Real	1,862	-	-	1,862
British pound sterling	7,917	414	30	8,361
Canadian Dollar	3,084	9,673	-	12,757
Danish Krone	1,497	-	-	1,497
Euro	22,211	-	22	22,233
Hong Kong Dollar	14,966	-	35	15,001
Indonesian Rupiah	7,374	-	-	7,374
Japanese Yen	7,405	-	29	7,434
Mexican Peso	1,474	3,616	-	5,090
New Zealand Dollar	-	6,170	-	6,170
Nigerian Naira	342	-	71	413
Philippines Peso	5,489	-	2	5,491
Singapore Dollar	776	-	-	776
South Korean Won	308	-	-	308
Swedish Krona	5,157	-	1	5,158
Swiss Franc	5,137	-	1	5,138
Thailand Baht	1,290	-	-	1,290
Turkish lira	1,559	-	10	1,569
Total	**$ 88,418**	**$ 24,504**	**$ 201**	**$ 113,123**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

f. Securities Lending

Under authorization of the Board, the System engaged in a securities lending program through its custodian, Northern Trust, for securities held in separate accounts. In accordance with the contract, Northern Trust may lend any securities held in custody. Only obligations issued by the US Government are accepted as collateral. By not accepting cash collateral, the program relies on the demand of the loaned securities as the driver of income and is not subject to collateral reinvestment risk. Minimum collateralization levels for all loans is 102% of the market value of the borrowed securities or 105% if the borrowed securities are not denominated in dollars. Loans and collateral are marked to market on a daily basis. The collateral is maintained by Northern Trust and all securities on loan are callable at any time. The System does not have the ability to pledge or sell the collateral.

In the event the borrower becomes insolvent and fails to return the securities, Northern Trust indemnifies the System by agreeing to purchase replacement securities, or to remit the collateral held. There were no such failures by any borrower during the fiscal year nor were there any losses during the year resulting from a borrower or lending agent default.

The fair value of securities on loan increased from $19.3 million at the beginning of the year to $50.8 million at June 30, 2017.

The following table details the net income from securities lending for the fiscal year ended June 30, 2017:

Gross Income from Securities Lending	$	354,176
Less: Bank Management Fees		(88,539)
Net Income from Securities Lending	$	265,637

The following table presents the fair value of underlying securities and the value of the non-cash collateral pledged at June 30, 2017:

Securities Lent		Fair Value of Securities on Loan		Fair Value of Non-cash Collateral
Total	$	50,752,810	$	51,845,466

None of the System’s pooled fund investments have material realized or unrealized securities lending related losses.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. DEPOSITS AND INVESTMENTS

g. Commission Recapture Program

The System participates in a commission recapture program with the Frank Russell Company. This program allows the System to recapture a portion of the commissions paid to broker/dealers by investment managers who participate in the program. All trades are placed subject to the requirement for best execution. Earnings credited to commission recapture income for the fiscal year ended June 30, 2017 were $103.

NOTE 5. FAIR VALUE OF INVESTMENTS

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

Level 1	Unadjusted quoted prices for identical instruments in active markets.
Level 2	Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
Level 3	Valuations derived from valuation techniques in which significant inputs are unobservable.

For investments that do not have a readily determinable fair value, the System establishes fair value by using the Net Asset Value (NAV) per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. These investments are not classified in the fair value hierarchy.

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

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

Equity and fixed income securities classified in Level 2 of the fair value hierarchy are valued at prices provided by independent pricing vendors. The vendors provide these prices after evaluating observable inputs including, but not limited to: quoted prices for similar securities, the mean between the last reported bid and ask prices (or the last bid price in the absence of an asked price), yield curves, yield spreads, credit ratings, deal terms, tranche level attributes, default rates, cash flows, prepayment speeds, broker/dealer quotations, inflation and reported trades.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 5. FAIR VALUE OF INVESTMENTS

Fixed income securities classified in Level 3 of the fair value hierarchy were valued using a single broker indicative quote.

The System has the following recurring fair value measurements as of June 30, 2017:

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

		Fair Value Measurements Using		
	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Foreign, Municipal and U.S. Governments				
Government and Government Agency Debt	$ 58,209,908	-	58,209,908	-
Government State and Local Debt	7,108,437	-	7,108,437	-
Corporate Fixed Income Obligations				
Corporate Bonds	86,325,688	-	86,325,688	-
Asset Backed Securities	24,702	-	24,702	-
Bank Loans	862	-	862	-
Pooled Fixed Income				
Pooled Bond Funds	144,263,832	144,263,832	-	-
Convertibles				
Corporate Convertible Bonds	5,123,316	-	5,123,316	-
Total debt securities measured at fair value	301,056,745	144,263,832	156,792,913	-
Equity Securities				
Domestic and Foreign Equities				
Common Stock	478,495,417	478,495,417	-	-
Preferred Stock	10,946	-	-	10,946
Pooled Equity				
Pooled Equity Funds	544,645,649	544,645,649	-	-
Convertibles				
Convertible Equity	1,476,779	1,053,552	423,228	-
Total equity securities measured at fair value	1,024,628,792	1,024,194,618	423,228	10,946
Total investments by fair value level	$ 1,325,685,536	$ 1,168,458,450	$ 157,216,141	$ 10,946
Investments measured at the net asset value (NAV)				
Debt securities				
Pooled Fixed Income				
Pooled Bond Funds	426,463,250			
Total debt securities measured at the NAV	426,463,250			
Equity Securities				
Domestic and Foreign Equities				
Pooled Equity Funds	98,742,995			
Pooled Equity				
Pooled Equity Funds	241,280,263			
Total equity securities measured at the NAV	340,023,258			
Alternative Investments				
Private Equity				
Private Equity	62,639,056			
	62,639,056			
Real Estate Funds				
Real Estate	7,718,263			
Total alternative investments measured at the NAV	70,357,319			
Total investments measured at the NAV	836,843,827			
Total investments	$ 2,162,529,363			

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5. FAIR VALUE OF INVESTMENTS

		June 30, 2017	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Debt Securities					
Pooled Fixed Income	$	426,463,250	-	Daily	None
Total debt securities		426,463,250	-		
Equity Securities					
Domestic and Foreign Equities		98,742,995	-	Monthly	15 - 45 days
Global Pooled Equity		86,312,147	-	Monthly	15 - 45 days
Large Cap Domestic Equity		154,968,116	-	Daily	None
Total equity securities		340,023,258	-		
Alternative Investments					
Private Equity		62,639,056	93,000,000	N/A	N/A
Real Estate		7,718,263	1,400,000	N/A	N/A
Total alternative investments		70,357,319	94,400,000		
Total investments measured at the NAV	$	836,843,827	94,400,000		

- *Unfunded Commitments.* The System has at June 30, 2017 committed to fund certain alternative investment partnerships in the amount of $253.0 million. Funding of $158.6 million has been provided leaving an unfunded commitment of $94.4 million.
- *Alternative Investments.* Real estate includes two funds, structured as limited partnerships, which invest primarily in land in the United States. Private Equity includes ten funds, structured as limited partnerships, which employ multiple investment strategies including buy-out, venture capital and fund-of-funds. These investments can never be redeemed with the funds. Instead, the nature of the investments of these types is that distributions are received through the liquidation of the underlying assets of the funds. It is expected that the underlying assets of the funds will be liquidated over the next 10 years.
- *Equity Focused Funds.* Global Equity and Global Pooled Equity includes global equity funds that invest in both U.S. and non-U.S. equities, seeking quality companies that are attractively valued and have growth potential. Large Cap Domestic Equity includes funds that invest primarily in large cap domestic equity securities.
- *Fixed Income Focused Funds.* Aggregate Bond Index Tracking includes one fund that maintains a portfolio constructed to match or track the components of the Barclays Capital U.S. Aggregate Index.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6. TAX STATUS

The System is a tax-exempt governmental plan qualified under Section 401 and exempt under Section 501(a) of the Internal Revenue Code. IRS qualification letters have been received.

NOTE 7. SUBSEQUENT EVENTS

The Plan evaluated subsequent events through November 14, 2017 the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to November 14, 2017 that provided additional evidence about conditions that existed at June 30, 2017, have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2017.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

Schedule of Changes in Net Pension Liability/ (Asset) and Related Ratios
($ in millions)

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability				
Service Cost	$ 56.5	$ 53.8	$ 54.8	$ 52.1
Interest	139.1	143.6	135.6	131.6
Changes in Benefits	-	-	-	-
Change in Assumptions	-	27.2	-	29.4
Differences between Expected and Actual Experience	(27.1)	(47.3)	(16.2)	(11.0)
Benefit Payments	(99.7)	(95.3)	(90.8)	(86.3)
Net Change in Total Pension Liability	$ 68.8	$ 82.0	$ 83.4	$ 115.8
Total Pension Liability - Beginning	$ 2,053.5	$ 1,971.5	$ 1,888.1	$ 1,772.3
Total Pension Liability - Ending	$ 2,122.3	$ 2,053.5	$ 1,971.5	$ 1,888.1
Plan Fiduciary Net Position				
Contributions - Employer	$ 51.8	$ 54.5	$ 58.2	$ 53.7
Contributions - Employee	12.7	12.3	12.2	11.9
Net Investment Income	246.3	(1.3)	37.3	304.2
Benefits Payments	(99.7)	(95.3)	(90.8)	(86.3)
Administravtive Expenses	(0.8)	(1.7)	(1.5)	(0.7)
Net Change in Plan Fiduciary Net Position	$ 210.3	$ (31.5)	$ 15.4	$ 282.8
Plan Fiduciary Net Position - Beginning	$ 1,963.5	$ 1,995.0	$ 1,979.6	$ 1,696.8
Plan Fiduciary Net Position - Ending	$ 2,173.8	$ 1,963.5	$ 1,995.0	$ 1,979.6
Net Pension Liability/ (Asset) - Ending	$ (51.5)	$ 90.0	$ (23.5)	$ (91.5)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.4%	95.6%	101.2%	104.9%
Covered Employee Payroll	$ 236.5	$ 248.9	$ 243.5	$ 252.4
Net Pension Liability/ (Asset) as a Percentage of Covered Employee Payroll	-21.8%	36.2%	-9.7%	-36.3%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017
Schedule of Employer Contributions
($ in millions)

Fiscal Year Ended	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	$ 51.8	$ 54.5	$ 58.2	$ 53.7	$ 48.0	$ 46.3	$ 43.2	$ 42.0	$ 37.1	$ 28.4
County Contributions in Relation to the Actuarially Determeined Contributions	51.8	54.5	58.2	53.7	48.0	46.3	43.2	42.0	37.1	28.4
Contribution Deficiency/ (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a Percentage of Covered Emplyee Payroll	21.9%	21.9%	23.9%	22.6%	20.6%	20.7%	20.5%	19.9%	13.8%	12.6%

Notes to Schedule:

Valuation Date	June 30, 2015
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the Plan year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Asset Valuation Method	Five year, smoothed
Amortization Method	Level Percent Open
Discount Rate	7.25%
Amortization Growth Rate	3.75%
Inflation	3.75%
Salary Increases	3.75% plus merit/senority component which vary by year of service and are compounded annually
Mortality	<u>General and Uniformed</u> RP-2000 Combined Mortality with generational mortality improvements using Scale AA for active employees and non-disabled inactive members; for Uniformed members, 50% of deaths assumed to be service-connected. RP-2000 Disabled Mortality projected with generational mortality improvements using Scale AA for disabled lives. <u>School</u> RP-2000 Employee Mortality with White Collar adjustment with generational improvements using Scale BB for active and non-disabled inactive members; no deaths asumed to be service-connected. RP-2000 Disabled Mortality with generational mortality improvements using Scale AA for disabled lives.

Schedule of Investment Returns

Fiscal Year Ended	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	12.7%	0.0%	1.9%	18.1%

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

SUPPLEMENTAL INFORMATION
JUNE 30, 2017

SCHEDULE OF ADMINISTRATIVE EXPENSES

Personnel Services		
Staff Salaries	$450,816	
Benefits	161,839	
Total Personnel Services		**$612,655**
Professional Services		**$124,158**
Office Expense		
Telephone	$ 2,616	
Postage and Shipping	1,762	
Printing	6,809	
Total Office Expense		**$ 11,187**
Education		
Manager Meetings	$ 4,658	
Conferences	20,127	
Subscriptions	3,060	
Total Education		**$ 27,845**
Miscellaneous		
Insurance	$ 48,528	
Supplies & Furniture	2,471	
Bank Fees	17,974	
Other Miscellaneous [1]	(47,917)	
Total Miscellaneous		**$ 21,056**
Total Administrative Expenses		**$796,901**

(1) Consists primarily of OPEB management costs reimbursed by Arlington County and Arlington County Public Schools

SUPPLEMENTAL INFORMATION
JUNE 30, 2017

SCHEDULE OF INVESTMENT & CONSULTANT EXPENSES

<u>Investment Expenses</u>	
Investment Manager Fees	$5,641,273
Custody Fees	211,987
Total Investment Expenses	**$5,853,260**
<u>Other Consultant Expenses</u>	
Total Other Consultant Expenses	**$ 958,297**