Board of Education Retirement System of the City of New York

Comprehensive Annual Financial Report

of the Qualified Pension Plan

For the Fiscal Year Ended June 30, 2011

A Pension Trust Fund of the City of New York

New York City Board of Education Retirement System

Qualified Pension Plan

A Pension Trust Fund of the City of New York

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by the Retirement System's Accounting Division

State of New York

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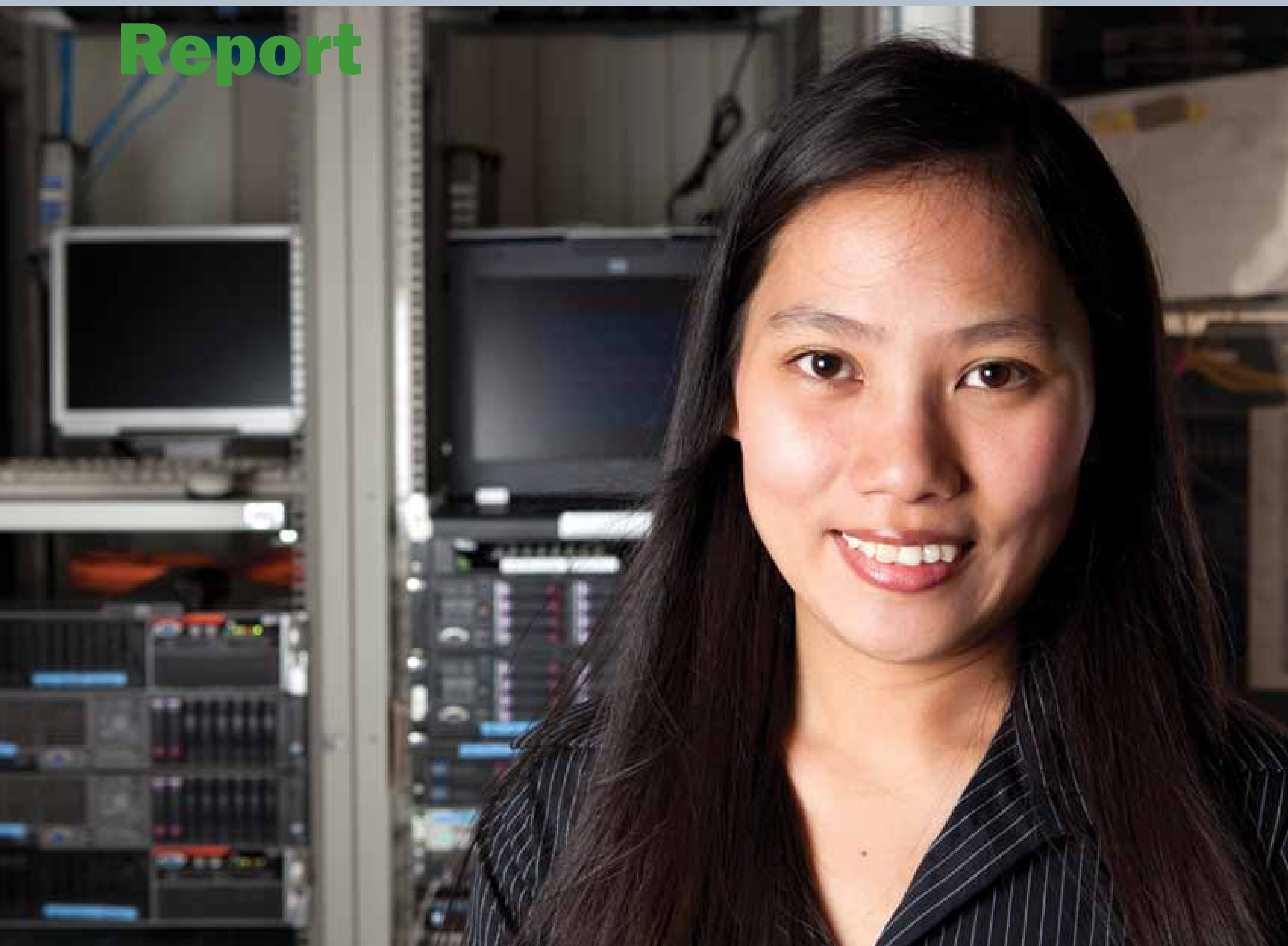

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New York City Board of Education Retirement System

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Introductory Section

State of New York

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BOARD OF EDUCATION RETIREMENT SYSTEM
OF THE CITY OF NEW YORK
65 COURT STREET, 16th FLOOR
BROOKLYN, NEW YORK 11201- 4965

CHRISTINE BAILEY
EXECUTIVE DIRECTOR

718-935-5400
OUTSIDE NEW YORK STATE
1-800-843-5575

December 22, 2011

Board of Trustees
Board of Education Retirement System
City of New York
65 Court Street, 16th Floor
Brooklyn, NY 11201

Ladies and Gentlemen:

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") of the New York City Board of Education Retirement System ("BERS") for the fiscal year ended June 30, 2011. The responsibility of the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with BERS. All disclosures necessary to enable the reader to gain an understanding of the system's financial activities have been included.

MAJOR INITIATIVES - July 1, 2010 through June 30, 2011

Chapter 180 of the Laws of 2011: Interest Rate Extender – This act amends the Administrative Code of the City of New York which extends for one year the 8.25 percent per annum rate used to credit interest on Tier I and Tier II member account balances and Increased-Take-Home-Pay Reserves and the 8 percent per annum Actuarial Interest Rate assumption used to compute employer contributions.

Chapter 399 of the Laws of 2011 – Part C: Pension Forfeiture – This act amends the Retirement and Social Security Law to provide that when a public official is convicted of a crime relating to public office, the court may order the public official's pension reduced or revoked, and his or her contributions returned.

Chapter 582 of the Laws of 2011: H.E.A.R.T. Act – This act amends the Retirement and Social Security Law, the Education Law, the Administrative Code of the City of New York, and the Civil Service Law so as to provide for death benefits and health insurance coverage to eligible survivors of public employees who die while ordered to service in the uniformed services, including for training purposes.

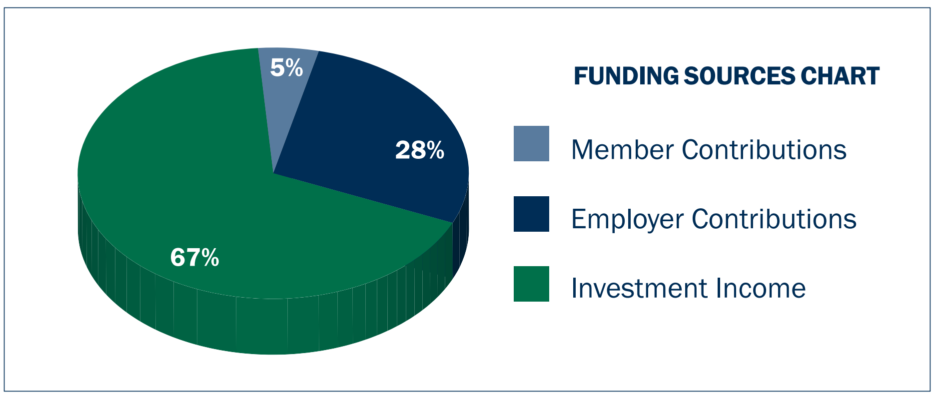
FUNDING

An adequate funding level provides assurance and security for payment of future benefits. In fiscal year 2011, BERS sought to maintain a level of funding within the established guidelines of the Government Accounting Standards Board ("GASB"). The funds needed to finance retirement benefits are accumulated through employer and member contributions and through income from investments. Funding is discussed in detail in the Notes to the Financial Statements and in the Actuarial Section of this report.

BERS' funding ratio is based on a two year lag (2009 for 2011; 2008 for 2010). For the past two years, BERS has maintained a 100% funding ratio.

The chart below summarizes the contribution funding sources for fiscal year 2011.

Funding Sources (In thousands)		
Funds	Percentage	Contribution
Member Contributions	5%	$31,008
Employer Contributions	28%	$180,191
Investment Income	67%	$424,419
Total	**100%**	**$635,618**



Fund Summary

The Board of Education Retirement System total fund increased in value for the fiscal year ending June 2011 with a return of 24.2%, compared to 24.0% for the Board of Education Policy Benchmark, against which it is measured. The Board of Education Policy Benchmark is a custom index representing the weighted average return of the benchmarks for each major investment program in the Plan. The Policy Benchmark as of 6/30 consisted of: 40.81% Russell 3000, 21% MSCI EAFE, 4% MSCI Emerging Markets, 2.58% Russell 3000+500bps, 22% NYC Core+5 fixed income, 3% Barclays Capital US TIPS, and 5% Citigroup BB&B Index. The market value of the fund rose from $1.96 billion to $2.61 billion. Performance was extremely strong and exceeded that of the prior fiscal year, which was already outside of the normal range of expected returns for policy allocation. The fund also performed favorably compared to other similar funds, ranking above 90 percent of its peer group. Over the past five years, the fund returned an average of 5.6% versus 4.9% for the benchmark index. The ten-year return averaged 6.0% versus 5.5% for the index.

INVESTMENTS

Investment Policy

BERS' investment policy statement, ratified by the Board of Trustees in January 2009 addresses investment objectives, investment philosophy and strategy, monitoring and evaluating performance, risk management, security lending protocol and rebalancing investment mix. The investment policy is available upon request.

Investment Valuation

Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the International Investment funds (the "IIF") and Alternative Investment funds (the "ALTINVF"). The IIF are private funds of publicly traded securities which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers. The investment managers determine fair value using the last available quoted price for each security owned adjusted by any contributions to or withdrawals from the fund during the period. The ALTINVF are 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 GP's after review by an independent consultant and the custodian bank for the fund.

Fund Description

The pension fund is a long-term investment fund structured to provide assets for the payouts needed for the benefits of the participants. The Trustees establish a target asset mix after considering the long-term growth prospects for the diversified group of investments and the cost of the plan participants' benefits. This asset allocation does not change significantly from year to year, and the fund is rebalanced to the target mix as it pays out benefits and receives contributions. The goal of the broad diversification of the fund is to have some portion of the investments in above average performing segments regardless of the overall market conditions. For more detailed information, please refer to our investment section.

ECONOMIC AND MARKET COMMENT

The US economy grew more slowly than expected this year. Gross Domestic Product grew by 1.6% over the trailing fiscal year, compared to 3.0% for the fiscal year ended June 2010. Headline inflation spiked higher in response to rising commodity prices, as CPI grew 3.4% versus 1.1% one year ago. Core inflation, which excludes volatile food and energy prices, remained at more muted levels and rose 1.6%. Signs of a job-market recovery began to emerge mid-fiscal year, though not enough to improve consumer sentiment or provide a housing price boost. The unemployment rate inched lower from 9.5% to 9.2%. Employment has still not reached pre-2008 crisis levels, and job growth is not deemed sufficient by economists to keep pace with population growth. These are important indicators of the economic effect on the funds' investments. The US economy and consumer spending are not providing the positive effect on our investments that they provided in prior recoveries.

The U.S. stock market, as measured by the Russell 3000 stock index, returned 32.4% for the fiscal year ending June 30, 2011. International stocks, as measured by the MSCI EAFE index, returned 30.9%. Strong corporate profit growth, market expectations, and low interest rates made for a positive outlook early in the year. Equities began the fiscal year on a strong note but began to falter towards fiscal year-end given renewed concerns over the European sovereign fiscal issues and the slower growth noted above. The aggregate fixed income market, as measured by the Barclays Capital US Aggregate Index gained 3.9% over the trailing year. Within fixed income, riskier assets outperformed, as indicated by a 15.6% gain among corporate high yield issues, compared to 2.2% for US Treasuries.

OTHER INFORMATION

Internal Control

The Executive Director is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that the assets of the system are safeguarded and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The system's internal control practices are designed to provide reasonable assurance that these objectives are met.

Accounting and Reporting

The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Fixed income assets and equity investments are recorded at market value. This CAFR has been prepared in conformity with principles of governmental accounting and reporting, promulgated by the GASB, and according to guidelines adopted and published by the Government Finance Officers Association of the United States and Canada ("GFOA"). The requirements of Statement No. 25 of the GASB, "Financial Reporting for Defined Benefit Pension Plan and Note Disclosures for Defined Contribution Plans" have been adhered to in determining the information reported in the financial statements. Also GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis ("MD&A") – For State and Local Governments," which mandates that governments amend their financial reporting to provide additional information about their fiscal health, including information about the status of public infrastructure and revised budgetary reporting. In addition, an MD&A is included to provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. It should be noted that since BERS is considered a fund of the City, the only requirement applicable to BERS' CAFR is the MD&A, as all other reporting requirements will be accomplished on a citywide level.

Independent Audit

The five major retirement systems of the City of New York are required to undergo an annual audit by a firm of certified public accountants, in accordance with generally accepted auditing standards. Deloitte & Touche LLP, whose opinion is presented in the Financial Section of this report, conducted the audit of the financial statements of BERS for the fiscal year ended 2011.

The five New York retirement systems also undergo a five year audit conducted by The State Insurance Office. During the fiscal year 2010, BERS went through an audit covering fiscal year 2004 thru fiscal year 2009.

Professional Services

Buck Consultants and Britten Network are consultants retained by the Retirement Board to perform professional services that are essential to the effective and efficient operations of the BERS.

BERS is going through the process of installing an Enterprise Resource Planning system, Comprehensive Pension Management System ("CPMS"). It is a 3 year project and the services of Vitech Systems Group Incorporated; GTJZ Consulting; and KPMG LLP have been retained to guide BERS.

The Chief Actuary provides actuarial services for the five major pension systems maintained by the City. His actuarial report and certification are included in this annual report. The New York City Comptroller and the Teachers' Retirement System retain investment managers to assist in the execution of investment policy in accordance with statutory authority, Retirement Board decisions and standard governing fiduciary practices.

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the BERS for its CAFR for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. BERS has received a Certificate of Achievement over the last twenty four consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and it will be submitted to the GFOA.

Acknowledgments

The dedicated service of the managers and staff of BERS made the preparation of this CAFR, on a timely basis, possible. In addition, our appreciation is extended to those members of the staff of the Bureau of Accountancy and Asset Management of the New York City Comptroller's Office and the Office of the Actuary who worked closely with the BERS personnel in the compilation of this report. We hope that the members of the Retirement Board, officials of the Department of Education of the City of New York, our members and the citizens of the City will find this report informative and helpful.

Respectfully submitted,

C Bailey

Christine Bailey,
Executive Director

New York City Board of Education Retirement System

For the Fiscal Year Ended June 30, 2011

Prepared By:
Christine Bailey, Executive Director
Rick Hederman, Director of Fiscal Operations

Actuary:
Robert C. North, Jr.,
Chief Actuary

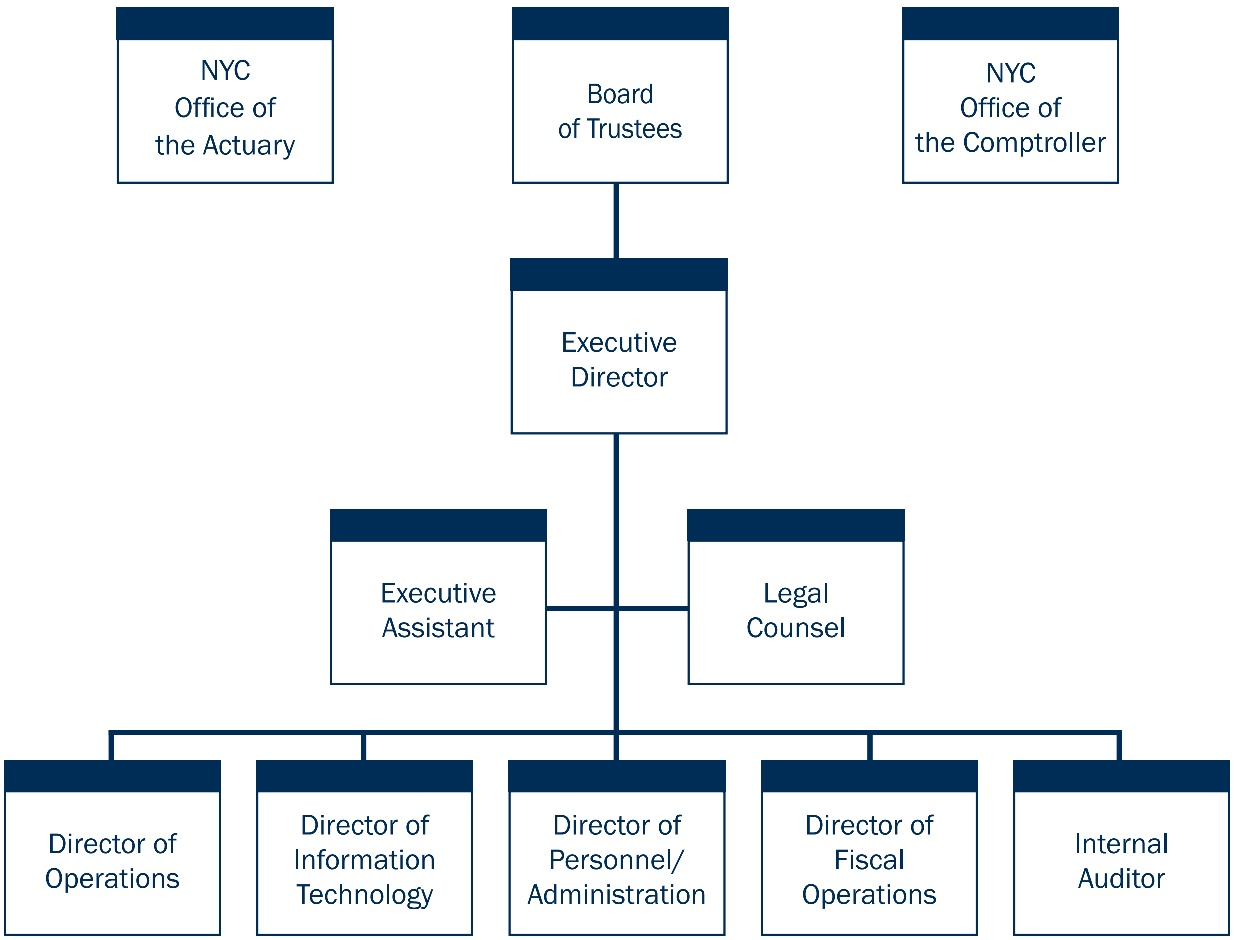
Custodian of the Funds:
John C. Liu,
Comptroller of the City of New York

Headquarters Address:
Board of Education Retirement System
City of New York
65 Court Street, 16th Floor
Brooklyn, New York 11201

New York City Board of Education Retirement System

For the Fiscal Year Ended June 30, 2011

ORGANIZATIONAL CHART



New York City Board of Education Retirement System

For the Fiscal Year Ended June 30, 2011

CONSULTING AND PROFESSIONAL SERVICES

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Office of the Actuary
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Two World Financial Center
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Custodian of Funds
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Consultant
Britten Network
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Royersford, PA 19468

Investment Consultant
Buck Investment Consultants
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CPMS Consultant
Vitech Systems Group, Inc.
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New York, NY 10016

CPMS Consultant
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321 Union Street, #4A
Brooklyn, NY 11231

CPMS Consultant
KPMG LLP
345 Park Avenue
New York, NY 10154

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Board of Education Retirement System Qualified Pension Plan, New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

Investment
Prior service
Economy
Custodian
Cost Method
Accruals
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New York City Board of Education Retirement System

Qualified Pension Plan

A Pension Trust Fund of the City of New York

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Financial Section

State of New York

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Deloitte.

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FINANCIAL

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
New York City Board of Education Retirement System Qualified Pension Plan

We have audited the accompanying statements of plan net assets of the New York City Board of Education Retirement System Qualified Pension Plan (the "Plan") as of June 30, 2011 and 2010, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2011 and 2010, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the supplemental schedules, Schedule 1, Schedule 2, and Schedule 3, listed in the table of contents are not a required part of the financial statements, but are supplementary information required by the Governmental Accounting Standards Board ("GASB"). This supplementary information is the responsibility of Plan Management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of such required supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying additional supplementary information listed in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional supplementary information is the responsibility of management. The additional supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Member of
Deloitte Touche Tohmatsu

FINANCIAL

The Introductory, Investment, Actuarial, and Statistical Sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Plan. This supplementary information is also the responsibility of Plan management. Such supplementary information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

October 27, 2011

This narrative discussion and analysis of New York City Board of Education Retirement System Qualified Pension Plan's ("Board of Education Retirement System Qualified Pension Plan" or the "Plan"), financial performance provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2011 and 2010. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the years and the effects of significant changes, as well as a comparison with the prior years' activities and results. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The following "discussion and analysis" is intended to serve as an introduction to the Plan's basic financial statements. The basic financial statements are:

- **The Statement of Plan Net Assets** — presents the financial position of the Plan at fiscal year-end. It indicates the assets available for payment of future benefits and any current liabilities that are owed as of the statement date. Investments are shown at fair value. All assets and liabilities are determined on an accrual basis.

- **The Statement of Changes in Plan Net Assets** — presents the results of activities during the year. All changes affecting the assets and liabilities of the Plan 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 Financial Statements** — provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

Supplementary Information — as required by the Governmental Accounting Standards Board ("GASB") is presented after the notes to the financial statements. The financial statements are prepared in accordance with GASB pronouncements.

FINANCIAL

FINANCIAL HIGHLIGHTS

Changes in Plan Net Assets

During the fiscal year 2011, the Plan's net assets held in trust for pension benefits increased to $2.32 billion, a net increase of $538 million or 30.11 % from the fiscal year 2010. The increase in fiscal year 2011 was due to increase in the fair value of the investments which went up by 33.17 %.

During the fiscal year 2010, the Plan's net assets held in trust for pension benefits increased to $1.79 billion, a net increase of $249 million or 16.23% from the fiscal year 2009. The increase in fiscal year 2010 was due to increase in the fair value of the investments which went up by 10.42%..

Changes In Plan Net Assets
Years Ended June 30, 2011, 2010, and 2009
(In thousands)

	2011	2010	2009
Additions:			
Member contributions	$ 31,008	$ 31,361	$ 30,971
Employer contributions	180,191	147,349	134,225
Net investment income (loss)	424,419	217,761	(332,332)
Net securities lending income	1,271	1,111	2,967
Net receipts from (payments to) other retirement systems	95,958	38,232	(141,090)
Total	732,847	435,814	(305,259)
Deductions:			
Benefit payments and withdrawals	186,265	178,413	171,593
Administrative expenses	8,892	8,047	8,413
Total deductions	195,157	186,460	180,006
Net increase (decrease)	537,690	249,354	(485,265)
Plan net assets held in trust for pension benefits:			
Beginning of year	1,785,939	1,536,585	2,021,850
End of year	$ 2,323,629	$ 1,785,939	$ 1,536,585

During fiscal year 2011, member contributions which stood at $31.01 million, decreased slightly from the 2010 member contribution amount of $31.36 million. In fiscal year 2010, member contributions which stood at $31.36 million, increased slightly from the 2009 member contribution amount of $30.97 million.

Employer contributions received in fiscal year 2011 were at $180.19 million, an increase of 22.29 % over the fiscal year 2010 figure of $147.35 million. Employer contributions are made on a statutory basis based on the One-Year Lag methodology.

Employer contributions received in fiscal year 2010 were at $147.35 million, an increase of 9.78% over the fiscal year 2009 figure of $134.23 million.

Plan benefits and withdrawals increased from $178.41 million to $186.26 million from fiscal year 2010 to fiscal year 2011 and increased from $171.59 million to $178.41 million from fiscal year 2009 to fiscal year 2010. The increase in the plan benefits and withdrawals in fiscal year 2011 was due to an increase in the number of members obtaining a refund of their pension funds.

In 2011, the administrative expenses account showed a net increase of 10.5% to $8.89 million. In 2010, the administrative expenses account showed a net decrease of 4.35% to $8.04 million. The decrease in administrative expenses in fiscal year 2010 was due to capitalization of expenses relating to professional services for Enterprise Resource Planning software ("ERP"), as per GASB 51. The increase in administrative expenses in fiscal year 2011 was due to a combination of lower capitalization of expenses towards the ERP project and a higher allocation of administrative expenses to the pension program.

PLAN NET ASSETS

During FY 2011, the Plan experienced a 30.11 % increase in net assets held in trust for pension benefits. The increase in pension trust funds could be attributable to the increase in the fair value of the investments during the year which went up by 33.17%. During FY 2010, the Plan experienced 16.23% increase in net assets held in trust for pension benefits. The increase in pension trust funds during FY 2010 could also be attributable to the increase in the fair value of the investments during the year which went up by 10.42%.

Member loans outstanding at fiscal year-ends of 2011 and 2010 were $34.17 million and $31.26 million, respectively. During fiscal year 2011, the number of new loans increased by 9.55%.

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

FINANCIAL

Plan Net Assets
June 30, 2011, 2010, and 2009
(In thousands)

	2011	2010	2009
ASSETS:			
Cash	$ 9,966	$ 11,581	$ 7,131
Receivables	86,090	92,355	112,024
Investments, at fair value	2,394,495	1,792,613	1,578,355
Collateral from securities lending	213,327	165,624	195,084
Other	708	703	700
Total assets	2,704,586	2,062,876	1,893,294
LIABILITIES:			
Payables	167,630	111,313	161,625
Securities lending transactions	213,327	165,624	195,084
Total liabilities	380,957	276,937	356,709
Plan net assets held in trust for pension benefits	$ 2,323,629	$ 1,785,939	$ 1,536,585

Investment Summary
(In thousands)

Fair Value	June 30, 2011	June 30, 2010	June 30, 2009
Short Term Investments	$ 126,531	$ 62,936	$ 61,592
US Debt Securities	555,087	492,041	454,513
Yankee Bonds	3,084	2,812	7,612
U S Equity Securities	932,495	709,246	607,937
Private Equity Securities	100,257	39,243	26,747
International Equity Securities	606,351	424,363	363,220
Treasury Inflation Protected Securities	59,160	53,174	48,474
Mortgages	10,595	8,091	7,528
Promissory Notes	935	707	732
Security Lending Transactions	213,327	165,624	195,084
Total	$ 2,607,822	$ 1,958,237	$ 1,773,439

Due to the long-term nature of the Plan's liabilities, the Plan's assets 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 Plan's investments increased by 33.17 % and 10.42 % in fiscal years 2011 and 2010, respectively. The 2011 results were due to an increase in the fair market value of the investments.

CONTACT INFORMATION

This financial report is designed to provide a general overview of The New York City Board of Education Retirement System Qualified Pension Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Chief Accountant, New York City Board of Education Retirement System Qualified Pension Plan, 65 Court Street, 16th Floor, Brooklyn, New York 11201.

Statements of Plan Net Assets
As Of June 30, 2011 and 2010
(In thousands)

	2011	2010
ASSETS:		
Cash	$ 9,966	$ 11,581
Receivables:		
Investment securities sold (Note 2)	47,431	43,730
Accrued interest and dividends (Note 2)	53	40
Member loans (Note 5)	34,168	31,255
Other	4,438	17,330
Total receivables	86,090	92,355
Investments — at fair value (Notes 2 and 3):		
Fixed funds:		
Short-term investments:		
Commercial paper	112,870	745
Short-term investment fund	12,250	46,154
Discount notes	943	15,724
Debt securities:		
U.S. government and U.S. government agency	350,008	268,270
Corporate	202,929	221,832
Yankee bonds	3,084	2,812
Equities:		
Domestic	896,385	680,925
Private equity	100,257	39,243
Mutual funds:		
International equity	606,351	424,363
Treasury inflation-protected securities	59,160	53,174
Mortgages	10,595	8,091
Promissory notes	935	707
Collateral from securities lending	210,813	163,345
Variable funds:		
Short-term investments	468	313
Debt securities	2,150	1,939
Equities	36,110	28,321
Collateral from securities lending	2,514	2,279
Total investments	2,607,822	1,958,237
Other assets	708	703
Total assets	2,704,586	2,062,876
LIABILITIES:		
Accounts payable (Note 2)	8,675	6,222
Payable for investment securities purchased (Note 2)	153,150	98,281
Accrued benefits payable (Note 2)	5,805	6,810
Securities lending (Note 2)	213,327	165,624
Total liabilities	380,957	276,937
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS (A schedule of funding progress for the Plan is presented on Schedule 1)	$ 2,323,629	$ 1,785,939

See notes to financial statements.

Statements of Changes in Plan Net Assets
For The Years Ended June 30, 2011 and 2010
(In thousands)

	2011	2010
ADDITIONS:		
Contributions (Note 4):		
Member contributions	$ 31,008	$ 31,361
Employer contributions	180,191	147,349
Total contributions	211,199	178,710
Investment income (Note 2):		
Interest income	28,462	27,765
Dividend income	29,010	22,199
Net appreciation in fair value of investments	373,410	171,833
Total investment income	430,882	221,797
Less — investment expenses	6,463	4,036
Net investment income	424,419	217,761
Securities lending transactions (Note 2):		
Securities lending income	1,388	1,248
Securities lending fees	(117)	(137)
Net securities lending income	1,271	1,111
Net income	425,690	218,872
Other — receipts from other retirement systems and other revenues	95,958	38,232
Total additions	732,847	435,814
DEDUCTIONS:		
Benefit payments and withdrawals (Note 1)	186,265	178,413
Administrative expenses (Note 7)	8,892	8,047
Total deductions	195,157	186,460
INCREASE IN PLAN NET ASSETS	537,690	249,354
PLAN NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	1,785,939	1,536,585
End of year	$ 2,323,629	$ 1,785,939

See notes to financial statements.

1. PLAN DESCRIPTION

The City of New York ("The 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-Qualified Pension Plan (the "Plan"), the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of The City of New York-Qualified Pension Plan ("TRS"), the New York City Police Pension Fund ("POLICE"), and the New York City Fire Department Pension Fund ("FIRE"). Each pension system is a separate Public Employee Retirement System ("PERS") with a separate oversight body and is financially independent of the others.

The Plan is a cost-sharing, multiple-employer PERS. The Plan provides pension benefits for non-pedagogical employees of the Department of Education and 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 Plan on the first day of permanent employment. Employees classified as noncompetitive, exempt and provisional by Civil Service are eligible to enroll in the system voluntarily. Membership date is governed by the date of filing.

The Plan functions in accordance with existing State statutes and City laws. It combines features of a defined benefit pension plan with those of a defined contribution pension plan. Contributions are made by the employer and the members.

In June 1991, the Governmental Accounting Standards Board ("GASB") issued Statement No. 14, *The Financial Reporting Entity.* The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Plan.

The Plan is included in the Pension and Other Employee Benefit Trust Funds section of The City's Comprehensive Annual Financial Report ("CAFR").

Members of the Plan have the option to participate in a Tax Deferred Annuity ("TDA") Program, which provides a means of deferring income tax payments on their voluntary tax-deferred contributions until the period after retirement or upon withdrawal of contributions. The TDA Program was created pursuant to the Internal Revenue Code Section 403 (b). Contributions to the TDA Program are made by the members only. The TDA Program is maintained as a separate plan and is not included in these financial statements.

At June 30, 2009 and 2008, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	2009	2008
Retirees and beneficiaries receiving benefits	13,641	13,196
Terminated vested members not yet receiving benefits	229	283
Other inactives*	3,673	3,999
Active members receiving salary	23,303	22,729
Total	40,846	40,207

* Represents members who are no longer on payroll but not otherwise classified.

Under the One-Year-Lag Methodology ("OYLM") in effect for Fiscal Years beginning 2006, the actuarial valuation determines the employer contribution for the second following Fiscal Year. June 30, 2009, and 2008 are the dates used for calculating Fiscal Year 2011 and Fiscal Year 2010 employer contributions, respectively.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, and 1983, amendments made to the State Retirement and Social Security Law ("RSSL") modified certain benefits for employees joining the Plan on or after the effective date of such amendments. As such, benefits under the Plan fall into various categories based on the year when an employee joined the Plan. The service retirement benefits under the Plan are as 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 qualified 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 Plan 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.

  In addition, these same members could elect a service retirement benefit with no minimum service requirement which provided 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.

- Members who joined after July 1, 1973 and before July 27, 1976 ("Tier 2") have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on their maximum benefit. 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.

- Members who joined the Plan on or after July 27, 1976 and prior to September 1, 1983 ("Tier 3") were mandated into the Tier 4 plan. However, these members could elect to remain in a plan that requires member contributions of 3% of salary for a period not to exceed 30 years and have benefits reduced by one half of the primary social security benefit attributable to service with the employer and provides an annual cost-of-living escalator in pension benefits of not more than 3%. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier.

- Members who joined the Plan on or after September 1, 1983 ("Tier 4") were 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 tenth anniversary of their membership date or completion of ten years of credited service, whichever is earlier (Chapter 126 of Laws of 2000). The annual benefit is 1.67% of "final average salary" per year of service for members with less than 20 years of service and 2% of "final average salary" per year of service for members with 20 to 30 years of service, plus a 1.5% addition of "final average salary" per year of service for service in excess of 30 years of service. Certain members retiring prior to the age of 62 without 30 years of credited service experience an age-reduction factor in their retirement allowance. Effective February 27, 2008, active members were eligible to enroll in a 55 retirement age minimum and 25 credited years of service retirement option enabling them to eliminate any age-reduction factor in their retirement allowance. 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. Members joining after February 27, 2008, are automatically enrolled in a 55 retirement age minimum and 27 credited years of service retirement program ("55/27 retirement program"). These members are required to make additional plan contributions of 1.85% of salary until they have accumulated 27 years of credited service.

  After December 10, 2009, new members under the 55/27 retirement program, who are represented by the United Federation of Teachers ("UFT"), 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.

For members enrolled in the Plan prior to July 27, 1976, ITHP contributions made on their behalf as well as their own contributions are invested, at their election, in either the fixed or variable investment programs or 50% of such contributions in each. These investment elections can be changed every two years. The Plan guaranteed a 7.5% return on member contributions or ITHP contributions to the fixed income program until June 30, 1982, increased the guaranteed return to 8% as of July 1, 1982, and 8.25% as of July 1, 1988, for members who enrolled in the Plan prior to July 27, 1976 (5% on member contributions for members enrolled on or after July 27, 1976). The variable investment program 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.

At retirement, monthly annuities attributable to member contributions and ITHP contributions can be paid in both fixed and variable amounts based on the member's election, which can be changed every two years. Other benefits are paid only in fixed amounts. Variable annuities are not fixed in amount, but are based on investment experience through the preceding month.

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 benefits upon the completion of five years of service.

In addition, the Plan provides death benefits and retirement benefits on the occurrence of accidental or ordinary disability. Certain retirees also receive supplemental benefits.

Certain members who joined the Plan on or after June 28, 1995, must pay additional contributions for improved early retirement benefits. These improved early retirement benefits are also available for Tier 2 or Tier 4 members who joined the Plan prior to that date.

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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting — The Plan uses 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 the employer makes payroll deductions from Plan's members. Employer contributions are recognized when due, and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investment Valuation — Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the Short-Term Investment fund ("STIF") (a money market fund), International Investment funds ("IIF") and Alternative Investment funds ("ALTINVF"). The IIF are private funds of publicly traded securities which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers.

The investment managers determine fair value using the last available quoted price for each security owned adjusted by any contributions to or withdrawals from the fund during the period. The ALTINVF are 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 GP's after review by an independent consultant and the custodian bank for the fund.

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.

No investment in any one security represents 5% or more of Plan's net assets held in trust for benefits.

Investment Programs — The Plan's investments are composed of the assets of two investment programs. These are the fixed income program and the variable investment program (which consists primarily of equity securities). Assets of the fixed income program of the Plan are co-invested with certain assets of the TDA Program, which is funded by voluntary member contributions. Assets of the variable investment program of the Plan are co-invested with certain assets of the TDA Program and TRS. These financial statements reflect the Plan's proportionate share of the assets and investment activity of each of these programs.

Income Taxes — Income earned by the Plan is not subject to federal income tax.

Accounts Payable — Accounts payable is principally comprised of amounts owed to the Plan's banks for overdrawn bank balances. The Plan'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.

Securities Lending Transactions — State statutes and the Board of Trustees' policies permit the Plan to lend its investments (the underlying securities) to broker-dealers and other entities for collateral, with a simultaneous agreement to return the collateral for the same securities in the future. The Plan's custodian lends the following types of securities: short-term securities, common stock, 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, it receives collateral in the form of cash and Treasury and U. S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At June 30, 2011, management believes the Plan has no credit risk exposure to borrowers because the amounts the Plan owed the borrowers equaled or exceeded the amounts the borrowers owed the Plan. The contracts with the Plan custodian require borrowers to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned. The Plan is also indemnified for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand within a period specified in each agreement by either the Plan or the borrowers. Cash collateral is invested in the lending agents' short-term investment pools, which have a weighted average maturity of 90 days. The underlying fixed income securities in these pools have an average maturity of ten years.

The securities lending program in which the Plan 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 plan net assets. 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 Plan 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 as of June 30, 2011 and 2010 are $294.5 million and $220 million, respectively. As of balance sheet date the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 30 days.

New Accounting Standard Adopted — In fiscal year 2011, the Plan adopted one new statement on financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"). GASB Statement No. 59, Financial Instruments Omnibus updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The Plan has determined that GASB Statement No. 59 had no impact on the Plan's financial statements as a result of the implementation.

3. INVESTMENTS AND DEPOSITS

The Comptroller of The City of New York (the "Comptroller") acts as an investment advisor to the Plan. In addition, the Plan employs an independent investment consultant as an investment advisor. The Plan 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.

Concentration of Credit Risk — The Plan does not have any investments in any one entity that represent 5% or more of the Plan's net assets.

The legal requirements for Plan investments are as follows:

a. Fixed income, equity and other investments may be made as permitted by New York State 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 State RSSL.

Bank of New York Mellon ("BNYM") is the primary custodian for substantially all of the securities of the Plan.

Cash deposits are insured by the Federal Deposit Insurance Corporation for up to $250,000 per Plan member and are, therefore, fully insured.

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.

Credit Risk — Portfolios other than U.S. Government and related portfolios have credit rating limitations. Investment grade portfolios are limited to mostly ratings of BBB and above except that they are also permitted a 10% maximum exposure to BB & B rated securities. While non investment grade managers are primarily invested in BB & B rated securities, they can also invest up to 7% of their portfolio in securities rated CCC. Non rated securities are considered to be non-investment grade. The quality ratings of investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, are as follows:

	S&P Quality Ratings									
Investment Type* June 30, 2011	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC & Below**	**Short Term**	**Not Rated**	**Total**
U.S. Government	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Corporate bonds	3.58	6.43	16.84	15.05	10.49	6.23	3.11	-	0.03	61.76
Yankee bonds	-	0.19	-	0.19	-	-	0.02	-	0.05	0.45
Short term:										
Commercial paper	-	-	-	-	-	-	-	34.09	-	34.09
Pooled fund	-	-	-	-	-	-	-	-	3.70	3.70
U.S. Agencies	-	-	-	-	-	-	-	-	-	-
U.S. Treasuries	-	-	-	-	-	-	-	-	-	-
Portfolio	3.58%	6.62%	16.84%	15.24%	10.49%	6.23%	3.13%	34.09%	3.78%	100.00%

	S&P Quality Ratings									
Investment Type* June 30, 2010	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC & Below**	**Short Term**	**Not Rated**	**Total**
U.S. Government	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Corporate bonds	3.37	4.88	15.64	21.18	15.41	16.12	3.44	-	1.69	81.73
Yankee bonds	-	0.08	0.45	0.41	0.06	-	-	-	0.06	1.06
Short term:										
Commercial paper	-	-	-	-	-	-	-	0.28	-	0.28
Pooled fund	-	-	-	-	-	-	-	-	16.93	16.93
U.S. Agencies	-	-	-	-	-	-	-	-	-	-
U.S. Treasuries	-	-	-	-	-	-	-	-	-	-
Portfolio	3.37%	4.96%	16.09%	21.59%	15.47%	16.12%	3.44%	0.28%	18.68%	100.00%

* U.S. Treasury bonds, notes and treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have credit risk and are not included above.

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, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodian and registered in the Plan's name.

All of the Plan's deposits are insured and are collateralized by securities held by a financial institution separate from the Plan's depository financial institution.

All of the Plan's securities are held by the Plan's custodial bank in the Plan's name.

Interest Rate Risk — Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to interest rate changes. Duration is limited to a range of -1 to .75 years. Duration range is a measure of the overall portfolio, while statements of the stated maturity reflect the specific maturities of the individual securities held. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

Years to Maturity Investment Type June 30, 2011	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government	51.24 %	- %	2.22 %	9.08 %	39.94 %
Corporate bonds	30.03	0.87	7.48	11.74	9.94
Yankee bonds	0.22	0.06	0.14	0.02	-
Short term:					
Commercial paper	16.54	16.54	-	-	-
Pooled fund	1.80	1.80	-	-	-
U.S. Agencies	0.17	0.17	-	-	-
U.S. Treasuries	-	-	-	-	-
Percent of rated portfolio	100.00 %	19.44 %	9.84 %	20.84 %	49.88 %

Years to Maturity Investment Type June 30, 2010	Fair Value	Investment Maturities Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government	48.60 %	- %	0.66 %	8.50 %	39.44 %
Corporate bonds	39.68	1.13	10.71	15.87	11.97
Yankee bonds	0.52	-	0.15	0.31	0.06
Short term:					
Commercial paper	0.13	0.13	-	-	-
Pooled fund	8.22	8.22	-	-	-
U.S. Agencies	2.85	2.85	-	-	-
U.S. Treasuries	-	-	-	-	-
Percent of rated portfolio	100.00 %	12.33 %	11.52 %	24.68 %	51.47 %

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 stock and/or bonds. The currency markets have proven to be good diversifiers in a total portfolio context; therefore, the Plan 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.

Foreign Currency Holdings - As of June 30, 2011 and 2010
(Amounts in U.S. dollars)

Trade Currency	2011	2010
Euro Currency	$ 96,122	$ 67,935
British Pnd Sterling	91,504	64,176
Japanese Yen	76,065	61,280
Swiss Franc	47,709	29,961
Hong Kong Dollar	44,469	30,147
South Korean Won	26,108	11,403
Australian Dollar	25,579	17,506
Swedish Krona	23,704	15,239
South African Rand	14,689	6,598
Singapore Dollar	13,688	10,659
Brazilian Real	13,451	7,407
New Taiwan Dollar	11,382	5,234
Danish Krone	7,845	6,903
Canadian Dollar	6,335	4,315
Turkish Lira	5,518	5,400
Indian Rupee	5,195	3,512
Mexican Nuevo Peso	4,143	2,758
Russian Ruble	4,039	2,408
Thai Baht	3,831	887
Polish Zloty	3,321	776
Indonesian Rupiah	2,424	3,462
Malaysian Ringgit	2,113	1,974
Czech Koruna	1,811	949
Hungarian Forint	1,577	1,409
Philippines Peso	1,174	606
Egyptian Pound	706	1,253
Chilean Peso	404	-
Renminbi Yuan	376	-
Colombian Peso	186	201
Norwegian Krone	23	-
Moroccan Dirham	18	1,379
Other	-	2,309
Total	**$ 535,510**	**$ 368,046**

Securities Lending Transactions:

Credit Risk — The quality ratings of investments held as collateral for Securities Lending are as follows:

Investment Type and Fair Value of Securities Lending Transactions (In thousands)	S&P Quality Ratings									
June 30, 2011	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC & Below**	**Short Term**	**Not Rated**	**Total**
U.S. government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporate bonds	41,010	63,044	53,129	-	-	-	-	-	-	157,183
Yankee bonds	-	-	-	-	-	-	-	-	-	-
Short term:										
Commercial paper	-	-	698	-	-	-	-	-	-	698
Mutual funds	-	-	-	-	-	-	-	-	-	-
Money market	-	-	-	-	-	-	-	-	37	37
Bank notes	-	-	-	-	-	-	-	-	-	-
Reverse repurchase agreements	-	-	-	-	-	-	-	-	45,894	45,894
Repurchase agreements	-	-	-	-	-	-	-	-	1,922	1,922
Certificates of deposit	-	-	3,745	-	-	-	-	-	-	3,745
Certificates of deposit — floaters	-	-	-	-	-	-	-	-	-	-
Time deposit	504	-	3,344	-	-	-	-	-	-	3,848
Other	-	-	-	-	-	-	-	-	-	-
Total	$ 41,514	$ 63,044	$ 60,916	$ -	$ -	$ -	$ -	$ -	$ 47,853	$ 213,327
Percent of securities lending portfolio	19.46 %	29.55 %	28.56 %	- %	- %	- %	- %	- %	22.43 %	100.00 %

Investment Type and Fair Value of Securities Lending Transactions (In thousands)	S&P Quality Ratings									
June 30, 2010	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC & Below**	**Short Term**	**Not Rated**	**Total**
U.S. government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporate bonds	27,165	41,363	12,233	-	-	11	-	-	-	80,772
Yankee bonds	-	-	-	-	-	-	-	-	-	-
Short term:										
Commercial paper	-	-	-	3,024	-	-	-	-	7	3,031
Mutual funds	-	-	-	-	-	-	-	-	-	-
Money market	-	-	-	-	-	-	-	-	43	43
Bank notes	-	-	-	-	-	-	-	-	-	-
Reverse repurchase agreements	-	-	-	-	-	-	-	-	34,848	34,848
Repurchase agreements	-	-	-	-	-	-	-	-	1,507	1,507
Certificates of deposit	-	13,022	4,492	22,631	-	-	-	-	-	40,145
Certificates of deposit — floaters	-	-	-	-	-	-	-	-	-	-
Time deposit	361	-	-	4,917	-	-	-	-	-	5,278
Other	-	-	-	-	-	-	-	-	-	-
Total	$ 27,526	$ 54,385	$ 16,725	$ 30,572	$ -	$ 11	$ -	$ -	$ 36,405	$ 165,624
Percent of securities lending portfolio	16.62 %	32.83 %	10.10 %	18.46 %	- %	0.01 %	- %	- %	21.98 %	100.00 %

Interest Rate Risk — The lengths of investment maturities (in years) of the collateral for Securities Lending are as follows:

Years to Maturity Investment Type (In thousands) June 30, 2011	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
	Investment Maturities				
U.S. government	$ -	$ -	$ -	$ -	$ -
Corporate bonds	157,183	90,127	17	67,039	-
Yankee bonds	-	-	-	-	-
Short term:					
Commercial paper	698	698	-	-	-
Mutual fund	-	-	-	-	-
Money market	37	37	-	-	-
Bank notes	-	-	-	-	-
Reverse repurchase agreements	45,894	45,894	-	-	-
Repurchase agreements	1,922	1,922	-	-	-
Certificates of deposit	3,745	3,745	-	-	-
Certificates of deposit — floaters	-	-	-	-	-
Time deposit	3,848	3,848	-	-	-
Other	-	-	-	-	-
Total	$ 213,327	$ 146,271	$ 17	$ 67,039	$ -
Percent of securities lending portfolio	100.00 %	68.57 %	0.01 %	31.43 %	- %

Years to Maturity Investment Type (In thousands) June 30, 2010	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
	Investment Maturities				
U.S. government	$ -	$ -	$ -	$ -	$ -
Corporate bonds	80,772	44,831	35,831	65	45
Yankee bonds	-	-	-	-	-
Short term:					
Commercial paper	3,031	3,031	-	-	-
Mutual fund	-	-	-	-	-
Money market	43	43	-	-	-
Bank notes	-	-	-	-	-
Reverse repurchase agreements	34,848	34,848	-	-	-
Repurchase agreements	1,507	1,507	-	-	-
Certificates of deposit	40,145	22,632	17,513	-	-
Certificates of deposit — floaters	-	-	-	-	-
Time deposit	5,278	5,278	-	-	-
Other	-	-	-	-	-
Total	$ 165,624	$ 112,170	$ 53,344	$ 65	$ 45
Percent of securities lending portfolio	100.00 %	67.72 %	32.21 %	0.04 %	0.03 %

4. CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the Plan 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. Under current law, the employer contributes statutorily-required contributions ("Statutory Contributions") that together with member contributions and investment income would ultimately be sufficient to accumulate assets to pay benefits when due.

Member Contributions — Members who joined prior to July 27, 1976, contribute by salary deductions on the basis of a normal rate of contribution which is assigned by the Plan at membership. The member normal rate, which is dependent upon age and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-fourth of the service retirement allowance at the earliest age for service retirement. For age at membership equal to 20, the member normal rate ranges from 5.7% to 8.5%. For age at membership equal to 40, the member normal rate is equal to 4.65%.

Members who joined on or after July 27, 1976, are mandated to contribute 3% of salary. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, certain members who joined on or after June 28, 1995, must contribute an additional 4.35% or 6.33% (2.85% or 4.83% after January 1, 1998, 1.85% or 3.83% after December 1, 2001) for improved early retirement benefits. This is optionally available for Tier 2 or Tier 4 members who joined prior to that date.

Effective February 27, 2008, certain members were eligible to enroll in a 55 retirement age minimum and 25 credited years of service retirement option ("55/25 retirement option") enabling them to eliminate any age-reduction factor in their retirement allowance. Those choosing the age 55/25 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. Members joining after February 27, 2008, are automatically enrolled in a 55 retirement age minimum and 27 credited years of service retirement program ("55/27 retirement program"). These members are required to make additional plan contributions of 1.85% of salary until they have accumulated 27 years of credited service. Chapter 504 of the Laws of 2009 ("Chapter 504/09") provides that individuals joining the Plan after December 10, 2009, who are represented by the United Federation of Teachers ("UFT") and who participate in the 55/27 retirement program, are required to make pension contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter. These members become vested after ten years of credited service.

Employer Contributions — Statutory contributions to the Plan, determined by the Plan'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.

The June 30, 2009 (Lag) actuarial valuation was used to determine the fiscal year 2011 employer contribution. There were no changes in actuarial assumptions and methods from the prior actuarial valuation.

The June 30, 2008 (Lag) actuarial valuation was used to determine the fiscal year 2010 employer contribution. There were no changes in actuarial assumptions and methods from the prior actuarial valuation.

The Frozen Initial Liability ("FIL") Actuarial Cost Method is utilized by the Actuary to calculate the contributions from the employer. Under this actuarial cost method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999, but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than zero. The excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and the APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on the payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999. The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

Beginning with the June 30, 2004 (Lag) actuarial valuation the Actuarial Asset Valuation Method ("AAVM") was changed to a method which reset the AAV to Market Value (i.e. "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter, the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for fiscal years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

The UIR for fiscal years 2000 to 2004 under the revised AAVM was set equal to the UIR under the prior AAVM.

For determining employer contributions for fiscal years 2000 through 2005 inclusive, the AAVM was changed as of June 30, 1999, to reflect a market basis for investments held by the Plan. This AAVM recognized expected investment returns immediately and phased in UIR.

Under this prior AAVM, any UIR for fiscal years 2000 through 2004 inclusive were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

For assets of the variable annuity program, current market value is used.

Chapter 125 of the Laws of 2000 ("Chapter 125/00") provided eligible retirees and eligible beneficiaries with increased supplementation as of September 2000 and with automatic COLA beginning September 2001. Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278 of the Laws of 2002 ("Chapter 278/02") required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

The impact of the ten-year phase-in of Chapter 278/02 was to postpone funding of the additional actuarial liabilities attributable to Chapter 125/00 resulting in greater employer contributions in later years.

Chapter 152 of the Laws of 2006 ("Chapter 152/06") eliminated the ten-year phase-in. All actuarial liabilities attributable to Chapter 125/00 are now recognized in the actuarial valuation.

Statutory Contributions for fiscal years 2011 and 2010 were equal to the amounts calculated by the Actuary.

Funded Status and Funding Progress — One measure of the funded status of the Plan as of June 30, 2009, the most recent actuarial valuation date, based on the Frozen Initial Liability Actuarial Cost Method, the plan's funding method, is as follows (dollar amounts in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
$ 1,963,719	$ 1,963,719	$ 0	100.0 %	$ 910,609	0.0 %

The schedule of funding progress, presented as required supplementary information ("RSI") following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits under the Plan's Actuarial Cost Method.

An additional schedule of funding progress, presented as supplementary information following the notes to the financial statements, presents multiyear trend information about whether actuarial values of plan assets are increasing or decreasing over time relative to AALs for benefits under the Entry Age Actuarial Cost Method.

Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2009 (Lag)
Actuarial Cost Method	Frozen Initial Liability
Amortization Method	
Initial Unfunded	Increasing Dollar
Remaining Amortization Period	
Initial Unfunded	NA
Asset Valuation Method	6-Year Smoothed Market
Actuarial Assumptions	
Projected Salary Increases*	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.
Investment Rate of Return*	8.0% per annum
COLAs*	1.3% per annum

* Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

5. MEMBER LOANS

Members are permitted to borrow up to 75% of their own contributions, including accumulated interest. The balance of member loans receivable at June 30, 2011 and 2010 is $34.17 million and $31.26 million, respectively. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions including accumulated interest, less any loans outstanding.

6. RELATED PARTIES

The Comptroller has been appointed by law as custodian for the assets of the Plan. Fixed income program securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller also provides cash receipt and cash disbursement services to the Plan. Actuarial services are provided to the Plan by the Office of the Actuary employed by the Boards of Trustees of The City's main pension systems. The City's Corporation Counsel provides legal services to the Plan. Other administrative services are also provided by The City. Costs of $0.94 million and $1.06 million were incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office for 2011 and

2010, respectively. The Plan's fixed investment program assets are co invested with those of the TDA Program. The Plan's variable investment program assets are co invested with those of the TDA Program and TRS (see Note 2). TRS holds the assets of the variable investment programs.

7. ADMINISTRATIVE AND INVESTMENT EXPENSES

In Fiscal Years 2011 and 2010, as per Chapter 307 of the New York State Laws of 2002, The City provided the plan with Corpus funding for administrative expenses in the amount of $8.89 million and $8.05 million, respectively.

8. CONTINGENT LIABILITIES AND OTHER MATTERS

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

Other Matters — During Fiscal Year 2011 and 2010, certain events described below took place, which, in the opinion of Plan's management, could have the effect of increasing the obligations of the Plan to the members and/or their beneficiaries. The effect of such events has not been fully quantified. However, it is the opinion of Plan's management that such developments would not have a material effect on the Plan's net assets held in trust for pension benefits or cause changes in the Plan's net assets held in trust for pension benefits.

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 New York City Retirement Systems ("NYCRS") are conducted every two years. The most recently completed study was published by The Segal Company ("Segal") dated November 2006 and analyzed experience for Fiscal Years 2002 through 2005. Segal made recommendations with respect to the actuarial assumptions and methods based on their analysis.

Currently, the Hay Group ("Hay") is conducting a study of actuarial assumptions and analyzing experience for fiscal years 2006 through 2009. Hay has generally completed their study and prepared draft reports that are expected to be finalized by December 2011.

The Actuary is currently reviewing results from the Segal and Hay studies in preparation for recommending revised actuarial assumptions and methods.

Revised 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.

Based in part upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company ("GRS"), the Actuary issued an August 31, 2005 report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years beginning on and After July 1, 2005, for the New York City Board of Education Retirement System" ("August 2005 Report"). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152/06 to provide for those changes to the actuarial assumptions and methods that required legislation, including the AIR assumption of 8.0% per annum.

GASB 50 – In May 2007, the Governmental Accounting Standards Board issued Statement No. 50 ("GASB 50") – Pension Disclosures. This statement amends note disclosure and required supplementary information ("RSI") of GASB Statements No. 25 and No.27. The additional note disclosures required by GASB 50 are included effective with fiscal year ended June 30, 2008. There is no financial impact as a result of the implementation of GASB 50.

New York State Legislation (Only Significant Laws Included) — Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, created a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

Chapter 105 of the Laws of 2005 states that a member killed in the US Armed Forces on and after June 14, 2005, is deemed a Line-of-Duty death while on active payroll.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial (Accrued) Liability ("UAL"). In addition, Chapter 152/06 provides for elimination of the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00.

Chapter 445 of the Laws of 2006 ("Chapter 445/06") created a presumptive eligibility of accidental death benefits in conjunction with the World Trade Center attack on September 11, 2001.

Chapter 5 of the Laws of 2007 amended Chapter 445/06 to clarify the World Trade Center accidental disability benefits payable to retirees who die in the first 25 years of retirement. It also amended Chapter 445/06 to include World Trade Center deaths as presumptive accidental death benefits in the Line-of-Duty.

Chapter 260 of the Laws of 2007 is a reopener of the Chapter 96/95 Age 55 optional retirement program for Tier II and Tier IV members in the loader and handler job titles.

Chapter 19 of the Laws of 2008 established retirement programs to permit certain Tier 2 and Tier 4 members to elect to retire between ages 55 and 62 without reduction provided they have 25 years of service, by paying an additional contribution of 1.85% of future pay. New members after February 28, 2008 are mandated into this plan and are required to have 27 years of service.

Chapter 489 of the Laws of 2008 expanded and redefined the eligibility provisions of the accidental disability and accidental death benefits that arise in connection with the World Trade Center attack on September 11, 2001.

Chapter 211 of the Laws of 2009 continued the valuation and other interest rates for one year to June 30, 2010 from June 30, 2009.

Chapter 504 of the Laws of 2009 ("Chapter 504/09") provides that individuals joining the Plan after December 10, 2009, who are represented by the United Federation of Teachers ("UFT") and who participate in the 55/27 retirement program, are required to make pension contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter. These members become vested after ten years of credited service.

Also, under Chapter 504/09, all members of the Plan represented by the UFT who participate in the Tax Deferred Annuity Program ("TDA"), will receive an interest rate of 7.0% per annum credited to their TDA fixed funds accounts beginning December 10, 2009.

Chapter 157 of the Laws of 2010 provided that members who were laid off from the School Construction Authority ("SCA") on or after December 1, 2002 and who returned to work prior to January 8, 2008, can buy back their layoff time for retirement purposes. Similarly, members who were laid off from the SCA on after December 1, 2002 and retired prior to July 7, 2010, may purchase services for the layoff period.

Chapter 265 of the Laws of 2010 continued the valuation and other interest rates for one year to June 30, 2011 from June 30, 2010.

Chapter 180 of the Laws of 2011 continued the valuation and other interest rates for one year to June 30, 2012 from June 30, 2011.

Schedule 1

SCHEDULE OF FUNDING PROGRESS
(IN CONFORMITY WITH THE PLAN'S FUNDING METHOD)
(In thousands)

Actuarial Valuation Date June 30	(1) Actuarial Asset Value (AAV) (A)	(2) Actuarial Accrued Liability (AAL)* (A)&(B)	(3) Actuarial Unfunded AAL (UAAL) (C) (2)-(1)	(4) Funded Ratio (1)÷(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)÷(5)
2009 (Lag)	$ 1,963,719	$ 1,963,719	$ 0	100.0 %	$ 910,609	0.0%
2008 (Lag)	2,084,116	$ 2,084,116	$ 0	100.0 %	$ 852,106	0.0%
2007 (Lag)	1,983,714	1,985,613	1,899	99.9	777,626	0.2
2006 (Lag)	1,830,338	1,833,996	3,658	99.8	749,963	0.5
2005 (Lag)	1,841,041	1,846,327	5,286	99.7	715,078	0.7
2004 (Lag)#	1,843,786	1,850,580	6,794	99.6	624,884	1.1
2004	1,822,740	1,829,534	6,794	99.6	624,884	1.1

* Based on the Frozen Initial Liability Actuarial Cost Method.

\# Reflects revised actuarial assumptions and methods based on experience review.

Notes:

(A) Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method which reset the AAV to Market Value (i.e. "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning June 30, 2000, at rates of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years). The UIR for Fiscal Years 2000 to 2004 under the revised AAVM was set equal to the UIR under the prior AAVM.

The prior AAVM was changed as of June 30, 1999, to reflect a market basis for investments held by the Plan and was made as one component of an overall revision of actuarial assumptions and methods as of June 30, 1999.

Under the AAVM used for the June 30, 1999 to June 30, 2004, actuarial valuations, any UIR for fiscal years 2000 and later were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 20%, 45%, 70% and 100% over a period of five years).

(B) To effectively assess the funding progress of the Plan, it is necessary to compare the AAV and the AAL calculated in a manner consistent with the Plan's funding method over a period of time. The AAL is the portion of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future employer normal costs and future member contributions.

(C) The UAAL is the excess of the AAL over the AAV. This is the same as the unfunded frozen AAL, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.

(Schedule of Funding Progress Concluded)

Schedule 2

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(In thousands)

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	$ 180,191	100.0 %
2010	147,349	100.0
2009	134,225	100.0
2008	143,100	100.0
2007	129,820	100.0
2006	90,839	100.0

Under the requirements of Governmental Accounting Standards Board Statement Number 25 ("GASB 25"), as amended by GASB Statement No. 50 ("GASB 50"), the Annual Required Contribution ("ARC") is determined through an actuarial valuation reflecting all liabilities of the Plan. The employer contribution to the Plan is determined in accordance with statute (i.e., Statutory Contribution).

Schedule 3

SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of June 30, 2009 (Lag) and 2008 (Lag). These actuarial valuations were used to determine employer contributions for fiscal years 2011 and 2010, respectively. Additional information as of the last two actuarial valuations follows::

	June 30, 2009 (Lag)[1]	June 30, 2008 (Lag)[1]
Actuarial cost method	Frozen Initial Liability.[2]	Frozen Initial Liability.[2]
Amortization method for Unfunded Actuarial Accrued Liabilities	None.	None.
Remaining amortization period	None.	None.
Actuarial asset valuation method	Modified six-year moving average of market values with a "market value restart" as of June 30, 1999. For assets of variable annuity funds, current market value.	Modified six-year moving average of market values with a "market value restart" as of June 30, 1999. For assets of variable annuity funds, current market value.
Actuarial assumptions: Investment rate of return	8.0% per annum[3] (4.0% per annum for benefits payable under Variable Annuity Program).	8.0% per annum[3] (4.0% per annum for benefits payable under Variable Annuity Program).
Post-retirement mortality	Tables adopted by Board of Trustees during Fiscal Year 2006.	Tables adopted by Board of Trustees during Fiscal Year 2006.
Active service: withdrawal, death, disability, service retirement	Tables adopted by Board of Trustees during Fiscal Year 2006.	Tables adopted by Board of Trustees during Fiscal Year 2006.
Salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.[3]	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.[3]
Cost-of-living adjustments	1.3% per annum.[3]	1.3% per annum.[3]

1 Under the One-Year Lag Methodology, the actuarial valuation determines the Employer Contribution for the second following Fiscal Year.

2 Under this Actuarial Cost Method, the Initial Liability was reestablished as of June 30, 1999 by the Entry Age Actuarial Cost Method but with the UAAL not less than $0. The financial results using this Frozen Initial Liability Actuarial Cost Method differ minimally from those that would be produced using the Aggregate Actuarial Cost Method.

3 Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

FINANCIAL

SCHEDULE OF MANAGEMENT EXPENSES

INVESTMENT MANAGER	INVESTMENT TYPE	MGMT FEE
Fixed Investment Expenses:		
STATE STREET	Fixed Income	$ 31,761
PIMCO	Fixed Income	303,896
PRUDENTIAL	Fixed Income	57,322
TAPLIN, CANIDA	Fixed Income	46,680
LOOMIS SAYLES	Fixed Income	202,863
SEIX	Fixed Income	75,910
		718,432
FAIRVIEW PRIVATE EQUITY FD	Private Equity	240,102
MESIROW PARTNERS FUND III	Private Equity	351,324
MESIROW PARTNERS FUND IV	Private Equity	178,049
MESIROW PARTNERS FUND V	Private Equity	887,728
		1,657,203
FRANKLIN TEMPLETON FD	Private Real Estate	69,589
UBS TRUMBULL PROPERTY	Private Real Estate	78,521
		148,110
WELLINGTON MGMT MCC	Domestic Equity	352,934
DARUMA ASSET MGMT SMALL	Domestic Equity	130,551
PYRAMIS GLOBAL ADVISORS	Domestic Equity	54,987
ZEVENBERGEN	Domestic Equity	83,832
ARONSON JOHNSON	Domestic Equity	137,087
F I S FUND MANAGEMENT	Domestic Equity	189,333
TOTAL PROGRESS TRUST	Domestic Equity	290,053
BLACKROCK	Domestic Equity	22,071
		1,260,848
BAILLIE	Int'l Equity	645,358
SPRUCEGROVE	Int'l Equity	450,614
BLACKROCK	Int'l Equity	21,341
STATE STREET	Int'l Equity	461,677
		1,578,990
PIMCO	TIPS	53,916
ACCESS RBC	ETI	5,217
AFL CIO	ETI	33,441
		92,574
Fixed Investment	Sub-Total	**5,456,157**
Variable Investment Expenses:		**77,660**
Consultant Expenses:		
BUCK CONSULTANTS		129,899
BRITTEN NETWORK		168,924
PRUDENTIAL INSURANCE		158,805
PCG		36,825
KPMG		344,489
VITECH SYSTEMS GROUP, INC		914,490
GARY TUNNICLIFFE AND JACK ZIEGLER, LLC		393,000
	Sub-Total	**$ 2,146,432**
Total Management Expenses for FY 2011:		**$ 7,680,249**

SCHEDULE OF DIRECT PAYMENTS TO CONSULTANTS

INDIVIDUAL OR FIRM NAME	NATURE OF SERVICES	AMOUNT
Buck Investment Services One Pennsylvania Plaza New York, New York 10121	Investment Consultation	$ 129,899
Britten Network Co. 434 Main Street Royersford, PA 19468	Investment Consultation	168,924
Prudential Insurance Co. 200 Wood Ave South Iselin, NJ 08830	Professional Services	158,805
KPMG 345 Park Avenue New York, NY 10154	CPMS Consultants*	344,489
Vitech Systems Group, Inc. 401 Park Avenue South, 12th Floor New York, NY 10016	CPMS Consultants	914,490
Gary Tunnicliffe & Jack Ziegler, LLC 321 Union Street, #4A Brooklyn, NY 11231	CPMS Consultants	393,000
Total Consulting Fees for FY 2011		**$ 2,109,607**

* Comprehensive Pension Management System

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In thousands)

EXPENSE TYPE		AMOUNT
Administrative Expenses:		
Salaries paid to Plan Personnel		$ 5,092
Consumable Supplies and Materials		84
Furniture and Equipment		99
General Services		106
Contractual services		3,511
	Sub-Total	**8,892**
Miscellaneous Expenses:		
Related Parties Administrative Expenses (Adm expenses made by the Comptroller on our behalf. Charged on investment)		**940**
Total Administrative Expenses for FY 2011:		**$ 9,832**

Capitalization Benchmark

Accounts

Refund Quote Value

Average

Payroll Factors Disclosures Assessment

Interest

Return Accruals Pension Material

Net Assets

Earnings Amount Objectives Allocation

Treasury 403B Legal Beneficiaries Bonds

BERS

Custodian Variable

Commissions

Stocks

New York City
Board of Education
Retirement System

Qualified Pension Plan

A Pension Trust Fund of the City of New York

INVESTMENT

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Investment Section

State of New York

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buckconsultants A Xerox Company

Date: November 23, 2011

To: New York City Board of Education Retirement System

From: Michael C. Wright

Re: ***Report on Investment Activity***

Dear Members of the New York City Board of Education Retirement System:

Fund Summary

The Board of Education Retirement System total fund increased in value for the fiscal year ending June 2011 with a return of 24.2%, compared to 24.0% for the Board of Education Policy Benchmark[1], against which it is measured. The market value of the fund rose from $2.3 billion to $2.9 billion. Performance was extremely strong and exceeded that of the prior fiscal year, which was already outside of the normal range of expected returns for policy allocation. The fund also performed favorably compared to other similar funds, ranking above 90 percent of its peer group. Over the past five years, the fund returned an average of 5.6% versus 4.9% for the benchmark index. The ten-year return averaged 6.0% versus 5.5% for the index.

Economic and Market Comment

The US economy grew more slowly than expected this year. Gross Domestic Product grew by 1.6% over the trailing fiscal year, compared to 3.0% for the fiscal year ended June 2010. Headline inflation spiked higher in response to rising commodity prices, as CPI grew 3.4% versus 1.1% one year ago. Core inflation, which excludes volatile food and energy prices, remained at more muted levels and rose 1.6%. Signs of a job-market recovery began to emerge mid-fiscal year, though not enough to improve consumer sentiment or provide a housing price boost. The unemployment rate inched lower from 9.5% to 9.2%. Employment has still not reached pre-2008 crisis levels, and job growth is not deemed sufficient by economists to keep pace with population growth. These are important indicators of the economic effect on the funds' investments. The US economy and consumer spending are not providing the positive effect on our investments that they provided in prior recoveries.

The U.S. stock market, as measured by the Russell 3000 stock index, returned 32.4% for the fiscal year ending June 30, 2011. International stocks, as measured by the MSCI EAFE index, returned 30.9%. Strong corporate profit growth, market expectations, and low interest rates made for a positive outlook early in the year. Equities began the fiscal year on a strong note but began to falter towards fiscal year-end given renewed concerns over the European sovereign fiscal issues and the slower growth noted

[1] The Board of Education Policy Benchmark is a custom index representing the weighted average return of the benchmarks for each major investment program in the Plan. The Policy Benchmark as of 6/30 consisted of: 40.81% Russell 3000, 21% MSCI EAFE, 4% MSCI Emerging Markets, 2.58% Russell 3000+500bps, 22% NYC Core+5 fixed income, 3% Barclays Capital US TIPS, and 5% Citigroup BB&B Index.

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above. The aggregate fixed income market, as measured by the Barclays Capital US Aggregate Index gained 3.9% over the trailing year. Within fixed income, riskier assets outperformed, as indicated by a 15.6% gain among corporate high-yield issues, compared to 2.2% for US Treasuries.

Fund Description

Asset allocation is a major contributor to the Board of Education Retirement System fund's historical returns. The Trustees establish a target asset mix after considering the long-term growth prospects for the diversified group of investments and the cost of the plan participants' benefits. This asset allocation does not change significantly from year to year, and the fund is rebalanced to the target mix as it pays out benefits and receives contributions. The fund's target asset mix is 70% stocks (including non-US stocks, private equity, and real estate) and 30% bonds. Over the long investment future of the pension fund, we expect stocks to outperform bonds by a substantial margin. Our expectations were easily met this year with the total equity portion of the fund returning 32.6%. Within US equities, all of the active managers with assets for the full fiscal year outperformed their respective benchmarks and returned no less than 30%. In the non-U.S. equity programs, both developed and emerging-market allocations generated similarly strong returns outperformed their benchmarks.

The total domestic fixed income segment returned 6.7% with performance mixed relative to their respective benchmarks. The best absolute results in fixed income came from the fund's high yield and credit-oriented allocations, which benefited from narrowing credit spreads. The total high yield, or enhanced yield, component of the plan returned 17.4% during the fiscal year and ahead of benchmark.

Within fiscal year 2011, the public market allocation saw the creation of a dedicated mid-cap equity allocation and a slight increase in exposure to emerging-market equity investments. Also, investments in core private real estate were funded, and the allocation to private equity was maintained with the funding of a new investment. Opportunistic investments continue to be evaluated with the objective of increasing diversification. The goal of the broad diversification of the fund is to have some portion of the investments in above-average performing segments regardless of the overall market conditions. The fund is invested in a diversified portfolio of stocks and bonds so that the Board of Education Retirement System can reduce the variability that would occur if the fund were concentrated in any one asset segment. Over the past 15-years, the return on the total fund has averaged 7.5% per year, in-line with that of its median peer public fund return. This is compared to a policy benchmark return of 7.0%. All returns are calculated using a time-weighted rate of return and fully accrued market values. Data is collected by the fund custodian and presented, to the degree possible, in conformance with industry presentation standards. The pension fund is a long-term investment fund structured to provide assets for the payouts needed for the benefits of the participants. The fund is measured over time periods consistent with those future requirements. Historically, the fund has had a higher allocation to U.S. equities and a lower allocation to private market alternatives, such as private equity and real estate, compared to its peers. As the Plan continues to fund its allocation to private market and real-estate investments, we expect its results to improve relative to peers in terms of both return and risk.

Although the Fund experienced abnormally large asset-price gains for the fiscal year, sentiment took a significant shift downward during the final quarter as fiscal problems again emerged among developed Eurozone economies and the pace of the domestic job-market recovery appeared to slow. The Board of Education Retirement System's investment policy and management approach is long term with active rebalancing to policy allocations and increasing diversification to position the fund for the current and expected market conditions. We expect volatility to continue in the capital markets, and we take active

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steps with investment diversification and selection to mitigate the effects on the fund. We will continue to monitor market conditions and fund performance in order to accomplish the goal of providing the plan benefits as promised.

Sincerely,

Michael C. Wright
Principal and Investment Consultant

MCW: AF

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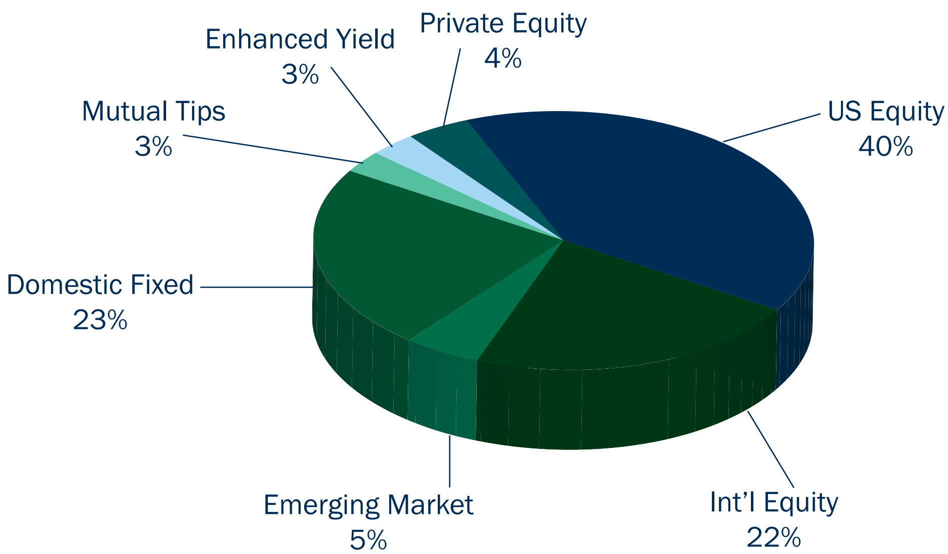
INVESTMENT

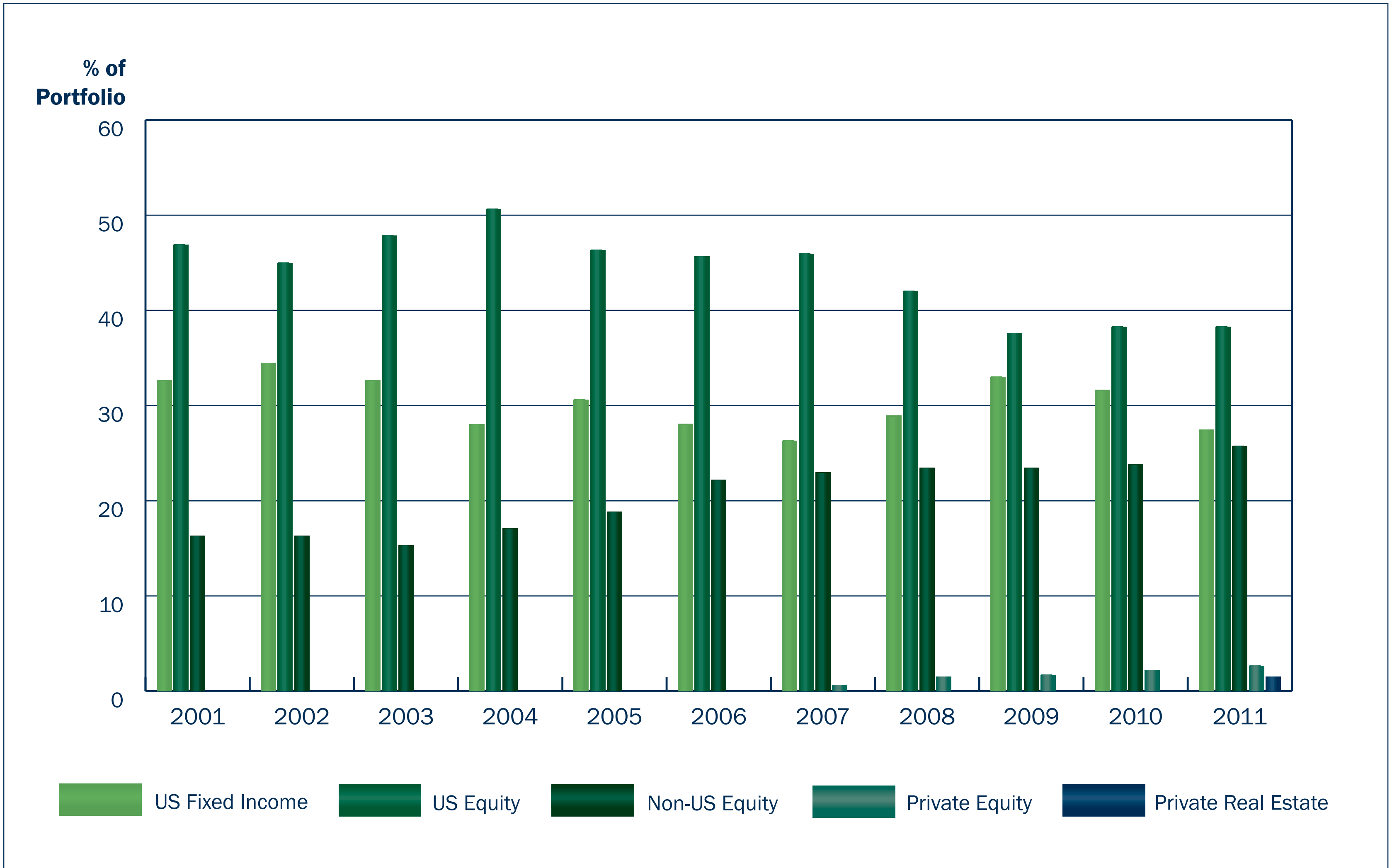
Asset Allocation
Fiscal Year Ended June 30, 2011



INVESTMENT

Years	US Equity	Int'l Equity	Emerging Market	Domestic Fixed	Mutual TIPS	Enhanced Yield	Private Equity
6/30/2002	48.71	12.46	5.92	30.76	0.00	2.15	0.00
6/30/2003	47.79	14.21	7.12	28.67	0.00	2.21	0.00
6/30/2004	44.78	14.14	9.33	30.49	0.00	1.26	0.00
6/30/2005	39.80	15.65	8.94	33.39	0.00	2.22	0.00
6/30/2006	39.16	18.05	4.50	36.32	0.00	1.97	0.00
6/30/2007	47.90	19.30	4.50	20.40	2.80	4.40	0.70
6/30/2008	36.49	19.57	16.38	20.62	2.69	2.95	1.30
6/30/2009	34.28	20.48	11.00	26.06	2.73	3.94	1.51
6/30/2010	36.22	21.67	8.46	25.27	2.72	3.66	2.00
6/30/2011	39.97	21.51	5.37	22.63	2.62	3.43	4.47

Asset Allocation
Fiscal Year Ended June 30, 2011
(Cont'd)



INVESTMENT

Investment Summary
Fiscal Year Ended June 30, 2011
(In thousands)

Type of Investments	Market Value	Percentage
Short Term Investments:	$ 126,532	4.85 %
Fixed Income Debt Securities:		
U.S. Government Bonds	350,008	13.42
Corporate Bonds	205,079	7.86
Yankee Bonds	3,084	0.12
Total Fixed Income Debt Securities:	**558,171**	**21.40**
Total Fixed Income:	**684,703**	**26.26**
Equity Securities:		
Common Stock	932,495	35.76
Private	100,257	3.84
Total Equity Securities:	**1,032,752**	**39.60**
Mutual Funds:		
International Investment Fund-Equities	606,351	23.25
Treasury Inflation-Protected Securities	59,160	2.27
Mortgages	10,595	0.41
Total Mutual Funds:	**676,106**	**25.93**
Promissory Notes:	**934**	**0.04**
Collateral From Securities Lending:	**213,327**	**8.18**
Total Investments	**$ 2,607,822**	**100.00 %**

Schedule of Investment Return (Unaudited)
Annualized Investments Results
Fiscal Year Ended June 30, 2011

Assets $K	Assets %		3 Mos Apr-11 Jun-11 %	6 Mos Jan-11 Jun-11 %	1 Yr Jul-10 Jun-11 %	3 Yrs Jul-08 Jun-11 %	5 Yrs Jul-06 Jun-11 %	10 Yrs Jul-01 Jun-11 %
996,642	**38.83**	**U.S. Equities**	**-0.25**	**6.79**	**33.38**	**4.42**	**3.60**	**3.72**
		Russell 3000 Index	-0.03	6.35	32.37	4.00	3.35	3.44
606,351	**23.62**	**Total International Equities**	**1.76**	**4.08**	**31.98**	**2.28**	**6.42**	**8.92**
485,121	**18.90**	**Int'l. Equities-Developed Markets**						
		MSCI EAFE	1.56	4.98	30.36	-1.77	1.47	5.66
		International Equity Median	1.83	5.32	32.32	0.72	3.83	7.78
121,230	**4.72**	**Int'l. Equities-Emerging Markets**						
		MSCI Emerging Markets Free	-1.04	1.03	28.17	4.54	11.75	16.55
		Emerging Market Median	-0.63	0.31	27.46	5.75	12.92	16.83
1,602,993	**62.46**	**Total Equities - Public & Private**	**0.77**	**6.10**	**32.56**	**3.70**	**4.54**	**5.23**
626,711	**24.42**	**U.S. Fixed Income**	**2.03**	**3.56**	**6.69**	**7.62**	**7.17**	**6.63**
350,008	13.64	Total Government	n/a	n/a	n/a	n/a	n/a	n/a
276,703	10.78	Total Corporate	n/a	n/a	n/a	n/a	n/a	n/a
210,813	**8.21**	**Securities lending**	n/a	n/a	n/a	n/a	n/a	n/a
126,064	**4.91**	**Short-term Investments**	**0.23**	**0.34**	**0.43**	**1.34**	**2.78**	**2.67**
2,566,580	**100.00**	**Total Portfolio**	**1.10**	**5.41**	**24.19**	**5.34**	**5.62**	**6.02**

Yield data were obtained from the NYCBERS Performance Overview as of June 30, 2010

These returns are calculated using a time weighted rate of return based on the market value of the portfolio, for time periods greater than one year the returns are annualized.

List of 50 Largest Equity Holdings (Fixed)
Fiscal Year Ended June 30, 2011

	NAME OF STOCKS HOLDINGS	PAR VALUE	MARKET VALUE
1	EXXON MOBIL CORP	$ 10,286,662	$ 22,353,784
2	APPLE INC COM	3,135,653	17,689,473
3	CHEVRON CORPORATION	7,010,744	14,464,343
4	GENERAL ELECTRIC CO	10,412,565	11,811,676
5	INTERNATIONAL BUSINESS MACHINES CORP	4,182,560	11,570,361
6	JPMORGAN CHASE & CO	8,743,154	11,538,980
7	MICROSOFT CORP COM	8,078,689	11,308,206
8	AT&T INC	8,195,862	11,044,164
9	PFIZER INC COM	7,994,113	10,457,878
10	PROCTER & GAMBLE CO COM	5,354,151	10,091,865
11	WELLS FARGO & CO NEW	9,548,288	9,815,612
12	JOHNSON & JOHNSON COM	4,570,437	9,113,573
13	NYC CUSTOM STIF	8,500,756	8,501,925
14	INTEL CORPORATION	5,107,142	8,434,916
15	GOOGLE INC CL A	5,981,109	8,234,752
16	CONOCOPHILLIPS	3,866,340	7,826,677
17	QUALCOMM INC	3,364,752	7,492,248
18	VERIZON COMMUNICATIONS INC	5,990,414	7,444,176
19	COCA-COLA CO	4,014,178	7,415,657
20	ORACLE CORPORATION	2,003,425	7,105,565
21	CITIGROUP INC	9,991,061	7,036,702
22	PHILIP MORRIS INTL INC	2,698,592	6,965,128
23	BERKSHIRE HATHAWAY INC DEL	7,132,912	6,775,030
24	AMAZON COM INC	2,002,067	6,539,386
25	MERCK & CO INC NEW	4,830,759	6,462,378
26	BANK OF AMER CORP	10,762,476	6,306,614
27	PEPSICO INC COM	2,918,037	6,117,409
28	SCHLUMBERGER LIMITED COM	5,187,918	5,909,701
29	WAL MART STORES INC	3,205,487	5,339,082
30	CISCO SYS INC	4,007,146	5,125,122
31	MC DONALDS CORPORATION COMMON	1,735,269	5,032,471
32	COMCAST CORP NEW CL A	3,309,108	4,559,528
33	GOLDMAN SACHS GROUP INC	4,698,631	4,533,578
34	UNITED HEALTH GROUP INC	1,928,545	4,518,666
35	OCCIDENTAL PETROLEUM CORPORATION COMMON	1,126,488	4,299,124
36	UNITED TECHNOLOGIES CORP	1,500,240	4,225,998
37	CATERPILLAR INC	1,365,553	4,185,688
38	ABBOTT LABORATORIES	2,276,324	4,143,772
39	HEWLETT PACKARD COMPANY	2,094,732	4,060,808
40	COGNIZANT TECHNOLOGY SOLUTIONS CORP CL A	862,089	3,977,742
41	FREEPORT-MCMORAN COPPER & GOLD INC COM	2,471,847	3,963,903
42	3M CO	2,159,674	3,957,521
43	UNION PACIFIC CORP	1,669,537	3,793,784
44	DISNEY (WALT) COMPANY .	1,726,366	3,708,332
45	MARATHON OIL CORP	1,666,224	3,454,228
46	US BANCORP DEL	2,638,128	3,450,707
47	CVS CAREMARK CORP	1,899,106	3,447,852
48	NETFLIX COM INC	1,485,812	3,294,658
49	ALTRIA GROUP INC	1,374,590	3,274,481
50	AMERICAN EXPRESS COMPANY	1,231,726	3,230,943

NOTE: Full listing of holdings can be obtained at
NYC Board of Education Retirement System
65 Court Street, Room 1603, Brooklyn, NY 11201

INVESTMENT

List of 50 Largest Bond Holdings (Fixed)
Fiscal Year Ended June 30, 2011

	NAME OF BOND HOLDINGS	PAR VALUE	MARKET VALUE
1	TIPS POSITION HELD AT PIMCO	$ 71,445,982	$ 76,512,128
2	UNITED STATES TREAS NTS	33,956,535	35,395,267
3	U S TREASURY BONDS	31,732,118	33,596,672
4	FNMA TBA 30YR SFM 04.50% JUL	20,590,285	20,690,625
5	FEDERAL NAT'L MTGE ASSN POOL # AI0143	19,830,730	20,468,255
6	FHLMC TBA 30YR GOLD SFM 04.50% AUG	15,546,094	15,447,656
7	FEDERAL NAT'L MTGE ASSN POOL # AH0527	13,922,159	14,086,327
8	FEDERAL NAT'L MTGE ASSN POOL # AE0949	13,004,100	13,062,050
9	FEDERAL NAT'L MTGE ASSN POOL # AB2089	11,276,444	11,658,527
10	FNMA TBA 30YR 5.50% JUL	10,869,414	10,812,500
11	FNMA TBA 15YR SFM 04.00% JUL	10,389,609	10,415,625
12	GNMA I TBA SFM 4.00% 30YR JULY	10,166,983	10,160,473
13	UNITED STATES TREAS BDS	10,138,349	10,104,339
14	FNMA TBA 15YR SFM 04.50% AUG	8,473,750	8,463,750
15	GOV'T NAT'L MTG ASSN POOL # 0737031	7,981,351	8,164,163
16	FEDERAL NAT'L MTGE ASSN POOL # AB2072	7,686,271	7,676,884
17	GNMA I TBA 30YR SFM 05.00% AUG	7,557,949	7,561,094
18	FEDERAL NAT'L MTGE ASSN POOL # AB2087	7,095,152	7,056,533
19	FHLMC TBA 30YR GOLD SFM 05.00% JUL	6,346,875	6,365,625
20	NYC CUSTOM STIF	6,349,561	6,351,087
21	FED'L HOME LOAN MTGE CORP GRP # G01820	6,097,415	6,242,698
22	FHLMC TBA 30YR GOLD SFM 04.00% JULY	5,972,813	5,994,375
23	FEDERAL NAT'L MTGE ASSN POOL # AH1130	5,224,222	5,401,236
24	FNMA TBA 30YR 5.00% JUL	5,325,313	5,312,500
25	FEDERAL NAT'L MTGE ASSN POOL # AB2810	4,870,044	5,025,997
26	GOV'T NAT'L MTGE ASSN POOL # 737797	4,749,050	4,834,276
27	FNMA TBA 30YR JULY 6.50%	4,725,344	4,755,188
28	FEDERAL NAT'L MTGE ASSN POOL # AI0142	4,495,292	4,647,608
29	GNMA TBA 30 YR 6.00% JUL	4,439,688	4,456,250
30	FNMA TBA 30YR SFM 05.50% AUG	4,330,156	4,316,875
31	FNMA TBA 30YR SFM 04.50% AUG	4,147,344	4,125,625
32	FED'L HOME LOAN MTGE CORP GRP # G04692	3,784,257	4,092,354
33	FEDERAL HOME LN MTG CORP	3,864,497	4,085,574
34	GNMA I TBA SFM 4.00% 30YR AUG	4,063,000	4,062,500
35	GOV'T NAT'L MTGE ASSN POOL # 737814	3,934,997	3,912,090
36	GOV'T NAT'L MTGE ASSN POOL # 782520	3,650,978	3,782,309
37	CITIGROUP INC	3,678,295	3,635,628
38	MORGAN STANLEY	3,446,568	3,503,433
39	FEDERAL NAT'L MTGE ASSN POOL # 889334	3,386,431	3,467,143
40	FEDERAL NAT'L MTGE ASSN POOL # 745275	3,070,600	3,120,609
41	FEDERAL NAT'L MTGE ASSN POOL # AH6783	2,935,146	3,009,639
42	FHLMC GOLD TBA 30 YR TBA 6.00%	2,974,422	2,965,359
43	GOV'T NAT'L MTGE ASSN POOL # 737904	2,918,768	2,928,818
44	FEDERAL HOME LN BKS	2,500,364	2,846,615
45	U S TREASURY STRIPPED	2,443,560	2,777,400
46	GENERAL ELEC CAP CORP MEDIUM	2,757,246	2,767,842
47	JPMORGAN CHASE & CO	2,530,821	2,719,000
48	FEDERAL NATL MTG ASSN	2,357,202	2,573,968
49	ALTRIA GROUP INC	1,966,849	2,365,452
50	GNMA I TBA 30YR SFM 05.50% JUL	2,186,875	2,200,625

NOTE: Full listing of holdings can be obtained at
NYC Board of Education Retirement System
65 Court Street, Room 1603, Brooklyn, NY 11201

List of Security Lending Holdings ("Variable A" Program)
Fiscal Year Ended June 30, 2011

	NAME OF SECURITY LENDING HOLDINGS "VARIABLE A" PROGRAM	PAR VALUE	MARKET VALUE
1	BNP D (Agency MBS & Pass Throughs)	$ 251,209	$ 251,209
2	JPM Z ("AAA" Private Labels & ABS)	234,336	234,336
3	HSBC D (Agency MBS & Pass Throughs)	173,277	173,277
4	DEU D (Agency MBS & Pass Throughs)	159,864	159,864
5	UBS D (Agency MBS & Pass Throughs)	159,864	159,864
6	RBS D (Agency MBS & Pass Throughs)	159,864	159,864
7	BARC Y ("AAA" Corps)	157,291	157,291
8	HSBC O ("A" Corps, A1/P1 Money Market)	107,440	107,440
9	CITI O ("A" Corps, A1/P1 Money Market)	100,284	100,284
10	UBS Z ("AAA" Private Labels & ABS)	87,320	87,320
11	UBS Y ("AAA" Corps)	85,496	85,496
12	CREDIT AGRICOLE NEW YORK (CAYMAN) TD 0.12% 7/1/2011	83,129	83,129
13	CREDIT INDUSTRIEL ET COMMERCIAL (CAYMAN) TD 0.01% 7	81,530	81,530
14	NORDEA BANK FINLAND PLC, NY BRANCH (CAYMAN) TD 0.01	75,935	75,935
15	BNP Y ("AAA" Corps)	75,228	75,228
16	SOCIETE GENERALE NY (CAYMAN) TD 0.01% 7/1/2011	73,537	73,537
17	NATIXIS NEW YORK (CAYMAN) TD 0.09% 7/1/2011	71,939	71,939
18	CITI Z ("AAA" Private Labels & ABS)	59,390	59,390
19	NATIONAL AUSTRALIA BANK LTD NEW YORK (CAYMAN) TD 0.	57,551	57,551
20	BARC A (T Bills, Notes, Bonds & STRIPS)	55,714	55,714
21	ML Z ("AAA" Private Labels & ABS)	49,002	49,002
22	NORTHERN TRUST COMPANY (CAYMAN) TD 0.01% 7/1/2011	37,568	37,568
23	ARRMF 2007-3A A2B	25,520	25,237
24	HSBC BANK PLC (LONDON) TD 0.01% 7/1/2011	23,180	23,180
25	GRANM 2007-2 2A1	16,816	16,003
26	MEDL 2007-1G A1	12,995	12,720
27	GRANM 2007-1 2A1	10,542	10,033
28	GRANM 2006-4 A4	7,831	7,453
29	SLMA 2007-A A1	6,425	6,389
30	BNP D (Agency MBS & Pass Throughs)	5,923	5,923
31	KDRE 2007-1A A2	4,835	4,403
32	GRAN 2003-2 1A3	2,920	2,813
33	GRAN 2004-3 2A1	1,361	1,306
34	CWL 2007-2 2A1	816	794
35	JPMAC 2007-CH1 AV2	437	432
36	IMT 2002-1G A2	330	330
37	HSBC D (Agency MBS & Pass Throughs)	200	200

NOTE: Full listing of holdings can be obtained at
NYC Board of Education Retirement System
65 Court Street, Room 1603, Brooklyn, NY 11201

List of 50 Largest International Equity Holdings
Fiscal Year Ended June 30, 2011

	NAME OF INT'L STOCKS HOLDINGS	PAR VALUE	MARKET VALUE
1	BANCO SANTANDER SA EUR 0.5	$ 16,381,677	$ 14,809,479
2	ADIDAS AG NPV	8,642,222	13,844,853
3	NYC CUSTOM STIF	13,518,114	13,519,065
4	ATLAS COPCO AB NPV RFD	7,388,779	13,223,211
5	BHP BILLITON PLC U	9,122,452	12,412,680
6	CIE FINANCIERE RICHEMONT SA CHF 1.0	6,320,885	12,232,997
7	CANON INC	10,908,517	12,024,019
8	NOVARTIS AG CHF 0.5	8,001,902	10,831,360
9	TESCO PLC	11,216,317	10,485,322
10	RAKUTEN INC	5,956,572	10,170,319
11	PPR EUR 4.0	6,500,886	9,955,224
12	SMC CORP/JAPAN JPY 50.0	6,265,126	9,704,935
13	STANDARD CHARTERED PLC USD 0.5	9,367,914	9,077,388
14	BAIDU INC NPV ADR	2,007,424	8,734,611
15	WOODSIDE PETROLEUM LTD	7,527,310	8,209,975
16	INDITEX SA EUR 0.15	5,093,693	7,641,192
17	BRITISH AMERICAN TOBACCO P GBP 0.25	5,579,038	7,501,017
18	HSBC HOLDINGS HONGKONG REG	8,005,194	7,445,556
19	TOTAL SA EUR 2.5	6,210,324	7,314,920
20	L'OREAL SA EUR 0.2	6,000,031	7,308,527
21	ROYAL DUTCH SHELL PLC-B SHS	5,740,051	6,877,712
22	TENCENT HOLDINGS LTD HKD 0.0001	4,508,592	6,867,064
23	SABMILLER PLC USD	4,364,800	6,648,476
24	SAP AG NPV	5,519,374	6,525,462
25	NESTLE SA CHF 0.1	2,933,067	6,377,692
26	GEBERIT AG CHF 0.1	3,717,464	6,367,922
27	PRUDENTIAL PLC ORD GBP 0.05	5,354,814	6,219,179
28	NOVO NORDISK A/S DKK 1.0	3,011,223	6,217,714
29	BAYERISCHE MOTOREN WERKE AG EUR 1.0	2,632,497	6,126,080
30	ROLLS-ROYCE HOLDINGS PLC 20P	4,971,237	6,058,898
31	SYNGENTA AG CHF 0.1	5,095,923	5,986,264
32	SVENSKA HANDELSBANKEN-A SHS	4,991,657	5,960,662
33	MEGGITT PLC	4,700,522	5,911,892
34	SANDVIK AB NPV	5,145,259	5,800,258
35	PORSCHE AUTOMOBIL HOLDING SE NPV	8,115,427	5,742,559
36	ESSILOR INTL SA CIE GEN D'OPTIQUE	4,241,149	5,709,317
37	TURKIYE GARANTI TRY 500.0 ADR 144A	4,308,975	5,655,669
38	CARNIVAL PLC USD 1	5,266,789	5,604,581
39	WOOLWORTHS LTD NPV	4,527,772	5,477,792
40	HONDA MOTOR CO LTD NPV	4,090,570	5,470,774
41	BRAMBLES LTD NPV	5,756,626	5,450,814
42	SWATCH GROUP AG/THE CHF 2.25	2,587,031	5,121,505
43	SAMSUNG ELECTERS	3,467,553	5,090,538
44	FORTESCUE METALS GROUP LTD	2,927,395	4,843,437
45	KEYENCE CORP	3,010,349	4,482,850
46	AUSTRALIA AND NZ BANKING GROUP	3,274,748	4,457,602
47	ABB LTD CHF 1.03	2,666,169	4,445,182
48	ITAU UNIBANCO HOLDING S.A.	3,442,621	4,348,675
49	BG GROUP PLC 10P	3,905,644	4,261,098
50	DENSO CORP NPV	3,086,597	4,257,461

NOTE: Full listing of holdings can be obtained at
NYC Board of Education Retirement System
65 Court Street, Room 1603, Brooklyn, NY 11201

INVESTMENT

List of Largest Tips Holdings
Fiscal Year Ended June 30, 2011

	NAME OF TIPS HOLDINGS	PAR VALUE	MARKET VALUE
1	UNITED STATES TREA 3.375 15JAN12 IL	$8,362,116	$8,461,666
2	UNITED STATES TREAS 2.375 15JAN2017	6,360,933	6,605,241
3	UNITED STATES TREAS 1.875 15JUL2015	5,952,410	6,256,899
4	US TREAS BDS I 3.625 15APR28	4,119,126	4,616,238
5	US TREAS 2.375	3,433,592	3,965,160
6	UNITED STATES TREA 1.625 15JAN18 IL	3,387,518	3,858,533
7	UNITED STATES TREAS 2.0 15APR12 IL	3,776,547	3,808,269
8	US TREAS 2.0 15JUL	3,252,455	3,628,809
9	US TREAS BDS I 3.875 15APR2029	3,281,175	3,603,226
10	UNITED STATES TREAS BDS	2,980,113	3,483,712
11	UNITED STATES TREAS BD 1.75 15JAN28	3,223,189	3,456,224
12	UNITED STATES TREAS 2.375 15JAN2027	2,856,148	3,334,374
13	UNITED STATES TREAS 1.25 15JUL20 IL	3,028,890	3,151,802
14	UNITED STATES TREAS 2.5 15JUL16 IL	3,025,769	3,115,612
15	FORWARD USD/EUR	2,985,840	2,985,840
16	FORWARD USD/AUD	2,951,479	2,951,479
17	UNITED STATES TREA 2.125 15FEB41 IL	2,518,623	2,565,265
18	TSY INFL IX N/B	2,354,581	2,494,468
19	UNITED STATES TREA 2.625 15JUL17 IL	2,073,274	2,316,584
20	AUSTRALIA GOVERNMENT 4.0 20AUG20 IL	1,539,024	1,923,179
21	ITALY BUONI POLIENNA 2.1 15SEP16 IL	1,572,944	1,526,714
22	ITALY BUONI POLIENNA 2.1 15SEP21 IL	1,433,416	1,463,274
23	UNITED STATES TREAS N 0.625 15APR13	1,285,393	1,316,006
24	US TREAS 1.875	903,960	1,013,291
25	ALLY FINANCIAL 0.2465 19DEC12 FRN	871,320	872,100
26	NEW SOUTH WALES TRE 2.75 20NOV25 IL	539,899	702,695
27	US TREASURY 3.375	591,388	692,472
28	US TREAS N 3.0	468,045	472,790
29	UNITED STATES TREA 0.125 15APR16 IL	326,689	334,034
30	BANK NOVA SCOTIA INSTL 09AUG12 FRN	320,484	321,055
31	UNITED STATES TREA 2.125 15FEB40 IL	246,659	271,850
32	UNITED STATES TREAS 1.25 15APR14 IL	229,705	255,424
33	ISRAEL ST 5.5 18SEP23	236,346	254,640
34	AUSTRALIA GOVERNMENT 2.5 20SEP30 IL	195,746	227,335
35	AUSTRALIA GOVERNMENT 3.0 20SEP25 IL	108,504	137,105
36	FEDERAL HOME LN MTG COR 0.0 26SEP11	94,521	94,523
37	FEDERAL HOME LOAN BANK DISCOUNT	32,876	32,878
38	NYC CUSTOM STIF	23,238	23,251
39	AUSTRALIAN DOLLAR	71	59
40	EURO	59	59
41	POUNDS STERLING	9	8

NOTE: Full listing of holdings can be obtained at
NYC Board of Education Retirement System
65 Court Street, Room 1603, Brooklyn, NY 11201

List of 50 Largest Economically Targeted Investment Holdings
Fiscal Year Ended June 30, 2011

	NAME OF ECONOMICALLY TARGETED INVESTMENTS	PAR VALUE	MARKET VALUE
1	FEDERAL NAT'L MTGE ASSN POOL # 3490	$255,406	$254,738
2	NYC CUSTOM STIF	140,232	140,203
3	GOV'T NAT'L MTG ASSN POOL# 0738395	118,084	118,565
4	FEDERAL NAT'L MTGE ASSN POOL # 3485	102,497	102,067
5	GOV'T NATL MTG ASSN II POOL# 770735	97,068	96,786
6	FEDERAL NAT'L MTGE ASSN POOL # 3484	90,492	90,187
7	FEDERAL NAT'L MTGE ASSN POOL # AH8883	86,977	85,282
8	CPC#10920 20 NORTH 5TH ST BROOKLYN,NY	78,686	72,550
9	LIIF#2 405 WILLIAMS CPC#10993	75,958	76,391
10	FEDERAL NAT'L MTGE ASSN POOL # 7106	62,154	62,285
11	GOV'T NAT'L MTG ASSN POOL# 0770388	59,863	59,692
12	GOV'T NAT'L MTG ASSN POOL# 741058	58,957	58,832
13	CARVER #006 107-109 W 37TH STREET	54,789	53,404
14	FED'L HOME LOAN MTGE CORP GRP # A80305	51,280	47,669
15	FEDERAL NAT'L MTGE ASSN POOL # AE2514	43,210	43,873
16	FEDERAL NAT'L MTGE ASSN POOL # AE2480	41,868	41,840
17	FEDERAL NAT'L MTGE ASSN POOL # AE7615	40,398	40,938
18	FED'L HOME LOAN MTGE CORP GRP # A80608	40,007	36,348
19	FEDERAL NAT'L MTGE ASSN POOL # 966194	39,887	36,731
20	FED'L HOME LOAN MTGE CORP GRP # A80942	37,677	33,556
21	FED'L HOME LOAN MTGE CORP GRP # A93203	37,619	37,429
22	FED'L HOME LOAN MTGE CORP GRP # A75660	36,153	33,649
23	FEDERAL NAT'L MTGE ASSN POOL # AD9592	35,686	35,697
24	FEDERAL NAT'L MTGE ASSN POOL # 257956	35,387	32,670
25	FED'L HOME LOAN MTGE CORP GRP # A93391	34,103	34,457
26	CCB #1 938 ST NICHOLAS	33,752	30,453
27	FEDERAL NAT'L MTGE ASSN POOL # AE4796	33,329	34,441
28	GOV'T NATL MTG ASSN II POOL# 763246	32,894	31,998
29	FEDERAL NAT'L MTGE ASSN POOL # 3494	29,560	29,535
30	FED'L HOME LOAN MTGE CORP GRP # A93202	29,228	29,350
31	FED'L HOME LOAN MTGE CORP GRP # Q01251	29,040	28,922
32	FEDERAL NAT'L MTGE ASSN POOL #AE6847	28,879	29,796
33	FEDERAL NAT'L MTGE ASSN POOL # 5866	28,654	29,217
34	FEDERAL NAT'L MTGE ASSN POOL # 1845	28,274	28,032
35	FEDERAL NAT'L MTGE ASSN POOL # 5552	28,254	27,419
36	FEDERAL NAT'L MTGE ASSN POOL # AD9611	27,453	27,552
37	FED'L HOME LOAN MTGE CORP GRP # A77241	27,229	25,164
38	FEDERAL NAT'L MTGE ASSN POOL # 899920	27,065	24,974
39	GOV'T NAT'L MTG ASSN POOL# 698161	26,668	26,482
40	FEDERAL NAT'L MTGE ASSN POOL # 3493	26,650	26,708
41	LIIF #1 451 48TH ST CPC #10598	25,803	25,573
42	FEDERAL NAT'L MTGE ASSN POOL # AD7241	25,375	25,093
43	FED'L HOME LOAN MTGE CORP GRP # A80624	24,509	22,267
44	FEDERAL NAT'L MTGE ASSN POOL # 5551	24,414	23,684
45	CPC #10386 2 WEST 129TH STREET	23,544	21,518
46	FEDERAL NAT'L MTGE ASSN POOL # 933374	22,255	20,736
47	FED'L HOME LOAN MTGE CORP GRP # A63615	22,229	19,933
48	FEDERAL NAT'L MTGE ASSN POOL # AE5858	22,178	22,388
49	FEDERAL NAT'L MTGE ASSN POOL # 135	22,005	21,529
50	FED'L HOME LOAN MTGE CORP GRP # A93392	21,546	21,554

NOTE: Full listing of holdings can be obtained at
NYC Board of Education Retirement System
65 Court Street, Room 1603, Brooklyn, NY 11201

Schedule of Payments of Commissions to Brokers
Fiscal Year Ended June 30, 2011

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
ABEL NOSER CORPORATION	Equity	73,900.00	0.0100	739.00
AMERICAN PORTFOLIOS FINANCIAL	Equity	1,804.00	0.0494	89.09
AMERICAN TECHNOLOGY RESEARCH	Equity	8,075.00	0.0307	247.80
ASSENT LLC	Equity	220,819.00	0.0094	2,074.27
AURIGA USA LLC	Equity	1,194.00	0.0145	17.28
AVIAN SECURITIES INC	Equity	21,200.00	0.0200	424.00
AVONDALE PARTNERS, LLC	Equity	9,649.00	0.0292	281.57
B RILEY AND CO INC.	Equity	7,720.00	0.0200	154.40
BAIRD ROBERT W & CO INC	Equity	140,721.00	0.0369	5,189.33
BARCLAYS CAPITAL INC/LE	Equity	59,910.00	0.0328	1,964.18
BARCLAYS CAPITAL LE	Equity	453,005.00	0.0223	10,102.79
BARCLAYS GLOBAL INVESTORS	Equity	1,611,390.00	0.0053	8,566.53
BAYPOINT TRADING LLC	Equity	26,404.00	0.0344	908.86
BLAIR WILLIAM & COMPANY LLC	Equity	122,650.00	0.0392	4,806.77
BLAYLOCK & CO INC	Equity	24,073.00	0.0387	930.61
BLOOMBERG TRADEBOOK LLC	Equity	90,836.00	0.0150	1,362.52
BLUEFIN RESEARCH PARTNER INC.	Equity	9,420.00	0.0400	376.80
BMO NESBITT BURNS CORP	Equity	11,375.00	0.0400	455.00
BNP PARIBAS BROKERAGE SEC INC	Equity	6,625.00	0.0400	265.00
BNP PARIBAS SECURITIES CORP IB	Equity	20,200.00	0.0200	404.00
BNP SECURITIES (U.S.A.) INC	Equity	24,750.00	0.0237	587.25
BNY BROKERAGE INC	Equity	29,268.00	0.0346	1,011.47
BNY CONVERGEX EXEC SOLUTIONS	Equity	51,206.00	0.0115	587.06
BOE SECS INC/BROADCORT CAP	Equity	152,291.00	0.0382	5,815.25
BREAN MURRAY CARRET& CO. LLC	Equity	21,510.00	0.0421	904.65
BUCKINGHAM RESEARCH GROUP INC	Equity	3,267.00	0.0472	154.29
CABRERA CAPITAL MARKETS	Equity	619,210.00	0.0177	10,930.54
CANACCORO ADAMS INC	Equity	39,793.00	0.0369	1,469.12
CANTOR FITZGERALD & CO . INC	Equity	436,405.00	0.0363	15,840.56
CANTOR FITZGERALD/CASTLEOAK	Equity	30,113.00	0.0339	1,021.68
CAP INSTL SVCS INC-EQUITIES	Equity	27,360.00	0.0454	1,242.00
CARIS AND COMPANY INC.	Equity	5,684.00	0.0307	174.22
CHARLES SCHWAB & CO.	Equity	85,500.00	0.0065	554.90
CHEEVERS & CO INC	Equity	251,414.00	0.0299	7,507.74
CITATION GROUP/BCC CLRG	Equity	25,907.00	0.0481	1,246.45
CITIGROUP GLOBAL MARKETS INC	Equity	2,453,132.00	0.0092	22,625.43

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
CJS SECURITIES INC	Equity	35,270.00	0.0392	1,382.40
CJS SECURITIES INC.	Equity	234.00	0.0200	4.68
CLEARVIEW CORRESPONDENT SVCS	Equity	42,545.00	0.0366	1,558.90
COLLINS STEWART LLC	Equity	21,225.00	0.0415	880.25
COWEN & CO LLC	Equity	109,539.00	0.0346	3,793.10
CRAIG - HALLUM	Equity	31,030.00	0.0316	980.50
CREDIT RESEARCH TRADING L.L.C	Equity	14,400.00	0.0304	438.00
CREDIT SUISSE FIRST BOSTON	Equity	2,252,601.00	0.0066	14,932.66
CROWELL WEEDON & CO	Equity	5,300.00	0.0400	212.00
CSI US INSTITUTIONAL DESK	Equity	41,085.00	0.0402	1,649.63
CUTTONE & CO. INC	Equity	6,075.00	0.0225	136.69
DAHLMAN ROSE & COMPANY, LLC	Equity	15,750.00	0.0400	630.00
DAIWA SEC AMERICA INC	Equity	2,450.00	0.0300	73.50
DAVENPORT & COMPANY LLC	Equity	1,322.00	0.0400	52.88
DAVIDSON D.A & CO INC NSCC	Equity	29,000.00	0.0411	1,192.00
DEUTSCHE BANC/ALEX BROWN	Equity	4,420,014.00	0.0058	25,442.86
DEUTSCHE BANK ALEX BROWN	Equity	3,620.00	0.0366	132.35
DIRECT ACCESS PARTNERS LLC	Equity	77,298.00	0.0275	2,127.05
DIVINE CAPITAL MARKETS LLC - E	Equity	104,324.00	0.0200	2,086.48
DOUGHERTY COMPANY	Equity	13,073.00	0.0390	509.66
DOWLING & PARTNERS	Equity	1,100.00	0.0400	44.00
FIDELITY CAPITAL MARKETS	Equity	23,875.00	0.0223	533.19
FIG PARTNERS LLC	Equity	11,338.00	0.0411	466.52
FIRST ANALYSIS SECS CORP	Equity	12,115.00	0.0438	530.55
FIRST ANALYSIS SECURITIES CORP	Equity	6,730.00	0.0452	303.90
FIRST CLEARING, LLC	Equity	2,504.00	0.0400	100.16
FRIEDMAN, BILLINGS & RAMSEY	Equity	36,325.00	0.0397	1,440.80
GARDNER RICH & COMPANY	Equity	27,165.00	0.0419	1,138.66
GLEACHER NATWEST INC	Equity	670.00	0.0500	33.50
GLOBAL HUNTER SECURITIES, LLC	Equity	6,395.00	0.0349	223.30
GOLDMAN SACHS & CO	Equity	1,148,094.00	0.0141	16,150.24
GOLDMAN SACHS EXECUTION & CL	Equity	948,022.00	0.0083	7,861.12
GREENTREE BROKERAGE SERVICES	Equity	56,316.00	0.0110	619.00
GUGGENHEIM CAPITAL MARKETS LLC	Equity	3,200.00	0.0350	112.00
GUZMAN & COMPANY	Equity	734,508.00	0.0242	17,791.74
HEFLIN & CO LLC	Equity	14,825.00	0.0400	593.00

Schedule of Payments of Commissions to Brokers
Fiscal Year Ended June 30, 2011
(Cont'd)

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
HEIGHT SECURITIES, LLC	Equity	8,000.00	0.0400	320.00
HOWARD WEIL INCORPORATED	Equity	3,509.00	0.0413	144.93
HUDSON SECURITIES, INC	Equity	5,175.00	0.0427	220.75
INSTINET CLEARING SERVICES INC	Equity	6,342.00	0.0025	15.95
INSTINET CORPORATION	Equity	622,249.00	0.0197	12,284.06
INVESTMENT TECHNOLOGY GROUP	Equity	561,258.00	0.0122	6,847.54
ISI GROUP, INC.	Equity	70,350.00	0.0249	1,752.00
ISLAND TRADER SECURITIES INC	Equity	18,550.00	0.0433	803.50
ITG INC	Equity	284.00	0.0125	3.55
IVY SECURITIES, INC	Equity	24,016.00	0.0300	720.48
J.P MORGAN SECURITIES INC.	Equity	255,251.00	0.0346	8,821.80
J.P. MORGAN CLEARING CORP.	Equity	221,496.00	0.0089	1,969.86
JANNEY MONTGOMERY SCOTT INC.	Equity	28,490.00	0.0400	1,139.60
JEFFERIES & COMPANY	Equity	16,130.00	0.0395	637.80
JEFFERIES & COMPANY, INC.	Equity	224,053.00	0.0307	6,878.72
JMP SECURITIES	Equity	60,300.00	0.0440	2,653.78
JNK SECURITIES INC	Equity	14,200.00	0.0200	284.00
JOHNSON RICE & CO	Equity	8,350.00	0.0470	392.11
JONESTRADING INST SVCS LLC	Equity	34,995.00	0.0255	892.00
KAUFMAN BROTHERS	Equity	14,195.00	0.0451	640.75
KEEFE BRUYETTE & WOODS INC.	Equity	118,733.00	0.0376	4,458.57
KEYBANC CAPITAL MARKETS INC.	Equity	16,775.00	0.0394	661.71
KING, CL, & ASSOCIATES	Equity	27,707.00	0.0378	1,046.91
KNIGHT CLEARING SERVICES LLC	Equity	42,327.00	0.0079	333.13
KNIGHT EQITY MARKETS L.P.	Equity	46,708.00	0.0217	1,013.04
KNIGHT SECURITIES	Equity	23,951.00	0.0280	670.72
LABRANCHE FINANCIAL SVCS LLC	Equity	10,600.00	0.0200	212.00
LAZARD FRERES & COMPANY	Equity	34,591.00	0.0319	1,104.92
LEERINK SWANN AND COMPANY	Equity	60,961.00	0.0382	2,328.88
LIQUIDNET INC	Equity	434,905.00	0.0166	7,240.85
LONGBOW SECURITIES LLC	Equity	8,480.00	0.0357	302.40
LOOP CAPITAL MARKETS	Equity	239,352.00	0.0289	6,913.56
LOOP CAPITAL MKTS,LLC	Equity	77,192.00	0.0343	2,650.02
LYNCH JONES & RYAN INC	Equity	164,032.00	0.0096	1,574.09
M. RAMSEY KING SECURITIES	Equity	5,855.00	0.0317	185.88
MACQUARIE SECS USA INC	Equity	9,175.00	0.0400	367.00

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
MADISON WILLIAMS AND COMPANY	Equity	4,204.00	0.0280	117.88
MAXIM GROUP	Equity	480.00	0.0400	19.20
MELVIN SECURITIES	Equity	127,800.00	0.0150	1,912.57
MERRILL LYNCH PIERCE FENNER	Equity	3,415,008.00	0.0101	34,488.64
MERRILL LYNCH PROFESSIONAL	Equity	110,100.00	0.0335	3,685.00
MERRIMAN CURHAN FORD & CO	Equity	12,465.00	0.0189	235.38
MIDWOOD SECURITIES	Equity	10,151.00	0.0400	406.04
MILLER,TABAK, HIRSCH & CO	Equity	5,698.00	0.0337	191.96
MISCHLER FINANCIAL GROUP, INC	Equity	6,880.00	0.0317	218.20
MIZUHO SECURITIES USA INC	Equity	900.00	0.0400	36.00
MKM PARTNERS LLC	Equity	2,825.00	0.0427	120.50
MONTROSE SECURITIES EQUITIES	Equity	23,430.00	0.0400	937.20
MORGAN KEEGAN & COMPANY, INC.	Equity	64,084.00	0.0451	2,893.08
MORGAN STANLEY & CO	Equity	1,679,898.00	0.0097	16,363.58
MORGAN STANLEY DW INC	Equity	31,359.00	0.0288	904.36
MR BEAL & COMPANY	Equity	382,813.00	0.0258	9,892.14
NATL FINANCIAL SERVICES CORP	Equity	71,675.00	0.0297	2,131.63
NEEDHAM & CO	Equity	94,753.00	0.0377	3,567.86
NOBLE INTL INVESTMENTS INC	Equity	195.00	0.0200	3.90
NOMURA SECURITIES INTL INC	Equity	56,536.00	0.0230	1,299.97
NORTH SOUTH CAPITAL LLC	Equity	24,789.00	0.0486	1,205.37
NORTHLAND SECURITIES INC.	Equity	4,690.00	0.0200	93.80
O'NEIL, WILLIAM & CO/BCC CLRG	Equity	13,300.00	0.0500	665.00
OPPENHEIMER AND CO INC	Equity	130,927.00	0.0373	4,888.06
PACIFIC AMERICAN SECS LLC	Equity	237,674.00	0.0396	9,418.15
PACIFIC CREST SECS	Equity	66,680.00	0.0373	2,485.70
PENSERRA SECURITIES LLC	Equity	555.00	0.0325	18.06
PENSON FINANCIL SER INC./RIDGE	Equity	27,074.00	0.0176	476.17
PERSHING & COMPANY	Equity	124,490.00	0.0079	982.60
PIPELINE TRADING SYSTEMS LLC	Equity	7,000.00	0.0189	132.00
PIPER JAFFRAY & CO	Equity	173,795.00	0.0322	5,603.09
PODESTA & CO	Equity	2,230.00	0.0500	111.50
PRITCHARD CAPITAL PARTNERS LLC	Equity	1,551.00	0.0200	31.02
PULSE TRADING LLC	Equity	67,125.00	0.0211	1,414.07
RAYMOND, JAMES & ASSOC., INC.	Equity	51,142.00	0.0399	2,041.64
RBC CAPITAL MARKETS CORP	Equity	80,493.00	0.0344	2,770.86

Schedule of Payments of Commissions to Brokers
Fiscal Year Ended June 30, 2011
(Cont'd)

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
RODMAN & RENSHAW LLC	Equity	13,271.00	0.0240	318.67
ROSENBLATT SECURITIES LLC	Equity	33,500.00	0.0202	678.25
ROTH CAPITAL PARTNERS, LLC	Equity	9,450.00	0.0492	465.20
SANDLER O'NEILL & PARTNERS LP	Equity	28,307.00	0.0400	1,132.28
SANFORD C BERNSTEIN & CO.,LLC	Equity	217,702.00	0.0250	5,440.07
SG AMERICAS SECURITIES LLC	Equity	759,050.00	0.0100	7,613.00
SIDOTI & COMPANY, LLC	Equity	46,151.00	0.0373	1,721.00
SIGNAL HILL CAPITAL GROUP LLC	Equity	2,580.00	0.0342	88.20
SJ LEVINSON & SONS LLC	Equity	1,425.00	0.0400	57.00
SOLEIL SECURITIES CORP.	Equity	8,317.00	0.0238	198.34
STATE ST GLOBAL MARKETS LLC	Equity	11,625.00	0.0300	348.75
STEPHENS, INC.	Equity	6,675.00	0.0400	267.00
STERNE AGEE & LEACH INC	Equity	39,717.00	0.0375	1,490.34
STIFEL NICHOLAUS & CO, INC	Equity	175,700.00	0.0360	6,326.28
STUART FRANKEL & CO INC	Equity	997.00	0.0200	19.94
STURDIVANT AND CO., INC.	Equity	5,900.00	0.0400	236.00
SUNTRUST CAPITAL MARKETS, INC	Equity	26,116.00	0.0341	890.46
THE BENCHMARK CO LLC	Equity	27,194.00	0.0360	979.60
THE WILLIAMS CAPITAL GROUP LP	Equity	238,944.00	0.0221	5,284.65
THINKEQUITY PARTNERS LLC	Equity	9,815.00	0.0413	405.55
UBS SECURITIES LLC	Equity	300,419.00	0.0174	5,215.80
UNIVERSAL NETWORK EXCHANGE INC	Equity	55.00	0.0200	1.10
VANDHAM SECURITIES CORP	Equity	10,400.00	0.0162	168.00
W J BONFANTI INC	Equity	4,493.00	0.0316	141.86
WEDBUSH MORGAN SECURITIES,INC.	Equity	54,603.00	0.0371	2,023.90
WEDGE SECURITIES LLC	Equity	1,025.00	0.0400	41.00
WEEDEN & CO	Equity	11,793.00	0.0127	149.49
WELLS FARGO INVESTMENTS, LLC	Equity	714.00	0.0500	35.70
WELLS FARGO SECS LLC	Equity	70,945.00	0.0392	2,780.95
WJB CAPITAL GROUP, INC.	Equity	9,018.00	0.0363	327.76
WUNDERLICH SECURITIES INC.	Equity	995.00	0.0400	39.80
YAMNER & COMPANY, INC.	Equity	311,911.00	0.0132	4,103.76
BNP PARIBAS BROKERAGE SEC INC	Fixed	6,200.00	0.0332	206.00
BANK VONTOBEL AG, ZURICH	International	7,335.870	0.2904	2,130.65
BNP PARIBAS EQUITIES	International	81,987.520	0.0115	939.68
BNP PARIBAS SECS SERVICES, LDN	International	13,896.200	0.0437	607.53

Schedule of Payments of Commissions to Brokers
Fiscal Year Ended June 30, 2011
(Cont'd)

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
BNP PARIBAS SECURITIES SVCS	International	14,185.350	0.0714	1,013.43
BROCKHOUSE AND COOPER MONTREAL CANA	International	214,919.710	0.0065	1,389.41
BROCKHOUSE COOPER SA PTY	International	9,050.100	0.2334	2,112.30
CACEIS BANK DEUTSCHLAND GMBH	International	1,272.250	0.1186	150.95
CALYON SECS USA INC	International	3,378.960	0.0400	135.17
CANACCORD CAPITAL EUROPE LTD, LDN	International	32,901.240	0.0055	181.92
CIBC LONDON	International	171,255.700	0.0069	1,174.40
CITIBANK MAILAND AT CREDIT AGR CHVR	International	40,978.070	0.0425	1,743.01
CITIGROUP GLOBAL MARKETS INC	International	30.650	55.8333	1,711.29
CITIGROUP GLOBAL MARKETS LTD, LDN	International	156,043.880	0.0081	1,258.97
CITIGROUP GLOBAL MARKETS UK EQ LTD	International	3,988,651.340	0.0010	4,057.93
CLSA LTD, HONG KONG	International	30,304.300	0.1545	4,680.66
CLSA SINGAPORE PTE LTD	International	5.860	22.4061	131.30
CREDIT AGRICOLE INDOSUEZ CHEUVREUX	International	33,818.050	0.0246	830.93
CREDIT SUISSE 1ST BOSTON CORP,NY	International	41,138.840	0.0068	278.56
CREDIT SUISSE FIRST BOSTON	International	86,270.250	0.0114	985.27
DAIWA SECURITIES AMERICA	International	704.790	5.9298	4,179.24
DANSKE BANK AS COPENHAGEN	International	865.100	0.6683	578.16
DAVY STOCKBROKERS, DUBLIN	International	380,089.540	0.0023	883.85
DBS VICKERS SECURITIES (S) PTE LTD	International	150,924.110	0.0193	2,908.84
DEUTSCHE BANC/ALEX BROWN	International	44,942.040	0.0400	1,797.68
DEUTSCHE BANK AG LONDON-CEDEL	International	13,993.320	0.0304	425.05
DEUTSCHE BANK AG, LONDON	International	25,465.530	0.0992	2,525.35
DEUTSCHE BANK SECURITIES INC	International	11,626.400	0.0021	24.78
EVOLUTION BEESON GREGORY LTD, LDN	International	53,953.070	0.0181	979.04
GOLDMAN SACHS CO, NY	International	203,400.110	0.0125	2,552.49
GOLDMAN SACHS INTL LONDON	International	477.710	0.4211	201.18
GOODBODY STOCKBROKERS DUBLIN	International	363,514.360	0.0008	283.40
G-TRADE SERVICES LTD	International	83,636.370	0.0019	157.32
HSBC BANK PLC (JC HIB SETTLEMENT)	International	7,417.930	0.0793	588.56
ICAP SECURITIES LTD LONDON	International	378.190	0.0514	19.44
INSTINET CLEARING SERVICES INC	International	22,170.720	0.0200	443.43
INSTINET EUROPE LTD, LONDON	International	2,373,514.470	0.0054	12,877.85
INSTINET PACIFIC LTD	International	22,418.940	0.0334	749.49
INTERNAL TRANSFER	International	10,492.560	0.0500	524.64
INVESTMENT TECHN GROUP, DUBLIN	International	62,640.580	0.0144	901.69

Schedule of Payments of Commissions to Brokers
Fiscal Year Ended June 30, 2011
(Cont'd)

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
ITG HOENIG LIMITED, HONG KONG	International	25,583.290	0.0305	779.97
J P MORGAN CLEARING CORP	International	2,896.090	0.0492	142.38
J.P. MORGAN CLEARING CORP.	International	320,948.720	0.0094	3,030.54
JEFFRIES INTERNATIONAL LTD LONDON	International	1,093,058.920	0.0021	2,321.63
JP MORGAN SEC LTD, LONDON	International	328,458.520	0.0089	2,938.05
JPMORGAN SECURIT (ASIA PACIFIC), HK	International	8,129.720	0.0799	649.36
KEMPEN AND CO NV AMSTERDAM	International	35,048.680	0.0517	1,813.59
KEPLER EQUITIES, SUCURSAL EN ESPANA	International	23,044.080	0.0073	169.36
LIQUIDNET ASIA LIMITED	International	10,518.210	0.0197	207.54
MACQUARIE EQUITIES LTD SYDNEY	International	209,480.160	0.0170	3,559.38
MACQUARIE SECURITIES LTD, HONG KONG	International	261.440	7.1249	1,862.74
MAINFIRST BANK AG, FRANKFURT	International	159,827.290	0.0105	1,672.38
MERRILL LYNCH INTL LTD EQUIT SETTL	International	1,248,171.750	0.0051	6,366.96
MERRILL LYNCH PIERCE FENNER	International	483,916.300	0.0072	3,465.38
MERRILL LYNCH,PIERCE, FENNER, SMITH	International	132.550	5.5645	737.57
MIRAE ASSET SECURITIES CO LTD	International	47.640	68.4385	3,260.41
MORGAN STANLEY	International	351.150	5.0111	1,759.64
MORGAN STANLEY AND CO	International	48,413.520	0.0191	927.08
MORGAN STANLEY CO INC NEW YORK	International	49,310.550	0.0597	2,945.27
MORGAN STANLEY SECS LTD	International	23,145.190	0.0060	139.58
NOMURA INTERNATIONAL PLC LONDON	International	2.700	300.1333	810.36
NOMURA SECURITIES INTL INC NY	International	12,270.310	0.2492	3,057.88
ODDO ET CIE, PARIS	International	6,005.350	0.1049	629.77
PAREL, PARIS	International	5,471.830	0.0471	257.79
PERSHING AND COMPANY	International	14,132.660	0.0500	706.63
PERSHING SECURITIES LONDON	International	5,524.330	0.1261	696.48
REDBURN PARTNERS LLP	International	179,900.620	0.0069	1,235.49
SANFORD C. BERNSTEIN LONDON	International	137,966.710	0.0479	6,608.23
SKANDINAVISKA ENSKILDA BANKEN	International	106,229.690	0.0297	3,157.19
SOCIETE GENERALE PARIS, ZURICH	International	1,357.520	0.4057	550.81
SOCIETE GENERALE PARIS, ZURICH BR	International	5,258.580	0.4690	2,466.31
THE ROYAL BANK OF SCOTLAND N.V.	International	3,264.670	0.0090	29.32
UBS AG LONDON EQUITIES	International	452,838.430	0.0240	10,864.56
UBS SECURITIES LLC	International	20,742.480	0.0400	829.71
BANCO SANTANDER CENTRAL HISPANO SA	Emerging Markets	3,287.590	0.0120	39.50
CHINA INTL CAP CORP LIMITED	Emerging Markets	1,758.750	0.0013	2.20

INDIVIDUAL OR BROKERAGE FIRM	NATURE OF SERVICES	# OF SHARES TRADED	COMMISSION	COMMISSION PAID
CITIGROUP GLOBAL MARKETS INC	Emerging Markets	64,665.350	0.0281	1,815.60
CITIGROUP GLOBAL MARKETS LTD, LDN	Emerging Markets	10,702.050	0.0097	104.14
CREDIT SUISSE 1ST BOSTON CORP,NY	Emerging Markets	606,929.800	0.0118	7,147.79
CREDIT SUISSE FIRST BOSTON	Emerging Markets	563.910	0.0175	9.86
CREDIT SUISSE FIRST BOSTON HK	Emerging Markets	6,894.300	0.0037	25.37
CREDIT SUISSE FIRST BOSTON, TAIPEI	Emerging Markets	319.320	0.0057	1.83
CREDIT SUISSE SECS (MALAYSIA)	Emerging Markets	16,064.840	0.0024	38.29
CS FIRST BOSTON INDIA SEC PTE LTD	Emerging Markets	4,317.310	0.3311	1,429.52
CSFB (EUROPE) LTD, LONDON	Emerging Markets	1.060	25.1226	26.63
CSFB EUR, LONDON	Emerging Markets	257.380	0.0071	1.84
DEUTSCHE BANC/ALEX BROWN	Emerging Markets	28,696.780	0.0204	584.51
DEUTSCHE BANK AG, LONDON	Emerging Markets	19,809.520	0.0444	878.82
DEUTSCHE BANK SECURITIES INC	Emerging Markets	79,241.100	0.0304	2,406.20
LARRAIN VIAL, SANTIAGO	Emerging Markets	81.620	0.4003	32.67
MORGAN STANLEY AND CO	Emerging Markets	4,760.770	0.0246	117.15
MORGAN STANLEY AND CO INTL LTD,LDN	Emerging Markets	1,525.510	0.0470	71.64
MORGAN STANLEY CO INC NEW YORK	Emerging Markets	208,923.160	0.0178	3,717.11
MORGAN STANLEY CO INC, NYK	Emerging Markets	270.550	0.0318	8.60
MORGAN STANLEY DW ASIA, HONG KONG	Emerging Markets	1,557.750	0.0036	5.66
MORGAN STANLEY HK SECS LTD HONGKONG	Emerging Markets	4,138.590	0.0008	3.49
MORGAN STANLEY INDIA COMPANY PVT	Emerging Markets	866.670	0.3491	302.57
STATE STREET BANK AND TRUST CO	Emerging Markets	54.470	0.1289	7.02
UBS AG	Emerging Markets	30.900	0.0366	1.13
			TOTALS	**$ 605,177.74**

INVESTMENT

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1099R

New York City Board of Education Retirement System

Qualified Pension Plan

A Pension Trust Fund of the City of New York

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Actuarial Section

State of New York

ACTUARIAL

OFFICE OF THE ACTUARY

75 PARK PLACE • 9TH FLOOR
NEW YORK, NY 10007
(212) 442-5775 • FAX: (212) 442-5777

ROBERT C. NORTH, JR.
CHIEF ACTUARY

The City of New York

December 9, 2011

Board of Trustees
New York City Board of Education
Retirement System
65 Court Street
Brooklyn, NY 11201

Re: Actuarial Information for the Comprehensive Annual Financial Report ("CAFR") for the Fiscal Year Ended June 30, 2011

Dear Members:

The financial objective of the New York City Board of Education Retirement System - Qualified Pension Plan (the "Plan") is to fund members' retirement benefits during their active service and to establish employer normal contribution rates that, expressed as a percentage of active member annualized covered payroll, would remain approximately level over the future working lifetimes of those active members and, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

An actuarial valuation of the Plan is performed annually as of the second June 30 preceding each fiscal year to determine the Employer Contributions to be paid for that fiscal year (i.e., June 30, 2009 (Lag) actuarial valuation to determine Fiscal Year 2011 Employer Contributions).

Under current law, Employers are required to contribute statutorily-required contributions ("Statutory Contributions") and these contributions are generally funded by Employers within the appropriate fiscal year.

Statutory Contributions for Fiscal Year 2011 were equal to the Annual Required Contributions as defined under Governmental Accounting Standards Board ("GASB") Statement Number 25 ("GASB 25") as amended by GASB No. 50 ("GASB 50").

The Annual Required Contributions were computed in accordance with GASB 25 as amended by GASB 50 and are consistent with generally accepted actuarial principles.

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Actuarial Assumptions and Methods

Provided in this Actuarial Section of the CAFR is a "Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2009 (Lag) Actuarial Valuation." These actuarial assumptions and methods were first employed in the June 30, 2004 (Lag) actuarial valuation that was used to determine Fiscal Year 2006 Employer Contributions to the Plan and are referenced in the Summary of Actuarial Assumptions and Methods as the August 2005 Report.

These actuarial assumptions and methods are unchanged from those employed in the June 30, 2008 (Lag) actuarial valuation that was used to determine Fiscal Year 2010 Employer Contributions to the Plan.

Benefits and Census Data

A summary of the benefits applicable to Plan members included in the June 30, 2009 (Lag) actuarial valuation is shown later in this Actuarial Section of the CAFR.

Included in the summary of benefits are benefit provisions that have been passed by the New York State Legislature and enacted as Chapter 504 of the Laws of 2009. These benefit provisions became applicable to certain members who join the Plan on and after December 10, 2009.

Census data are submitted by the Plan's administrative staff and by the employers' payroll facilities and are reviewed by the Office of the Actuary ("OA") for consistency and reasonability.

A summary of the census data used in the June 30, 2009 (Lag) actuarial valuation is included in this CAFR. A summary of the census data used in the June 30, 2008 (Lag) actuarial valuation of the Plan is available in the June 30, 2010 CAFR.

Funded Status

The Funded Status of the Plan is usually expressed in various relationships of Assets to Liabilities.

With respect to the Funded Status of the Plan, included in the Financial Section of the CAFR is a Schedule of Funding Progress (Schedule 1).

Included in the Actuarial Section of the CAFR is a Solvency Test (i.e., Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets) as prescribed by the Government Finance Officers Association ("GFOA"). This Solvency Test represents an alternative approach to describing progress toward funding objectives.

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In addition to the Schedule of Funding Progress and the Solvency Test, included for informational purposes in the Actuarial Section of the CAFR (following the Solvency Test) is an Additional Discussion of Plan Funding and Other Measures of Funded Status that provides different comparisons between the Assets and Liabilities of the Plan. Included in this Other Measures of Funded Status discussion is information consistent with the disclosure requirements of GASB 50.

Presentation Style and Sources of Information

The actuarial information herein is being presented in a manner believed to be consistent with the requirements of the GFOA and, where applicable, with GASB 25 which was adopted for financial reporting purposes beginning Fiscal Year 1995 and with GASB 50 which was adopted for financial reporting purposes beginning Fiscal Year 2008.

The Additional Discussion of Plan Funding and Other Measures of Funded Status represents information provided by the Actuary to assist those users who desire additional disclosures.

As prescribed by GASB 25 as amended by GASB 50, included in the Financial Section of the CAFR are the following schedules prepared by the OA:

- Schedule of Funding Progress.
- Schedule of Employer Contributions.
- Schedule of Actuarial Assumptions and Methods.

The following schedules in the Actuarial Section of the CAFR were prepared by the OA:

- Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2009 (Lag) Actuarial Valuation.
- Active Member Valuation Data.
- Funded Status Based on Entry Age Actuarial Cost Method.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets - Solvency Test.
- Additional Discussion of Plan Funding and Other Measures of Funded Status.
- Retirants and Beneficiaries Added to and Removed from Rolls.
- Statutory vs. Annual Required Contributions.
- Summary of Plan Provisions.

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The following information and schedules in other sections of the CAFR were prepared by the OA:

- Summary of Plan Membership.
- Schedule of Participating Employers.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information elsewhere presented in this CAFR, please do not hesitate to contact Mr. John R. Gibney, Jr., Mr. Edward Hue or me.

I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Robert C North Jr

Robert C. North, Jr., FSA, MAAA
Chief Actuary

Att.

RCN/srh

cc: Ms. C.A. Bailey
Mr. J.R. Gibney
Mr. E. Hue

197L:srh

ACTUARIAL

Summary of Actuarial Assumptions and Methods
In Effect For The June 30, 2009 (Lag) Actuarial Valuation

(1) Based in part upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company ("GRS"), the Actuary issued an August 31, 2005 Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Board of Education Retirement System" ("August 2005 Report"). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152 of the Laws of 2006 ("Chapter 152/06") to provide for those changes to the actuarial assumptions and methods that required legislation, including the Actuarial Interest Rate ("AIR") assumption of 8.0% per annum.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial Accrued Liability ("UAAL"). In addition, Chapter 152/06 provided for elimination of the use of the ten-year phase-in under Chapter 278 of the Laws of 2002 ("Chapter 278/02") for funding the additional actuarial liabilities created by the benefits provided by Chapter 125 of the Laws of 2000 ("Chapter 125/00").

(2) The investment rate of return assumption is 8.0% per annum (4.0% per annum for benefits payable under the Variable Annuity Program).

(3) The mortality tables for service and disability pensioners were developed from an experience study of the Plan's pensioners. Sample probabilities are shown in Table 1.

(4) Active Service tables are used to estimate various withdrawals from active service. Sample probabilities are shown in Table 2 for members withdrawing from active service due to death or disability, in Table 3 for members withdrawing for other than death or disability or retirement, and in Table 4 for members withdrawing from active service after eligibility for service retirement.

(5) A Salary Scale is used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 5. The Salary Scale includes a General Wage Increase ("GWI") assumption of 3.0% per annum.

(6) The economic assumptions (i.e., the assumed investment return rate, GWI rate and Cost-of-Living Adjustments ("COLA")) were developed assuming a long-term Consumer Price Inflation ("CPI") assumption of 2.5% per annum. The COLA assumption is 1.3% per annum.

(7) The valuation assumes a closed group of members. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scale.

(8) The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the employer contributions. Under this Actuarial Cost Method, the Initial Liability was reestablished under the Entry Age Actuarial Cost Method as of June 30, 1999 but with the UAAL not less than $0.

Under this method, the excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

All outstanding components of the UAAL are being amortized over closed periods.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999.

The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first annual payment equals 103% of its preceding annual payment. However, the initial UAAL as of June 30, 1999 equaled $0 and no amortization period was required.

Chapter 69 of the Laws of 2002 established a UAAL as of June 30, 2003 for an Early Retirement Incentive (Part A only). This UAAL was amortized on a level basis over a period of five years beginning Fiscal Year 2004.

Note: Because the UAAL equals zero as of June 30, 2009, the financial results using the Frozen Initial Liability Actuarial Cost Method are identical to those that would be produced using the Aggregate Actuarial Cost Method.

(9) One-Year Lag Methodology ("Lag") uses a June 30, 2009 valuation date to determine Fiscal Year 2011 Employer Contributions.

This methodology requires technical adjustments to certain components used to determine Fiscal Year 2011 Employer Contributions as follows:

- Present Value of Future Salary ("PVFS")

  The PVFS at June 30, 2009 is reduced by the value of salary projected to be paid during Fiscal Year 2010.

- Salary for Determining Employer Contributions

  Salary used to determine the employer Normal Cost is the salary projected to be paid during Fiscal Year 2011 to members on payroll at June 30, 2009.

- Present Value of Future Normal Costs ("PVFNC")

  The PVFNC at June 30, 2009 is reduced by the discounted value of the Fiscal Year 2010 Employer Contribution (after offsetting for any UAAL payments).

(10) Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method ("AAVM") was changed to a method that reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter, the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns ("UIR") for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

The revised AAVM was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contribution in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions.

The AAVM in effect for the June 30, 2009 (Lag) actuarial valuation is unchanged from the AAVM used in the June 30, 2008 (Lag) actuarial valuation.

(11) The Actuarial Present Value of Future Benefits ("APVB") as of June 30, 2009, used to determine Fiscal Year 2011 Employer Contributions, includes estimates of liabilities for:

- World Trade Center Disability Benefits
- World Trade Center Death Benefits
- TDA Fixed Funds

(12) The Actuarial Assumptions and Methods are generally unchanged from the June 30, 2008 (Lag) actuarial valuation.

Table 1

DEATHS AMONG SERVICE AND DISABILITY PENSIONERS

Percentage of Pensioners Dying within Next Year

	Service Pensioners		Disability Pensioners	
Age	Males	Females	Males	Females
40	.1209%	.0677%	2.3055%	3.1297%
45	.3925	.1185	2.5505	3.2009
50	.6640	.2205	2.7639	3.2720
55	1.0351	.3840	3.2012	3.3431
60	1.3866	.7143	3.7649	3.4142
65	2.1971	1.1649	4.4364	3.5556
70	3.1053	1.7416	5.3787	4.0596
75	4.2868	2.8009	6.8150	5.1494
80	7.2749	4.6138	9.0925	7.0032
85	10.8977	7.2110	12.2138	9.4462
90	16.5712	12.2729	16.8444	13.0674
95	24.6685	19.4640	24.6685	19.4640
100	32.8097	28.6331	32.8097	28.6331
105	49.9036	47.3182	49.9036	47.3182
110	100.0000	100.0000	100.0000	100.0000

Table 2

WITHDRAWALS FROM ACTIVE SERVICE (DUE TO DEATH OR DISABILITY)

Percentage of Active Members Separating within Next Year

	Accidental Disability		Ordinary Disability		Death	
Age	Males	Females	Males	Females	Males	Females
20	.02%	.01%	.10%	.05%	.040%	.020%
25	.02	.01	.10	.05	.040	.020
30	.02	.01	.10	.05	.040	.020
35	.02	.01	.15	.05	.050	.025
40	.02	.01	.20	.10	.060	.030
45	.02	.01	.30	.20	.110	.055
50	.02	.01	.40	.30	.160	.080
55	.02	.01	.50	.40	.210	.105
60	.02	.01	.50	.40	.260	.130
65	.02	.01	.50	.40	.320	.160
70	NA	NA	NA	NA	NA	NA

Table 3

WITHDRAWALS FOR OTHER THAN DEATH OR DISABILITY OR RETIREMENT

Percentage of Active Members Withdrawing within Next Year

	Probability of Withdrawal	
Years of Service	Males	Females
0	6.00%	4.50%
5	4.00	3.50
10	2.50	2.50
15	1.50	2.00
20	1.00	1.50
25	1.00	1.00

Table 4

WITHDRAWALS FROM ACTIVE SERVICE (AFTER ELIGIBILITY FOR SERVICE RETIREMENT)

Percentage of Eligible Active Members Retiring Within Next Year

		With Unreduced Benefit*					
		Members not Electing Optional Retirement Program			Members Electing Optional Retirement Program		
		Years of Service Since First Elig.			Years of Service Since First Elig.		
Age	With** Reduced Benefits	0-1	1-2	2+	0-1	1-2	2+
50	2.00%	20.00%	15.00%	15.00%	60.00%	40.00%	20.00%
55	2.00	20.00	15.00	15.00	60.00	40.00	20.00
60	5.00	20.00	15.00	15.00	60.00	40.00	20.00
65	0.00	25.00	25.00	25.00	60.00	60.00	60.00
70	N/A	100.00	100.00	100.00	100.00	100.00	100.00

* Separate probabilities of Service Retirement are applicable to those active members who elected an Optional Retirement Program such as Chapter 96 of the Laws of 1995 or Chapter 19 of the Laws of 2008.

** Applicable to members whose benefits will be reduced upon retiring prior to the date eligible for unreduced Service Retirement.

Table 5

SALARY SCALE

Years of Service	Assumed Annual Percentage Increases Within Next Year*
0	8.00%
5	5.50
10	5.00
15	4.50
20	4.50
25	4.50
30	4.50
35	4.50
40	4.50

* Salary Scale includes a General Wage Increase assumption of 3.0% per annum

Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Salary	Percentage Increase (Decrease) in Average Salary
6/30/99	22,933	$592,168,563	$25,822	3.9%
6/30/00	24,720	666,033,084	26,943	4.3
6/30/01	24,651	694,178,952	28,160	4.5
6/30/02	25,253	736,741,106	29,174	3.6
6/30/03	21,678	651,032,658	30,032	2.9
6/30/04*	20,899	624,883,613	29,900	(0.4)
6/30/05 (Lag)	23,005	715,077,619	31,084	4.0
6/30/06 (Lag)	23,095	749,962,525	32,473	4.5
6/30/07 (Lag)	21,947	777,626,307	35,432	9.1
6/30/08 (Lag)	22,729	852,105,791	37,490	5.8
6/30/09 (Lag)	23,303	910,609,483	39,077	4.2
6/30/10 (Lag)**	23,324	906,479,210	38,865	(0.5)

* Same amounts apply for June 30, 2004 (Lag) Actuarial Valuation.

** Preliminary.

(In thousands)

This Schedule is being provided by the Actuary for the Plan, to improve the transparency and decision usefulness of this financial report.

The Actuarial Cost Method ("ACM") used to develop the funding requirements for the Plan is the Frozen Initial Liability ("FIL") ACM. Under this ACM, following establishment of any Initial Unfunded Actuarial Accrued Liabilities ("UAAL"), actuarial gains and losses are financed over the working lifetimes of active participants and are not identified as separate UAAL.

The funding status and funding progress information provided in this Schedule has been prepared using the Entry Age ACM where the Actuarial Present Value ("APV") of any obligations of the Plan not provided by the APV of Future Contributions (Employer and Employee), as determined under the Entry Age ACM, equals the Actuarial Accrued Liability ("AAL"). Under the Entry Age ACM, the UAAL equals the AAL minus the Actuarial Value of Assets.

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) - Entry Age (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/ c)
June 30, 2009 (Lag)	$1,963,719	$2,858,115	$894,396	68.7 %	$910,609	98.2 %
June 30, 2008 (Lag)	2,084,116	2,721,629	637,513	76.6	852,106	74.8
June 30, 2007 (Lag)	1,983,714	2,591,773	608,059	76.5	777,626	78.2
June 30, 2006 (Lag)	1,830,338	2,502,127	671,789	73.2	749,963	89.2
June 30, 2005 (Lag)	1,841,041	2,361,255	520,214	78.0	715,078	72.7
June 30, 2004 (Lag)	1,843,786	2,221,875	378,089	83.0	624,884	60.5

Note: This schedule is based on actuarial assumptions used for determining Employer Contributions.

Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets

SOLVENCY TEST

(Dollar Amounts in thousands)

	Aggregate Accrued Liabilities For						
As of June 30	Accumulated Member Contributions	Current Retirants and Beneficiaries	Active Members' Employer Financed Portion	Actuarial Value of Assets	Percentage of Actuarial Values Covered by Actuarial Value of Assets		
	(A)	(B)	(C)	(D)	(A)	(B)	(C)
1999	$201,855	$ 707,681	$493,231*	$1,705,424	100%	100%	100%
2000	225,604	825,066	585,044*	1,749,405	100	100	100
2001	238,052	860,142	618,938*	1,781,702	100	100	100
2002	320,182	897,094	689,951*	1,835,770	100	100	90
2003	291,168	1,024,724	675,042	1,833,798	100	100	77
2004	289,999	1,086,068	667,724	1,822,740	100	100	67
2004 (Lag)	289,999	1,092,068	674,381	1,843,786	100	100	68
2005 (Lag)	301,021	1,131,335	742,368	1,841,041	100	100	55
2006 (Lag)	317,544	1,181,666	809,206	1,830,338	100	100	41
2007 (Lag)	319,153	1,233,708	839,993	1,983,714	100	100	51
2008 (Lag)	337,821	1,262,046	904,890	2,084,116	100	100	62
2009 (Lag)	359,122	1,303,453	965,681	1,963,719	100	100	31

* Amounts shown were revised in the Fiscal Year 2004 CAFR from amounts published earlier to include annuitization of Variable Funds.

Also, see following "SOLVENCY TEST – NOTES."

SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the Actuarial Value of Assets of the retirement system with the Aggregate Accrued Liabilities for:

(A) Accumulated Member Contributions;
(B) Current Retirants and Beneficiaries; and
(C) Active Members' Employer Financed Portion.

The Aggregate Accrued Liabilities are the APV of projected benefits produced by the projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5 ("GASB 5").

This comparative summary allocated assets as if they were priority groups, somewhat similar to (but not identical to) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The values in the table are dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. The most recent change in assumptions and methods occurred in the June 30, 2004 (Lag) valuation used to compute the employer contribution for Fiscal Year 2006. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. For the valuation dates appearing in the table, the Actuarial Interest Rate and General Wage Increase assumptions were all equal to 8.0% per annum and 3.0% per annum, respectively.

ON-GOING FUNDING OF THE PLAN

Under the basic equation of pension funding, Contributions plus Investment Earnings pay for Benefits plus Expenses.

There are three major sources for financing those Benefits and Expenses paid from the Plan.

First, Member Contributions are established by statute and paid as percentages of member salaries.

Second, Investment Earnings reflect the rates of return achieved on the amounts of assets held in different asset classes in the Trust.

Third, Employer Contributions are determined by actuarial methodology to finance the Benefits payable by the Plan that are not provided by either Member Contributions or Investment Earnings and for the Administrative and Investment Expenses of the Plan.

This actuarial methodology includes demographic and certain tabular assumptions recommended by the Actuary and adopted by the Board of Trustees, and certain economic assumptions and financing methods recommended by the Actuary, supported by the Board of Trustees and, where required, enacted into law by the New York State Legislature and Governor.

Employer Contributions are particularly responsive to Investment Earnings and increase (decrease) on a smoothed basis whenever Investment Earnings are less (more) than expected.

For example, during Fiscal Years 2001 to 2003, the Assets of the Plan decreased because they earned less than expected. Consequently, over the following several years, the actuarial methodology responded by increasing Employer Contributions in order to bring the overall financial status of the Plan back into balance.

The New York City Charter requires an independent actuary to conduct an experience review of the Plan every two years. The Actuary utilizes this information and regularly proposes changes in actuarial assumptions and methods, most recently during Fiscal Year 2006.

These most recent changes, approved by the Board of Trustees and implemented during Fiscal Year 2006, include (1) updated demographic assumptions, (2) full recognition of all Obligations of the Plan (i.e., removing the statutory phase-in of certain liabilities) and (3) revised methodologies for smoothing changes in Employer Contributions due to Plan experience. Together, these changes further enhance the long-term financial integrity of the Plan.

The ongoing process of actuarial rebalancing and periodic reviews of actuarial assumptions and methods by the Actuary and the Board of Trustees, coupled with a financially responsible, long-duration employer like the City of New York (the “City”) and other participating Employers that can afford some variability of

Employer Contributions, help provide financial security for the Plan and its participants and reasonable intergenerational budget equity for taxpayers.

With the City and other participating Employers that have always paid and are expected to continue to pay the statutorily-required Employer Contributions as calculated by the Actuary and approved by the Board of Trustees, changes in Employer Contributions represent the source for rebalancing the basic equation of pension funding.

OTHER MEASURES OF FUNDED STATUS

Measures of Funded Status of the Plan are determined at specific points in time and are usually expressed in various relationships of Assets to Obligations. Assets as percentages of Obligations are referred to as Funded Ratios.

Comparisons of Funded Status over time provide insight into the evolving financial condition of the Plan.

The Other Measures of Funded Status presented herein provide somewhat different insights into the financial condition of the Plan and comparisons amongst these Other Measures of Funded Status can provide even more.

As noted, there are multiple, possible definitions of the Plan's Assets and Obligations. Some of these definitions of and comments on Assets and Obligations are set forth immediately hereafter. Additional observations about the meanings and usefulness of and the relationships amongst certain of the Funded Ratios are provided following the table of Funded Ratios.

DEFINITION OF AND COMMENTS ON ASSETS

With respect to Assets, both the Market Value of Assets ("MVA") and the Actuarial Value of Assets (or Actuarial Asset Value ("AAV")) are used to determine Funded Ratios.

In the case of the Plan, the AAVM currently in use provides for smoothing of the MVA by phasing any Unexpected Investment Returns (i.e., Investment Earnings greater or less than those expected under the actuarial assumption of 8.0% of AAV each year) into the AAV over a period of six years.

The advantage of using MVA is that it represents the tradable value of the Assets of the Plan at any point in time.

The advantage of using AAV is that it is smoothed to remove the volatility of MVA. The disadvantage of AAV is that it is not the tradable value of Assets in the marketplace and, therefore, does not show the volatility of the Assets.

DEFINITION OF AND COMMENTS ON OBLIGATIONS

With respect to Obligations, the Actuarial Accrued Liability ("AAL") under any particular Actuarial Cost Method ("ACM") is that portion of the APV of projected benefits which is not provided by future normal costs (employer and employee).

With respect to the Plan, where the ACM is the Frozen Initial Liability ("FIL") ACM, the AAL mathematically can be recast as the Unfunded AAL ("UAAL") plus the AAV. To the extent that the UAAL does not change much year to year, then the related AAL remains relatively consistent in value with the AAV each year.

With respect to the ongoing funding of the Plan, the use of the FIL ACM provides for amortizing actuarial gains and losses over the future working lifetimes of active employees. As used by the Plan, the FIL ACM generally results in funding that is more conservative (i.e., greater Employer Contributions) than that of most other Public Pension Plans.

The Entry Age Accrued Liability ("EAAL") is defined as the APV of projected benefits less the sum of the APV of future employee contributions and the APV of future employer entry age normal costs.

The EAAL is a required disclosure in accordance with Governmental Accounting Standards Board ("GASB") Statement Number 43 ("GASB 43") and GASB Statement Number 45 ("GASB 45") for Other Post-Employment Benefits ("OPEB") under certain ACMs.

In accordance with GASB Statement Number 50 ("GASB 50"), beginning with Fiscal Year 2008, the EAAL is a required disclosure for Public Pension Plans that determine employer contributions using the Aggregate ACM.

The Entry Age ACM is the most-commonly utilized ACM for funding Public Pension Plans.

The Projected Benefit Obligation ("PBO") is defined as the proportion of APV of all benefits attributed by the Plan's benefit formula to employee service rendered prior to the valuation date. The PBO was required reporting under GASB Statement Number 5 ("GASB 5") prior to its replacement by GASB 25 and GASB 27.

The Accumulated Benefit Obligation ("ABO") is determined in the same manner as the PBO but without assuming future salary increases.

The Market Value Accumulated Benefit Obligation ("MVABO") is determined in the same manner as an ABO using the same actuarial assumptions except that projected benefit payments are discounted using annual yields on U.S. Treasury securities of like duration. The MVABO is sometimes described as a Mark-to-Market measure of Obligations or a Market Value of Liabilities ("MVL").

TABLE OF ASSETS AND OBLIGATION VALUES

The following table presents the values of Assets and Obligations used to calculate alternative Funded Ratios.

Component Measures of Funded Status
(DOLLAR AMOUNTS IN MILLIONS)

Valuation Date June 30	Market Value of Assets (MVA)	Actuarial Asset Value (AAV)#	Actuarial Actuarial Liability (AAL)*	Entry Age Accrued Liability (EAAL)**	Projected Benefit Obligation (PBO)**	Accumulated Benefit Obligation (ABO)**	Market Value Accumulated Benefit Obligation (MVABO)***	MVABO Equivalent Discount Yield (Per Annum)	MVABO Weighted Average Duration (Years)
1999	$1,705.4	$1,705.4	$1,705.4	$1,461.8	$1,402.8	$1,220.2	$1,468.4	6.0%	10.4
2000	1,771.6	1,749.4	1,749.4	1,726.8	1,635.7	1,466.6	1,770.2	6.0	11.1
2001	1,546.4	1,781.7	1,781.7	1,862.8	1,717.1	1,526.3	1,903.5	5.7	10.8
2002	1,438.4	1,835.8	1,835.8	2,086.7	1,907.2	1,702.5	2,120.9	5.7	10.5
2003	1,410.6	1,833.8	1,842.0	2,144.1	1,990.9	1,808.6	2,561.2	4.6	11.5
2004	1,594.5	1,822.7	1,829.5	2,030.3	2,043.8	1,873.5	2,379.6	5.5	10.6
2004 (Lag)	1,594.5	1,843.8	1,850.6	2,221.9	2,056.4	1,860.1	2,366.1	5.5	10.8
2005 (Lag)	1,685.5	1,841.0	1,846.3	2,361.3	2,174.7	1,943.1	2,886.7	4.2	12.6
2006 (Lag)	1,809.4	1,830.3	1,834.0	2,502.1	2,308.4	2,055.4	2,657.2	5.4	11.6
2007 (Lag)	2,179.5	1,983.7	1,985.6	2,591.8	2,392.9	2,105.7	2,792.4	5.2	11.7
2008 (Lag)	2,021.9	2,084.1	2,084.1	2,721.6	2,504.8	2,202.5	3,201.4	4.5	12.0
2009 (Lag)	1,536.6	1,963.7	1,963.7	2,858.1	2,628.3	2,318.3	3,519.2	4.1	12.1
2010 (Lag)##	1,785.9	2,092.2	2,092.2	2,943.3	2,709.9	2,445.5	3,971.5	3.6	12.4

The AAV used for the June 30, 1999 to June 30, 2004 actuarial valuations assumes the AAV was reset to MVA as of June 30, 1999. As of each June 30 thereafter, the AAV recognizes Investment Returns greater or less than expected over a period of five years (six years beginning with the June 30, 2004 (Lag) actuarial valuation).

* Calculated in accordance with the Actuarial Cost Method (i.e., Frozen Initial Liability) and actuarial assumptions used for determining Employer Contributions.

** Calculated based on actuarial assumptions used for determining Employer Contributions.

*** Calculated based on actuarial assumptions used for determining Employer Contributions except that projected benefit payments are discounted using annual yields derived from U.S. Treasury Spot Rates as published by the U.S. Department of the Treasury Office of Thrift Supervision in its Selected Asset and Liability Price Tables. Also shown are the related MVABO Equivalent Discount Yield and the MVABO Weighted Average Duration.

The June 30, 2010 (Lag) figures are preliminary and are generally based on the same census data, actuarial assumptions and methods used to develop published, preliminary Fiscal Year 2012 employer contributions.

TABLE OF FUNDED RATIOS

The following table presents alternative Funded Ratios comparing Assets to Obligations, including: (1) AAV divided by AAL, (2) AAV divided by EAAL, (3) MVA divided by EAAL, (4) AAV divided by PBO, (5) MVA divided by PBO, (6) AAV divided by ABO, (7) MVA divided by ABO and (8) MVA divided by MVABO.

Funded Ratios								
Valuation Date	AAV/ AAL	AAV/ EAAL	MVA/ EAAL	AAV/ PBO	MVA/ PBO	AAV/ ABO	MVA/ ABO	MVA/ MVABO
6/30/99	100%	117%	117%	122%	122%	140%	140%	116%
6/30/00	100	101	103	107	108	119	121	100
6/30/01	100	96	83	104	90	117	101	81
6/30/02	100	88	69	96	75	108	84	68
6/30/03	100	86	66	92	71	101	78	55
6/30/04	100	90	79	89	78	97	85	67
6/30/04 (Lag)	100	83	72	90	78	99	86	67
6/30/05 (Lag)	100	78	71	85	78	95	87	58
6/30/06 (Lag)	100	73	72	79	78	89	88	68
6/30/07 (Lag)	100	77	84	83	91	94	104	78
6/30/08 (Lag)	100	77	74	83	81	95	92	63
6/30/09 (Lag)	100	69	54	75	58	85	66	44
6/30/10 (Lag)#	100	71	61	77	66	86	73	45

\# Preliminary.

COMMENTS ON FUNDED RATIOS AND FUNDING METHODOLOGY

With respect to the different Funded Ratios shown in the preceding table, the ratio of AAV/AAL is from the Schedule of Funding Progress (Schedule 1) presented in the Financial Section of this CAFR. Due to the mathematics of the FIL ACM where AAL equals AAV plus UAAL, the AAV/AAL Funded Ratios tend to remain relatively constant from year to year and provide limited insight into the ongoing financial performance of the Plan.

The Other Measures of Funded Status shown in the preceding table provide different relationships between the Assets and Obligations of the Plan and are designed to offer additional insight into the Funded Status of the Plan that the Actuary believes useful to some users.

The ratios of AAV/EAAL reflect information that is now a required disclosure for certain Public Pension Plans that utilize the Aggregate ACM. This requirement also exists for certain OPEB plans under GASB 43 and GASB 45.

The ratios of AAV/PBO present information that was previously required under GASB 5 and is a comparable but somewhat different representation of the information shown in the Solvency Test presented earlier in this Section of the CAFR.

The ratios of MVA/MVABO provide information on Funded Status that is (1) independent of the asset allocation of the Plan, (2) exclusive of any advance recognition of expected asset risk premia (e.g., equity risk premium) and (3) absent any smoothing of asset values.

Inherent in its design, the MVA/MVABO Funded Ratio is expected to be volatile due to the impact of asset gains and losses without smoothing and the impact of changes in interest rates in the economy. Such volatility is a reflection of markets and can provide useful disclosure information. However, such volatility is not consistent with the needs of budgeting. Those budgeting needs are met by the actuarial assumptions and FIL ACM currently in use to determine Employer Contributions.

Comparing the MVA/EAAL to AAV/EAAL, MVA/PBO to AAV/PBO or MVA/ABO to AAV/ABO provides an opportunity to evaluate the degree of smoothing provided by the Actuarial Asset Valuation Method.

Comparing Funded Ratios based on the same Assets (i.e., MVA or AAV) but different definitions of Obligations (e.g., EAAL versus PBO versus ABO) provides an opportunity to evaluate the differences in those different definitions of Obligations.

Comparing AAV/PBO with AAV/ABO provides insight into the impact of expected salary growth on the value of benefits earned to date.

Comparing MVA/ABO with MVA/MVABO provides an opportunity to compare the impact of alternative interest rates on discounting the ABO.

It should also be noted that Measures of Funded Status are best examined with more consideration of their trends over time than their values at any given point in time.

Finally, over time, it should be noted that as the City and other participating Employers pay into the Plan the actuarially-determined Employer Contributions, all Funded Ratios can be expected to increase from their current levels.

Retirants and Beneficiaries Added To and Removed From Rolls

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase In Annual Allowances	Average Annual Allowances
	Number	Annual Allowances**	Number	Annual Allowances	Number	Annual Allowances*		
6/30/99	536	$ 6,876,212	272	$2,262,330	9,058	$ 87,724,653	5.6%	$ 9,685
6/30/00	673	7,000,476	324	2,652,306	9,407	92,072,823	5.0	9,788
6/30/01	711	13,847,963	280	2,815,207	9,838	103,105,579	12.0	10,480
6/30/02	693	7,712,942	256	3,039,034	10,275	107,779,487	4.5	10,489
6/30/03	1,068	16,795,369	360	3,581,174	10,983	120,993,682	12.3	11,016
6/30/04***	995	11,412,512	353	3,527,249	11,625	128,878,945	6.5	11,086
6/30/05 (Lag)	779	8,763,397	431	3,995,277	11,973	133,647,065	3.7	11,164
6/30/06 (Lag)	1,066	12,053,392	466	3,414,306	12,573	142,286,151	6.5	11,317
6/30/07 (Lag)	958	10,886,720	540	3,850,151	12,991	149,322,720	4.9	11,494
6/30/08 (Lag)	667	8,148,653	462	4,350,475	13,196	153,120,898	2.5	11,604
6/30/09 Lag)	936	10,879,798	491	4,135,086	13,641	159,865,610	4.4	11,719

* Allowances shown in table are those used in the actuarial valuation for the given fiscal year and are not adjusted for anticipated changes due to finalization of benefit calculation or contract settlements.

** Balancing Item – Amounts shown include changes due to benefit finalization, change in benefit type (e.g., Service to Accident Disability), COLA increases and other changes.

*** Same amounts apply for June 30, 2004 (Lag) actuarial valuation

Fiscal Year Ended	Statutory Contribution*	Annual Required Contribution	Employer Rate of Contribution**
6/30/00	$ 9,514,029	$ 9,514,029	1.607%
6/30/01	39,202,604	52,070,363	5.886
6/30/02	56,547,710	66,660,509	8.146
6/30/03	70,215,171	87,924,410	9.531
6/30/04	84,054,254	95,004,623	12.911
6/30/05	96,648,286	106,358,977	15.467
6/30/06	90,838,671	90,838,671	14.926
6/30/07	129,820,109	129,820,109	18.641
6/30/08	143,100,327	143,100,327	19.627
6/30/09	134,224,615	134,224,615	17.766
6/30/10	147,348,563	147,348,563	17.822
6/30/11	180,191,397	180,191,397	20.461

* Represents total employer contributions accrued for fiscal year.

The Statutory Contributions for Fiscal Years 2001 and 2002 were computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

The Statutory Contributions for Fiscal Years 2003 through 2005 were computed in accordance with Chapter 278/02 which extended from five to ten years the phase-in period for the funding of the additional actuarial liabilities attributable to Chapter 125/00.

Beginning Fiscal Year 2006, the Statutory Contributions were computed using a One-Year Lag Methodology in accordance with Chapter 152/06 which also eliminated the use of ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities attributed to Chapter 125/00.

** The employer rates of contribution equal the Statutory Contributions as percentages of the salaries of members who were on payroll or projected to be on payroll (under One-Year Lag Methodology) as of the preceding June 30 and adjusted, where applicable, to be consistent with collective bargaining agreements estimated to be achieved.

Summary of Plan Provisions

This Summary of Plan Provisions is applicable to Plan members included in the June 30, 2009 (Lag) actuarial valuation.

A. MEMBERSHIP

Membership in the New York City Board of Education Retirement System – Qualified Pension Plan is available to all non-temporary employees in education service, regardless of part-time or full-time status, other than persons eligible to participate in the New York City Teachers' Retirement System – Qualified Pension Plan.

All such persons holding permanent civil service positions are required to become members of the New York City Board of Education Retirement System – Qualified Pension Plan.

B. BRIEF HISTORY

The Board of Education Retirement System was established as of September 1, 1921 and originally provided for its members a fractional retirement plan (i.e., age 60-1/140th). Subsequently, additional fractional plans were made available (i.e., the age 55-1/120th and the age 55-1/100th). These plans are known as the Old Service Fraction Plans.

Amendments in 1968 to the Rules and Regulations of the Board of Education Retirement System substantially revised the benefit structure by establishing two new retirement plans effective July 1, 1968. Members who joined the System on or after the effective date were required to choose either one of the two plans, namely (1) the Career Pension Plan ("Plan A"), or (2) the 55-Year Increased-Service-Fraction Plan ("Plan B"). A member who joined the System prior to the effective date could continue under his/her existing plan, or could elect one of these new plans, providing such election was made prior to July 1, 1970. Members who elected one of these new plans are referred to as Tier I members.

Chapter 1046 of the Laws of 1973 imposed certain limitations on the benefits available to members joining the System after June 30, 1973. For members who joined the System between July 1, 1973 and June 30, 1976 (Tier II members), two plans were available: the Modified Career Pension Plan ("Plan C"); and the Modified 55-Year-Increased-Service-Fraction Plan ("Plan D").

Chapter 890 of the Laws of 1976 established a new statewide pension plan, the Coordinated Escalator ("CO-ESC") Retirement Plan, covering all employees joining on or after July 1, 1976 (Tier III members). However, the New York Court of Appeals on May 31, 1988 held, in Civil Service Employees' Association vs. Regan, that persons who became members between July 1, 1976 and July 26, 1976 are considered Tier II (i.e., Plans C and D) members.

Chapter 414 of the Laws of 1983 established the Coordinated Retirement Plan, effective September 1, 1983, superseding the CO-ESC plan for most employees joining the System on or after July 27, 1976 (Tier IV members). This plan set a normal retirement age of 62, and mandated a 3% contribution by the member for all years of membership. Members who joined July 27, 1976 through August 31, 1983, however, are entitled to receive a benefit from either the CO-ESC or Coordinated Plan, whichever provides a greater benefit.

Chapter 749 of the Laws of 1992 set forth pension rights, including retroactive rights, to part-time employees.

Chapter 96 of the Laws of 1995 ("Chapter 96/95") established an Optional Retirement Program effective during Fiscal Year 1996. This Program increased early retirement benefits and required additional member contributions. This Program is optional for those hired prior to the effective date of the legislation and mandatory for those hired after.

Chapter 442 of the Laws of 1997 reduced from 4.35% to 2.85% the Additional Member Contributions for Tier II and Tier IV members participating in the Chapter 96/95 Optional Retirement Program.

Chapter 266 of the Laws of 1998 improved benefits for Tier IV members who had at least 20 years of service but less than 25 years of service and permitted certain Tier III retirees to elect to receive Tier IV benefits.

Chapter 388 of the Laws of 1998 provided a pre-retirement death benefit for certain vested members of the Plan.

Chapter 389 of the Laws of 1998 allowed certain members of the Plan to become vested after five years of service.

Chapter 390 of the Laws of 1998 ("Chapter 390/98") provided additional benefits for cost-of-living increases for certain retirees of the Plan. An initial increase for members who retired on or before Calendar Year 1992 is effective as of September 1998 as enacted by the City Council on August 27, 1998. A subsequent increase for members who retired on or before Calendar Year 1993 is effective as of September 1999 as enacted by the City Council on August 27, 1998.

Chapter 644 of the Laws of 1998 provided that any active member with ten or more years of service and within three years of retirement may purchase up to three years of member service credit for U.S. Military Service during a period of war.

Chapter 646 of the Laws of 1999 provided active and future members the right to reinstate earlier membership by repaying prior member contributions with 5% interest.

Chapter 659 of the Laws of 1999 reduced to five years the amount of service credit needed for Tier III/IV vested members to receive benefits at age 55.

Chapter 110 of the Laws of 2000 amended the language of the legislation that later became Chapter 126 of the Laws of 2000 which provides for benefit enhancements for certain members.

Chapter 125 of the Laws of 2000 ("Chapter 125/00") provided eligible retirees with annual automatic Cost-of-Living Adjustments. It also provided for a five-year phase-in for the funding of the additional actuarial liabilities.

Chapter 126 of the Laws of 2000 provided for benefit enhancements (i.e., elimination of employee basic contributions for Tier III/IV members with more than 10 years of membership, additional service credit for Tier I/II members of up to a maximum of 24 months, and allows Tier III/IV members to retire at age 55 with reduced benefits under the same formula as used for Tier II members) for certain members of the New York City Retirement Systems.

Chapter 553 of the Laws of 2000 permitted Tier IV members to retire early with a reduced benefit beginning at age 55 provided they have at least 5 years of credited service and are not members of the 25 Year Early Retirement Program or the Age 57 Retirement Program.

Chapter 554 of the Laws of 2000 provided that Tiers II, III and IV members who joined prior to January 1, 2001 and who elected Death Benefit One will receive the greater of Death Benefit One or Death Benefit Two coverage. New members on and after January 1, 2001 will only receive coverage under Death Benefit Two.

Chapter 509 of the Laws of 2001 reduced from 2.85% to 1.85% the Additional Member Contribution rate for Tier II and Tier IV members participating in the Chapter 96/95 Optional Retirement Programs.

Chapter 69 of the Laws of 2002 provided an Early Retirement Incentive ("ERI") program for certain members.

Chapter 278 of the Laws of 2002 ("Chapter 278/02") revised the phase-in schedule of Chapter 125/00 for Fiscal Year 2003 and later by extending from five to ten years the phase-in period for the funding of the additional actuarial liabilities attributable to Chapter 125/00.

Chapter 307 of the Laws of 2002 provided Corpus Funding of administrative expenses for the Plan commencing July 1, 2002 and allows for the appointment of an Executive Director for the Plan.

Chapter 623 of the Laws of 2004 provided for an Excess Benefit Plan to be established which would provide benefits to those pensioners whose annual retirement benefits are limited because those benefits exceed the limitations set by IRC Section 415 (b). The law is retroactive to July 1, 2000.

Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, created a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

Chapter 105 of the Laws of 2005 states that a member killed in the U.S. Armed Forces on and after June 14, 2005 is deemed a Line-of-Duty death while on active payroll.

Chapter 133 of the Laws of 2005 continued the valuation and other interest rates for one year to June 30, 2006 from June 30, 2005.

Chapter 152 of the Laws of 2006 ("Chapter 152/06") provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability ("FIL") Actuarial Cost Method and the existing Unfunded Actuarial Accrued Liability ("UAAL"). In addition, Chapter 152/06 provided for the elimination of the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00.

Chapter 445 of the Laws of 2006 ("Chapter 445/06") created a presumptive eligibility of accidental death benefits in conjunction with the World Trade Center attack on September 11, 2001.

Chapter 5 of the Laws of 2007 amended Chapter 445/06 to clarify the World Trade Center accidental disability benefits payable to retirees who die in the first 25 years of retirement. It also amended Chapter 445/06 to include World Trade Center deaths as presumptive accidental deaths in the Line of Duty.

Chapter 260 of the Laws of 2007 is a reopener of the Chapter 96/95 Optional Retirement Program for Tier II and Tier IV members in the Loader and Handler job titles.

Chapter 19 of the Laws of 2008 established retirement programs to permit certain Tier 2 and Tier 4 members to elect to retire between ages 55 and 62 without reduction provided they have 25 years of service, by paying an additional contribution of 1.85% of future pay. New members after February 27, 2008 are mandated into this plan and are required to be age 55 and have 27 years of service to retire without reduction.

Chapter 489 of the Laws of 2008 expanded and redefined the eligibility provisions of the accidental disability and accidental death benefits that arise in connection with the World Trade Center attack on September 11, 2001.

Chapter 211 of the Laws of 2009 continued the valuation and other interest rates for one year to June 30, 2011 from June 30, 2009.

Chapter 504 of the Laws of 2009 ("Chapter 504/09") provides that individuals joining the Plan after December 10, 2009, who are represented by the United Federation of Teachers ("UFT") and who participate in the 55/27 retirement program, will be required to make pension contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter. These members will become vested after ten years of credited service.

Also, under Chapter 504/09, all members of the Plan represented by the UFT who participate in the Tax Deferred Annuity Program ("TDA"), will receive an interest rate of 7.0% per annum credited to their TDA Fixed Funds accounts beginning December 10, 2009.

Chapter 157 of the Laws of 2011 provided that members who were laid off from the School Construction Authority ("SCA") on or after December 1, 2002 and who returned to work prior to January 8, 2008, can buy back their layoff time for retirement purposes.

Chapter 265 of the Laws of 2011 continued the valuation and other interest rates for one year to June 30, 2011 from June 30, 2010.

Chapter 180 of the Laws of 2011 continued the valuation and other interest rates for one year to June 30, 2012 from June 30, 2011.

Following is a description of the principal benefit provisions of the System, preceded by simplified definitions of the technical terms used therein.

C. COORDINATED RETIREMENT PLAN

ARTICLE 15 OF THE RETIREMENT AND SOCIAL SECURITY LAW ("RSSL")

I. Definitions

Final Average Salary ("FAS") - The average salary earned during any three consecutive years which provides the highest average salary. If the salary earned during any year included in the three-year period, however, exceed that of the average of the previous two years by more than 10%, the amount in excess of 10% will be excluded from the computation of FAS.

Salary - The regular compensation earned by and paid to a member.

II. Benefits Under The Coordinated Retirement Plan

A member whose date of membership is July 27, 1976 or later, belongs to the Coordinated Retirement Plan.

a. SERVICE RETIREMENT

1. Normal Service Retirement

(a) Payability Date depends on Plan as follows:

(1) Age 62 and 5 years of service;
(2) Age 57 and 5 years of service;
(3) Age 55 and 25 years of service; or
(4) Age 55 and 27 years of service.

(b) (1) Pension payable for members with fewer than 20 years of service (25 for members in Optional Retirement Plans): 1/60 times FAS times years of service.

(2) Pension payable for members with at least 20 years of service (25 for members in Optional Retirement Plans), but fewer than 30 years of service: 1/50 times FAS times years of service.

(3) Pension payable for members with 30 or more years of service: 1/50 times FAS for each of the first thirty years of service, plus 3/200 times FAS for each additional year.

2. Early Service Retirement:

Commencing as early as age 55, requires completion of five years of credited service. Benefit is equal to the Service Retirement benefit reduced depending on the number of months prior to age 62.

3. Deferred Vested Benefit

A member who has five or more years of service upon termination of employment (ten years if hired after December 10, 2009) is entitled to a deferred vested benefit payable starting at age 62. The benefit formulas are the same as those set forth under Normal Service Retirement.

b. DISABILITY RETIREMENT

1. Requirements

A member is eligible for ordinary disability retirement if:

(a) he/she has completed ten or more years of service and,

(b) he/she is incapacitated from performance of gainful employment.

If the disability is judged to be the result of an accident in the performance of duty, the service requirement is waived.

2. Benefit Payable

The benefit is the greatest of:

a) ⅓ of FAS,
(b) 1/60 times FAS times years of credited service, or
(c) the service retirement allowance but only if member has met the eligibility requirements for Service Retirement.

c. ORDINARY DEATH BENEFIT

Upon the death of a member in active service, a benefit is payable to his/her designated beneficiary. Under legislation effective July 26, 1986, the death benefits are the same as those applicable to members who joined the System between July 1, 1973 and July 26, 1976 (described in Section D.II.e of this Summary Of Plan Provisions).

d. ACCIDENTAL DEATH BENEFIT

1. Requirements

A beneficiary is entitled to the benefit if the member died before the effective date of retirement as a natural and proximate result of an accident sustained in the performance of duty, and the accident was not caused by the member's own willful negligence.

2. Pension Payable

The beneficiary receives a pension equal to 50% of wages earned during the last year of actual service (must be applied for within two years of death) and within 60 days if member joined after August 31, 1983.

3. Other Provisions

(a) If the eligible beneficiary becomes ineligible to continue to receive the benefit, it shall be continued to the next eligible class of beneficiaries, and if none, to each successive class.

(b) If the benefits paid do not exceed the amount of the ordinary lump sum benefit because of the absence of eligible beneficiaries, the difference is to be paid to the last eligible beneficiary, or if none, to the member's estate.

e. DESIGNATION OF BENEFICIARY

Beneficiaries are dealt with differently for ordinary death and accidental death benefits. For the ordinary death benefit, the latest named beneficiary, duly designated on a System form filed with the System will receive the death benefit. If none is designated, the benefit is paid to the member's estate.

For the accidental death benefit, beneficiaries are prescribed in the following order:

1. a surviving spouse who has not renounced survivorship rights in a separation agreement until remarriage;

2. surviving children, until age 25;

3. dependent parents whose eligibility shall be determined in accordance with regulations promulgated by the Board of Trustees; and,

4. any other person who qualified as a dependent on the final federal income tax return of the member filed in the year immediately preceding the year of death, until such person reaches 21 years of age.

D. PLANS FOR MEMBERS JOINING PRIOR TO JULY 27, 1976

I. Definitions

ACCUMULATED DEDUCTIONS - The total contributions made by a member to his annuity savings account, with regular and special interest, or increment thereon.

FINAL SALARY - (1) For a member who joined prior to July 1, 1973, salary earnable by the member in the year ending on the date of retirement or alternatively, the average annual compensation during any three calendar years designated by the member. (2) For a member who joined after June 30, 1973, the average salary earned during any three consecutive years which provides the highest average salary. However, if the salary earned during any year included in this three year period exceeds the average of the previous two years by more than 20%, the amount in excess of 20% is excluded from the computation.

MINIMUM ACCUMULATION - The amount of normal contributions accumulated with interest to the date on which a member either completed or could have completed 25 years of Career Pension Plan service, less the amount of the reserve for Increased-Take-Home-Pay on such date.

PAYABILITY DATE - For members who elected the Career Pension Plan, the date on which the service retirement allowance begins, which is the latest of (1) the date on which the member retires, (2) the date on which he/she attains the age 55 (age 50 for members in physically taxing positions for at least 25 years of service), or (3) the date on which he/she could have completed 25 years of service had he/she remained in Educational City Service. Except that for a member who last joined the System prior to July 1, 1959, the payability date is the date of retirement, regardless of age, provided such member has completed 35 years of service. For all other members, the retirement allowance begins on the date of retirement.

PHYSICALLY TAXING POSITION - Any career pension plan position which has been included as physically taxing by the List Administrator.

RESERVE-FOR-INCREASED-TAKE-HOME-PAY - A reserve of 2 percent, 2.5 percent, 4 percent or 5 percent of the member's salary, pursuant to the provisions of Section 28 of the Rules and Regulations, accumulated with regular and additional interest, or increment thereon.

II. Benefits

a. SERVICE RETIREMENT

1. Career Pension Plan - (i) A member who joined prior to July 1, 1973 who elected the career pension plan (Plan A) is eligible to retire after having completed 20 years of career pension plan qualifying service, with benefits to begin on the payability date. Regardless of the number of years of service, however, a member who has elected the career pension plan and who is at least 55 years of age may retire with benefits payable immediately by canceling his election of the career pension plan, thereby becoming eligible for the benefits under the 55 year-increased-service-fraction plan which is described in paragraph (2) below. (ii) In order for a member who joined after June 30, 1973 (Plan C) to be eligible for retirement, he must (a) have attained age 55 and (b) have rendered five years of credited service, in addition to the aforementioned requirements.

   The service retirement allowance is the sum of (a) 2.2% of final salary, multiplied by the number of years of career pension plan service not in excess of 25, reduced by an annuity which is the actuarial equivalent of the Minimum Accumulation, (b) an annuity which is the actuarial equivalent of the accumulated deductions, and (c) for all years of service other than the first 25 years of career pension plan service, (i) a pension for increased-take-home-pay made in each year and (ii) 1.2% of final salary for each such year prior to July 1, 1968 and 1.7% of final salary for each year beginning on or after that date.

2. 55-Year-Increased-Service-Fraction Plan - (i) A member who joined prior to July 1, 1973 (Plan B) and who elected the 55-year-increased-service-fraction plan may retire after having attained age 55 with benefits payable immediately upon retirement. (ii) In order for a member who joined after June 30 1973, (Plan D) to be eligible for retirement, he must have rendered five years of credited service, in addition to the aforementioned requirement.

   The service retirement allowance consists of a pension for service, a pension for increased-take-home-pay and an annuity. The pension for service is equal to 1.2% of final salary multiplied by each year of service prior to July 1, 1968, plus 1.53% of final salary multiplied by each year of service after June 30, 1968; the pension for increased-take-home-pay is the actuarial equivalent of the reserve for increased-take-home-pay; and the annuity is the actuarial equivalent of the member's accumulated deductions.

   Any Plan C or D member who did not join the Optional Retirement Programs and who retires prior to age 62 will have his pension for service reduced by 0.5% for each of the first 24 months that the payability date precedes age 62, and by 0.25% for each such additional month.

b. ORDINARY DISABILITY RETIREMENT

Regardless of the plan elected, a member, who has completed 10 or more years of city service immediately preceding the occurrence of disability from causes other than accident in the actual performance of duty, is entitled to an ordinary disability retirement allowance.

If upon becoming disabled, the member could have retired for service with benefits payable immediately, the ordinary disability allowance is the same as the service retirement allowance. For all other members, the ordinary disability allowance is computed in the same manner as though the member had been eligible for service retirement under the 55-year-increased-service-fraction plan with benefits payable immediately regardless of age and without reduction for age.

c. ACCIDENT DISABILITY RETIREMENT

Upon the occurrence of disability caused by an accident in the actual performance of duty, a member is entitled to an accident disability retirement allowance consisting of a pension equal to three-fourths of final compensation, a pension for increased-take-home-pay which is the actuarial equivalent of the reserve for increased-take-home-pay, and an annuity purchased with the member's accumulated deductions. The pension is subject to reduction because of Worker's Compensation benefits granted on account of the accident.

d. CHANGING RETIREMENT PLAN

1. A member in Plan A (Plan C) may change to Plan B (Plan D) at any time after his first year of coverage under Plan A (Plan C).

2. A member who elected Plan B (Plan D) can change to Plan A (Plan C) at any time.

3. A member in an Old Service Fraction Plan can change to Plan A, B, C or D.

4. A Plan A (Plan C) member who intends to leave city service who has at least 5 years but less than 20 years of service credit, and who wishes to vest his rights must elect Plan B (Plan D) by filing with the Retirement System an affidavit withdrawing from Plan A (Plan C), prior to resignation.

e. ORDINARY DEATH BENEFIT

Upon the death of a member from causes other than an accident in the actual performance of duty, a benefit is paid to the member's estate or to such person as the member shall have nominated.

With respect to a member who joined before July 1, 1973, and total number of years of allowable service less than ten, the benefit is equal to the compensation earnable by the member in the six months immediately preceding death and, if the total number of years of allowable service is greater than ten, but less than twenty, the benefit is equal to the compensation earnable during the twelve months immediately preceding death. If the total number of years of allowable service is greater than twenty, the benefit is equal to twice the compensation earnable during the twelve months immediately preceding death.

In addition, the member's accumulated deductions and the reserve for increased-take-home-pay are paid to the member's estate or to the member's designated beneficiary. The benefit payable on account of such a member who at the time of death would have been eligible for service retirement is either the benefit described above or an amount equal to the reserve on the retirement allowance which would have been payable had the member retired on the day before death, whichever is larger.

A member who joins after June 30, 1973 must choose between the following two death benefits which cannot be changed; upon death, a benefit is paid pursuant to such election.

Death Benefit 1: One month's salary for each year of service up to a maximum of three years' salary. In addition, the member's accumulated deductions are payable. If the member would have been eligible to receive an unreduced retirement allowance at the time of death, the benefit is the reserve on the retirement allowance which would have been payable had the member retired on the day before his death, if greater.

Death Benefit 2: In addition to a refund of the member's accumulated deductions, one year's salary for each year of service up to a maximum of three years' salary. The maximum benefit declines after age 60 at the rate of 5% per year, to a minimum of 50% of the benefit in effect at age 60.

A benefit is also payable upon death after retirement, which benefit is expressed as a percent of the benefit in force immediately before retirement as follows: If death occurs in the first year after retirement, 50% of such benefit; if death occurs in the second year following retirement, 25%; upon death occurring subsequently, 10%. If retirement occurred after age 60, the minimum death benefit payable after retirement is 10% of the death benefit in force at age 60.

The Rules and Regulations adopted by the Board of Trustees in accordance with Chapter 581 of the Laws of 1970 provide that the first $50,000 of each benefit on account of death in active service is payable from the group term life insurance plan. Only the amount in excess of $50,000, if any, is payable by the retirement system.

f. ACCIDENTAL DEATH

The benefit is payable upon the death of a member which occurs as a result of an accident sustained in the performance of duty.

The accidental death benefit is a lump sum equal to the reserve for increased-take-home-pay and a pension equal to one-half of final average salary, payable to the surviving spouse until remarriage or death, or if there is no surviving spouse, to a child or children until the attainment of age 18 of the youngest child, or if there is no surviving spouse or child to the dependent parents. In addition, the member's accumulated deductions are paid to his/her estate or to the designated beneficiary. The pension is subject to reduction because of Worker's Compensation benefits granted on account of the accidental death.

g. TERMINATION OF EMPLOYMENT

A member who either resigns or is dismissed with fault receives a benefit equal to his accumulated deductions. At resignation with at least 5 years of service the member may elect, in lieu of a return of his accumulated deductions, to receive an allowance computed in the same manner as the retirement allowance for retirement under the 55-year-increased-service-fraction plan, except that the allowance is deferred to age 55. Should a member with less than 10 years of service who elected to receive a deferred retirement allowance die before the attainment of age 55, the benefit consists of the accumulated deductions. If a member who at resignation had at least 10 years of service and elected to receive a deferred retirement allowance dies before the attainment of age 55, the benefit is one-half of the ordinary death benefit.

A member not eligible for service retirement and who is removed from service without fault or delinquency and has not less than one-half year of service in the year immediately preceding the date of termination or who is so removed from a position in the competitive or labor class, regardless of service, is entitled to the return of his accumulated deductions in a lump sum payment or to a pension whose present value is equal to the pension he would have received at his earliest payability date, based on his service to date of termination. If the member has attained age 50 and has completed at least 20 years of service, an additional pension is payable equal to one-half the difference between the pension so computed and the pension payable at his earliest age for service retirement. In addition, he receives a pension which is the actuarial equivalent of his reserve for increased-take-home-pay and an annuity of such amount as his accumulated deductions will purchase.

h. AUTOMATIC ANNUAL COST-OF-LIVING ADJUSTMENTS ("COLA")

COLA are payable to members who are either (1) at least age 62 and have been retired for at least 5 years or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA are payable to members who retired for disability after being retired for 5 or more years and beneficiaries receiving accidental death benefits who have been receiving them for at least 5 years.

Starting with benefits for September 2001, COLA are 50% of the increase in the CPI-U based on the year ending March 31, rounding to the next higher .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.

COLA are payable during the life of the retired member. One half of the amount is also payable after the member's death and during the life of the spouse beneficiary if such retired member had elected one of the options under the Administrative Code which provides that benefits are to be continued for the life of such spouse after the death of the retired member, and where the death of such retired member occurred or occurs more than thirty days after the effective date of the retirement of such member.

E. OPTIONS ON RETIREMENT OR DEATH

No Option (Maximum Retirement Allowance)

A member upon retirement may receive the basic maximum retirement allowance payable in monthly installments throughout life with all payments ending at death.

Alternatively, a member may elect to receive an actuarial equivalent benefit in any one of the following optional forms.

With respect to plans other than the Coordinated Retirement Plan (Article 15):

Option 1 (Cash Refund)

With respect to members who joined prior to July 1, 1973, a cash refund allowance under which reduced payments will be made during life with a provision that in case of death before such payments have equaled the present value of the retirement allowance at date of retirement, the balance shall be paid to the designated beneficiary or estate. With respect to members who joined after June 30, 1973, this option is only available with respect to the benefits derived from employee contributions (annuity).

Option 2 (Joint and 100% Survivor Allowance)

Option 3 (Joint and 50% Survivor Allowance)

A joint and survivor allowance under which reduced payments will be made during life with a provision that at the death of the member the same payments (Option 2) or one half of such payments (Option 3) shall be continued throughout the life of such other person as the member shall have designated.

Option 4

Such other form of benefit which is the actuarial equivalent as may be certified by the Actuary and approved by the Board of Trustees. By resolution, the Board of Trustees has approved an option under which reduced payments will be made during life with a provision that upon his/her death, a sum specified by the member at the time of retirement shall be paid to the designated beneficiary or estate.

<u>Option 4-2 and 4-3</u>

Option 4-2 and Option 4-3 are known as the "Pop-Up" options. These are called "Pop-Ups" because they are variations of Options 2 and 3 that provide if a joint and survivor option is elected and the beneficiary predeceases the retiree, then the retirement allowance will increase (pop-up) to the level of the maximum retirement allowance.

<u>Ten-Year (or Five-Year) Certain and Life</u>

Ten-year (or five-year) certain and life allowance under which reduced payments will be made during the lifetime of the member with a provision that in case of death within ten (five) years of retirement, the remaining benefit that would have been payable had the member survived for ten (five) years shall be paid to the designated beneficiary or estate for the balance of the ten (five) years.

With respect to Article 15, the options are as follows:

a. A five-year or ten-year certain and life option, the same as described above.

b. A joint and survivor option under which reduced payments will be made during life with a provision that at the death of the member, 100%, 75%, 50% or 25% of such payments shall be continued throughout the life of such other person as the member shall have designated.

c. A pop-up option as described above.

F. CONTRIBUTIONS

The benefits of the system are financed by employee and employer contributions and from investment earnings of the System.

I. Employee Contributions

Under Article 15 of the RSSL a member was mandated to contribute 3% of Salary. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. For those who elected or were mandated into the Optional Retirement Plans, Additional Member Contributions ("AMC") are required.

A member who joined prior to July 27, 1976 contributes by salary deductions on the basis of a normal rate of contribution which is assigned by the System at the time he/she elects his/her plan. The normal rate, which is dependent upon the member's age and plan, as well as the tables in effect for that purpose at the time he/she became a member, is determined so as to provide approximately one-third of the benefit on account of the first 25 years of service.

In the plans which permit retirement for service at age 55, the normal contribution rate is calculated so as to provide an annuity equal to 1% of final salary for each year of service at the earliest age for service retirement. For such plans, the contribution rate for members who enter at age 55 or over is the rate applicable to a member entering at age 54.

Member contributions are accumulated with interest on individually maintained ledger accounts. Except under Article 15, upon retirement, the amount to his/her credit (i.e., accumulated deductions) is used to purchase an annuity on the basis of the tables adopted by the Board of Trustees. Upon death in service, the accumulated deductions are paid to the beneficiary.

Beginning July 1, 1960, on a year to year basis, the normal rates of contribution of members who joined before July 27, 1976 were reduced by an increased-take-home-pay rate equal to two and one-half percentage points and equal to five percentage points beginning July 1, 1961. Between July 1, 1968 and December 31, 1975, an increased-take-home-pay rate of four percentage points was effective for all members. On January 1, 1976, an increased-take-home-pay rate of two percentage points became effective for all members. Following is a table showing the effective periods and increased-take-home-pay rate.

Period	Increased-Take-Home-Pay Rate
07-01-1960 - 06-30-1961	2.5%
07-01-1961 - 06-30-1968	5%
07-01-1968 - 12-31-1975	4%
01-01-1976 and after	2% for non-Article 14 & 15 Members
	0% for Article 14 & 15 Members

At present the reduction is two percentage points for members other than members in the Coordinated Retirement Plan. In general, the retirement and death benefits payable to or on account of members are supplemented by the reserve for increased-take-home-pay, accumulated from City contributions equal to the increased-take-home-pay rate times salary so that in general, the total benefit is equal to the benefit which would have been paid if the members' rates of contribution had not been reduced. However, the reserve for increased-take-home-pay is not payable upon death of a member who joins after June 30, 1973.

II. Purchase Of Prior Service

A member is eligible to purchase credit for city service rendered prior to membership date by an additional contribution based on salary and periods of service being purchased.

In the case of any member in BERS prior to July 1, 1968, who has purchased service, the amount of purchased service can be used toward the twenty-five years needed for retirement eligibility under Plan A, provided such service was continuous and immediately preceded membership.

III. Loans

a. After three years of membership in the Retirement System, a member may borrow up to 75% of accumulated deductions.

b. A member may take three loans during any twelve month period.

c. Loans are repaid through payroll deduction of not less than 5% of gross salary.

Beginning 90 days after the inception of the loan, the unpaid portion is insured without limitation. Should the borrower retire before the loan is repaid, the actuarial equivalent of the amount outstanding is deducted from his/her retirement allowance.

IV. Employer Contributions

The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the contribution from the employers.

Employer contributions are accrued by the Plan and are funded by the employers on a current basis.

G. VARIABLE ANNUITY PROGRAM

Beginning July 1, 1970, members were given the option to participate in a Variable Annuity Program, thereby providing a means which can reasonably be expected to protect a portion of their retirement income against the effect of increases in the cost of living. The monthly variable annuity payment is a fixed number of units, the value of which varies each month to reflect the financial experience of the investments which are almost entirely in common stocks. A member may elect to place part or all of his/her contributions and the City's contributions for increased-take-home-pay in the variable annuity program. The remaining portion of the retirement allowance which is provided by the City must be paid in fixed dollar amounts. Subject to certain prescribed limitations, a member may periodically elect either to participate in the variable annuity program or to revoke a previous election.

An individual account of the member's own contributions is maintained in the Variable Annuity Savings Fund. Another individual account based on the City's contribution for increased-take-home-pay is maintained in the Variable Pension Accumulation Fund. Deposits in these accounts are credited in terms of units, the value of which is determined at the beginning of each month and remains unchanged during that month. On July 1, 1970, the effective date of the program, a unit was assigned an arbitrary value of $10. Each month, thereafter, the unit value changed reflecting the investment experience of the common stock fund during the preceding month.

H. TAX-DEFERRED ANNUITY PROGRAM

Beginning January 1, 1970, members were given the option to participate in a tax-deferred annuity program, thereby providing a means of deferring income tax payments on their tax deferred contributions until the period after retirement. Each calendar year, a member may elect to contribute to the Tax-Deferred Annuity Program any amount not in excess of the maximum permissible amount under Section 403 (b) of the Internal Revenue Code. The City makes no contributions to the Tax-Deferred Annuity Program, but if elected by members, will guarantee the benefit payments to retired members. A member has the option either to have his/her contributions accumulate at regular and special interest per annum, or to have his/her contributions invested in variable funds.

The Tax-Deferred Annuity Program is maintained as a separate account within the Board of Education Retirement System. An individual account of the member's fixed dollar contributions is maintained in the Tax-Deferred-Annuity Savings Fund if he/she elected to have his/her benefit paid in fixed dollars; otherwise, in the Tax-Deferred Variable Annuity Savings Fund.

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NEW YORK CITY BOARD OF EDUCATION RETIREMENT SYSTEM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011

ACKNOWLEDGEMENT OF QUALIFICATION

I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Robert C. North, Jr., FSA, FSPA, FCA, MAAA, EA
Chief Actuary
New York City Retirement Systems
December 9, 2011

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ACTUARIAL

Payments
Objectives
Legal
Material
Prior service
Beneficiaries
Pensioners
Transfers
Measure
Vesting
MCAF
Commissions
Auditors
Allocation
Earnings
Market Value
Systems
Amount
Trust fund
Withdrawals

Statistical
Benefits
Calculations
Transparency
Evaluation
Accruals
Methods
Treasury
Rebalancing
Bonds
Equity
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Dividends
Investors
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Membership
Liabilities
Prorate

New York City Board of Education Retirement System

Qualified Pension Plan

A Pension Trust Fund of the City of New York

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Statistical Section

State of New York

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INTRODUCTION

The Statistical section presents three sets of data. The first group of data is comprised of five (5) schedules and accompanying graphs that provide a comparative horizontal base of the financials over a ten year spread. The second group of data offers an analysis of the BERS benefit payments based on demographic information. The third and final group gives a comparative analysis of the contributors based on their salary and their provenance.

The schedules and graphs of the first group are:
- a) Revenue by source
- b) Expenses by type
- c) Refunds by type
- d) Schedule of changes in net assets
- e) Benefit expenses by type

The second group of data is comprised of the following:
- a) Age and service retirement
- b) Ordinary disability retirement
- c) Accidental disability retirement
- d) Accidental death retirement
- e) Other beneficiaries
- f) All pensioners and beneficiaries

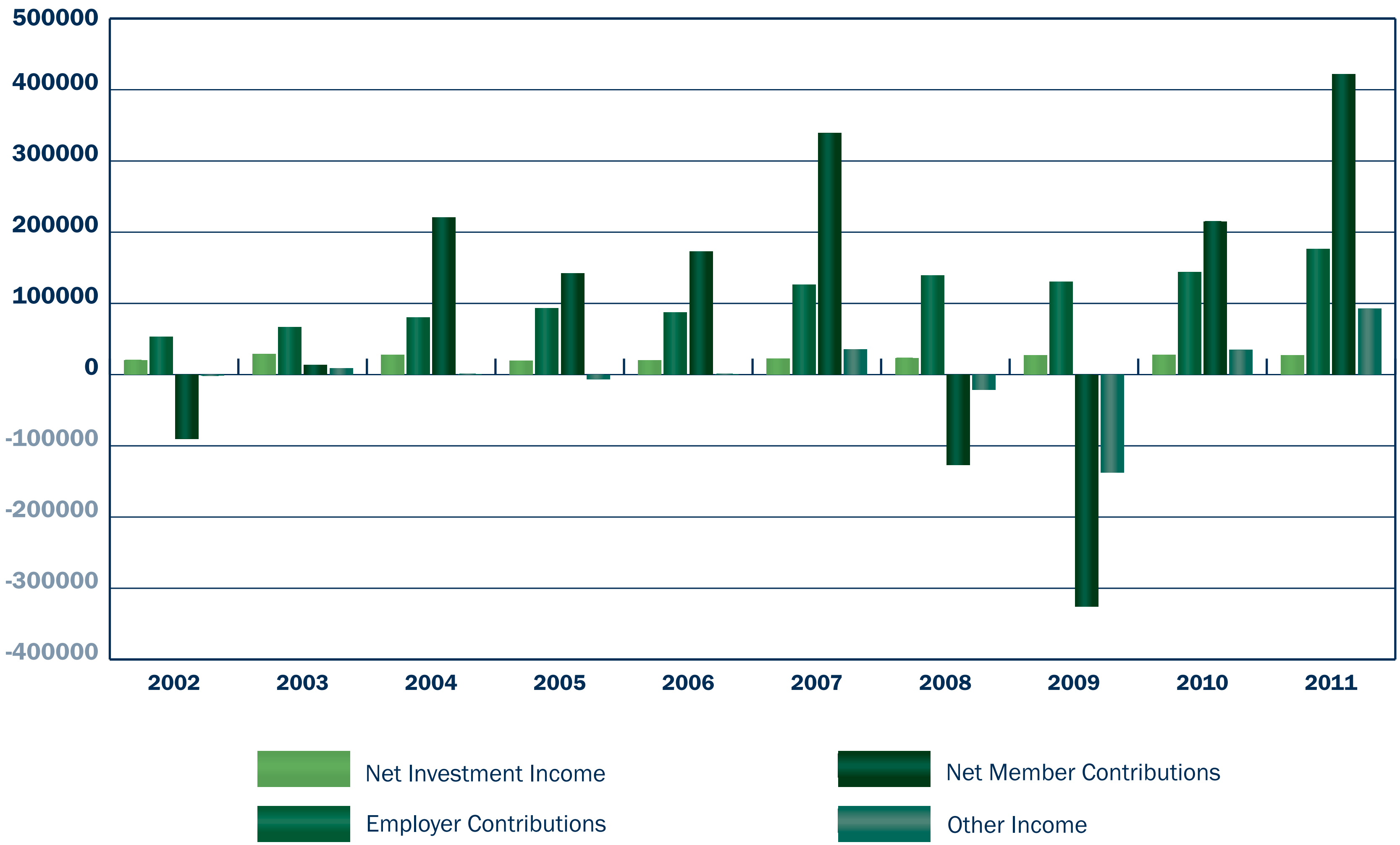
The third group of data is comprised of the following:
- a) Summary of activities by Age and Service
- b) Average annual benefit payments
- c) Participating Employers

Revenue by Source
(In thousands)

Fiscal Year Ended June 30	Net Member Contributions	Employer Contributions	Net Investment Income	Other Income	Total	Employer Contributions as % of Payroll
2002	$24,093	$56,548	($93,603)	$1,669	**($11,293)**	8.1
2003	$32,285	$70,200	$17,326	$12,652	**$132,463**	9.5
2004	$31,347	$84,054	$224,385	$4,770	**$344,556**	12.9
2005	$23,087	$96,650	$145,767	($9,746)	**$255,758**	15.5
2006	$23,810	$90,839	$176,320	($2,378)	**$288,591**	15.0
2007	$26,148	$129,820	$342,656	$39,148	**$537,772**	18.2
2008	$27,109	$143,100	($130,569)	($24,831)	**$14,809**	19.1
2009	$30,971	$134,225	($329,365)	($141,090)	**($305,259)**	17.3
2010	$31,361	$147,349	$218,872	$38,232	**$435,814**	17.3
2011	$31,008	$180,191	$425,690	$95,958	**$732,847**	19.8

The table offers a horizontal comparison base for the revenue sources of the Plan for the past 10 years.
It particularly stresses the importance of employer contributions that have steadily increased over the years.

Revenue by Source
(In thousands)
(Cont'd)

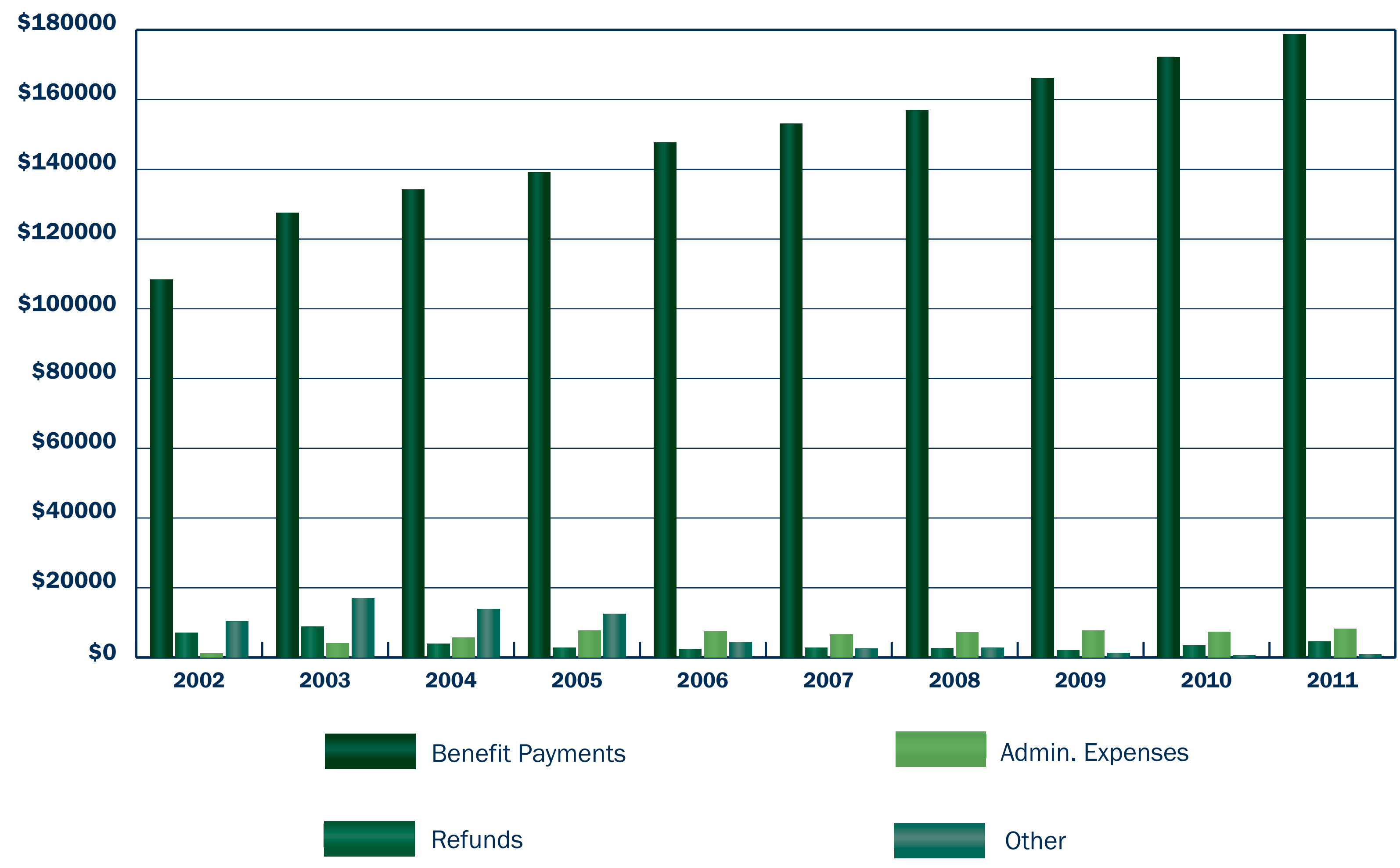


Expenses by Type
(In thousands)

Fiscal Year Ended June 30	Benefit Payments				Administrative Expenses	Total
	Death	Retirement	Refunds	Other		
2002	$7,315	$101,787	$7,784	$11,028	$1,818	**$129,732**
2003	$8,738	$119,502	$9,528	$17,725	$4,744	**$160,237**
2004	$7,143	$127,772	$4,676	$14,601	$6,419	**$160,611**
2005	$7,640	$132,075	$3,533	$13,164	$8,364	**$164,776**
2006	$7,656	$140,626	$3,145	$5,083	$8,195	**$164,705**
2007	$6,326	$147,399	$3,534	$3,191	$7,281	**$167,731**
2008	$3,827	$153,886	$3,395	$3,448	$7,854	**$172,410**
2009	$7,544	$159,262	$2,768	$2,018	$8,413	**$180,006**
2010	$8,548	$164,362	$4,207	$1,296	$8,047	**$186,460**
2011	$6,686	$172,680	$5,237	$1,662	$8,892	**$195,157**

The table offers a horizontal comparison base for the expense groups of the Plan for the past 10 years.

Expenses by Type
(In thousands)
(Cont'd)

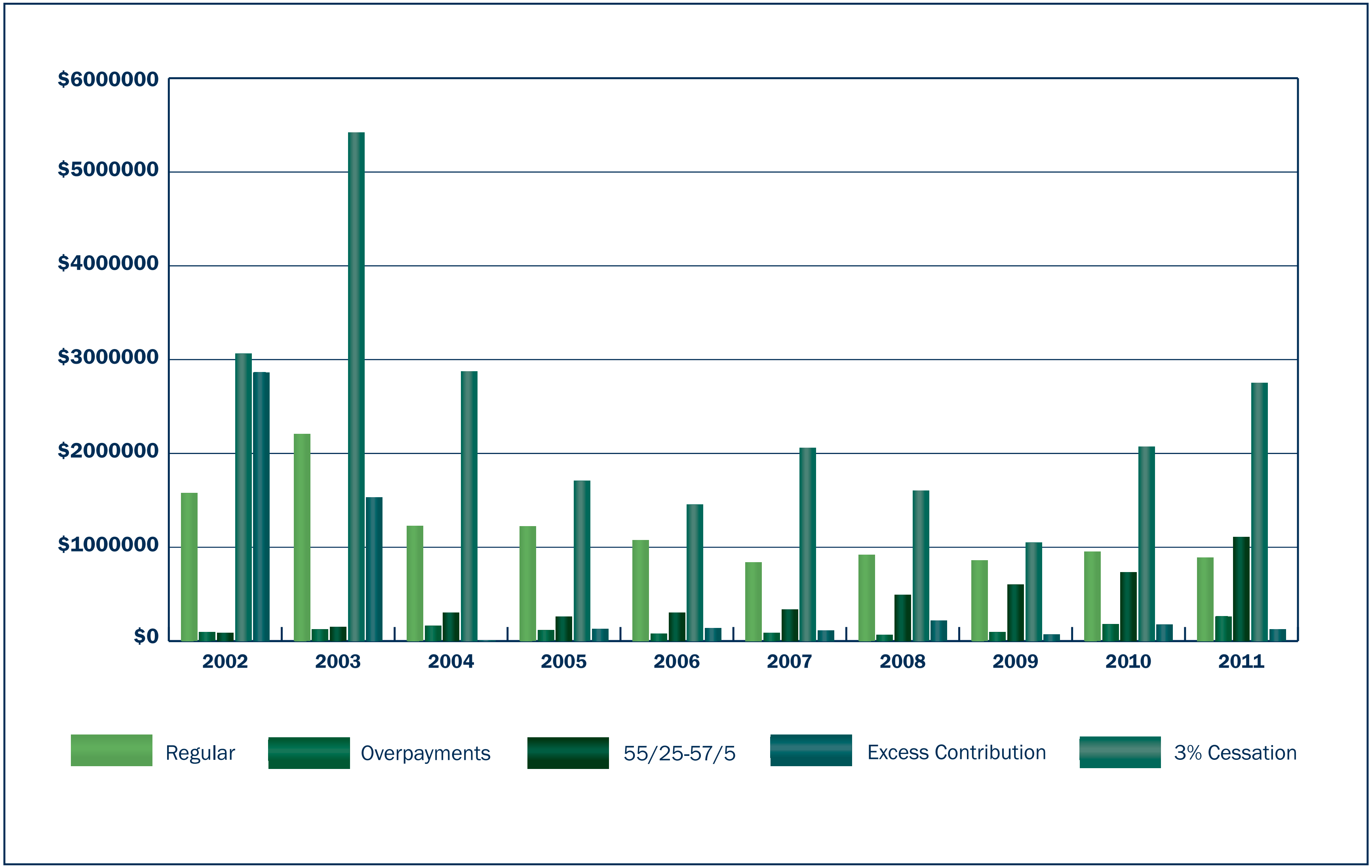


Refunds by Type
(In thousands)

Fiscal Year Ended June 30	Refunds					
	Regular Resignation	Add Pension 55/25-57/5	Excess Contribution	3% Cessation	Other Overpayments	Total
2002	$1,595	$108	$3,082	$2,884	$116	**$7,784**
2003	$2,225	$169	$5,441	$1,550	$143	**$9,528**
2004	$1,248	$324	$2,894	$29	$181	**$4,676**
2005	$1,242	$281	$1,726	$150	$134	**$3,533**
2006	$1,095	$323	$1,473	$157	$98	**$3,145**
2007	$859	$356	$2,079	$133	$106	**$3,534**
2008	$937	$514	$1,622	$236	$85	**$3,395**
2009	$879	$620	$1,067	$88	$113	**$2,768**
2010	$971	$754	$2,092	$193	$197	**$4,207**
2011	$909	$1,129	$2,772	$144	$283	**$5,237**

The table offers a horizontal comparison base for the refund segment of the expense groups of the Plan for the past 10 years.
The refund segment is broken down by type. It shows that excess contribution based refunds are more significant than resignation from the system.

Refunds by Type (Cont'd)



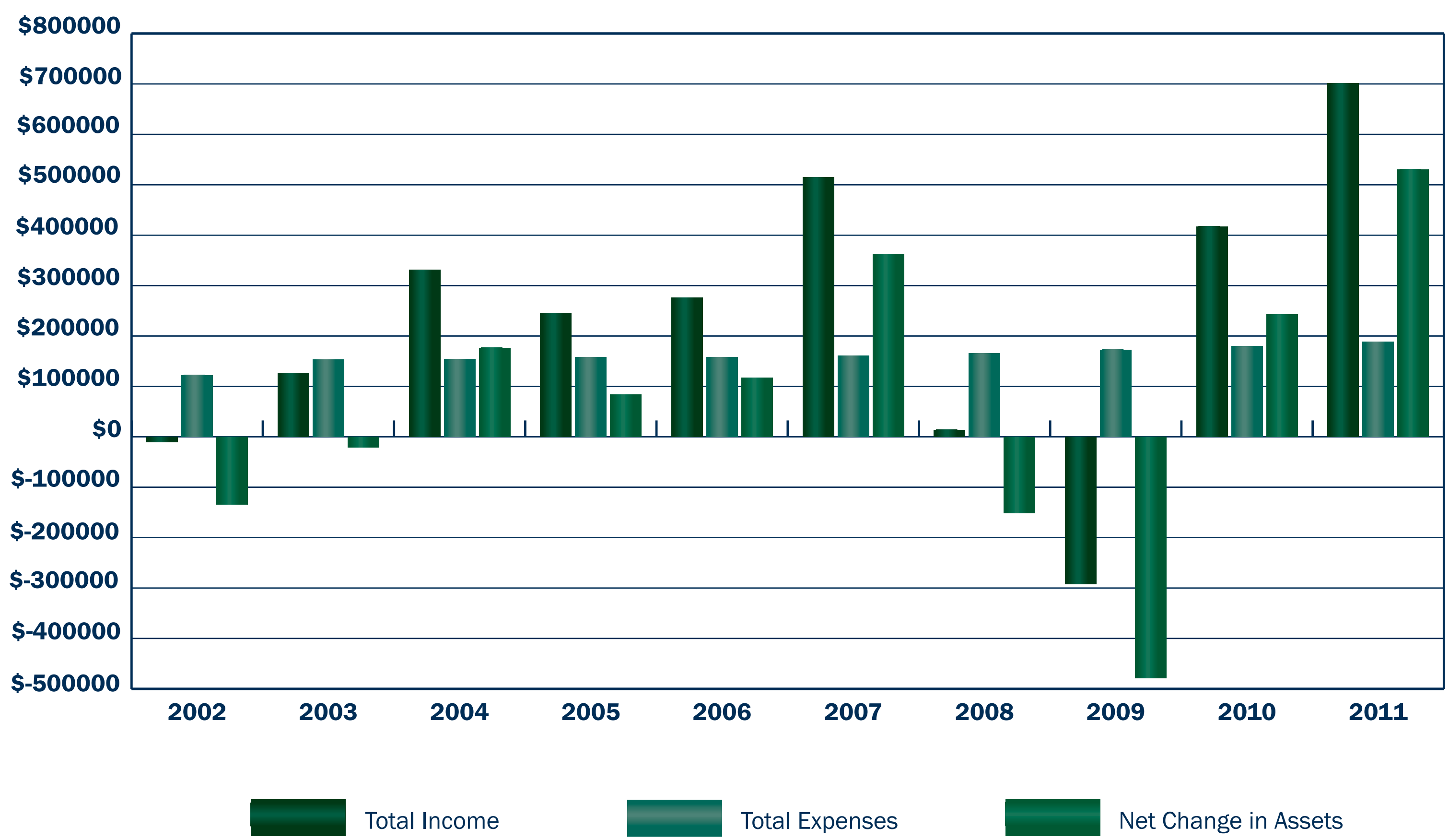
Schedule of Changes in Net Assets
(In thousands)

Year Ended	Member Contributions	Employer Contributions	Net Investment Income	Other Income	Total Income	Benefit Payments: Death	Benefit Payments: Refund	Benefit Payments: Retirement	Benefit Payments: Other	Administrative Expenses	Total Expenses	Net Change in Assets
2002	$24,093	$56,548	($93,603)	$1,669	**($11,293)**	$7,315	$7,784	$101,787	$11,028	$1,818	**$129,732**	($141,025)
2003	$32,285	$70,200	$17,326	$12,652	**$132,463**	$8,738	$9,528	$119,502	$17,725	$4,744	**$160,237**	($27,774)
2004	$31,347	$84,054	$224,385	$4,770	**$344,556**	$7,143	$4,676	$127,772	$14,601	$6,419	**$160,611**	$183,945
2005	$23,087	$96,650	$145,767	($9,746)	**$255,758**	$7,640	$3,533	$132,075	$13,164	$8,364	**$164,776**	$90,982
2006	$23,810	$90,839	$176,320	($2,378)	**$288,591**	$7,656	$3,145	$140,626	$5,083	$8,195	**$164,705**	$123,886
2007	$26,148	$129,820	$342,656	$39,148	**$537,772**	$6,326	$3,534	$147,399	$3,191	$7,281	**$167,731**	$370,041
2008	$27,109	$143,100	($130,569)	($24,831)	**$14,809**	$3,827	$3,395	$153,886	$3,448	$7,854	**$172,410**	($157,601)
2009	$30,971	$134,225	($329,365)	($141,090)	**($305,259)**	$7,544	$2,768	$159,262	$2,018	$8,413	**$180,006**	($485,265)
2010	$31,361	$147,349	$218,872	$38,232	**$435,814**	$8,548	$4,207	$164,362	$1,296	$8,047	**$186,460**	$249,354
2011	$31,008	$180,191	$425,690	$95,958	**$732,847**	$6,686	$5,237	$172,680	$1,662	$8,892	**$195,157**	$537,690

The table offers a 10 year horizontal comparison base for the operations of the BERS.

It shows that over the years, revenues had more impact on the changes of net assets than the expenses

Schedule of Changes in Net Assets
(In thousands)
(Cont'd)



Benefit Expenses by Type
(In thousands)

Fiscal Year Ended June 30	Age And Service Retirement Benefits	Disability Retirement Benefits		Lump Sum Payments			Total
		Duty	Non-Duty	Survivors	Death In Service	Death After Retirement	
2002	$91,722	$1,126	$2,366	$6,574	$6,405	$1,010	**$109,203**
2003	$116,880	$1,297	$2,725	$7,570	$7,941	$814	**$137,227**
2004	$115,356	$1,376	$2,890	$8,030	$6,198	$1,795	**$135,645**
2005	$120,113	$1,480	$3,108	$8,636	$7,600	$687	**$141,624**
2006	$122,753	$1,592	$3,343	$9,288	$6,172	$1,064	**$144,212**
2007	$147,399	$1,712	$3,595	$1,167	$4,678	$481	**$159,032**
2008	$148,179	$1,841	$3,866	$1,226	$2,318	$284	**$157,715**
2009	$153,124	$1,980	$4,158	$1,288	$6,188	$68	**$166,806**
2010	$157,760	$2,130	$4,472	$1,624	$6,887	$37	**$172,910**
2011	$165,580	$2,291	$4,810	$1,280	$5,328	$77	**$179,366**

The table offers a horizontal comparison base for the benefit segment of the expense groups of the Plan across the past 10 years. The benefit segment is broken down by type.

AGE AND SERVICE RETIREMENT

Age	Men		Women	
	Number Of Retirants	Average Annual Allowance	Number Of Retirants	Average Annual Allowance
49 & Under	0	$0	0	$0
50 - 54	6	$28,652	1	$15,314
55 - 59	112	$34,308	321	$12,057
60 - 64	289	$30,726	1,167	$9,787
65 - 69	469	$26,507	1,914	$9,111
70 - 74	497	$25,760	1788	$7,789
75 - 79	440	$22,983	1685	$7,524
80 - 84	340	$25,171	1546	$7,155
85 - 89	187	$21,465	944	$7,156
90 & Over	65	$18,386	405	$7,052
Totals	**2,405**	**$25,783**	**9,771**	**$8,190**

ORDINARY DISABILITY (NON-DUTY) RETIREMENT

Age	Men		Women	
	Number Of Retirants	Average Annual Allowance	Number Of Retirants	Average Annual Allowance
49 & Under	13	$17,822	11	$11,954
50 - 54	28	$11,738	32	$10,059
55 - 59	34	$15,508	75	$9,525
60 - 64	34	$17,350	133	$9,027
65 - 69	29	$12,996	122	$8,424
70 - 74	15	$15,211	44	$9,024
75 - 79	11	$14,527	25	$6,962
80 - 84	8	$13,831	4	$6,247
85 - 89	4	$8,946	3	$8,930
90 & Over	2	$6,429	0	$0
Totals	**178**	**$14,628**	**449**	**$8,930**

NOTE: This schedule is based on 2009 data (LAG)

Retired Members by Type of Benefit (Cont'd)

ACCIDENTAL DISABILITY (DUTY) RETIREMENT

Age Of Retirants	Men		Women	
	Number Of Retirants	Average Annual Allowance	Number Of Retirants	Average Annual Allowance
49 & Under	3	$15,618	1	$9,295
50 - 54	8	$14,445	3	$8,128
55 - 59	9	$13,895	7	$10,369
60 - 64	8	$18,740	13	$6,649
65 - 69	6	$19,280	12	$5,729
70 - 74	9	$25,777	12	$7,372
75 - 79	2	$37,595	8	$6,324
80 - 84	8	$22,517	3	$8,043
85 - 89	1	$26,114	3	$7,021
90 & Over	1	$19,079	1	$7,021
Totals	**55**	**$19,738**	**63**	**$7,186**

ACCIDENTAL DEATH (DUTY) RETIREMENT

Age Of Retirants	Men		Women	
	Number Of Retirants	Average Annual Allowance	Number Of Retirants	Average Annual Allowance
49 & Under	0	0	0	0
50 - 54	1	$5,769	0	0
55 - 59	0	0	0	0
60 - 64	0	0	0	0
65 - 69	0	0	0	0
70 - 74	0	0	1	$8,576
75 - 79	0	0	0	0
80 - 84	0	0	1	$16,816
85 - 89	0	0	0	0
90 & Over	0	0	0	0
Totals	**1**	**$5,769**	**2**	**$12,696**

NOTE: This schedule is based on 2009 data (LAG)

OTHER BENEFICIARIES

Age Of Retirants	Men		Women	
	Number Of Retirants	Average Annual Allowance	Number Of Retirants	Average Annual Allowance
49 & Under	14	$5,766	35	$5,990
50 - 54	10	$4,487	13	$6,522
55 - 59	5	$4,714	26	$11,926
60 - 64	16	$5,621	30	$15,112
65 - 69	15	$5,478	49	$16,888
70 - 74	16	$7,157	77	$17,134
75 - 79	19	$4,774	95	$19,357
80 - 84	10	$9,405	115	$15,747
85 - 89	10	$8,641	90	$14,826
90 & Over	7	$4,873	65	$12,135
TOTALS	**122**	**$5,934**	**595**	**$15,005**

ALL PENSIONERS AND BENEFICIARIES

Age Of Retirants	Men		Women	
	Number Of Retirants	Average Annual Allowance	Number Of Retirants	Average Annual Allowance
49 & Under	30	$10,175	47	$7,259
50 - 54	53	$12,581	49	$9,110
55 - 59	160	$28,240	429	$11,579
60 - 64	347	$27,981	1343	$9,800
65 - 69	519	$25,060	2,097	$9,233
70 - 74	537	$24,911	1,922	$8,190
75 - 79	472	$22,115	1813	$8,131
80 - 84	366	$24,435	1669	$7,752
85 - 89	202	$20,606	1040	$7,825
90 & Over	75	$16,815	471	$7,754
Totals	**2,761**	**$24,059**	**10,880**	**$8,588**

NOTE: This schedule is based on 2009 data (LAG)

Summary of Actives by Age and Service
Males

DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION FOR DETERMINING FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Number:										
Under 20	0	0	0	0	0	0	0	0	0	0
20 To 24	60	0	0	0	0	0	0	0	0	60
25 To 29	180	28	1	0	0	0	0	0	0	209
30 To 34	260	102	24	1	0	0	0	0	0	387
35 To 39	287	177	60	17	1	0	0	0	0	542
40 To 44	249	199	139	62	22	2	0	0	0	673
45 To 49	240	198	166	151	102	19	2	0	0	878
50 To 54	202	185	155	148	160	61	14	0	0	925
55 To 59	146	125	122	122	135	73	46	10	1	780
60 To 64	94	110	69	65	78	38	20	15	1	490
65 To 69	41	36	26	22	38	10	9	11	3	196
70 & Up	16	26	24	12	16	4	4	5	1	108
Total	**1,775**	**1,186**	**786**	**600**	**552**	**207**	**95**	**41**	**6**	**5,248**

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Salaries (In thousands):										
Under 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	2,043	0	0	0	0	0	0	0	0	2,043
25 TO 29	8,065	1,128	21	0	0	0	0	0	0	9,214
30 TO 34	14,334	5,875	1,273	52	0	0	0	0	0	21,533
35 TO 39	17,080	11,820	3,527	880	25	0	0	0	0	33,331
40 TO 44	15,379	12,791	9,697	4,005	1,286	162	0	0	0	43,319
45 TO 49	12,154	11,617	11,460	10,353	7,806	1,372	147	0	0	54,909
50 TO 54	10,421	10,729	10,243	10,439	12,464	5,630	1,254	0	0	61,181
55 TO 59	7,338	6,136	7,084	8,590	10,188	6,303	4,123	752	100	50,614
60 TO 64	4,206	4,807	4,159	4,311	5,792	3,081	1,961	1,407	117	29,841
65 TO 69	2,016	1,576	1,408	1,198	2,777	811	725	870	230	11,610
70 & Up	321	707	977	651	894	284	257	397	123	4,611
Total*	**93,357**	**67,186**	**49,848**	**40,478**	**41,231**	**17,643**	**8,467**	**3,426**	**570**	**322,206**

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Average Salaries: **										
Under 20	0	0	0	0	0	0	0	0	0	0
20 To 24	34,049	0	0	0	0	0	0	0	0	34,049
25 To 29	44,805	40,297	21,187	0	0	0	0	0	0	44,088
30 To 34	55,130	57,596	53,029	51,595	0	0	0	0	0	55,641
35 To 39	59,512	66,778	58,777	51,790	24,617	0	0	0	0	61,497
40 To 44	61,761	64,276	69,759	64,592	58,471	81,110	0	0	0	64,368
45 To 49	50,644	58,670	69,038	68,563	76,526	72,197	73,461	0	0	62,539
50 To 54	51,591	57,995	66,084	70,533	77,900	92,301	89,591	0	0	66,142
55 To 59	50,262	49,085	58,067	70,410	75,463	86,340	89,636	75,187	100,049	64,889
60 To 64	44,740	43,701	60,279	66,319	74,259	81,068	98,058	93,825	117,050	60,900
65 To 69	49,169	43,791	54,147	54,437	73,067	81,099	80,562	79,061	76,601	59,234
70 & Up	20,077	27,197	40,695	54,257	55,898	70,985	64,158	79,366	123,105	42,694
TOTAL	**52,596**	**56,649**	**63,420**	**67,463**	**74,694**	**85,230**	**89,129**	**83,555**	**95,001**	**61,396**

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on actual unrounded salary.

DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION FOR DETERMINING FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Number:										
Under 20	2	0	0	0	0	0	0	0	0	2
20 To 24	74	3	0	0	0	0	0	0	0	77
25 To 29	377	53	0	0	0	0	0	0	0	430
30 To 34	534	277	35	1	0	0	0	0	0	847
35 To 39	614	401	142	26	1	0	0	0	0	1,184
40 To 44	853	604	325	103	39	4	0	0	0	1,928
45 To 49	1,012	996	556	215	88	38	1	0	0	2,906
50 To 54	919	1,170	845	370	196	92	24	8	0	3,624
55 To 59	632	922	818	561	318	86	41	29	4	3,411
60 To 64	272	512	572	453	369	77	26	17	8	2,306
65 To 69	85	187	199	189	159	44	13	6	3	885
70 & Up	34	57	100	105	120	27	6	4	2	455
Total	**5,408**	**5,182**	**3,592**	**2,023**	**1,290**	**368**	**111**	**64**	**17**	**18,055**

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Salaries (In thousands):										
Under 20	48	0	0	0	0	0	0	0	0	48
20 To 24	2,482	74	0	0	0	0	0	0	0	2,556
25 To 29	18,043	2,004	0	0	0	0	0	0	0	20,046
30 To 34	25,897	14,205	1,489	70	0	0	0	0	0	41,662
35 To 39	22,390	17,261	6,790	1,506	76	0	0	0	0	48,022
40 To 44	26,130	19,544	11,712	5,039	2,173	376	0	0	0	64,973
45 To 49	28,631	29,190	17,228	8,501	4,585	2,420	91	0	0	90,647
50 To 54	26,255	33,877	24,376	12,591	8,787	5,805	1,772	468	0	113,929
55 To 59	17,316	25,253	22,302	17,936	11,755	4,795	2,535	1,623	220	103,735
60 To 64	7,429	13,086	15,156	12,964	12,712	3,323	1,410	954	523	67,557
65 To 69	2,228	4,524	4,976	5,061	5,008	1,906	642	203	217	24,765
70 & Up	760	1,201	2,162	2,260	2,846	764	262	143	66	10,463
Total*	**177,609**	**160,218**	**106,190**	**65,927**	**47,942**	**19,389**	**6,711**	**3,391**	**1,027**	**588,403**

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Average Salaries: **										
Under 20	24,188	0	0	0	0	0	0	0	0	24,188
20 To 24	33,539	24,827	0	0	0	0	0	0	0	33,199
25 To 29	47,858	37,804	0	0	0	0	0	0	0	46,619
30 To 34	48,496	51,282	42,550	70,169	0	0	0	0	0	49,187
35 To 39	36,465	43,044	47,816	57,910	76,304	0	0	0	0	40,559
40 To 44	30,632	32,357	36,036	48,921	55,713	94,029	0	0	0	33,700
45 To 49	28,292	29,307	30,986	39,538	52,106	63,687	91,052	0	0	31,193
50 To 54	28,569	28,954	28,847	34,029	44,834	63,093	73,826	58,469	0	31,437
55 To 59	27,398	27,389	27,264	31,972	36,965	55,762	61,821	55,970	55,007	30,412
60 To 64	27,313	25,558	26,496	28,619	34,449	43,155	54,237	56,118	65,431	29,296
65 To 69	26,216	24,195	25,005	26,777	31,498	43,312	49,347	33,856	72,362	27,983
70 & Up	22,350	21,069	21,616	21,523	23,716	28,293	43,584	35,645	33,155	22,995
Total	**32,842**	**30,918**	**29,563**	**32,589**	**37,165**	**52,687**	**60,457**	**52,978**	**60,404**	**32,589**

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on actual unrounded salary.

STATISTICAL

Summary of Actives by Age and Service
Males and Females

DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION FOR DETERMINING FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS

Age \ Svc	Under 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up	All Years
Number:										
Under 20	2	0	0	0	0	0	0	0	0	2
20 To 24	134	3	0	0	0	0	0	0	0	137
25 To 29	557	81	1	0	0	0	0	0	0	639
30 To 34	794	379	59	2	0	0	0	0	0	1,234
35 To 39	901	578	202	43	2	0	0	0	0	1,726
40 To 44	1,102	803	464	165	61	6	0	0	0	2,601
45 To 49	1,252	1,194	722	366	190	57	3	0	0	3,784
50 To 54	1,121	1,355	1,000	518	356	153	38	8	0	4,549
55 To 59	778	1,047	940	683	453	159	87	39	5	4,191
60 To 64	366	622	641	518	447	115	46	32	9	2,796
65 To 69	126	223	225	211	197	54	22	17	6	1,081
70 & Up	50	83	124	117	136	31	10	9	3	563
Total	**7,183**	**6,368**	**4,378**	**2,623**	**1,842**	**575**	**206**	**105**	**23**	**23,303**
Salaries (In thousands):										
Under 20	48	0	0	0	0	0	0	0	0	48
20 To 24	4,525	74	0	0	0	0	0	0	0	4,599
25 To 29	26,107	3,132	21	0	0	0	0	0	0	29,261
30 To 34	40,231	20,080	2,762	122	0	0	0	0	0	63,195
35 To 39	39,470	29,080	10,317	2,386	101	0	0	0	0	81,353
40 To 44	41,508	32,335	21,408	9,044	3,459	538	0	0	0	108,292
45 To 49	40,786	40,807	28,689	18,854	12,391	3,792	238	0	0	145,555
50 To 54	36,676	44,606	34,619	23,030	21,251	11,435	3,026	468	0	175,110
55 To 59	24,654	31,389	29,386	26,526	21,943	11,098	6,658	2,375	320	154,349
60 To 64	11,635	17,893	19,315	17,275	18,504	6,404	3,371	2,361	640	97,398
65 To 69	4,244	6,101	6,384	6,258	7,785	2,717	1,367	1,073	447	36,375
70 & Up	1,081	1,908	3,138	2,911	3,740	1,048	518	539	189	15,074
Total *	**270,966**	**227,404**	**156,038**	**106,405**	**89,174**	**37,031**	**15,178**	**6,816**	**1,597**	**910,609**
Average Salaries: **										
Under 20	24,188	0	0	0	0	0	0	0	0	24,188
20 To 24	33,767	24,827	0	0	0	0	0	0	0	33,572
25 To 29	46,872	38,666	21,187	0	0	0	0	0	0	45,791
30 To 34	50,669	52,981	46,813	60,882	0	0	0	0	0	51,211
35 To 39	43,806	50,312	51,072	55,491	50,461	0	0	0	0	47,134
40 To 44	37,666	40,267	46,138	54,810	56,708	89,723	0	0	0	41,635
45 To 49	32,576	34,176	39,735	51,512	65,215	66,524	79,324	0	0	38,466
50 To 54	32,718	32,919	34,619	44,459	59,695	74,738	79,634	58,469	0	38,494
55 To 59	31,689	29,980	31,262	38,838	48,438	69,800	76,528	60,897	64,016	36,829
60 To 64	31,789	28,766	30,132	33,350	41,395	55,683	73,289	73,793	71,166	34,835
65 To 69	33,685	27,358	28,372	29,661	39,517	50,310	62,117	63,106	74,482	33,650
70 & Up	21,623	22,988	25,309	24,880	27,502	33,801	51,813	59,934	63,138	26,774
TOTAL	**37,723**	**35,710**	**35,641**	**40,566**	**48,411**	**64,402**	**73,680**	**64,918**	**69,430**	**39,077**

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on actual unrounded salary.

Annual Average Benefit Payment Amounts (Unaudited)

Fiscal Year Ended June 30	Service Retirement Benefits			Ordinary (Non-Duty) Disability Benefits			Accidental (Duty) Disability Benefits			Survivor Benefits		
	Number	Average Annual Allowance	Average Monthly Allowance	Number	Average Annual Allowance	Average Monthly Allowance	Number	Average Annual Allowance	Average Monthly Allowance	Number	Average Annual Allowance	Average Monthly Allowance
1999	8,304	$9,617	$801	190	$9,113	$759	87	$10,719	$893	477	$10,911	$909
2000	8,570	$9,707	$809	230	$9,062	$755	94	$10,553	$879	513	$11,325	$944
2001	8,927	$10,359	$863	273	$9,558	$797	97	$12,242	$1,020	541	$12,630	$1,053
2002	9,286	$10,362	$864	325	$9,566	$797	99	$12,355	$1,030	565	$12,785	$1,065
2003	9,898	$10,938	$912	399	$9,785	$815	104	$12,294	$1,025	582	$12,968	$1,081
2004	10,450	$11,018	$918	454	$9,881	$823	118	$12,295	$1,025	603	$12,942	$1,079
2004 (Lag)	10,450	$11,018	$918	454	$9,881	$823	118	$12,295	$1,025	603	$12,942	$1,079
2005 (Lag)	10,723	$11,106	$926	495	$9,802	$817	125	$12,555	$1,046	628	$12,956	$1,080
2006 (Lag)	11,246	$11,260	$938	543	$9,967	$831	127	$12,501	$1,042	657	$13,168	$1,097
2007 (Lag)	11,618	$11,440	$953	565	$10,131	$844	141	$12,354	$1,030	667	$13,497	$1,125
2008 (Lag)	11,820	$11,556	$963	575	$10,278	$857	133	$12,614	$1,051	668	$13,382	$1,115
2009 (Lag)	12,176	$11,665	$972	627	$10,547	$879	118	$13,036	$1,086	720	$13,448	$1,121

Participating Employers
As Of June 30, 2009 (Lag)

Employer	As of June 30, 2009 (Lag)		As of June 30, 2001	
	Number of Employees*	Annual Payroll*	Number of Employees*	Annual Payroll*
NYC Board of Education **	22,771	$ 861,651,145	24,298	$ 669,819,388
NYC Schools Construction Authority	514	48,075,180	353	24,359,564
Charter Schools#				
Beginning with Children	4	102,589		0
KIPP Academy	1	100,000		0
Renaissance	13	680,569		0
Total	**23,303**	**$ 910,609,483**	**24,651**	**$ 694,178,952**

* The Number of Employees and their corresponding salaries (Annual Payroll) include only current active members receiving salary as of June 30th.

** A limited number of these employees have been reported as employed by employers other than those listed in the table.
For actuarial valuation purposes these employees are included with the NYC Department of Education pending confirmation of status.

\# Charter Schools did not exist as of June 30, 2001.


STOP

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