New York City Board of Education Retirement System

(A Fiduciary Fund of The City of New York)

Combining Financial Statements and Supplementary Information
(Together with Report of Independent Certified Public Accountants)

For the Years Ended June 30, 2021 and 2020

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
New York City Board of Education Retirement System

We have audited the accompanying combining financial statements of the New York City Board of Education Retirement System Qualified Pension Plan and the New York City Board of Education Retirement System Tax-Deferred Annuity Program, which collectively comprise the New York City Board of Education Retirement System (the "System"), which comprise the combining statements of fiduciary net position as of June 30, 2021 and 2020 and the related combining statements of changes in fiduciary net position for the years then ended, and the related notes to combining financial statements, which collectively comprise the System's basic combining financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these combining 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 combining 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 combining financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the combining 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 System'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 combining financial statements.

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

Grant Thornton

Opinion

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the combining fiduciary net position of the System as of June 30, 2021 and 2020, and the changes in the combining fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matter

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule 1 - schedule of changes in the employer's net pension liability and related ratios, Schedule 2 - schedules of employer contributions, and Schedule 3 - schedule of investment returns, as listed in the table of contents, be presented to supplement the basic combining financial statements. Such information, although not a required part of the basic combining financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic combining financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combining financial statements, and other knowledge we obtained during our audit of the basic combining 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.

Grant Thornton LLP

New York, New York
October 28, 2021

This narrative discussion and analysis of the New York City Board of Education Retirement System's ("BERS", "Funds", the "Plan" or the "System") financial performance provides an overview of the System's combining financial activities for the Fiscal Years ended June 30, 2021 and 2020. It is meant to assist the reader in understanding the System's combining financial statements by providing an overall review of the combining financial activities during the years, the effects of significant changes, and a comparison of the prior years' activities and results. This discussion and analysis is intended to be read in conjunction with the System's combining financial statements. The System administers the BERS Qualified Pension Plan (the "QPP") and the BERS Tax-Deferred Annuity Program (the "TDA Program").

OVERVIEW OF COMBINING FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the System's combining financial statements. The combining financial statements, which are prepared in accordance with Governmental Accounting Standards Board ("GASB") pronouncements and include the financial statements of the QPP and the TDA Program, are as follows:

- **The Combining Statements of Fiduciary Net Position -** presents the financial position of the System at fiscal year end. It provides information about: the nature and amounts of resources with present service capacity that the System presently controls (assets); consumption of net assets by the System that is applicable to a future reporting period (deferred outflow of resources); present obligations to sacrifice resources that the System has little or no discretion to avoid (liabilities); and acquisition of net assets by the System that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Combining Statements of Changes in Fiduciary Net Position -** presents the results of activities during the fiscal year. All changes affecting the assets/deferred outflow and liabilities/deferred inflow of the System are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Combining Financial Statements -** provide additional information that is essential to a full understanding of the data provided in the combining financial statements. The notes present information about the System's accounting policies, significant account balances and activities, material risks, obligations, contingencies and subsequent events, if any.

- **Required Supplementary Information (Unaudited) -** as required by GASB includes the management discussion and analysis (this section) and information presented following the notes to combining financial statements.

FINANCIAL HIGHLIGHTS

QPP Fiduciary Net Position

QPP's net position restricted for pension benefits totaled $7.04 billion during Fiscal Year 2021, an increase of 35.91% from Fiscal Year 2020. The increase in net position was primarily due to an increase in the fair value of investments. Fair value of investments, which includes the collateral from security lending, increased from $7.36 billion in Fiscal Year 2020 to $9.75 billion in Fiscal Year 2021, an increase of 32.37%. Return on investments stood at 19.37%.

During Fiscal Year 2020, QPP's net position restricted for pension benefits stood at $5.18 billion, an increase of 3.82% from Fiscal Year 2019. The increase in the net position during Fiscal Year 2020 was due to an increase in the fair value of investments. Fair value of investments, including the collateral from security lending, stood at $7.36 billion, an increase of 6.72% from Fiscal Year 2019. Return on investments stood at 4.96%.

QPP Fiduciary Net Position

June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Assets:			
Cash	$ 12,920	$ 977	$ 3,694
Receivables	304,182	195,190	240,378
Investments, at fair value	8,958,857	6,915,714	6,491,787
Collateral from securities lending	794,242	452,087	412,005
Other	464,473	242,160	248,466
Total assets	10,534,674	7,806,128	7,396,330
Liabilities:			
Accounts payable	78,462	32,441	43,333
Payable for investment securities purchased	436,597	166,434	182,667
Accrued benefits payable	13,150	12,884	10,034
Due to the TDA Program's fixed return fund from the System	2,167,983	1,959,392	1,756,459
Payables for securities lending	794,242	452,087	412,005
Total liabilities	3,490,434	2,623,238	2,404,498
Net position restricted for pension benefits	$ 7,044,240	$ 5,182,890	$ 4,991,832

Total receivables increased from $195.19 million in Fiscal Year 2020 to $304.18 million in Fiscal Year 2021, an increase of 55.83%. The increase in the receivables was caused by the increase in the receivables for investment securities sold. Receivables for investment securities sold totaled $232.84 million in Fiscal Year 2021, an increase of 99.97% from Fiscal Year 2020. Payables for investment securities purchased also increased from $166.43 million in Fiscal Year 2020 to $436.59 million in Fiscal Year 2021, an increase of $270.16 million from Fiscal Year 2020.

At the close of Fiscal Year 2020, total receivables decreased from $240.37 million in Fiscal Year 2019 to $195.19 million, a decrease of 18.79%. Included in the total receivables are the receivables for investment securities sold, which decreased from $173.66 million in Fiscal Year 2019 to $116.43 million in Fiscal Year 2020, a decrease of 32.95% from Fiscal Year 2019.

The QPP's receivables and payables for investments are primarily generated through the timing differences between the trade and settlement dates for investment securities purchased or sold.

Member loans stood at $47.25 million in Fiscal Year 2021, a decrease of 3.07% from Fiscal Year 2020.

The account "Due to the TDA Program's fixed return fund from the System" represents a liability to the TDA program, since the TDA Program assets are pooled with QPP assets for investment purposes. The liability for Fiscal Year 2021 stood at $2.16 billion, an increase of 10.64% from Fiscal Year 2020. This liability includes the TDA member's account balances for deposits in the fixed investment program.

Changes in QPP Fiduciary Net Position

During Fiscal Year 2021, the QPP member contributions decreased to $48.12 million, a decrease of 3.29% from Fiscal Year 2020. In Fiscal Year 2020, the QPP member contributions increased to $49.76 million, an increase of 7.47% from Fiscal Year 2019 contributions of $46.30 million.

Changes in QPP Program Fiduciary Net Position

Years ended June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Additions:			
Member contributions	$ 48,125	$ 49,766	$ 46,304
Employer contributions	182,983	257,503	269,637
Net investment income before securities lending transaction	1,888,731	364,295	404,959
Net securities lending income	1,020	1,472	1,920
TDA Program's interest income in the fixed return fund	(171,806)	(155,749)	(141,695)
Other - receipts from (payments to) other retirement systems and other revenues/expenses	239,808	(7,975)	35,624
Total additions	2,188,861	509,312	616,749
Deductions:			
Benefit payments and withdrawals	302,336	296,047	280,463
Administrative expenses	25,175	22,207	17,357
Total deductions	327,511	318,254	297,820
Net increase in net position	1,861,350	191,058	318,929
Net position restricted for pension benefits:			
Beginning of year	5,182,890	4,991,832	4,672,903
End of year	$ 7,044,240	$ 5,182,890	$ 4,991,832

Employer contributions received through the QPP Program decreased from $257.50 million in the Fiscal Year 2020 to $182.98 million in Fiscal Year 2021, a decrease of 28.93%. The employer contributions are made on a statutory basis based on the one-year lag methodology.

The net investment income, which includes the security lending income, increased from $365.76 million in Fiscal Year 2020 to $1.89 billion in Fiscal Year 2021. Return on investments increased from 4.96% in Fiscal Year 2020 to 19.37% in Fiscal Year 2021.

The benefit payments and withdrawals increased from $296.04 million in Fiscal Year 2020 to $302.33 million in Fiscal Year 2021, an increase of 2.12%. During Fiscal Year 2020, the benefits payments and withdrawals increased by 5.55%, from $280.46 million to $296.04 million.

Administrative expenses increased from $22.20 million in Fiscal Year 2020 to $25.17 million in Fiscal Year 2021, a net increase of 13.36%. During Fiscal Year 2020, administrative expenses stood at $22.20 million, an increase of $4.85 million from Fiscal Year 2019.

Interest to the TDA Program's fixed return fund represents the statutory interest credited on the TDA Program member account balances. The statutory rate of interest is currently 7.00% for United Federation of Teachers ("UFT") members and 8.25% for all other members. During Fiscal Year 2021, the interest to the TDA Program's fixed return fund stood at $171.80 million, an increase of $16.05 million from Fiscal Year 2020. The table below displays revenue (expenses) to the System due to any surplus or deficiency between the actual rate of return on the fixed investments and the statutory rate.

Net Investment Income (Loss) to the System from TDA Member Holdings in Fixed Return Fund*:

Years ended June 30, 2021, 2020, 2019, 2018, 2017, and 2016

(In thousands)

	2021	2020	2019	2018	2017	2016
Net investment income	$1,867,031	$ 364,638	$ 403,041	$ 559,753	$ 854,992	$ 164,435
TDA percent of fixed assets (average)	24.60%	26.22%	25.26%	25.13%	25.63%	25.03%
Investment income on account of TDA investment	$ 459,255	$ 95,601	$ 101,812	$ 140,661	$ 219,121	$ 41,165
Less: Statutory interest to TDA	(171,806)	(155,749)	(141,695)	(127,972)	(106,554)	(94,789)
Revenue (expense) to the System	$ 287,449	$ (60,148)	$ (39,883)	$ 12,689	$ 112,567	$ (53,624)

*Includes security-lending income

TDA Program Fiduciary Net Position

The TDA program's net position restricted for TDA benefits was $2.54 billion during Fiscal Year 2021, a net increase of 8.85% from Fiscal Year 2020. The increase was primarily due to an increase in the fair value of investments and amounts due to the TDA Program's fixed return fund from the System, which increased 45.22% and 10.64%, respectively. The TDA Program's fair value of variable investment including collateral security lending stood at $789.66 million, an increase of $245.91 million from Fiscal Year 2020. Amount due to the TDA Program's fixed return fund from the System increased from $1.95 billion in Fiscal Year 2020 to $2.16 billion in Fiscal Year 2021.

During Fiscal Year 2020, the TDA Program's net position restricted for TDA benefits increased to $2.33 billion, a net increase of $209.33 million or 9.83% from Fiscal Year 2019. The increase in Fiscal Year 2020 was primarily due to an increase in the amounts due to the TDA Program's fixed return fund from the System. Amounts due to the TDA Program's fixed return fund from the System increased by 11.55% in Fiscal Year 2020, from $1.75 billion for Fiscal Year 2019 to $1.95 billion in Fiscal Year 2020.

TDA Program Fiduciary Net Position
June 30, 2021, 2020, and 2019
(In thousands)

	2021	2020	2019
Assets:			
Cash	$ 407	$ 398	$ 410
Receivables	46,345	44,400	48,205
Due to the TDA Program's fixed return fund from the System	2,167,983	1,959,392	1,756,459
Investments, at fair value	754,622	540,275	544,694
Collateral from securities lending	35,039	3,480	3,583
Total assets	3,004,396	2,547,945	2,353,351
Liabilities:			
Other liability	414,297	195,228	209,241
Payable for investment securities purchased	168	711	3,654
Accrued benefits payable	11,174	11,776	9,455
Payables for securities lending transactions	35,039	3,480	3,583
Total liabilities	460,678	211,195	225,933
Net position restricted for TDA benefits	$ 2,543,718	$ 2,336,750	$ 2,127,418

Total receivables increased by $1.94 million in Fiscal Year 2021, an increase of 4.38% from Fiscal Year 2020. Fair value of variable investments increased from $543.75 million in Fiscal Year 2020 to $789.66 million in Fiscal Year 2021, an increase of 45.22% from Fiscal Year 2020. "Due to TDA program's fixed return fund from the system" increased from $1.95 billion in Fiscal Year 2020 to $2.16 billion, an increase of 10.64% from Fiscal Year 2020.

During Fiscal Year 2021, receivables and payables for investment stood at $0.34 million and $0.17 million, respectively, payables for collateral security lending stood at $35.03 million in Fiscal Year 2021. The TDA Program's receivables and payables are primarily generated through the timing differences between the trade and settlement dates for investment securities purchased or sold within the variable return fund.

At the end of Fiscal Year 2020, total receivables decreased by $3.80 million, a decrease of 7.89% from Fiscal Year 2019. Included in these receivables, the TDA Program's member loans outstanding decreased from $43.79 million in Fiscal Year 2019 to $42.81 million in Fiscal Year 2020, a decrease of 2.22% from Fiscal Year 2019.

Changes in TDA Program Fiduciary Net Position

During Fiscal Year 2021, member contributions to the TDA Program increased to $111.58 million, a 1.48% increase from $109.94 million member contributions in Fiscal Year 2020. Net investment income including net securities lending income increased from $14.91 million in Fiscal Year 2020 to $233.35 million in Fiscal Year 2021, an increase of $218.44 million.

Member contributions to the TDA Program increased to $109.94 million during Fiscal Year 2020, a 7.57% increase from the $102.20 million contributed in Fiscal Year 2019. The number of contributing members increased by 1.41%. Net investment income decreased from $40.08 million in Fiscal Year 2019 to $14.91 million in Fiscal Year 2020, a net decrease of $25.17 million.

Changes in TDA Program Fiduciary Net Position

Years ended June 30, 2021, 2020, and 2019

(In thousands)

	2021	2020	2019
Additions:			
Member contributions	$ 111,580	$ 109,944	$ 102,203
Net investment income before securities lending transaction	233,245	14,838	40,008
Net securities lending income	112	74	79
TDA Program's interest income in the fixed return fund	171,806	155,749	141,695
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(239,773)	2,945	(43,842)
Total additions	276,970	283,550	240,143
Deductions:			
Benefit payments and withdrawals	69,743	74,051	81,414
Administrative expenses	259	167	119
Total deductions	70,002	74,218	81,533
Net increase in net position	206,968	209,332	158,610
Net position restricted for TDA benefits:			
Beginning of year	2,336,750	2,127,418	1,968,808
End of year	$ 2,543,718	$ 2,336,750	$ 2,127,418

Benefit payments and withdrawals decreased from $74.05 million in Fiscal Year 2020 to $69.74 million in Fiscal Year 2021, a decrease of $4.30 million or 5.81%. The decrease was primarily due to the net impact of the benefit payments towards death benefits and refund payments. The death benefit payments increased from $20.69 million in Fiscal Year 2020 to $26.87 million in Fiscal Year 2021, an increase of $6.17 million from Fiscal Year 2020. The refund payments stood at $42.40 million in Fiscal Year 2021, a decrease of $10.47 million from Fiscal Year 2020.

During Fiscal Year 2020, the benefit payments and withdrawals stood at $74.05 million, a decrease of $7.36 million from Fiscal Year 2019. The decrease was primarily due to a decrease in the benefit payments towards death benefits and refund payments. The death benefit payments decreased from $25.49 million in Fiscal Year 2019 to $20.69 million in Fiscal Year 2020, a decrease of $4.80 million from Fiscal Year 2019. The refund payments stood at $52.87 million in Fiscal Year 2020, a decrease of $2.61 million from Fiscal Year 2019.

Investment Summary

Investments held by BERS' QPP and TDA Programs (which includes the fixed fund and the variable fund programs), including collateral from securities lending transactions from both programs, are listed according to their investment classification in the following table:

Investment Summary

Fair Value

(In thousands)

	June 30, 2021	June 30, 2020	June 30, 2019
Short-term investments	$ 350,053	$ 256,725	$ 89,806
Debt (fixed income) securities	2,585,380	1,954,884	1,853,710
Equity securities	5,238,122	3,298,510	2,698,595
Collective trust funds	116,667	969,794	1,501,891
Alternative investments	1,423,257	976,076	892,479
Collateral from securities lending	829,281	455,567	415,588
Total	$ 10,542,760	$ 7,911,556	$ 7,452,069

Because the QPP's liabilities are of a long-term nature, the assets of the QPP and the TDA Programs are invested with a long-term investment horizon. Assets are invested in a diversified portfolio of capital market securities. Investments in these assets are expected to produce higher returns but are also subject to greater volatility and may produce negative returns. The System's investments increased by 33.26% in Fiscal Year 2021, 6.17% in Fiscal Year 2020, and 6.83% in Fiscal Year 2019.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the New York City Board of Education Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Director of Fiscal Operations, New York City Board of Education Retirement System, 55 Water Street, 50th Floor, New York, New York 10041.

New York City Board of Education Retirement System

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2021
(In thousands)

	QPP	TDA Program	Eliminations	Total
ASSETS				
Cash	$ 12,920	$ 407	$ -	$ 13,327
Receivables:				
Investment securities sold	232,846	341	-	233,187
Accrued interest and dividends	23,673	1,252	-	24,925
Member loans	47,251	44,752	-	92,003
Other	412	-	-	412
Total receivables	304,182	46,345	-	350,527
Investments - at fair value: (Notes 2 and 3)				
Fixed return funds:				
Short-term investments:				
Commercial paper	135,880	-	-	135,880
Short-term investment fund	86,487	-	-	86,487
T-bills and discount notes	121,533	-	-	121,533
Debt (fixed income) securities	2,565,100	-	-	2,565,100
Equity securities	4,436,044	-	-	4,436,044
Collective trust funds:				
International equity	1,964	-	-	1,964
Domestic equity	90,709	-	-	90,709
Mortgage debt security	23,482	-	-	23,482
Fixed income	512	-	-	512
Alternative investments	1,423,257	-	-	1,423,257
Collateral from securities lending	790,811	-	-	790,811
Variable return funds:				
Short-term investments	549	5,604	-	6,153
Debt (fixed income) securities	1,809	18,471	-	20,280
Equities	71,531	730,547	-	802,078
Collateral from securities lending	3,431	35,039	-	38,470
Total investments	9,753,099	789,661	-	10,542,760
Due to the TDA Program’s fixed return fund from System	-	2,167,983	(2,167,983)	-
Other assets	464,473	-	(414,297)	50,176
Total assets	10,534,674	3,004,396	(2,582,280)	10,956,790
LIABILITIES				
Accounts payable	78,462	-	-	78,462
Other liability	-	414,297	(414,297)	-
Payable for investment securities purchased	436,597	168	-	436,765
Accrued benefits payable	13,150	11,174	-	24,324
Due to the TDA Program’s fixed return fund from System	2,167,983	-	(2,167,983)	-
Payables for securities lending	794,242	35,039	-	829,281
Total liabilities	3,490,434	460,678	(2,582,280)	1,368,832
Net position restricted for benefits:				
Net position restricted for QPP (Qualified Pension Plan) benefits	7,044,240	-	-	7,044,240
Net position restricted for TDA (Tax-Deferred Annuity) benefits	-	2,543,718	-	2,543,718
Total net position restricted for benefits	$ 7,044,240	$ 2,543,718	$ -	$ 9,587,958

The accompanying notes are an integral part of this combining financial statement.

New York City Board of Education Retirement System

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2020
(In thousands)

	QPP	TDA Program	Eliminations	Total
ASSETS				
Cash	$ 977	$ 398	$ -	$ 1,375
Receivables:				
Investment securities sold	116,436	514	-	116,950
Accrued interest and dividends	15,279	1,068	-	16,347
Member loans	48,751	42,818	-	91,569
Other	14,724	-	-	14,724
Total receivables	195,190	44,400	-	239,590
Investments - at fair value: (Notes 2 and 3)				
Fixed return funds:				
Short-term investments:				
Commercial paper	29,179	-	-	29,179
Short-term investment fund	73,082	-	-	73,082
T-bills and discount notes	149,094	-	-	149,094
Debt (fixed income) securities	1,941,029	-	-	1,941,029
Equity securities	2,723,900	-	-	2,723,900
Collective trust funds:				
International equity	776,286	-	-	776,286
Domestic equity	51,279	-	-	51,279
Mortgage debt security	22,965	-	-	22,965
Fixed income	119,264	-	-	119,264
Alternative investments	976,076	-	-	976,076
Collateral from securities lending	451,742	-	-	451,742
Variable return funds:				
Short-term investments	484	4,886	-	5,370
Debt (fixed income) securities	1,250	12,605	-	13,855
Equities	51,826	522,784	-	574,610
Collateral from securities lending	345	3,480	-	3,825
Total investments	7,367,801	543,755	-	7,911,556
Due to the TDA Program’s fixed return fund from System	-	1,959,392	(1,959,392)	-
Other assets	242,160	-	(195,228)	46,932
Total assets	7,806,128	2,547,945	(2,154,620)	8,199,453
LIABILITIES				
Accounts payable	32,441	-	-	32,441
Other liability	-	195,228	(195,228)	-
Payable for investment securities purchased	166,434	711	-	167,145
Accrued benefits payable	12,884	11,776	-	24,660
Due to the TDA Program’s fixed return fund from System	1,959,392	-	(1,959,392)	-
Payables for securities lending	452,087	3,480	-	455,567
Total liabilities	2,623,238	211,195	(2,154,620)	679,813
Net position restricted for benefits:				
Net position restricted for QPP (Qualified Pension Plan) benefits	5,182,890	-	-	5,182,890
Net position restricted for TDA (Tax-Deferred Annuity) benefits	-	2,336,750	-	2,336,750
Total net position restricted for benefits	$ 5,182,890	$ 2,336,750	$ -	$ 7,519,640

The accompanying notes are an integral part of this combining financial statement.

New York City Board of Education Retirement System

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2021
(In thousands)

	QPP	TDA Program	Total
Additions			
Contributions:			
Member contributions	$ 48,125	$ 111,580	$ 159,705
Employer contributions	182,983	-	182,983
Total contributions	231,108	111,580	342,688
Investment income:			
Interest income	95,613	2,884	98,497
Dividend income	82,601	8,632	91,233
Net appreciation in fair value of investments	1,753,472	222,870	1,976,342
Total investment income	1,931,686	234,386	2,166,072
Less - investment expenses	(42,955)	(1,141)	(44,096)
Net investment income, before securities lending transactions	1,888,731	233,245	2,121,976
Securities lending transactions:			
Securities lending income	1,140	124	1,264
Securities lending fees	(120)	(12)	(132)
Net securities lending income	1,020	112	1,132
Net investment income	1,889,751	233,357	2,123,108
Other - receipts from (payments to) other retirement systems and other revenues/expenses	239,808	(239,773)	35
TDA Program’s interest income in the fixed return fund	(171,806)	171,806	-
Total additions	2,188,861	276,970	2,465,831
Deductions			
Benefit payments and withdrawals	302,336	69,743	372,079
Administrative expenses	25,175	259	25,434
Total deductions	327,511	70,002	397,513
Net increase in net position	1,861,350	206,968	2,068,318
Net position restricted for benefits:			
Beginning of year	5,182,890	2,336,750	7,519,640
End of year	$ 7,044,240	$ 2,543,718	$ 9,587,958

The accompanying notes are an integral part of this combining financial statement.

New York City Board of Education Retirement System

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2020
(In thousands)

	QPP	TDA Program	Total
Additions			
Contributions:			
Member contributions	$ 49,766	$ 109,944	$ 159,710
Employer contributions	257,503	-	257,503
Total contributions	307,269	109,944	417,213
Investment income:			
Interest income	81,870	3,188	85,058
Dividend income	79,419	7,542	86,961
Net appreciation in fair value of investments	235,683	4,888	240,571
Total investment income	396,972	15,618	412,590
Less - investment expenses	(32,677)	(780)	(33,457)
Net investment income, before securities lending transactions	364,295	14,838	379,133
Securities lending transactions:			
Securities lending income	1,608	82	1,690
Securities lending fees	(136)	(8)	(144)
Net securities lending income	1,472	74	1,546
Net investment income	365,767	14,912	380,679
Other - receipts from (payments to) other retirement systems and other revenues/expenses	(7,975)	2,945	(5,030)
TDA Program's interest income in the fixed return fund	(155,749)	155,749	-
Total additions	509,312	283,550	792,862
Deductions			
Benefit payments and withdrawals	296,047	74,051	370,098
Administrative expenses	22,207	167	22,374
Total deductions	318,254	74,218	392,472
Net increase in net position	191,058	209,332	400,390
Net position restricted for benefits:			
Beginning of year	4,991,832	2,127,418	7,119,250
End of year	$ 5,182,890	$ 2,336,750	$ 7,519,640

The accompanying notes are an integral part of this combining financial statement.

NOTE 1 - SYSTEM DESCRIPTION

The City of New York ("The City" or "City") maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State ("State") statutes and City laws). The City's five major actuarially funded pension systems are the New York City Board of Education Retirement System ("BERS", "Funds", the "Plan" or the "System"), the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of the City of New York ("TRS"), the New York City Police Pension Funds ("POLICE"), and the New York City Fire Pension Funds ("FIRE"). Each pension system is a separate Public Employee Retirement System ("PERS") with a separate oversight body and is financially independent of the other.

BERS administers the BERS Qualified Pension Plan (the "QPP") and the BERS Tax-Deferred Annuity Program (the "TDA Program"). BERS is the fiduciary for the QPP and the TDA Program, which are included under BERS in the Pension and Other Employee Benefit Trust Funds section of The City's Annual Comprehensive Financial Report ("ACFR"). GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR. The new term replaces comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The System has decided to early implement this pronouncement and has applied the change as of the issuance of this report.

The QPP is a cost-sharing, multiple-employer pension plan. The QPP provides pension benefits for non-pedagogical employees of the New York City Department of Education, certain other specific schools, and certain employees of the New York City School Construction Authority (collectively, the "Employer"). Substantially, all Department of Education non-pedagogical permanent employees, other than members of TRS, become members of the QPP on the first day of permanent employment. Employees classified as noncompetitive, exempt or provisional by Civil Service are eligible to enroll in the QPP voluntarily. For voluntary enrollment, membership date is governed by the date of filing.

The QPP functions in accordance with existing State statutes and City laws, which establish and amend the benefit terms and the Employer and member contribution requirements. It combines features of a defined benefit pension plan with those of a defined contribution pension plan but is considered a defined benefit pension plan for financial reporting purposes. Contributions are made by the Employer and the members.

At June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, and June 30, 2016, the QPP's membership consisted of:

	2021*	2020	2019	2018	2017	2016
Retirees and beneficiaries receiving benefits	19,626	19,120	18,502	18,041	17,425	16,937
Terminated vested members not receiving benefits	2,005	1,972	2,019	1,934	1,528	851
Terminated non-vested members **	8,532	8,826	11,422	10,525	2,618	2,629
Active members receiving salary	28,340	28,183	25,825	25,864	25,794	25,864
Total	58,503	58,101	57,768	56,364	47,365	46,281

* Preliminary figures.

** As of June 30, 2020, represents terminated members (and members deemed to be terminated) who are not vested in a pension benefit but who are eligible to withdraw their employee contribution account balance only. As of June 30, 2018, represents terminated members who are not vested in a pension benefit but who are eligible to withdraw their employee contribution account balance, and members who are no longer on payroll but who are not otherwise classified. Prior to June 30, 2018, represents members who are no longer on payroll but not otherwise classified.

BERS is a fiduciary component unit of The City and is included in The City's Annual Report as a Pension and Other Employee Benefit Trust Fund ("ACFR").

The TDA Program was created and is administered pursuant to the Internal Revenue Code ("IRC") Section 403(b) and existing State statutes and City laws. Certain members of the QPP have the option to participate in the TDA Program, which provides a means of deferring income tax payments on members' voluntary tax-deferred contributions until the period after retirement or upon withdrawal of contributions. Contributions to the TDA Program are made by the members only. The TDA Program is maintained as a separate plan.

The TDA Program participants consisted of the following as of June 30:

	2021	2020	2019	2018	2017	2016
Contributing members	18,551	19,148	18,881	17,899	16,917	16,113
Retired members with TDA balances	7,628	7,102	6,798	6,484	6,673	5,844

Summary of Benefits

QPP Benefits

The New York State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983, and 2012, significant amendments made to the New York State Retirement and Social Security Law ("RSSL") modified certain benefits and member contributions for employees joining the QPP on or after the effective date of such amendments. As such, benefits under the QPP fall into various categories based on the year when an employee joined the QPP. A brief overview follows:

- Members who joined prior to July 1, 1973 ("Tier 1") are entitled to service retirement benefits of 55% of "final salary" (as defined within State statutes and City laws) after 25 years of qualifying service and attainment of age 55, a portion of which is provided from member contributions. Additional benefits equal to a specified percentage per year of service of "final salary" are payable for years in excess of the 25-year minimum. These additional benefits are increased, where applicable, by an annuity attributable to accumulated member contributions in excess of the minimum required balance and by any benefits attributable to the Increased-Take-Home Pay ("ITHP") contributions accumulated after the 25th year of member qualifying service. ITHP represents amounts contributed by The City in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the QPP during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with increased benefits upon retirement. Tier 1 members contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership and which is dependent upon age and actuarial tables in effect at the time of membership.

  In addition, these same members could elect a service retirement benefit with no minimum service requirement which provides an annual benefit for each year of service equal to a specified percentage (as described within State statutes and City laws) of "final salary", payable upon attainment of age 55. This benefit is increased, where applicable, by an annuity attributable to the member contributions and ITHP contributions.

- For all members who enrolled in the QPP prior to July 27, 1976 ("Tier 1" and "Tier 2"), ITHP contributions made on their behalf as well as their own contributions are invested, at their election, in either the fixed return fund or the variable return fund, or 50% of such contributions in each. These investment elections can be changed every two years. The QPP guaranteed a 7.5% return on member contributions or ITHP contributions to the fixed return fund until June 30, 1982, increased the guaranteed return to 8% as of July 1, 1982, and to 8.25% as of July 1, 1988, for members who enrolled in the QPP prior to July 27, 1976 (5% on member contributions for members enrolled on or after July 27, 1976). The variable return fund includes only member contributions and ITHP contributions made on their behalf as described above and is expressed in terms of units, which are valued monthly, based on investment experience.

- Certain members of Tier 1 and Tier 2 have the right to make voluntary member contributions ("Voluntary Contributions") in excess of their required member contributions ("Required Contributions"). The investment of the Voluntary Contributions and the Required Contributions is directed by each member. A member may invest: (1) in the QPP's fixed return fund, which is credited with interest at the Statutory Interest Rate (currently 8.25% (7.0% for United Federation of Teachers ("UFT") members)); and/or (2) in the QPP's variable return fund. At the time of retirement or refund of contributions, a member's aggregate balance of actual Required Contributions and Voluntary Contributions, including the actual accumulated earnings thereon, less the outstanding balance of any member loans ("Net Actual Contributions"), may exceed ("Excess of Contributions") or fall short of ("Deficiency of Contributions") the member's Expected Balance. The Expected Balance is the sum of the Required Contributions which a member should have made during his or her credited service, plus the earnings that would have accumulated thereon at the Statutory Interest rate. The amount of the member's retirement annuity or the refund of contributions that he or she is entitled to is increased by any Excess of Contributions or reduced by any Deficiency of Contributions. The total value of active members' Excess of Contributions, net of all Deficiencies of Contributions, is $2.62 million and $2.57 million, for the years ended June 30, 2021 and 2020, respectively. Actuarial estimates of the impacts of Excesses and Deficiencies are incorporated into the calculation of the QPP's net pension liability (see Note 5).

- Members who joined after July 1, 1973 and before July 27, 1976 ("Tier 2") have provisions similar to Tier 1, except that the eligibility requirements for retirement and the salary base for benefits are different and there was a limitation on their maximum benefit. Also, certain members retiring prior to age 62 may have their benefit reduced by an age-based factor. This maximum benefit limitation was subsequently eliminated under Chapter 574 of the Laws of 2000 for all Tier 2 members who retired after December 8, 2000. Tier 2 members contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership, and which is dependent upon age and actuarial tables in effect at the time of membership.

- Members who joined the QPP on or after July 27, 1976 and prior to September 1, 1983 ("Tier 3") were originally entitled to a retirement benefit upon the completion of 10 years of service at age 62. The formula for this benefit was 1.67% of "Final Average Salary" ("FAS") per year of credited service for members with less than 20 years of service, or 2% of FAS per year of service for members with 20 to 30 years of service. Tier 3 benefits were reduced by one half of the primary Social Security benefit attributable to service with the Employer and provided an annual cost-of-living escalator in pension benefits of not more than 3%. Tier 3 required member contributions of 3% of salary for a period not to exceed 30 years. After September 1, 1983, all Tier 3 members were mandated into the Tier 4 plan. However, these members retain their Tier 3 rights. Effective October 1, 2000, Tier 4 members with Tier 3 rights, like other Tier 4 members, are not required to make contributions once the 10th anniversary of their membership date has passed, or upon completion of 10 years of credited service, whichever is earlier, and are eligible for a pension upon the completion of five years of credited service at age 62.

- Members who joined the QPP on or after September 1, 1983 and prior to April 1, 2012 ("Tier 4") are eligible for a pension upon the completion of five years of credited service at age 62. The annual benefit is 1.67% of FAS per year of service for members with less than 20 years of service, or 2% of FAS per year of service for members with 20 to 30 years of service, plus an addition of 1.5% of FAS per year of service for service in excess of 30 years of service. Tier 4 members were originally required to make contributions of 3% of salary until termination of service. As of October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or upon completion of 10 years of credited service, whichever is earlier (Chapter 126 of Laws of 2000). Certain members retiring prior to age 62 have their benefit reduced by an age-based factor.

- Effective June 28, 1995, active Tier 2 and Tier 4 members, excluding those who hold a position represented by the recognized teacher organization for collective bargaining purposes (currently, the UFT), were eligible to enroll in an early retirement program permitting them to retire at age 55 with 25 years of credited service ("55/25"), with no age reduction factor to their retirement allowance, or at age 50 with 25 years of credited service in a physically taxing position (Chapter 96 of the Laws of 1995). Additionally, Tier 4 members in non-UFT positions who joined BERS on or after June 28, 1995 and before April 1, 2012 were mandated into an early retirement program permitting them to retire at age 57 with 5 years of credited service ("57/5"), with no age reduction factor to their retirement allowance, or at age 50 with 25 years of credited service in a physically taxing position. Participants in the 55/25 and 57/5 early retirement programs are required to remit additional contributions of 1.85%, or 3.83% for physically taxing positions.

- Effective February 27, 2008, active Tier 4 members who hold a position represented by the recognized teacher organization for collective bargaining purposes (currently, UFT) were eligible to enroll in an early retirement program permitting them to retire at age 55 with 25 years of credited service ("55/25 UFT"), with no age reduction factor to their retirement allowance (Chapter 19 of the Laws of 2008). Those choosing the age 55 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later. UFT members in eligible titles who joined after February 27, 2008, but before December 10, 2009 were automatically enrolled in the 55/27 retirement program. Participants in the 55/27 retirement may retire if they are at least age 55 as of their retirement date and have attained at least 27 years of credited service. These members are required to make additional plan contributions of 1.85% of salary until they have accumulated 27 years of credited service.

- UFT members in covered titles who joined the QPP after December 10, 2009 and prior to April 1, 2012 are covered by 55/27 UFT but are required to make contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter (Chapter 504 of the Laws of 2009). Additionally, QPP benefits for this population vest in 10 years, rather than five years, as for other Tier 4 members.

- Members who join the QPP on or after April 1, 2012 are subject to the provisions of Chapter 18 of the Laws of 2012 ("Chapter 18/12"), also known as "Tier 6". BERS members in Tier 6 are eligible for a pension upon the completion of 10 years of credited service at age 63. The annual benefit is 1.67% of FAS for the first 20 years of credited service, or 35% upon the attainment of 20 years of service plus an addition of 2% of FAS per year of service for service in excess of 20 years of service. Additionally, the FAS period is five years, rather than three, and a cap is imposed on the maximum permissible FAS. Tier 6 members are required to make Basic Member Contributions ("BMC") until they separate from service or until they retire. The BMC rate is dependent on annual wages earned during a plan year and ranges from 3% for salaries less than $45,000 to 6% for salaries greater than $100,000. Tier 6 members become vested after 10 years of service.

- Under all service retirement categories, annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

- Subject to certain conditions, members become fully vested as to QPP benefits upon the completion of five years of credited service, or 10 years of credited service for Tier 4 55/27 UFT members who joined after December 10, 2009 and for Tier 6 members.

- The QPP provides death benefits and retirement benefits on the occurrence of accidental or ordinary disability.

- During the Spring 2000 session, the State Legislature approved and the State Governor ("Governor") signed laws that provide automatic Cost-of-Living Adjustments ("COLA") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000). It also provides additional service credits for certain Tier 1 and Tier 2 members and reduced member contributions for certain Tier 3 and Tier 4 members (Chapter 126 of the Laws of 2000). COLA is payable to all members who are either: (1) at least age 62 and have been retired for at least five years; or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA is payable to members who retired for disability after being retired for five or more years and beneficiaries receiving accidental death benefits who have been receiving them for at least five years. COLA is one-half of the increase in the CPI-U based on the year ending March 31, rounding to the next higher 0.1%, not less than 1% nor greater than 3% of the first $18,000 of the sum of the maximum retirement allowance and prior COLA.

TDA Program Benefits

Contributions to the TDA Program are made by the members only and are voluntary. In order to contribute to the TDA Program, certain active members of the QPP are required to submit a salary reduction agreement and TDA enrollment request. A participant may elect to exclude an amount of his or her compensation from current taxable income (within the maximum allowed by the Internal Revenue Service ("IRS")) by contributing it to the TDA Program. The basic contribution limit, as of 2021 is $19,500. Participants, who have attained age 50, are permitted to make additional contributions. The additional contribution limit for 2021 is $6,500. Additionally, participants can elect to invest their contributions in either the fixed return fund or the variable return fund.

Benefits provided under the TDA Program are derived from participants' accumulated contributions and earnings on those contributions. No contributions are provided by the Employer.

A participant may withdraw all or part of the balance of his or her account at the time of retirement, termination of employment, or under certain hardship conditions. Beginning January 1, 1989, the tax laws restricted withdrawals of TDA contributions and accumulated earnings thereon for reasons other than retirement or termination.

Contributions made after December 31, 1988, and investment earnings credited after that date, may only be withdrawn by active participants upon attainment of age 59½ or for reasons of hardship (as defined by IRS regulations).

Contributions made on or before December 31, 1989, and earnings credited on or before that date, may be withdrawn by active participants even before age 59½. A member who has received a hardship withdrawal may continue to contribute to the TDA Program for the remainder of the current year.

If a member dies in active service or after retirement while his or her TDA account is in deferral, the full value of his or her account at the date of death is paid to the member's beneficiary(ies) or estate.

When a member resigns before attaining vested rights under the QPP, he or she may withdraw the value of his or her TDA Program account or leave the funds in the account for a period of up to five years after the date of resignation. If a member resigns after attaining vested rights under the QPP, he or she may leave his or her funds in the TDA Program account, accruing earnings until reaching the age at which minimum distributions are required by IRS regulations. Once a member withdraws from the QPP, participation in the TDA Program will cease, and the member will receive a refund of the value of his or her account in the TDA Program.

When a TDA Program participant applies to retire from the QPP and has a positive TDA Program account balance, the participant has three options:

a. The participant may withdraw the total balance, either by receiving it as a taxable distribution or by rolling it over into an Individual Retirement Account ("IRA");

b. The participant may defer distribution of the account; or

c. The participant may elect to receive the balance of the account as a life annuity. The available benefit options depend on the member's Tier.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The QPP and the TDA Program use the accrual basis of accounting where the measurement focus is on a flow of economic resources. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Contributions from members are recognized when respective employers make payroll deductions from the QPP's members and the TDA Program participants. Employer contributions to the QPP are recognized when due and the Employer has made a formal commitment to provide the contributions. Benefit payments and withdrawals are recognized when due and payable in accordance with the terms of governing the QPP and the TDA Program.

Use of Estimates - The preparation of combining financial statements in conformity with accounting principles generally accepted in the United States of America 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 combining financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash equivalents consist of financial instruments with original maturity dates of three months or less.

Investment Valuation - Investments are reported at fair value. Fair value is defined as the quoted market price at the end of the last trading day for the specified period, except for alternative investments which are considered long term and illiquid in nature. Alternative investments consist of limited partnership structures invested in privately held investments for which exchange quotations are not readily available and are valued at estimated fair value as determined in good faith by the General Partner ("GP"). These investments are initially valued at cost with subsequent adjustments that reflect third-party transactions, financial operating results and other factors deemed relevant by the GP. Fair value is determined by plan management based on information provided by the various GPs after review by an independent consultant and the custodian bank for the Funds. They include investments held within Hedge Funds, Private Equity, Real Estate, Opportunistic-Fixed Income, and Infrastructure.

Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Investment Programs - The System's assets are invested in two investment programs. These are the fixed return fund, which is managed by BERS and the variable return fund (consisting primarily of equity securities), which is managed by TRS.

Under the fixed return program, members' TDA Program accounts are credited with the statutory rate of interest, currently 7% for UFT members and 8.25% for all other members. TDA Program members and certain Tier 1 and 2 QPP members may transfer their balances between the fixed return fund and the variable investment fund on a quarterly basis.

The QPP's assets within the variable return fund are co-invested with those assets of the TDA Program that are earmarked for the variable return fund. These combining financial statements reflect the QPP investment activity in the fixed return fund; as well as the variable return fund.

Income Taxes - Income earned by the QPP and TDA Program is not subject to federal income tax.

Accounts Payable - Accounts payable is principally comprised of amounts owed by BERS for overdrawn bank balances, accrued administrative and investment expenses. BERS's practice is to fully invest cash balances in most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding benefit checks that are presented to the banks for payment on a daily basis and these balances are routinely settled each day.

Accrued Benefits Payable - Accrued benefits payable represent benefits due and unpaid by the QPP and the TDA Program for the Fiscal Year ended on June 30.

Interest (to) from TDA Program's Fixed Return Fund - The statutory interest credited on TDA Program member account balances invested in the fixed return fund is reported as the "Interest (to) from TDA Program's Fixed Return Fund."

Securities Lending Transactions - State statutes and Board policies permit the System to lend its investments to broker-dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, treasury and U.S. Government securities. The Systems' agent lends the following types of securities: short-term securities, common stocks, long-term corporate bonds, U.S. Government and U.S. Government agency bonds, asset-backed securities, and international equities and bonds held in collective investment funds. In return, the System receives collateral in the form of cash, U.S. Treasury and U.S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At June 30, 2021 and 2020, management believes that the System has no credit risk exposure to because the fair value of collateral held by the System equaled or exceeded the fair value of securities lent to the borrowers. The contracts with the System's Securities Lending Agent (the "Agent") require the Agent to indemnify the System as follows: In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall before the replacement securities cost and the collateral value is covered by the Agent. All Securities loans can be terminated on demand within a period specified in each agreement by either the System or the borrowers. Cash collateral is invested by the securities lending agent using approved Lender's Investment guidelines. The weighted-average maturity is 40.18 days for collateral investments.

The securities lending program in which the System participates only allows pledging or selling securities in the case of borrower default.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the statements of fiduciary net position. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them without a borrower default. Accordingly, the System recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending. Securities on loan are carried at market value, the values reported by the QPP as of June 30, 2021 and 2020 are $774.48 million and $447.39 million, respectively. As of net position date, the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 26.75 days.

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72") describes fair value as an exit price, requiring investments to be categorized under a fair value hierarchy prescribed by GASB. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels based on market price observability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that was used for the fair value measurements.

NOTE 3 - INVESTMENTS AND DEPOSITS

The Comptroller of the City of New York (the "Comptroller") acts as an investment advisor to BERS. In addition, BERS employs staff and an independent investment consultant as an investment advisor. BERS utilizes several investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

The BERS investment policy statement was ratified by the Board of Trustees in January 2009 and amended in October 2011, January 2013, February 2015, June 2016, and April 2020. It addresses investment objectives, investment philosophy and strategy, monitoring and evaluating performance, risk management, security lending protocol and rebalancing investment mix. Assets may be invested in fixed income, equity and other vehicles as permitted by RSSL § 176-178(a) and Banking Law § 235, the New York City Administrative Code and the Legal Investments for New York Savings Banks list as published by the New York State Banking Department. However, investments up to 25% of total System assets may be made in instruments not expressly permitted by the RSSL.

The System does not possess an investment risk policy statement, nor does it actively manage its assets to specified risk targets. Rather, investment risk management is an inherent function of the System's asset allocation process. QPP and TDA Program assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk.

State Street Bank and Trust Company ("State Street") is the primary custodian for the fixed return fund. The variable return fund assets are held in custody at JPMorgan Chase Bank.

The legal requirements for the System's investments are as follows:

a. Fixed income, equity and other investments may be made as permitted by RSSL §§ 176-178(a) and Banking Law § 235, the New York City Administrative Code, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department, subject to Note 3(b).

b. Investments up to 25% of total pension fund assets may be made in instruments not expressly permitted by the RSSL.

The information reflected in the credit ratings and in the years to maturity is derived from the Custodian's Risk and Performance Analytics Reporting System. Such information is prepared as a result of the Custodian's Risk Management Analysis.

Concentrations - In accordance with RSSL § 177, no investment in any individual company may represent more than 2% of the Plan's total net assets or 5% of the company's total outstanding shares. Exclusions apply for obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal.

Credit Risk - The possibility of a loss or default resulting from a borrower's inability to repay a loan or fulfill its contractual debt obligations. Portfolios other than U.S. Government and related portfolios, have credit rating limitations. Investment Grade portfolios are limited to mostly ratings, of BBB/Baa2 and above, except that they are also permitted a 10% maximum exposure to BB & B/Ba2 & B2 rated securities. While high yield non-investment grade managers primarily invest in BB & B/Ba2 & B2 rated securities, they can also invest up to 10% of their portfolio in securities rated CCC/Caa2. The quality ratings of the fund's investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2021 and 2020 are as follows:

Investment Type Fixed Funds June 30, 2021	Moody's Quality Ratings Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa & Below	NR	Total
U.S. government	43.72%	0.02%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	4.69%	48.44%
Corporate bonds	1.00%	0.12%	0.22%	0.15%	0.60%	2.69%	2.01%	2.57%	3.09%	3.64%	2.78%	3.49%	4.35%	4.89%	3.29%	3.06%	3.55%	2.60%	44.10%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	4.49%	4.49%
STIF	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.97%	2.97%
Portfolio	44.72%	0.14%	0.23%	0.15%	0.60%	2.69%	2.01%	2.57%	3.09%	3.64%	2.78%	3.49%	4.35%	4.89%	3.29%	3.06%	3.55%	14.75%	100.00%

Investment Type Fixed Funds June 30, 2020	Moody's Quality Ratings Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa & Below	NR	Total
U.S. government	55.89%	0.03%	0.01%	0.01%	-%	0.01%	-%	0.04%	0.08%	0.01%	-%	-%	-%	-%	-%	-%	-%	7.24%	63.32%
Corporate bonds	0.46%	0.27%	0.18%	0.30%	0.66%	1.48%	1.28%	1.88%	2.26%	1.96%	1.76%	2.40%	3.38%	3.09%	3.05%	2.34%	2.37%	2.60%	31.72%
Short term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.25%	1.25%
STIF	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	3.71%	3.71%
Portfolio	56.35%	0.30%	0.19%	0.31%	0.66%	1.49%	1.28%	1.92%	2.34%	1.97%	1.76%	2.40%	3.38%	3.09%	3.05%	2.34%	2.37%	14.80%	100.00%

The quality ratings of investments of the variable return fund, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2021 and 2020, are as follows:

Investment Type Variable Funds June 30, 2021	Moody's Quality Ratings Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	NR	Total
Corporate bond	-%	-%	-%	-%	-%	0.14%	-%	1.25%	1.13%	0.72%	-%	0.84%	-%	0.87%	-%	-%	-%	-%	60.45%	65.40%
Short term:																				
U.S. Treasury bills	0.12%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.12%
Money market	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	34.48%	34.48%
Cash equivalent	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Portfolio	0.12%	-%	-%	-%	-%	0.14%	-%	1.25%	1.13%	0.72%	-%	0.84%	-%	0.87%	-%	-%	-%	-%	94.93%	100.00%

Investment Type Variable Funds June 30, 2020	Moody's Quality Ratings Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	NR	Total
Corporate bond	-%	-%	-%	-%	-%	0.45%	0.73%	1.00%	0.63%	0.59%	-%	0.38%	-%	0.87%	-%	-%	-%	-%	52.91%	57.56%
Short term:																				
U.S. Treasury bills	0.43%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.43%
Money market	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	42.01%	42.01%
Cash equivalent	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Portfolio	0.43%	-%	-%	-%	-%	0.45%	0.73%	1.00%	0.63%	0.59%	-%	0.38%	-%	0.87%	-%	-%	-%	-%	94.92%	100.00%

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that in the event of a failure of the counterparty or depository financial institution, the Funds will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Funds and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Funds. Consistent with the Funds' investment policy, the investments are held by the Funds' custodian and registered in the name of the Funds. All of the Funds' deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") are collateralized by securities held by a financial institution separate from the Funds' depository financial institution. However, the System's cash balances can exceed FDIC insured limits. Non-invested cash is swept into a State Street Short-Term Investment Intraday account, which is not FDIC insured.

Interest Rate Risk - The risk that the value of debt securities will be affected by fluctuations in market interest rates. Although there is no formal interest rate risk management policy, the duration of the portfolio, relative to the duration of the portfolio's benchmark, is monitored by the Comptroller's Bureau of Asset Management. The lengths of investment maturities for fixed return fund (in years), as shown by the percent of the rated portfolio, at June 30, 2021 and 2020 are as follows:

	Investment Maturities				
Years to Maturity Investment Type June 30, 2021	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	48.44%	4.18%	16.03%	9.28%	18.95%
Corporate bonds	44.10	0.32	12.07	22.32	9.39
Short term:					
Commercial paper	4.49	4.49	-	-	-
STIF	2.97	2.97	-	-	-
Portfolio	100.00%	11.96%	28.10%	31.60%	28.34%

	Investment Maturities				
Years to Maturity Investment Type June 30, 2020	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	63.32%	6.41%	15.78%	18.56%	22.57%
Corporate bonds	31.72	1.00	11.55	13.01	6.16
Short term:					
Commercial paper	1.25	1.25	-	-	-
STIF	3.71	3.71	-	-	-
Portfolio	100.00%	12.37%	27.33%	31.57%	28.73%

The lengths of investment maturities (in years) of the variable return fund, as shown by the percent of the rated portfolio, at June 30, 2021 and 2020 are as follows:

Years to Maturity Investment Type June 30, 2021	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	65.40%	1.74%	47.68%	14.20%	1.78%
Short term:					
U.S. Treasury bills	0.12	0.12	-	-	-
Money market	34.48	34.48	-	-	-
Cash equivalent	-	-	-	-	-
Portfolio	100.00%	36.34%	47.68%	14.20%	1.78%

Years to Maturity Investment Type June 30, 2020	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	57.56%	3.18%	35.58%	16.46%	2.34%
Short term:					
U.S. Treasury bills	0.43	0.43	-	-	-
Money market	42.01	42.01	-	-	-
Cash equivalent	-	-	-	-	-
Portfolio	100.00%	45.62%	35.58%	16.46%	2.34%

Foreign Currency Risk - Foreign currency risk is the risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign stocks and/or bonds. The currency markets are effective diversifiers in a total portfolio context; therefore, the System has numerous managers that invest globally. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio. The System has no formal risk policy.

In addition, the System has investments in foreign stocks and/or bonds denominated in foreign currencies. The System's foreign currency exposures as of June 30, 2021 and 2020 in the fixed return fund are as follows (amounts in thousands of U.S. dollars):

Trade Currency	June 30, 2021	June 30, 2020
Euro Currency	$ 450,512	$ 359,167
Hong Kong Dollar	184,131	173,319
British Pound Sterling	138,600	98,967
Japanese Yen	123,174	133,559
New Taiwan Dollar	98,913	55,729
South Korean Won	83,860	61,177
Indian Rupee	74,723	43,088
Swiss Franc	64,073	49,737
Brazilian Real	39,439	19,627
Australian Dollar	36,109	20,347
Chinese Yuan Renminbi	35,365	24,761
Danish Krone	29,362	25,644
Canadian Dollar	28,712	18,782
South African Rand	24,268	16,164
Swedish Krona	24,197	17,682
Chinese Yuan (Offshore)	20,736	3,391
Singapore Dollar	17,983	13,034
Norwegian Krone	15,499	12,486
Polish Zloty	12,817	6,197
Thailand Baht	4,269	11,041
Indonesian Rupiah	3,853	4,492
Mexican Peso	3,506	3,100
Malaysian Ringgit	3,376	4,507
Hungarian Forint	2,780	2,325
Turkish Lira	2,499	13,516
Chilean Peso	999	2,278
New Israeli Shekel	749	1,341
Czech Koruna	594	200
Qatari Rial	335	1,841
New Zealand Dollar	237	433
UAE Dirham	230	2,387
Russian Ruble	103	98
Philippine Peso	85	1,690
Egyptian Pound	62	187
Colombian Peso	16	532
Kuwaiti Dinar	13	-
Pakistan Rupee	1	80
Moroccan Dirham	-	1
Peruvian Nouveau Sol	-	80
	$ 1,526,180	$ 1,202,987

The foreign currency exposures of the variable return funds as of June 30, 2021 and 2020 are as follows (amounts in thousands of U.S. dollars):

Trade Currency	June 30, 2021	June 30, 2020
Euro Currency	$ 39,174	$ 29,070
Japanese Yen	23,994	20,792
British Pound Sterling	18,221	13,057
Hong Kong Dollar	12,128	9,067
Swiss Franc	9,744	8,804
South Korean Won	8,703	2,752
Taiwan Dollar	5,806	2,776
Australian Dollar	5,614	4,333
Indian Rupee	5,613	2,112
Canadian Dollar	3,948	2,194
Swedish Krona	3,578	2,484
Danish Krone	3,119	2,210
Brazilian Real	2,382	692
South African Rand	1,810	446
Chinese Renminbi (Yuan)	1,635	890
Singapore Dollar	1,331	1,058
Norwegian Krone	961	569
Mexican Nuevo Peso	950	151
Saudi Arabian Ryal	790	39
Thailand Baht	692	379
Indonesian Rupiah	649	249
Polish Zloty	525	74
New Zealand Dollar	399	291
UAE Dirham	317	131
Egyptian Pound	268	36
Turkish Lira	252	436
Israeli Shekel	249	171
Malaysian Ringgit	161	63
Russian Rubble	144	-
Chilean Peso	42	42
Hungarian Forint	10	59
Czech Koruna	2	2
Philippine Peso	1	5
Total	$ 153,212	$ 105,434

Securities Lending Transactions: Credit Risk - The quality ratings of investments held as collateral for Securities Lending at June 30, 2021 and 2020 are as follows:

Investment Type and Fair Value - Fixed Return Fund
Securities Lending Transactions
June 30, 2021
(In thousands)

	Moody's Quality Ratings											
	Aaa	Aa	A1	A2	A3	Baa	Ba	B	Caa	Ca	NR	Total
U.S. government												
Short term:												
Tri Party Repo	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 389,546	$ 389,546
Money market	321,584	-	-	-	-	-	-	-	-	-		321,584
Overnight Citibank Account	-	-	79,014	-	-	-	-	-	-	-	-	79,014
Uninvested	-	-	-	-	-	-	-	-	-	-	667	667
Total	$ 321,584	$ -	$ 79,014	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 390,213	$ 790,811
Percent of securities lending portfolio	40.66%	-%	10.00%	-%	-%	-%	-%	-%	-%	-%	49.34%	100.00%

Investment Type and Fair Value - Fixed Return Fund
Securities Lending Transactions
June 30, 2020
(In thousands)

	Moody's Quality Ratings											
	Aaa	Aa	A1	A2	A3	Baa	Ba	B	Caa	Ca	NR	Total
U.S. government												
Short term:												
Reverse repurchase agreements	$ -	$ -	$ -	$ 19,635	$ 119,646	$ 6,071	$ -	$ -	$ -	$ -	$ 132,902	$ 278,254
Money market	80,766	-	-	-	-	-	-	-	-	-	44,554	125,320
U.S. agency	-	-	-	-	-	-	-	-	-	-	2,997	2,997
Cash or cash equivalent	-	-	45,171	-	-	-	-	-	-	-	-	45,171
Total	$ 80,766	$ -	$ 45,171	$ 19,635	$ 119,646	$ 6,071	$ -	$ -	$ -	$ -	$ 180,453	$ 451,742
Percent of securities lending portfolio	17.88%	-%	10.00%	4.35%	26.48%	1.34%	-%	-%	-%	-%	39.95%	100.00%

New York City Board of Education Retirement System

NOTES TO COMBINING FINANCIAL STATEMENTS - CONTINUED

June 30, 2021 and 2020

Investment Type and Fair Value - Variable Return Fund
Securities Lending Transactions
June 30, 2021
(In thousands)

	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba	B1	B2	B3	Caa	NR	Total
U.S. government	$ 31,286	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,286
Short term:																			
U.S. Treasury bills	1,409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,409
Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,774	5,774
Uninvested	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Total	$ 32,695	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,775	$ 38,470
By percent	84.99%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	15.01%	100.00%

Investment Type and Fair Value - Variable Return Fund
Securities Lending Transactions
June 30, 2020
(In thousands)

	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba	B1	B2	B3	Caa	NR	Total
U.S. government	$ 751	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 751
Short term:																			
U.S. Treasury bills	104	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104
Repurchase agreements	2,018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	952	2,970
Uninvested	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	$ 2,873	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 952	$ 3,825
By percent	75.11%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	24.89%	100.00%

Interest Rate Risk - The lengths of investment maturities of the collateral for Securities Lending at June 30, 2021 and 2020 are as follows:

Years to Maturity Fixed Return Fund June 30, 2021 (In thousands)	Investment Maturities (in Years) Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government					
Short term:					
Tri Party Repo	$ 389,546	$ 389,546	$ -	$ -	$ -
Money market	321,584	321,584	-	-	-
Overnight Citibank Account	79,014	79,014	-	-	-
Uninvested	667	667	-	-	-
Total	$ 790,811	$ 790,811	$ -	$ -	$ -
By percent	100.00%	100.00%	-%	-%	-%

Years to Maturity Fixed Return Fund June 30, 2020 (In thousands)	Investment Maturities (in Years) Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government					
Short term:					
Reverse repurchase agreements	$ 278,254	$ 278,254	$ -	$ -	$ -
Money market	125,320	125,320	-	-	-
U.S. agency	2,997	2,997	-	-	-
Cash or cash equivalent	45,171	45,171	-	-	-
Total	$ 451,742	$ 451,742	$ -	$ -	$ -
By percent	100.00%	100.00%	-%	-%	-%

Years to Maturity Variable Return Fund June 30, 2021 (In thousands)	Investment Maturities (in Years) Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	$ 31,286	$ 3,355	$ 15,749	$ 6,838	$ 5,344
Short term:					
Repurchase agreements	5,774	5,774	-	-	-
U.S. treasury	1,409	1,409	-	-	-
Uninvested	1	1	-	-	-
Total	$ 38,470	$ 10,539	$ 15,749	$ 6,838	$ 5,344
By percent	100.00%	27.40%	40.94%	17.77%	13.89%

Years to Maturity Variable Return Fund June 30, 2020 (In thousands)	Investment Maturities (in Years) Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. government	$ 751	$ 90	$ 343	$ 146	$ 172
Short term:					
Repurchase agreements	2,970	2,970	-	-	-
U.S. treasury	104	104	-	-	-
Total	$ 3,825	$ 3,164	$ 343	$ 146	$ 172
By percent	100.00%	82.72%	8.97%	3.82%	4.49%

Rate of Return - For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on the System's fixed return fund investments, net of investment expense on the System's fixed return fund, was 27.97% and 5.75%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts invested.

In Fiscal Year 2015, the System adopted GASB 72. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (“GAAP"). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The System has the following recurring fair value measurements as of June 30, 2021 and 2020:

GASB 72 - Disclosure
Fixed Return Funds
Investments - at fair value
(In thousands)

	2021			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	$ -	$ 135,880	$ -	$ 135,880
Short-term investment fund	-	86,487	-	86,487
U.S. Treasury bills and agencies	-	121,533	-	121,533
Debt (fixed income) securities:				
Bank loans	-	18,692	274	18,966
Corporate and other	-	1,206,668	2,229	1,208,897
Mortgage debt securities	-	419,922	-	419,922
Treasury inflation-protected securities	-	306,727	-	306,727
U.S. government and agency	-	610,588	-	610,588
Equity securities	4,414,294	-	21,750	4,436,044
Collective trust funds:				
Bank loans	-	512	-	512
Domestic equity	90,501	-	208	90,709
International equity	1,964	-	-	1,964
Mortgage debt securities	-	10,655	12,827	23,482
Alternative investments	-	-	1,423,257	1,423,257
	$ 4,506,759	$ 2,917,664	$ 1,460,545	$ 8,884,968

GASB 72 - Disclosure
Fixed Return Funds
Investments - at fair value
(In thousands)

	2020			
	Level 1	Level 2	Level 3	Total
Short-term investments:				
Commercial paper	$ -	$ 29,179	$ -	$ 29,179
Short-term investment fund	-	73,082	-	73,082
U.S. Treasury bills and agencies	-	149,094	-	149,094
Debt (fixed income) securities:				
Bank loans	-	11,389	74	11,463
Corporate and other	-	581,446	2,433	583,879
Mortgage debt securities	-	232,438	-	232,438
Treasury inflation-protected securities	-	285,623	-	285,623
U.S. government and agency	-	827,626	-	827,626
Equity securities	2,723,691	-	209	2,723,900
Collective trust funds:				
Bank loans	-	115,248	3,289	118,537
Corporate and other	-	727	-	727
Domestic equity	51,103	-	176	51,279
International equity	774,933	-	1,353	776,286
Mortgage debt securities	-	10,346	12,619	22,965
Alternative investments	-	-	976,076	976,076
	$ 3,549,727	$ 2,316,198	$ 996,229	$ 6,862,154

Equity and Debt (Fixed Income) Securities - Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for these securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the System's custodian bank. Collective trust funds are reported using net asset value ("NAV"). The debt and equity securities held in collective trust funds are held in those funds on behalf of the pension system and there is no restriction on the use and or liquidation of those assets for the exclusive benefit of the Funds' participants.

Collective Trust Funds - Collective trust funds are separately managed accounts which are owned 100% by The City's pension systems. The investments underlying the collective trust funds are presented as Level 1, Level 2 or Level 3 based on their respective fair value hierarchy classifications.

Alternative Investments - include Private Equity, Real Estate, Opportunistic-Fixed Income and Infrastructure Investments. These are investments for which exchange quotations are not readily available and are valued at net assets value calculated by the GP's valuation policy. Alternative investments are mainly illiquid and typically not sold or redeemed. The assets in the System's Alternative Investment program are classified as mainly Level 3 assets. A more detailed explanation of the Level 3 valuation methodologies follows:

Investments in non-public equity securities are valued by the GP or the fund administrator using one or more valuation methodologies outlined in GASB 72, depending upon the availability of data required by each methodology. In some cases, the GP may use multiple approaches to estimate a valuation range. For the immediate time period following a transaction, the determination of Fair Value for equity securities in which no liquid trading market exists can generally be approximated based on the transaction price (absent any significant developments). Thereafter, or in the interim, if significant developments relating to such portfolio company or industry occur which may suggest a material change in value, the GP should value each investment by applying generally accepted valuation methods including (1) the market approach (such as market transaction and comparable public company multiples, which are based on a measurement of the company's historical and projected financial performance with typical metrics including enterprise value/latest 12 months earnings before interest, taxes, depreciation and amortization ("EBITDA") or projected fiscal year EBITDA) or (2) the income or discounted cash flow approach to measure fair value.

In the market approach, valuation multiples that are relevant to the industry and company in the investments held should be considered and relied upon. Valuation multiples should be assessed and may be adjusted on a go-forward basis based on the business risk associated with the subject company in which the investment is held. In addition, the implied entry multiples should be considered as benchmarks in valuing unlisted equity. In circumstances where no financial performance metrics are available, the GP should rely on other non-financial related metrics applicable to relevant progress from the original investment date to the valuation date. In the income or discounted cash flow approach, forecasted cash flows that may be generated by the subject company are discounted to present value at an appropriate discount rate. These methodologies can be utilized to determine an enterprise value ("Enterprise Valuation Methodologies") from which net debt is subtracted to estimate equity value.

The determination of fair value using these methodologies should take into consideration a range of factors, including but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. Because of the subjective nature of estimated fair value of the private investments, such value may differ significantly from the values that would have been used had a ready market existed for these investments. These financial instruments have been classified as Level 3 in the fair value hierarchy.

Alternative investments are not fully funded upon subscribing to the investment. The GP can draw down or call for capital as the fund goes into more investments or when the need arises such as expenses associated with the partnership. The residual balance of uncalled capital is also known as unfunded commitments which are restricted to the maximum amount of the limited partners total committed amount.

GASB 72 - Disclosure
Variable Return Funds
(In thousands)

	2021			
	Level 1	Level 2	Level 3	Total
Variable Return Funds:				
Short-term investments	$ -	$ 6,153	$ -	$ 6,153
Debt (fixed income) securities	-	20,280	-	20,280
Equities	765,050	22,889	14,139	802,078
Total	$ 765,050	$ 49,322	$ 14,139	$ 828,511

GASB 72 - Disclosure
Variable Return Funds
(In thousands)

	2020			
	Level 1	Level 2	Level 3	Total
Variable Return Funds:				
Short-term investments	$ -	$ 5,370	$ -	$ 5,370
Debt (fixed income) securities	-	13,855	-	13,855
Equities	546,475	24,171	3,964	574,610
Total	$ 546,475	$ 43,396	$ 3,964	$ 593,835

Level 1 - Valued using prices quoted in active markets.

Level 2 - Valued using a matrix pricing technique: based on relationship to benchmark quoted prices.

Level 3 - Valued using discounted cash flow techniques.

NOTE 4 - CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the QPP is to fund members’ retirement benefits during their active service and to establish employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. The Employer contributes amounts that, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

Contributions to the TDA program are made on a voluntary basis by certain members of the QPP.

Member Contributions

- Members who joined the QPP prior to July 1, 1973 (“Tier 1”) contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership, and which is dependent upon age and actuarial tables in effect at the time of membership. Tier 1 members can also make Increased Take Home Pay (“ITHP”) contributions, for which they can receive an additional annuity after retirement.

- Members who joined after July 1, 1973 and before July 27, 1976 ("Tier 2") also contribute on the basis of a normal rate of contribution which is assigned by the QPP at membership, and which is dependent upon age and actuarial tables in effect at the time of membership. Note that the actuarial tables are different in Tier 2. Tier 2 members can also make ITHP contributions, for which they can receive an additional annuity after retirement.

- Members who joined after July 27, 1976 and before April 1, 2012 ("Tier 4") contribute 3% of salary until the earlier of the 10th anniversary of their membership date, or upon the completion of 10 years of credited service. Certain Tier 4 members are enrolled in special early retirement plans and must therefore also make Additional Member Contributions ("AMC"), depending on the specific plan.

- Members who joined on or after April 1, 2012 ("Tier 6") are required to make Basic Member Contributions ("BMC") until they separate from service or until they retire. The BMC rate is dependent on annual wages earned during a plan year and ranges from 3% for salaries less than $45,000 to 6% for salaries greater than $100,000. Certain Tier 6 members are enrolled in special early retirement plans and must therefore also make Additional Member Contributions ("AMC"), depending on the specific plan.

Employer Contributions - Statutorily-required contributions ("Statutory Contributions") to the QPP, determined by the System's Chief Actuary of the Office of the Actuary (the "Actuary") in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year.

NOTE 5 - QPP NET PENSION LIABILITY

The components of the net pension liability of the Employers at June 30, 2021 and 2020 were as follows:

(In thousands)	2021	2020
Total pension liability	$ 5,776,055	$ 5,460,141
Fiduciary net position *	7,044,240	5,182,890
Employers' net pension liability	$ (1,268,185)	$ 277,251
Fiduciary net position as a percentage of the total pension liability	121.96%	94.92%

* Such amounts represent the preliminary Systems' fiduciary net position and may differ from the final Systems' fiduciary net position.

Actuarial Methods and Assumptions - The total pension liability as of June 30, 2021 and 2020 was calculated from the actuarial valuations as of June 30, 2020 (Updated Preliminary) and June 30, 2019 (Preliminary), respectively, that were rolled forward to develop the total pension liability to the respective fiscal year end. The following actuarial assumptions were applied to all periods included in the measurement:

Projected salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.
Investment rate of return	7.0% per annum, net of investment expenses.
COLA	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

The above assumptions were developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

The Fiscal Year 2021 results reflect changes in the actuarial assumptions and methods from the prior year. These changes reflect refinements and improvements to the actuarial assumptions and methods under the judgment of the Chief Actuary.

Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially funded New York City Retirement Systems (“NYCRS”) are conducted every two years. The most recent of these studies was performed by Bolton, Inc. and included experience through June 30, 2017.

On January 24, 2019, the Actuary issued a Report titled “Proposed Changes in Actuarial Assumptions and Methods used in Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2018 for the New York City Board of Education Retirement System.” The actuarial assumptions and methods described in that report are referred to as the “2019 A&M.”

The June 30, 2020 total pension liability was calculated from the Preliminary June 30, 2019 actuarial valuation, which was based on the 2019 A&M.

On July 16, 2021, the Actuary issued a memorandum titled “Proposed Changes to Actuarial Assumptions and Methods (Revised 2021 A&M).” The actuarial assumptions and methods described in that memorandum amend certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the “Revised 2021 A&M.”

The June 30, 2021 total pension liability was calculated from the Updated Preliminary June 30, 2020 actuarial valuation, which was based on the Revised 2021 A&M.

The Entry Age Normal (“EAN”) cost method of funding is utilized by the System’s Actuary to calculate the contribution required of the Employer.

Under this method, the Present Value (“PV”) of Future Benefits (“PVFB”) of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit age(s). The Employer portion of this PVFB allocated to a valuation year is the Normal Cost. The portion of this PVFB not provided for at a valuation date by the PV of Future Normal Costs or future member contributions is the Accrued Liability (“AL”).

The excess, if any, of the AL over the Actuarial Value of Asset (“AVA”) is the Unfunded Accrued Liability (“UAL”).

Under this method, actuarial gains and losses, as they occur, reduce and increase the UAL and are explicitly identified and amortized.

Increases or decreases in obligations due to benefit changes, actuarial assumption changes, and actuarial method changes are also explicitly identified and amortized.

Expected Rate of Return on Investments - The long-term expected rate of return on QPP investments was determined using a building-block method in which best-estimate ranges of expected real rates of return (i.e., expected returns, net of QPP investment expenses 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Markets		
U.S. public market equities	31.0%	7.1%
Developed public market equities	10.0	7.8%
Emerging public market equities	6.0	9.7%
Fixed income	27.0	1.9%
Private Markets (Alternative Investments)		
Private equity	9.0	11.0%
Private real estate	8.0	6.9%
Infrastructure	4.0	6.3%
Opportunistic-fixed income	5.0	6.3%
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current Tier for each member and that Employer contributions will be made at rates as determined by the Actuary. Based on those assumptions, the QPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active QPP members. Therefore, the long-term expected rate of return on QPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the Employers, calculated using the discount rate of 7.0%, as well as what the Employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

(In thousands)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Employers' net pension liability - June 30, 2021	$ (580,898)	$ (1,268,185)	$ (1,848,509)

NOTE 6 - MEMBER LOANS

Members of the QPP are permitted to borrow up to 75% of their employee contribution account balances, including accumulated interest, subject to the limitations of Section 72 of the IRC. The balance of QPP member loans receivable at June 30, 2021 and 2020 is $47.25 million and $48.75 million, respectively. When a member withdraws from the QPP with an outstanding QPP loan balance, this outstanding QPP loan balance will be deducted from the refund of the member's contribution balance. When a member retires with an outstanding QPP loan balance, the member's retirement benefit will be reduced by the actuarial value of the amount of the outstanding QPP loan balance, unless this balance is paid off.

Members of the TDA Program are permitted to borrow up to 75% of their TDA Program account balances, including accumulated interest, subject to the limitations of Section 72 of the IRC. The balance of TDA Program member loans receivable at June 30, 2021 and 2020 is $44.75 million and $42.81 million, respectively.

NOTE 7 - RELATED PARTIES

The Comptroller has been appointed by law as custodian for the assets of the QPP and the TDA Program. QPP fixed return fund securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller, the Financial Information Services Agency ("FISA"), and the Office of Payroll Administration ("OPA") also provides cash receipt and cash disbursement services to the System. Actuarial services are provided to the System by the New York City Office of the Actuary. The City's Corporation Counsel provides legal services to the System. Other administrative services are also provided by The City. Costs of $2.82 million and $2.66 million were incurred on behalf of the System by other City agencies, primarily the Comptroller's Office for 2021 and 2020, respectively. The fixed return fund assets of the QPP are co-invested with those of the TDA Program. The variable return fund assets of the QPP are co-invested with those of the TDA Program and TRS (see Note 2). TRS holds the assets of the variable return fund.

NOTE 8 - ADMINISTRATIVE EXPENSES

In Fiscal Years 2021 and 2020, as per Chapter 307 of the New York State Laws of 2002, the System provided BERS with corpus funding for administrative expenses in the amount of $25.43 million and $22.37 million, respectively.

In August 2019, the System entered into a Sub-sublease agreement for office space. The agreement is for a term of six years and seven months and requires a total commitment of approximately $11,180,000 over the term of the lease. Rent expense under the lease agreement for the year ended June 30, 2021 was $1.63 million.

NOTE 9 - CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities - The System has claims pending against it and has been named as a defendant in lawsuits and also has certain other contingent liabilities. Management of the System, on the advice of legal counsel, believes that such proceedings and contingencies will not have a material effect on the net position of the System or changes in the net position of the System. Under the existing State statutes and City laws that govern the functioning of the System, increases in the obligations of the System to members and beneficiaries ordinarily result in increases in the obligations of the New York City Board of Education to the System.

Actuarial Audit - Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded NYCRS are conducted every two years.

Revisions to Actuarial Assumptions and Methods - In accordance with the Administrative Code of the City of New York (“ACNY") and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

The most recently completed study was published by Bolton, Inc., dated June 2019. Bolton analyzed experience for the four and 10-year periods ended June 30, 2017 and made recommendations with respect to the actuarial assumptions and methods based on their analysis. Based in part on these recommendations, the Actuary proposed new assumptions and methods for use in determining Employer Contributions for Fiscal Years beginning on and after July 1, 2018. These assumptions and methods have been adopted by the Board of Trustees during Fiscal Year 2019.

Previously, Gabriel, Roeder, Smith & Company (GRS) published their study in October 2015.

New York State Legislation (only significant laws since Fiscal Year 2012 included)

Chapter 18 of the Laws of 2012 (“Chapter 18/12”) placed certain limitations on the Tier 3 and Tier 4 benefits available to participants hired on and after April 1, 2012 in most New York State PERS, including BERS. These changes are sometimes referred to as Tier 6.

Chapter 3 of the Laws of 2013 (“Chapter 3/13”) implemented changes in the actuarial procedures for determining Employer Contributions beginning Fiscal Year 2012. In particular, Chapter 3/13 continued the One-Year Lag Methodology (“OYLM”), employed the Entry Age Actuarial Cost Method (“EAACM”), established an Actuarial Interest Rate (“AIR”) assumption of 7.0% per annum, net of investment expenses, and defined the amortization of Unfunded Actuarial Accrued Liabilities (“UAAL”).

Chapter 489 of the Laws of 2013 extended the Notice of Participation filing deadline to September 11, 2014 for vested members to file a sworn statement indicating participation in the World Trade Center Rescue, Recovery and Clean-up Operations.

Chapter 427 of the Laws of 2014 (“Chapter 427/14”) provides non-contributory retirement service credit for members called to active military duty on or after September 11, 2001 and prior to January 1, 2006 who did not receive their full salary from a participating employer and are otherwise eligible to receive retirement service credit for such service. Such member would not be required to make member contributions to receive such credit.

Chapter 510 of the Laws of 2015 (“Chapter 510/15”) clarifies for Tier 6 the definition of multiple employers for the purpose of exclusion of wages and changes the Plan year for contributions from plan year April 1 to March 31 to plan year January 1 to December 31.

Chapter 41 of the Laws of 2016 was enacted on May 31, 2016. This amendment removes the specified periods of time, medal requirements, and theaters of operation in which military service would had to have been rendered for a service purchase pursuant to RSSL § 1000. Accordingly, for a member to be eligible to purchase service credit pursuant to RSSL § 1000 for pre-membership military service, the member need only have been honorably discharged from the military; all other requirements of RSSL § 1000 remain the same. This law is not retroactive and does not permit retired members to purchase service credit.

Chapter 326 of the Laws of 2016, enacted on September 11, 2016, extends the deadline to file a Notice of Participation in the World Trade Center Rescue, Recovery and Clean-up Operations to September 11, 2018. Proper filing of a Notice of Participation is a requirement for a member to be eligible for a World Trade Center disability or death benefit.

Chapter 438 of the Laws of 2016, enacted on November 14, 2016, amends Retirement and Social Security Law Section 43 to eliminate restrictions upon transferring between public retirement systems.

Chapter 71 of the Laws of 2017, enacted on June 29, 2017, continues for Fiscal Year 2019, the Actuarial Interest Rate assumption of 7.0% per annum used to determine employer contributions to the New York City Pension Funds and Retirement Systems. This act also extends through Fiscal Year 2019, the interest rate of 8.25% per annum to credit interest on Tier 1 and Tier 2 member contributions and Increased-Take-Home-Pay ("ITHP") Reserves.

Chapter 266 of 2018 extends the time for members or eligible beneficiaries to file a Notice of Participation in World Trade Center Rescue, Recovery, and Cleanup Operations to September 11, 2022.

Chapter 59 of the Laws of 2019 revises the composition of the Board of Education of The City of New York, and therefore the BERS Board of Trustees, to include one additional mayoral appointee and one member to be elected by community district education council presidents. This provision took effect on July 1, 2020.

Chapter 589 of the Laws of 2019 increases the amount of money a retiree may earn in a position of public service in the year 2020 and thereafter to $35,000 from $30,000.

Chapter 76 of the Laws of 2019 extends for two fiscal years, until June 30, 2021, the 7% rate of interest used by the Chief Actuary for BERS in valuing the retirement system liabilities for the purpose of computing the amount of Employer contributions. The bill also extends for two fiscal years the rate of interest to be paid into certain constituent funds of The City retirement systems and the 8.25% per annum rate to be credited on AMCs and ITHP reserves for Tier 1 and Tier 2 members.

Chapter 89 of the Laws of 2020 provides death benefits to statutory beneficiaries of members whose death was a result of or was contributed to by coronavirus disease ("COVID-19"). This law provides an Accidental Death Benefit to the eligible beneficiaries of a member or a retiree who retired after March 1, 2020, where such member reported for work outside their home and contracted COVID-19 within 45 days after reporting for work, and whose death was caused by COVID-19 or where COVID-19 contributed to such member's death. Amounts payable are reduced by payments of any ordinary death benefits or option benefit paid to another statutory beneficiary.

Chapter 78 of the Laws of 2021 establishes a COVID-19 public employee death benefit for individuals who reported to their usual place of employment or an alternate worksite at the direction of their employer on or after March 1, 2020 and such individual contracted COVID-19 within 45 days of reporting to such workplace as confirmed by a laboratory test or by a licensed physician and such individual died on or before December 31, 2022.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act

The CARES Act, signed into law on March 27, 2020, is a major piece of federal legislation providing relief to individuals, as well as state and local governments, in connection with the impact of the COVID-19 outbreak. The CARES Act impacted the operations of BERS in six principal ways during Fiscal Year 2021 and 2020:

a) all required minimum distributions ("RMDs") were suspended between March 27, 2020 and December 31, 2020;

b) qualified individuals who were entitled to receive a QPP refund (other than a refund of a deduction in error) were permitted to classify such a refund as a coronavirus-related distribution, not subject to the 10% penalty for individuals younger than 59½ years of age (subject to the limitation that the sum of all coronavirus-related distributions cannot exceed $100,000), until December 30, 2020;

c) qualified individuals were permitted to request a TDA refund, even if they would not otherwise have been eligible to do so, as a coronavirus-related distribution, not subject to the 10% penalty for individuals younger than 59½ years of age (subject to the limitation that the sum of all coronavirus-related distributions cannot exceed $100,000), until December 30, 2020;

d) qualified individuals were permitted to apply for coronavirus-related loans, with a higher aggregate maximum amount than ordinary loans (for QPP/AMC loans, the expanded limit was the lesser of $100,000 or 75% of the account balance; for TDA loans, the expanded limit was the lesser of $100,000 or 100% of the account balance), until September 23, 2020;

e) qualified individuals with outstanding loans of any type were permitted to apply for extension of any loan payments due between March 27, 2020 and December 31, 2020 by up to one year; and

f) For the purposes of the above provisions, the CARES Act defined a "qualified individual" as an individual who:

    1. is diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or

    2. has a spouse or dependent diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or

    3. experiences adverse financial consequences as a result of (i) being quarantined, furloughed or laid off or having work hours reduced due to COVID-19, (ii) being unable to work due to lack of child care due to COVID-19, (iii) being unable to work due to closing or reducing hours of a business owned or operated by the individual due to COVID-19, or (iv) other factors as determined by the Secretary of the Treasury.

The Setting Every Community Up for Retirement Enhancement ("SECURE") Act

The SECURE Act of December 2019 increased the age at which RMDs must commence from 70.5 to 72. It also required that certain inherited retirement plan accounts be more rapidly distributed to their owners.

COVID-19

The outbreak of the COVID-19, has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State on March 7, 2020 and the Mayor declared a state of emergency in The City on March 12, 2020. The Governor declared an end to the state of emergency due to the COVID-19 pandemic in the State on June 24, 2021, effective June 25, 2021. The state of emergency in The City remains in effect. The ultimate impact of the COVID-19 pandemic on the Plan cannot be determined at this time.

SCHEDULE 1

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

June 30,
(In thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	$ 175,281	$ 166,792	$ 168,501	$ 176,110	$ 168,625	$ 153,107	$ 147,898	$ 142,867
Interest	405,690	369,904	366,084	350,999	346,510	320,315	299,592	288,162
Differences between expected and actual experience	38,132	(46,574)	152,160	(164,587)	19,938	(75,907)	50,148	50,148
Changes of assumptions	(853)	-	(314,503)	-	-	183,677	-	-
Benefit payments/withdrawals	(302,336)	(296,047)	(280,463)	(261,574)	(262,432)	(240,727)	(223,244)	(214,315)
Net change in total pension liability	315,914	194,075	91,779	100,948	272,641	340,465	274,394	216,534
Total pension liability - beginning	5,460,141	5,266,066	5,174,287	5,073,339	4,800,698	4,460,233	4,185,839	3,969,305
Total pension liability - ending (a)	5,776,055	5,460,141	5,266,066	5,174,287	5,073,339	4,800,698	4,460,233	4,185,839
Plan fiduciary net position:								
Employer contributions	182,983	257,503	269,637	318,643	288,233	265,532	258,099	214,590
Member contributions	48,125	49,766	46,304	40,846	39,821	38,581	39,564	37,193
Net investment income	1,889,751	365,767	406,879	565,577	862,510	164,144	177,166	875,453
Payment of interest on TDA program fixed return funds	(171,806)	(155,749)	(141,695)	(127,972)	(106,554)	(94,789)	(85,104)	(206,615)
Benefit payments and withdrawals	(302,336)	(296,047)	(280,463)	(261,574)	(262,432)	(240,727)	(223,244)	(214,315)
Administrative expenses	(25,175)	(22,207)	(17,357)	(13,212)	(15,486)	(12,818)	(10,956)	(9,776)
Other	239,808	(7,975)	35,624	51,024	(122,954)	(157,499)	(52,021)	(70,916)
Net change in plan fiduciary net position	1,861,350	191,058	318,929	573,332	683,138	(37,576)	103,504	625,614
Plan fiduciary net position - beginning*	5,182,890	4,991,832	4,672,903	4,099,571	3,416,433	3,454,009	3,350,505	2,653,652
Plan fiduciary net position - ending (b)	7,044,240	5,182,890	4,991,832	4,672,903	4,099,571	3,416,433	3,454,009	3,279,266
BERS's net pension liability - ending (a)-(b)	$ (1,268,185)	$ 277,251	$ 274,234	$ 501,384	$ 973,768	$ 1,384,265	$ 1,006,224	$ 906,573
Plan fiduciary net position as a percentage of the total pension liability	121.96%	94.92%	94.79%	90.31%	80.81%	71.17%	77.44%	78.34%
Covered payroll[1]	$ 1,476,598	$ 1,353,266	$ 1,264,079	$ 1,102,184	$ 1,052,171	$ 1,008,056	$ 1,016,822	$ 989,168
BERS's net pension liability as percentage of covered payroll	-85.89%	20.49%	21.69%	45.49%	92.55%	137.32%	98.96%	91.65%

*FY 2015 Plan fiduciary net position - beginning was revised from the prior year.

[1] Projected employee payroll at time 1.0 under previous roll-forward methodology through 2018. Actual employee payroll at valuation date (time = 0) beginning in 2019.

In accordance with paragraph 50 of GASB No. 67, this schedule should present information for 10 years, if available. The information presented here pertains to periods beginning with the June 30, 2014 fiscal year, the System's adoption year of GASB No. 67. Additional years will be added until the 10-year requirement is met.

See Report of Independent Certified Public Accountants.

SCHEDULE 2

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Fiscal years ended June 30,
(In thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 182,983	$ 257,503	$ 269,637	$ 318,643	$ 288,233	$ 265,532	$ 258,099	$ 214,590	$ 196,246	$ 213,651
Contributions in relation to the actuarially determined contribution	182,983	257,503	269,637	318,643	288,233	265,532	258,099	214,590	196,246	213,651
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll [1]	$ 1,476,598	$ 1,353,266	$ 1,264,079	$ 1,102,184	$ 1,052,171	$ 1,008,056	$ 1,016,822	$ 989,168	$ 886,186	$ 879,476
Contributions as a percentage of covered-employee payroll	12.39%	19.03%	21.33%	28.91%	27.39%	26.34%	25.38%	21.69%	22.15%	24.29%

[1] Projected employee payroll at time 1.0 under previous roll-forward methodology through 2018. Actual employee payroll at valuation date (time = 0) beginning in 2019.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Note to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fiscal year 2021 contributions were determined using an actuarial valuation as of June 30, 2019). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period:					
Initial unfunded	13 years (closed)	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2010 ERI	0 year (closed)	0 year (closed)	0 year (closed)	0 year (closed)	1 year (closed)
2011 Actuarial gain/loss	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2012 Actuarial gain/loss	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2013 Actuarial gain/loss	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2014 Actuarial gain/loss	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2015 Actuarial gain/loss	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2016 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2017 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2017 Assumption change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2017 Method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2018 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2018 Method change	19 years (closed)	20 years (closed)	NA	NA	NA
2019 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2019 Method change	20 years (closed)	NA	NA	NA	NA
2019 Assumption change	20 years (closed)	NA	NA	NA	NA
Actuarial assets valuation method[1]	Five-year moving average of market values with a "Market Value Restart" as of June 30, 2019.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.

[1] As of the June 30, 2014 (Lag) valuation, the AVA is constrained to be no more than 20% from Market Value.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Note to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fisca year 2021 contributions were determined using an actuarial valuation as of June 30, 2019). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Dates	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period:					
Initial unfunded	18 years (closed)	19 years (closed)	20 years (closed)	21 years (closed)	22 years (closed)
2010 ERI	2 years (closed)	3 years (closed)	4 years (closed)	5 years (closed)	NA
2011 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2012 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2013 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2014 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2015 Actuarial gain/loss	NA	NA	NA	NA	NA
2016 Actuarial gain/loss	NA	NA	NA	NA	NA
2017 Actuarial gain/loss	NA	NA	NA	NA	NA
2017 Assumption change	NA	NA	NA	NA	NA
2017 Method change	NA	NA	NA	NA	NA
2018 Actuarial gain/loss	NA	NA	NA	NA	NA
2018 Method change	NA	NA	NA	NA	NA
2019 Actuarial gain/loss	NA	NA	NA	NA	NA
2019 Method change	NA	NA	NA	NA	NA
2019 Assumption change	NA	NA	NA	NA	NA
Actuarial assets valuation method[1]	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.	Modified six-year moving average of market values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2010 investment performance.

[1] As of the June 30, 2014 (Lag) valuation, the AVA is constrained to be no more than 20% from Market Value.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial assumptions:					
Assumed rate of return[2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality[3]	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2016
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012
Salary increases[2]	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.
Cost-of-living adjustments[2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

[2] Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

[3] As of June 30, 2019, applies mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for terminated vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

See Report of Independent Certified Public Accountants.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**	**June 30, 2011**	**June 30, 2010**
Actuarial assumptions:					
Assumed rate of return[2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality[3]	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012
Active service: withdrawal, death, disability, service retirement[3]	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012
Salary increases[2]	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.	In general, merit and promotion increases plus assumed general increases of 3.0% per year.
Cost-of-living adjustments[2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

[2] Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

[3] As of June 30, 2019, applies mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for terminated vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

New York City Board of Education Retirement System

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS

The following table displays annual money-weighted rate of return from fixed investments for each of the past eight fiscal years:

Fiscal years ended	Money-Weighted Rate of Return
June 30, 2021	27.97%
June 30, 2020	5.75%
June 30, 2019	7.00%
June 30, 2018	10.31%
June 30, 2017	15.33%
June 30, 2016	0.20%
June 30, 2015	3.15%
June 30, 2014	19.51%

Note: In accordance with paragraph 50 of GASB Statement No. 67, *Financial Reporting for Pension Plans* ("GASB 67"), this schedule should present information for 10 years, if available. The information presented here pertains to periods beginning with the June 30, 2014 fiscal year, the Plan's adoption year of GASB 67. Additional years will be added until the 10-year requirement is met.