

**CITY OF JERSEY CITY**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2011 AND 2010**

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Pension Commission  
City of Jersey City  
Jersey City, New Jersey


We have audited the accompanying financial statements of the City of Jersey City Employees' Retirement System ("the Plan") as of and for the years ended June 30, 2011 and 2010, as listed in the table of contents. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the commissioners, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of June 30, 2011 and 2010, and the changes in its financial status for the years ended June 30, 2011 and 2010 in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. This information is the responsibility of the Plan's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of this information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplementary schedules of funding progress and schedule of employer contributions as well as the supplementary schedules of investments and participants' loans receivable, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
DONOHUE, GIRONDA & DORIA  
Certified Public Accountants

Bayonne, New Jersey  
December 20, 2011

**CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011 AND 2010**

This narrative and analysis of the City of Jersey City's Employees' Retirement System's ("The Plan") financial performance provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2011 and 2010. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements, which follow this discussion.

**FINANCIAL HIGHLIGHTS**

The Plan's net assets held in trust increased by \$14,754,237 (21.6%) and \$7,996,339 (13.3%) as of June 30, 2011 and June 30, 2010, respectively. The increase was primarily due to a higher return on the Plan's investments.

**Statement of Plan Net Assets**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Cash and Short-term Investments	\$ 8,651,299	\$ 11,338,870	\$ 10,974,250
Receivables	898,839	101,277	131,650
Investments	74,309,983	57,644,972	49,910,282
Liabilities	<u>(783,565)</u>	<u>(762,800)</u>	<u>(690,202)</u>
Net Assets Held in Trust	<u>\$ 83,076,556</u>	<u>\$ 68,322,319</u>	<u>\$ 60,325,980</u>

*Fiscal Year 2011 compared to 2010* The investments increased by \$16,665,011 (28.9%), which is due to the better performing equity markets for the year ended June 30, 2011. In 2010, the Plan rebalanced its investments, changing to a "managed" fixed income portfolio. During 2011, the Plan continued with this approach and added additional money management styles.

*Fiscal Year 2010 compared to 2009* The investments increased by \$7,734,690 (15.5%), which is due to the better performing equity markets for the year ended June 30, 2010. The Plan rebalanced its investments, changing to a "managed" fixed income portfolio.

**CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011 AND 2010**

**Statement of Changes in Plan Net Assets**

	2011	2010	2009
Contributions	\$ 9,702,047	\$ 8,175,012	\$ 7,784,287
Net Investment Income (Loss)	14,182,063	8,197,346	(12,380,262)
Total Additions (Reductions)	<u>23,884,110</u>	<u>16,372,358</u>	<u>(4,595,975)</u>
Benefit Payments	8,669,873	7,912,525	7,383,408
Other Deductions	460,000	463,494	312,277
Total Deductions	<u>9,129,873</u>	<u>8,376,019</u>	<u>7,695,685</u>
Net Increase (Decrease)	<u>\$ 14,754,237</u>	<u>\$ 7,996,339</u>	<u>\$ (12,291,660)</u>

*Fiscal Year 2011 compared to 2010* Total additions to net assets of \$23,884,110 for the year ended June 30, 2011 increased by \$7,511,752, due almost entirely to the net investment loss for the prior year turning to a significant investment gain. Benefit payments continued to increase significantly (9.6%) from the year ended June 30, 2010 due to an increase in the number of retirees and higher individual pensions.

*Fiscal Year 2010 compared to 2009* Total additions to net assets of \$16,372,358 for the year ended June 30, 2010 increased by \$20,968,333, due almost entirely to the net investment loss for the prior year turning to a significant investment gain. Benefit payments increased significantly (7.2%) from the year ended June 30, 2009 due to an increase in the number of retirees and higher individual pensions.

**CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2011 AND 2010**

**Investment Allocation**

The table below summarizes the Plan's cash and investment allocations:

	<u>2011</u>	<u>%</u>	<u>2010</u>	<u>%</u>	<u>2009</u>	<u>%</u>
Cash and Short-term Investments	\$ 8,651,299	10.4%	\$ 11,338,870	16.4%	\$ 10,974,250	18.0%
U.S. Government Obligations, CD's	6,810,408	8.2%	7,310,832	10.6%	3,809,910	6.2%
Mortgage Backed Securities	3,068,151	3.7%	3,265,844	4.7%	1,376,665	2.3%
Corporate Obligations	1,633,721	2.0%	863,649	1.3%	12,101,287	19.9%
Fixed Income Mutual Funds	12,243,622	14.8%	8,116,078	11.8%	-	0.0%
Equities	47,084,955	56.7%	34,938,837	50.6%	30,070,922	49.4%
Participants' Loans	3,469,126	4.2%	3,149,732	4.6%	2,550,968	4.2%
<b>Total Cash and Investments</b>	<b>\$ 82,961,282</b>	<b>100.0%</b>	<b>\$ 68,983,842</b>	<b>100.0%</b>	<b>\$ 60,884,002</b>	<b>100.0%</b>

The plan invested the excess amount of plan assets held in cash as of June 30, 2010, and has a higher percentage of equities. The plan is utilizing mutual fund managers and professional money managers now for its fixed income investments.

**CONTACTING RETIREMENT SYSTEM FINANCIAL MANAGEMENT**

This financial report is designed to provide our members, beneficiaries, investors and other interested parties with a general overview of the Plan's finances. If you have questions about this report or need additional financial information, contact Lori Disbrow, Chief Investment Officer at the Jersey City Employees' Retirement System, One Journal Square Plaza, Jersey City, New Jersey 07306 or by phone at (201) 547-5135.



**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
STATEMENT OF PLAN NET ASSETS  
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and Short-term investments	\$ 8,651,299	\$ 11,338,870
Receivables		
Employer Contribution Receivable	653,962	-
Securities Receivable, Net	103,609	-
Accrued Interest and Dividends Receivable	141,268	101,277
Total Receivables	<u>898,839</u>	<u>101,277</u>
Investments at Fair Value		
U.S. Government and Agency Obligations	6,810,408	7,060,812
Certificates of Deposit	-	250,020
Mortgage and Asset Backed Securities	3,068,151	3,265,844
Corporate Obligations	1,633,721	863,649
Fixed Income Mutual Funds	12,243,622	8,116,078
Equities	47,084,955	34,938,837
Participants' Loans	3,469,126	3,149,732
Total Investments	<u>74,309,983</u>	<u>57,644,972</u>
Total Assets	<u>83,860,121</u>	<u>69,085,119</u>
<b>Liabilities</b>		
Accounts Payable	21,574	66,162
Benefits Payable	761,991	696,638
Total Liabilities	<u>783,565</u>	<u>762,800</u>
Net Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented on page 16 )	<u>\$ 83,076,556</u>	<u>\$ 68,322,319</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>Additions</b>		
Contributions		
Employer	\$ 7,307,924	\$ 5,655,937
Employees	2,394,123	2,519,075
Total Contributions	<u>9,702,047</u>	<u>8,175,012</u>
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	12,617,566	6,847,502
Interest	1,208,653	584,204
Dividends	745,710	1,042,055
Insurance from employee loans	17,875	19,746
	<u>14,589,804</u>	<u>8,493,507</u>
Less: investment expense	407,741	296,161
Net investment Income (loss)	<u>14,182,063</u>	<u>8,197,346</u>
Total Additions (Reductions)	<u>23,884,110</u>	<u>16,372,358</u>
<b>Deductions</b>		
Benefits	8,669,873	7,912,525
Refunds of contributions	242,806	250,331
Administrative expense	211,261	213,163
Employee loan exonerated - deceased member	5,933	-
Total Deductions	<u>9,129,873</u>	<u>8,376,019</u>
Net Increase (Decrease)	14,754,237	7,996,339
Net assets held in trust for pension benefits		
Beginning of year	<u>68,322,319</u>	<u>60,325,980</u>
End of year	<u>\$ 83,076,556</u>	<u>\$ 68,322,319</u>

The Accompanying Notes are an Integral Part of the Financial Statements.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 1: PLAN DESCRIPTION**

The following brief description of the City of Jersey City Employees' Retirement System ("the Plan"), is provided for the purpose of general information only. Participants should refer to the Plan agreement for more complete information.

**General**

The City of Jersey City Employees' Retirement System became effective February 22, 1965, under N.J.S.A. 43:13-22.50, et.seq. Legislation was approved amending the Employees' Retirement System on May 9, 1990. The Plan was also amended on August 19, 1996 to increase pension benefits.

The Plan is supported by joint contributions of the members and the City of Jersey City ("the City"). The Plan's activities are administered by a Pension Commission, which consists of the Mayor, Chief Financial Officer, two elected employee representatives, and one appointed citizen member. UBS and Trust Company of the West are designated custodians of the Plan's investments. The Plan is required by State Statute to have an actuarial evaluation of its financial condition at least once every five years. The most recent completed actuarial evaluation was as of January 1, 2010. Under Governmental Accounting Standards Board (GASB) Statement # 25, the Plan is required to have an actuarial valuation performed at least biennially.

The Plan is a defined benefit pension plan covering certain employees of the City. Employees who were members of the former pension systems prior to the effective date of the Plan automatically became members. All permanent employees (except police, fire and board of education employees) hired after February 22, 1965, and under the age of 40 at the date of employment must become members of the Plan. In addition, temporary employees hired after October 7, 1984, with one year's temporary service, under the age of 40 at the date of employment, must also become members of the Plan. Employees of the City who are not eligible to become members of the Plan are covered under the Public Employees' Retirement System which is managed by the State of New Jersey.

Under the existing statute, the Plan is intended to comply with Internal Revenue

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 1: PLAN DESCRIPTION (Continued)**

Code Section 414 (h) and as such is exempt from both federal and state taxes. The Plan has made amendments to the Plan and has submitted the necessary documentation to the IRS and is awaiting a favorable IRS Determination Letter ruling. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

**Pension Benefits**

For the purpose of this section "final salary" for benefit purposes is to be defined as the average annual salary during the member's final 3 years of service or for any 3 fiscal years of membership providing the largest possible benefit to the member or beneficiary.

On August 19, 1996, the Plan was amended. Participants are eligible to receive normal retirement benefits upon completion of 20 years of service and attainment of age 60. Benefits under the Plan are calculated on the basis of 55% of final salary, plus 1% of the final salary for each year in excess of 20 years. The minimum annual pension is \$3,600.

Participants are eligible for retirement benefits upon attaining age 60 with less than 20 years of service. Benefits under the Plan are calculated on the basis of 2% of the retiree's final salary for each year of creditable service. The minimum annual pension is \$3,600.

For members electing early retirement, prior to age 60, with 25 years of credited service, benefits under the Plan equal 55% of final salary reduced by 1/12 of 1% for each month that the member is less than age 60. The minimum annual pension is \$3,600.

Pension benefits partially vest after 10 years of credited service. If a member has completed 10 years of credited service, and is separated from service either voluntarily or involuntarily, prior to age 60, the member may elect to receive a lump-sum distribution of their own contributions, or to receive a deferred pension commencing at age 60. The deferred pension is equal to 55% of the member's final salary multiplied by the ratio of years of credited service to years of credited service which would have been attained had the member continued to age 60. The minimum annual pension is \$3,600.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 1: PLAN DESCRIPTION (Continued)**

**Disability and Death Benefits**

Any member who has 5 or more years of creditable service and has become permanently disabled may retire on a disability pension computed on the basis of 50% of their final salary plus 1% for each year of creditable service in excess of 20 years. The minimum annual pension is \$3,600.

Any member who becomes permanently disabled as a result of the performance of their regular duties during employment may retire on a disability pension. The pension is equal to two-thirds of final salary. The minimum annual pension is \$3,600.

In the event of the member's death, there is a survivorship benefit to the member's surviving spouse of 50% of the member's final salary provided the member was employed by the City for a period of five years. In the case of no surviving spouse, other dependents receive a benefit to a lesser extent.

Death of a retirant will result in the surviving spouse, minor children or dependent parents, receiving a survivorship benefit equal to 50% of the retirant's pension at retirement, not less than \$3,600.

**Cost of Living Adjustment**

Beginning in the year 1990, the Plan instituted a cost of living adjustment on all benefits equal to 60% of the U.S. Labor Department Consumer Price Index beginning on the 25th month following retirement and receipt of a pension or survivorship benefit. On June 12, 2003 the New Jersey State Senate passed a bill S357 which increased the rate of pension adjustment from "3/5 of the percentum of change in the Consumer Price Index for each year from the retirement year index." The bill changes the rate of the pension adjustment to equal the percent change of the Consumer Price Index using 1988 as the index for all retirees prior to 1989. The cost of living adjustment effective February 1, 2004 was various amounts depending on the year of retirement. It ranged from a cumulative amount of 52.735 % for pensioners retiring in 1988 and prior to 1.592% for pensioners retiring in 2002. The effective rate as of February 1, 2011 and 2010, respectively was 2.27% and 0%.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting. The plan has adopted Governmental Accounting Standards Board (GASB) Statement No. 34.

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Investment Valuations and Income Recognition**

The Plan's investments are accounted for at fair market value at June 30, 2011 and 2010, in accordance with generally accepted accounting principles, and the provisions of GASB No. 25. Portfolio securities' for which market quotations are not readily available, are valued at fair value. Many factors are considered in arriving at that fair market value. In general, however, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. If a quoted price for unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with multiple of similar companies based on current market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service that employees have rendered. Accumulated plan benefits are expected to be paid to (a) retired or terminated employees, or their beneficiaries; (b) beneficiaries of employees who have died; and (c) present employees or their beneficiaries. Benefits under the Plan are based

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Actuarial Present Value of Accumulated Plan Benefits (Continued)**

on employees' compensation during their last three years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the three years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances, retirement, death, disability, and termination of employment, are included to the extent that they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of the Plan benefits is determined by Buck Consultants, and it is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits, to reflect the time value of money (through discounts for interest), and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Significant actuarial assumptions underlying the actuarial present value of accumulated plan benefits at January 1, 2010 the period covered by the latest actuarial report, are as follows:

Interest Rate

8.25% per annum, compounded annually.

Mortality Basis

According to the RP-2000 Mortality Table.

Retirement

A retirement scale which varies by attained age, based on the experience of the Plan.

Withdrawal Age

A withdrawal scale which varies by attained age, based on plan experience.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Actuarial Present Value of Accumulated Plan Benefits (Continued)**

The foregoing actuarial assumptions are based on the presumptions that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

**Unfunded Accrued Liability**

Based on the actuary report prepared for January 1, 2010, there was an unfunded accrued liability of \$ 92,267,919. On the basis of this valuation, it was recommended that the City contribute to the Plan for the plan year commencing January 1, 2011, 20.4% of the salaries of the members or an estimated \$7,307,923. See Schedule of Funding Progress on Page 16.

**Payment of Benefits**

Benefits payments to participants are recorded upon distribution.

**NOTE 3: FUNDING POLICY**

Each member, from the period prior to the effective date of the Plan, is required to contribute 6% to 8.5% of gross payroll. The contribution percentage varies with the member's age at the time of appointment.

Each active member, who became a member after the effective date of the Plan, is required to contribute from 6.2% to 10.15% of their salary. The contribution percentage varies with the member's age on the date of entry to the Plan.

During the years ended June 30, 2011 and 2010, the City contributed \$7,307,924 and \$5,655,937, respectively to the Plan. Although it has not expressed any intention to do so, the City has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to legislation.

The City's funding practice is to fund current costs, annually. The service costs for the years ended June 30, 2011 and 2010, were provided by the City through budget appropriations.



**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 4: PLAN TERMINATION**

In the event the Plan terminates, the net assets of the Plan will be allocated to provide benefits in the following order:

- Benefits attributable to employee contributions.
- Benefits the retirees or their beneficiaries have been receiving.
- Benefits vested.
- All other non-vested benefits.

**NOTE 5: PENSION BENEFITS PAYABLE**

Pension benefits payable at June 30, 2011 and 2010, are due to payments which are made on the first of each month representing the benefits payment for the preceding month. Accordingly, these amounts have been accrued at June 30, 2011 and 2010.

**NOTE 6: INVESTMENTS**

The fair-value of investments at June 30, 2011 and 2010, consist of the following:

	<u>2011</u>		<u>2010</u>	
	<u>Market</u>	<u>Cost</u>	<u>Market</u>	<u>Cost</u>
Investments determined by quoted market price:				
U.S. Government and Agency Obligations, CD's and Mortgage Backed Securities	9,878,559	9,835,219	10,576,676	10,523,435
Corporate Obligations	1,633,721	2,447,288	863,649	1,711,701
Common Stock	47,084,955	40,361,979	34,938,837	38,932,642
Fixed Income Mutual Funds	12,243,622	11,944,366	8,116,078	7,945,201
Investments determined at estimated fair-value:				
Participants' Loans Receivable	<u>3,469,126</u>	<u>3,469,126</u>	<u>3,149,732</u>	<u>3,149,732</u>
Totals	<u><u>74,309,983</u></u>	<u><u>68,057,978</u></u>	<u><u>57,644,972</u></u>	<u><u>62,262,711</u></u>

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE 6: INVESTMENTS (Continued)**

During the years ended June 30, 2011 and 2010, the Plan's investments increased and in value by \$12,617,566 and \$6,847,502, respectively, due to the changes in unrealized gains and (losses) and realized gains and (losses) as follows:

	2011	2010
Investments determined by quoted market price:		
U.S. Government and Agency Obligations	\$ (9,901)	\$ (804,877)
Corporate Obligations	34,485	2,357,054
Common Stocks	10,716,781	1,245,209
Fixed Income Mutual Funds	128,379	170,877
Unrealized gains (losses) on investments	10,869,744	2,968,263
Realized gains (losses) on investments	1,747,822	3,879,239
Net appreciation (depreciation) on investments	\$ 12,617,566	\$ 6,847,502

**NOTE 7: PENSION LOANS**

Effective September 1, 1987, a pension loan program was made available to qualified participants. The loans are secured by the participants' vested contributions. On June 12, 2003 the New Jersey State Senate passed a bill S357 which amended the rate at which pension participants paid back loans taken against their pension accounts. Prior to this legislation the rate was the greater of the current U.S. Treasury Bills or 10%. The bill would require the rate "to be fixed annually, as of January 1 of each calendar year, equal to the average of the daily rates of interest based on daily trades paid on 30-year U.S. Treasury bonds for the preceding November, or 10%, whichever is less." Additionally, an insurance fee, which is charged to each member granted a loan under the program, is recognized as income when the loan originates. If the borrower dies while there is an outstanding loan balance, the loan is forgiven and is charged against current deductions. As of June 30, 2011 the Plan has collected \$205,158 of premiums on loans issued and exonerated \$214,686 of loans. The Plan increased the insurance premium rate it charges on loans from 1% of the loan to 1.1% at the June 20, 2007 meeting effective July 1, 2007.

**NOTE 8: SUBSEQUENT EVENTS/PENDING LITIGATION**

There are no subsequent events or litigation of any significant amount pending against the Plan.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
JUNE 30, 2011 and 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
December 31, 1998	\$ 74,891,384	\$ 71,818,448	\$(3,072,936)	104.3%	\$27,273,116	-11.3%
June 30, 2001	65,681,958	77,899,103	12,217,145	84.3%	23,506,648	52.0%
January 1, 2006	69,884,505	133,378,060	63,493,555	52.4%	28,743,034	220.9%
January 1, 2008	76,388,275	147,333,583	70,945,308	51.8%	32,926,273	215.5%
January 1, 2010	68,971,589	161,239,508	92,267,919	42.8%	34,444,082	267.9%

**NOTE:** The December 31, 1998 actuarial valuation performed by Buck with different actuarial assumptions, showed the plan as being fully funded with no unfunded actuarial accrued liability. Due to investment performance under the assumed rate, increased early retirements and changes in actuarial valuation methods and assumptions the plan now shows a significant unfunded actuarial accrued liability.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JUNE 30, 2011 and 2010**

<b>Year Ended <u>June 30</u></b>	<b>Annual Required <u>Contribution</u></b>	<b>Percentage Contributed</b>
2000	370,915	100.00%
2001	350,000	100.00%
2002	1,979,260	100.00%
2003	2,080,000	100.00%
2004	2,185,000	100.00%
2005	2,310,195	100.00%
2006	3,680,819	67.67%
2007	5,039,020	51.02%
2008	5,151,443	93.99%
2009	5,826,552	89.77%
2010	7,838,082	72.16%
2011	7,309,283	99.98%

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES  
JUNE 30, 2011 AND 2010**

**NOTE 1: ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS USED FOR THE 1-1-2010 ACTUARIAL VALUATION**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the January 1, 2010 actuarial valuation follows.

Valuation date	January 1, 2010
Actuarial cost method	<i>Projected Unit Credit</i>
Amortization method	Level Percent, Open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment and rate of return	8.25%
Projected salary increases	4.0%
Cost-of-living adjustments	100% of the assumed CPI increases of 3.0%
Inflation rate	3.0%

## **SUPPLEMENTARY INFORMATION**

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2011**

Description	# of Shares	Investment at Cost	Market Value
ABB LTD ADR	\$ 3,175	\$ 77,728	\$ 82,391
Aarons Inc Cl A	4,400	72,250	124,344
Acuity Brands Inc	2,502	97,234	139,562
Adidas AG ADR	2,574	66,881	102,625
AES Corp	4,750	59,479	60,515
Affiliated Managers Group	2,694	174,955	273,306
Alcoa Inc	20,100	276,267	318,786
Allianz SE ADR	5,007	51,856	70,198
Allstate Corp	5,975	188,699	182,417
Alumina LTD ADR	5,905	36,615	54,326
Ametek Inc.	4,102	126,773	184,180
America Movil S.A.B. DE C.V. Ser L ADR	1,682	80,746	90,626
American Electric Power Inc	8,350	288,126	314,628
American Express	6,100	206,647	315,370
Ameriprise Financial Inc	5,800	201,640	334,544
Anadarko Pete Corp	2,100	103,668	161,196
Anglogold Ashanti LTD ADR	3,417	147,388	143,822
Ansys Inc	3,801	149,023	207,801
Apple Inc	2,030	285,422	681,410
Aptargroup Inc	3,207	132,352	167,854
Astrazeneca PLC ADR	3,224	159,753	161,426
Avago Technologies LTD	8,256	253,866	313,728
AT & T Inc	11,600	307,469	364,356
Axis Capital Hldgs LTD Shs	2,095	65,521	64,861
Báker Hughes, Inc.	11,179	662,724	811,148
Banco Bradesco S.A. ADR	5,419	97,330	111,035
Barrick Gold Corp CAD	3,944	180,265	178,624
Bayer AG ADR	574	35,104	46,242
Bayerische Motoren Werke AG ADR	2,450	43,637	80,973
BG Group PLC ADR	810	68,348	92,543
BHP Billiton LTD ADR	1,687	114,154	159,641
Bio Rad Laboratories Inc Cl A	1,513	125,426	180,591
Blackbaud Inc	6,814	142,645	188,884
BNP Paribas SA ADR	2,275	73,317	87,929
Borg Warner Inc	1,366	60,044	110,359
Brambles LTD ADR	3,735	58,270	58,303
British American Tobacco PLC ADR	949	64,930	83,512
Bunzl PLC New GBP	1,456	79,435	92,179
CA Inc.	5,725	105,486	130,759
Cameco Corp CAD	5,046	134,158	132,962
Canon Inc Japan ADR	2,545	109,500	121,117
Cap Gemini SA ADR	3,047	84,672	89,094
CF Industries Holdings, Inc.	2,289	343,954	324,573
Carlisle Cos Inc	2,981	86,695	146,755
Carmax Inc	3,659	74,531	121,003
Carrefour SA ADR	14,913	133,845	116,471
CBS Corp	7,625	112,325	217,236
CDN Natl Railway Co CAD	1,087	70,317	86,851
Cenovus Energy Inc CAD	993	26,103	37,396
Centrais Electricas Bras SA ADR	6,388	80,123	86,238
Centrica PLC ADR	4,555	91,753	95,017
Cheung Kong Holdings LTD ADR	6,089	77,422	89,508
Chevron Corp	5,350	368,847	550,194
Church and Dwight Corp	3,592	116,512	145,620
City National	2,539	123,484	137,741
CNOOC LTD ADR	722	123,383	170,341
Coca Cola Hellenic Bottling Co SA ADR	2,043	47,437	54,671
Coca Cola Amatil Australia ADR	2,859	61,258	70,617
Cognizant Tech Solutions Corp	5,559	370,825	407,697
Columbia Sportswear Co	1,238	58,610	78,489
Comcast Corp	15,400	321,790	390,236
Compass Group PLC GBP	13,229	106,782	128,321



**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2011**

Description	# of Shares	Investment at Cost	Market Value
Copart Inc	1,859	62,048	86,629
Covidien PLC	8,430	365,929	448,729
Credit Suisse ADR	2,238	84,856	87,378
CSL LTD ADR	5,537	79,531	100,497
CSX Corporation	15,243	268,549	399,671
Cullen Frost Bankers Inc	1,414	72,845	80,386
Daiichi Sankyo LTD ADR	3,127	59,062	60,820
Dai Nippon ADR	13,393	157,943	149,868
Daiwa House Japan LTD ADR	476	46,113	60,128
Dana Holding Corp	7,925	139,581	145,028
Danone ADR	7,376	82,245	110,271
Dell Inc	46,302	777,953	771,854
Densco ADR	5,064	77,177	94,646
Dentsply Intl Inc	6,681	190,202	254,412
Devon Energy Corp	4,625	295,835	364,496
Dow Chemical	11,249	333,835	404,964
Dril-Quip Inc	1,088	57,389	73,799
EMC Corp	15,314	269,141	421,901
East Japan Railway ADR	5,408	62,813	51,809
Eaton Corp	7,756	396,014	399,046
Electricite De France ADR	11,453	95,244	89,906
Embraer SA ADR	1,894	47,633	58,297
Encana CAD	993	27,607	30,574
Energizer Holdings Inc	3,125	223,832	226,125
Enseo PLC	7,525	347,439	401,083
Equifax Inc	4,475	145,842	155,372
Factset Resh Systems Inc	1,147	84,436	117,361
Fair Isaac Corp	5,664	127,830	171,053
FANUC LTD ADR	4,416	81,046	123,648
Finmeccania SPA ADR	20,122	109,559	120,531
Flir Systems Inc	4,761	119,930	160,493
Fomento Economico Mexicano S.A.B. DE ADR	699	34,777	46,477
Ford Motor Co Com New	28,456	417,143	392,408
Forest City Enterprises Inc Cl A	8,677	98,759	162,000
Fresenius Medical Care AG ADR	918	51,981	68,575
Fuji Film Holdings ADR	3,458	104,691	107,993
GAP Inc Com	10,125	182,464	183,263
General Electric	17,675	514,202	333,351
General Mills Inc	10,898	413,412	405,624
Gentex Corp	4,352	128,491	131,561
Glaxo Smithkline PLC ADR	3,430	130,828	147,147
Gold Fields LTD ADR	7,400	104,833	107,966
Google Inc Class A	1,312	655,325	664,371
Graco Inc	2,514	70,753	127,359
Greenhill & Co Inc	2,134	144,696	114,852
Group CGI Inc SV CL A CAD	2,289	50,182	56,424
Grupo Televisa SA Global Dep Rct Ord Mex. ADR	2,809	53,218	69,101
HCA Holdings Inc	12,662	421,868	417,846
Hachijuni Bank LTD ADR	949	52,647	53,476
Halliburton Co	8,645	329,493	440,895
HCC Insurance Hldgs Inc	7,736	208,056	243,684
Henry Jack & Assoc Inc	3,717	88,221	111,547
Hologic Inc	12,965	251,815	261,504
Home Depot	9,750	246,940	353,145
Home Retail Group	4,912	60,575	52,264
Honeywell Intl Inc	14,766	683,983	879,906
Hunt JB Trans Svc Inc	3,073	120,212	144,708
Hutchison Whampoa LTD Hong Kong ADR	1,916	73,583	103,656
IBM Corp	2,525	224,192	433,164
Idex Corp	4,029	120,694	184,730
Imperial Tobacco Group PLC ADR	2,056	116,424	136,868
Industrial & Coml Bk China ADR	5,817	86,113	88,884
Infosys LTD ADR	1,422	83,984	92,757

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2011**

Description	# of Shares	Investment at Cost	Market Value
Intel Corp	15,100	275,796	334,616
Intl Power PLC ADR	1,427	82,630	73,419
Jacobs Engineering Group Inc	4,332	154,533	187,359
Johnson & Johnson	2,600	156,152	172,952
JPMorgan Chase & Co	20,441	829,293	836,854
Julius Baer Group LTD ADR	10,105	71,642	84,276
KAO Corp ADR	5,704	135,098	150,357
Keppel Corp LTD ADR	5,247	62,006	94,341
Kimberly Clark Corp	5,075	321,072	337,792
Kingfisher PLC ADR	9,780	63,867	83,717
Kinross Gold CAD	9,944	159,314	157,115
Kirby Corporation	3,687	136,496	208,942
Komatsu LTD ADR	3,319	68,965	104,217
Koninkluke Ahold NV ADR	4,536	55,987	60,873
Korea Electric Power ADR	7,145	91,566	94,814
Kraft Foods Inc	12,075	398,832	425,402
Lennar Corp	14,250	135,398	258,637
LKQ Corp	8,286	154,010	216,182
LM Ericsson Co SEK ADR	6,194	73,905	89,070
Markel Corp	909	296,327	360,700
MBIA Inc	6,396	109,692	149,034
McDonalds Corp	4,593	362,167	387,282
Meadwestvaco Corp	7,000	211,407	233,170
Metlife Inc	9,121	424,866	400,138
Mettler-Toledo Intl	564	62,619	95,129
Morgan Stanley	12,875	369,925	296,254
Morningstar Inc	5,085	207,169	309,066
Motorola Mobility Holdings Inc	8,359	273,456	184,232
Motorola Solutions Inc	5,596	233,852	257,640
MS&AD Ins Grp Hldgs ADR	13,630	157,059	158,653
Nabors Industries LTD	8,575	244,763	211,288
Nestle Switz ADR	2,009	102,975	125,321
Newcrest Mining Australia LTD ADR	3,106	100,938	125,793
Nexen Inc CAD	4,769	89,533	107,303
Nidec Corp ADR	2,866	63,935	66,950
Nintendo Japan LTD ADR	3,110	103,721	72,463
Nippon Teleg & Tel ADR	9,265	200,063	224,028
Nokia Corp Finland ADR	17,282	144,703	110,950
Nordstrom Inc	9,263	406,607	434,805
Novartis AG ADR	1,862	96,795	113,787
Novo Nordisk Denmark ADR	895	76,439	112,126
OAO Gazprom Russia ADR	9,178	96,850	133,540
O Reilly Automotive Inc	4,621	218,032	302,722
Oceaneering Intl Inc	2,886	72,281	116,883
P.T. Telekomunikasi Indonesia ADR	1,847	62,293	63,722
Panasonic Corp ADR	7,641	97,264	93,526
Peabody Energy Corp	4,667	221,672	274,933
Petroleo Brasileiro SA ADR	1,521	51,929	51,501
Pfizer Inc Com Stk	23,600	578,821	486,160
Polyus Gold ADR	819	28,517	25,799
Precision Castparts Corp	2,535	355,762	417,388
Priceline.com Inc New	800	406,787	409,544
Publicis Groupe SA ADR	1,917	43,194	53,657
Qualcomm Inc	10,138	531,635	575,737
Réed Elsevier Ord SHS ADR	2,307	75,427	84,159
Roche Holding LTD Switz ADR	2,039	69,248	85,556
Rofin-Sinar Technologies Inc	1,936	39,120	66,114
Rohm Co LTD ADR	2,842	87,521	80,770
Royal Dutch Shell PLC Cl A ADR	13	945	925
Royal Dutch Shell PLC ADS Cl B Ord ADR	3,394	185,858	243,519
SAP AG ADR	1,302	60,403	78,966
Sally Beauty Co Inc	8,445	85,229	144,410
Sanofi ADR	4,511	129,540	181,207

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2011**

Description	# of Shares	Investment at Cost	Market Value
Schein Henry Inc	3,161	168,752	226,296
Scotts Miracle-Gro Co Cl A	2,257	126,308	115,807
SEI Investments Co	6,618	117,168	148,971
Sekisui House LTD ADR	9,070	80,956	84,442
Seven & I Holdings ADR	2,392	112,560	129,503
Shire PLC ADR	1,179	77,193	111,074
Shiseido Corp Japan LTD ADR	6,951	143,280	130,470
Siemens AG ADR	703	64,699	96,684
SK Telecom LTD ADR	9,442	152,810	176,565
Smith & Nephew PLC ADR	1,095	52,524	59,305
Societe Generale France ADR	4,915	51,182	58,415
Sprint Nextel Corp	43,075	194,479	232,174
Starbucks Corp	9,940	331,500	392,230
State Street Corp	6,525	276,931	294,212
Statoil ASA ADR	2,142	45,612	54,514
Sumitomo Mitsui Trust ADR	19,006	66,521	65,001
Suncor Energy Inc CAD	1,406	43,991	54,975
Swedbank AB ADR	2,792	48,235	47,213
Swisscom AG ADR	2,746	105,179	125,657
Symantec Corp Inc	10,575	173,174	208,539
Syngenta AG ADR	1,180	55,177	79,721
Taiwan Semiconductor LTD ADR	9,038	86,630	113,969
Talisman Energy Inc CAD	1,932	31,839	39,587
TE Connectivity LTD	12,075	327,271	443,877
Telecom Italia SPA ADR	11,394	123,099	132,626
Tenet Healthcare Corp Com	5,207	164,943	197,652
Terex Corp	11,028	253,873	313,747
Tesco PLC ADR	4,580	86,407	89,768
Teva Pharmaceuticals Ind	8,922	425,720	430,219
Teva Pharmaceuticals Ind Israel ADR	2,775	139,958	133,811
Textron Inc	15,700	327,747	370,677
Time Warner Inc Com	16,556	625,894	602,142
TNT Express NV ADR	4,142	42,694	42,694
Total S.A. France ADR	1,016	48,562	58,765
Toyota Motor Corp Japan ADR	2,112	149,536	174,071
Transcanada Corp CAD	2,337	83,103	102,454
Travelers Cos Inc	7,625	329,234	445,148
Tyco International LTD New Com	6,950	279,119	343,539
Ulta Salon Cosmetic & Fragrance Inc	1,589	36,627	102,618
Umpqua Holdings Corp Or	10,995	116,808	127,212
Unilever NV ADR	2,785	79,909	91,487
United Parcel Service Inc Cl B	5,505	408,432	401,480
United States Steel Corp	5,275	199,249	242,861
Universal Health Services Inc Cl B	1,536	48,378	79,150
Valero Energy Corp	7,325	165,398	187,300
Valmont Industries Inc	598	40,495	57,641
Varian Medical Systems Inc	1,798	96,191	125,896
Verisk Analytics Inc Cl A	3,842	125,951	133,010
Vimpelcom LTD ADR	2,963	44,167	37,808
Vodafone Group PLC ADR	8,427	199,427	225,169
Volvo Aktiebolaget ADR	4,274	74,022	74,795
Wacoal Holdings ADR	1,561	107,505	97,188
Walt Disney Co	10,582	336,618	413,122
Wiley John & Sons	4,114	153,809	213,970
Wolters Kluwer Netherlands ADR	5,503	103,735	121,999
Worleyparson LTD ADR	2,794	85,287	84,714
WPP Plc ADR	1,443	73,738	90,548
Yahoo! Inc	16,375	263,769	246,278
Yamada Denki LTD JPY	779	64,890	62,987
<b>Total Equities</b>		<b>\$ 40,361,979</b>	<b>\$ 47,084,955</b>

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
U.S. GOVERNMENT, U.S. GOVERNMENT AGENCY  
AND MORTGAGE BACKED SECURITIES  
June 30, 2011**

<u>DESCRIPTION</u>	<u>MATURITY</u>	<u>RATE (%)</u>	<u>UNITS</u>	<u>INVESTMENT AT COST</u>	<u>INVESTMENT AT MARKET</u>
<b>U. S. Government Obligations:</b>					
United States Treasury Note	7/31/2011	1.000	249,000	250,402	249,194
United States Treasury Bill	8/11/2011		648,000	647,938	647,987
United States Treasury Bill	8/18/2011		322,000	321,975	321,994
United States Treasury Note	8/31/2011	1.000	154,000	154,861	154,240
United States Treasury Note	9/30/2011	4.500	108,000	113,569	109,198
United States Treasury Note	2/29/2012	0.875	316,000	316,836	317,529
United States Treasury Note	5/15/2012	1.375	257,000	260,112	259,591
US Treasury Inflation Protection Note	7/15/2012	3.000	1,002,880	1,122,797	1,101,357
United States Treasury Note	1/31/2013	0.625	400,000	399,736	401,576
United States Treasury Note	3/15/2013	1.375	70,000	70,413	71,149
United States Treasury Note	5/31/2013	0.500	110,000	110,125	110,116
United States Treasury Note	1/15/2014	1.000	95,000	95,532	95,839
US Treasury Inflation Protection Note	7/15/2015	1.875	779,157	856,481	859,145
United States Treasury Bond Zero Coupon	2/15/2019	0.000	124,000	93,286	100,733
United States Treasury Note	5/15/2019	3.125	176,000	174,949	181,720
United States Treasury Note	2/15/2020	3.625	78,000	80,157	82,515
US Treasury Inflation Protection Note	7/15/2020	1.250	112,386	115,757	118,883
US Treasury Inflation Protection Note	4/15/2028	3.625	64,000	118,374	117,162
US Treasury Inflation Protection Note	1/15/2029	2.500	71,000	88,061	86,361
US Treasury Inflation Protection Bond	4/15/2029	3.875	228,424	301,820	312,993
United States Treasury Bond	11/15/2039	4.375	52,000	53,375	52,024
United States Treasury Bond	2/15/2040	4.625	52,000	55,591	54,218
				<u>\$ 5,802,147</u>	<u>\$ 5,805,524</u>
<b>U. S. Government Agencies</b>					
Freddie Mac Bond	12/28/2012	0.625	300,000	\$ 300,796	\$ 301,005
FHLMC Notes	7/12/2013	1.500	60,000	60,066	60,019
Freddie Mac Notes	10/28/2013	0.875	90,000	89,667	90,414
Federal Home Loan Mortgage Corp (FHLMC)	11/15/2013	4.875	175,000	193,608	192,421
FHLB Bond	11/18/2013	0.8	75,000	74,205	75,067
Federal National Mortgage Assoc (FNMA)	12/18/2013	0.75	286,000	282,529	285,958
				<u>\$ 1,000,871</u>	<u>\$ 1,004,884</u>
<b>U.S. Government and U.S. Government Agencies</b>					
				<u>\$ 6,803,018</u>	<u>\$ 6,810,408</u>
<b>Mortgage (MBS) and Asset Backed Securities (ABS):</b>					
DaimlerChrysler Auto Loan ABS	9/10/2012	4.710	252	\$ 257	\$ 252
CHAIT Ser 2005-6a CI A	7/15/2014	0.257	30,000	29,944	29,990
Discovery Bancorp Ser 2007-3 CI A	10/16/2014	0.237	40,000	39,826	39,962
MBNA CC Master Tr 2006-5A CI A	10/15/2015	0.247	30,000	29,877	29,953
Hyundai Auto Receivables Tr Ser 2009 CI A-4	3/15/2016	3.150	20,000	20,841	20,761
BACCT Ser 2006-14A CI A	4/15/2016	0.247	35,000	34,708	34,893
BACCT Ser 2007-6A CI A	9/15/2016	0.247	30,000	29,757	29,882
BACCT Ser 2006-7A CI A	12/15/2016	0.227	30,000	29,535	29,845
COMET Ser 2004-4A CI A	3/15/2017	0.407	60,000	59,840	59,969
Federal National Mortgage Association Pool	2/1/2023	5.500	85,330	92,930	92,618
Federal National Mortgage Association Pool	5/1/2024	4.500	100,284	106,081	106,558
Federal National Mortgage Association Pool	11/1/2033	5.000	96,473	102,592	103,107
Federal National Mortgage Association Pool	12/1/2035	5.500	175,188	188,921	190,575
Federal National Mortgage Association Pool	2/1/2036	5.000	173,509	182,952	185,249
Federal National Mortgage Association Pool	4/1/2036	5.500	187,551	202,144	203,939
Federal National Mortgage Association Pool	12/1/2036	5.500	160,982	174,188	174,570
Federal National Mortgage Association Pool	2/1/2037	5.500	58,521	63,184	63,461
Federal Home Loan Mortgage Corporation Pool	11/1/2037	5.500	149,006	159,716	161,327
Federal National Mortgage Association Pool	2/1/2038	5.500	8,734	9,497	9,454
Federal National Mortgage Association Pool	5/1/1938	6.000	90,680	98,444	99,768
Federal National Mortgage Association Pool	11/1/2038	5.500	23,609	25,364	25,576
Federal National Mortgage Association Pool	4/1/2040	4.500	263,908	272,773	273,429
Federal National Mortgage Association Pool	8/1/2040	4.500	182,641	187,044	189,231
Federal National Mortgage Association Pool	12/1/2040	4.000	312,264	304,498	312,704
Federal National Mortgage Association Pool	2/1/2041	4.500	217,343	218,547	224,863
Federal National Mortgage Association Pool	2/1/2041	4.500	186,140	187,368	192,580
Federal National Mortgage Association Pool	2/1/2041	4.500	126,311	128,698	130,868
Federal National Mortgage Association Pool	5/1/2041	4.500	50,776	52,675	52,767
<b>Mortgage (MBS) and Asset Backed Securities (ABS)</b>					
				<u>\$ 3,032,201</u>	<u>\$ 3,068,151</u>

CITY OF JERSEY CITY  
EMPLOYEES RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
FIXED INCOME MUTUAL FUNDS AND CORPORATE OBLIGATIONS

JUNE 30, 2011

DESCRIPTION	MATURITY	RATE/ YIELD (%)	UNITS	INVESTMENT AT COST	INVESTMENT AT MARKET
Fixed Income Mutual Funds:					
Allianz Fixed Income Shares Series C	N/A	N/A	109,850	\$ 1,413,821	\$ 1,444,528
Allianz Fixed Income Shares Series M	N/A	N/A	137,290	1,372,213	1,453,901
Allianz Fixed Income Shares Series R	N/A	N/A	154,765	1,674,294	1,719,439
FT Templeton Global Bond A	N/A	N/A	311,945	4,315,392	4,339,155
Blackrock Bond Allocation Target Shares Series C	N/A	N/A	105,940	1,040,135	1,075,295
Blackrock Bond Allocation Target Shares Series M	N/A	N/A	113,919	1,080,636	1,111,851
JP Morgan Tax Aware Real Return Series A	N/A	N/A	107,264	1,047,875	1,099,453
Fixed Income Mutual Funds				\$ 11,944,366	\$ 12,243,622
Corporate Obligations:					
Lehman Bros Hldgs Cap Tr Pfd	4/22/2053	6.000	10,000	\$ 250,000	\$ 850
BB&T Corp	7/28/2011	3.100	15,000	15,270	15,026
Conagra Foods	9/15/2011	6.750	25,000	26,650	25,298
Devon Financing Corp ULC	9/30/2011	6.875	30,000	32,025	30,451
Met Life Nts	12/1/2011	6.125	25,000	25,914	25,560
Credit Suisse FB USA	1/15/2012	6.500	20,000	20,955	20,627
Southern Co Notes	1/15/2012	5.300	25,000	26,374	25,627
Pfizer	3/15/2012	4.450	30,000	31,242	30,855
General Mills Inc	9/10/2012	5.650	15,000	16,351	15,849
General Electric Cap Corp.	10/19/2012	5.250	57,000	60,802	60,091
Bell South Corp	11/15/2012	4.750	20,000	21,445	21,024
Boeing Notes	11/20/2012	1.875	20,000	20,476	20,315
Household Fin Corp Nts	11/27/2012	6.375	20,000	21,632	21,396
Kellogg Co	12/3/2012	5.125	15,000	16,311	15,900
BNP Paribas	12/21/2012	2.125	20,000	20,278	20,204
Prudential Finanacial Inc.	1/15/2013	5.150	30,000	31,905	31,657
Lehman Brothers Holdings, Inc (Defaulted)	2/11/2013	5.000	250,000	250,000	65,313
Travelers Pty Casualty Corp	3/15/2013	5.000	30,000	32,223	31,973
CSX Corp	3/15/2013	5.750	25,000	27,489	26,899
Verizon VA Inc	3/15/2013	4.625	25,000	26,499	26,367
United Health Group Inc.	4/1/2013	4.875	15,000	16,162	15,904
BHP Billiton Fin USA	4/15/2013	4.800	20,000	21,719	21,376
Oracle	4/15/2013	4.950	20,000	21,696	21,457
Dr Pepper Snapple Group	5/1/2013	6.120	15,000	16,577	16,297
Wachovia Corp	5/1/2013	5.500	30,000	32,967	32,261
JP Morgan Chase & Co	5/1/2013	4.750	47,000	49,892	50,033
American Express Crd Corp	5/2/2013	5.875	10,000	11,033	10,765
GlaxoSmithkline Cap Inc	5/15/2013	4.850	15,000	16,259	16,129
Conocophillips	5/15/2013	4.400	15,000	16,052	16,002
Arcelormittal SA Nts	6/1/2013	5.375	15,000	15,944	15,971
Cox	6/1/2013	4.625	20,000	21,363	21,237
Bank of Montreal	6/28/2013	2.125	20,000	19,988	20,473
Heinz (H.J.) Co	7/15/2013	5.350	15,000	16,506	16,278
Deutsche Tel Fin Deutel	7/22/2013	5.250	20,000	21,912	21,570
Electronic Data Systems	8/1/2013	Var.	15,000	16,795	16,468
Ingersoll-Rand Global Hldg Co	8/15/2013	6.000	20,000	22,208	21,927
John Deere Capital Corp	9/9/2013	4.900	15,000	16,641	16,281
BB&T Corp	9/25/2013	3.375	15,000	15,681	15,637
Caterpillar Finl Svcs	9/30/2013	6.200	15,000	16,861	16,692
Ebay Inc Nts	10/15/2013	0.875	35,000	35,021	34,922
AT&T Inc	11/15/2013	6.700	25,000	28,909	28,035
Home Depot Inc	12/16/2013	5.250	15,000	16,516	16,391
Vodafone Group Plc	12/16/2013	5.000	25,000	27,091	27,203
Verizon Wireless Cptl LLC	2/1/2014	5.550	25,000	27,627	27,556

CITY OF JERSEY CITY  
EMPLOYEES RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
FIXED INCOME MUTUAL FUNDS AND CORPORATE OBLIGATIONS

JUNE 30, 2011

DESCRIPTION	MATURITY	RATE/ YIELD (%)	UNITS	INVESTMENT AT COST	INVESTMENT AT MARKET
Eli Lilly & Co	3/6/2014	4.200	25,000	26,915	26,991
Safeway Inc	3/15/2014	6.250	15,000	16,919	16,663
Shell Int'l Fin	3/21/2014	4.000	30,000	31,777	32,298
Dell Inc	4/1/2014	2.100	20,000	19,994	20,351
Conagra Foods Inc	4/15/2014	5.875	10,000	11,046	10,983
Goldman Sachs Group Nts	5/1/2014	6.000	20,000	22,115	21,939
Bank of America Corp	5/15/2014	7.375	40,000	45,943	44,968
US Bancorp Nts	5/15/2014	4.200	25,000	26,767	26,926
Google Inc	5/19/2014	1.250	15,000	14,997	15,072
Nordstrom Inc Nts	6/1/2014	6.750	10,000	11,442	11,444
Citigroup Inc	8/12/2014	6.375	30,000	33,409	33,172
Pacificorp	8/15/2014	4.950	20,000	21,707	21,998
CVS Corp	9/15/2014	4.875	25,000	27,238	27,424
Peco Energy Co	10/1/2014	5.000	15,000	16,671	16,557
Enterprise Products	10/15/2014	5.600	15,000	16,728	16,664
General Electric Cap Corp. Ser A	11/14/2014	3.750	30,000	30,803	31,755
Bear Stearns & Co Inc	11/15/2014	5.700	25,000	27,775	27,612
Bank of NY Nts	1/15/2015	3.100	35,000	36,912	36,465
Lehman Brothers Holdings, Inc (Defaulted)	2/11/2015	5.250	250,000	250,000	65,312
DirectTV Hldgs LLC Nts	3/15/2015	3.550	15,000	15,369	15,668
Lehman Brothers Holdings, Inc (Defaulted)	2/22/2023	6.250	250,000	247,500	65,312
Corporate Obligations				<u>\$ 2,447,288</u>	<u>\$ 1,633,721</u>

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
PARTICIPANT LOANS RECEIVABLE  
June 30, 2011**

Amount	Amount	Amount	Amount	Amount	Amount	Amount
\$ 10,145	\$ 490	\$ 10,495	\$ 1,548	\$ 2,004	\$ 3,900	\$ 5,536
2,573	2,645	6,163	1,011	199	3,906	14,573
11,709	6,253	5,537	8,539	1,958	1,999	10,729
27,842	2,700	11,760	4,261	6,422	7,921	8,334
14,286	1,154	2,640	7,917	5,120	2,796	218
11,173	5,775	3,665	9,374	3,217	1,203	4,562
18,726	22,732	15,085	18,927	2,658	257	27,598
4,527	10,023	4,000	2,378	9,026	1,632	4,634
23,696	19,381	2,026	1,158	8,055	3,327	9,140
3,088	755	3,033	16,731	9,314	2,877	1,930
10,290	18,402	13,033	11,642	2,239	562	9,119
32,868	7,822	22,939	8,741	1,005	1,366	12,250
2,684	9,330	538	4,924	5,423	7,681	7,932
19,904	37,041	14,568	7,220	4,217	2,872	824
4,764	7,777	6,502	25,145	9,267	6,958	11,837
6,582	14,115	2,192	1,678	10,866	312	3,399
4,036	8,284	30,399	2,765	13,575	4,291	369
1,039	21,064	1,996	6,285	1,023	9,558	1,455
13,234	27,734	5,949	22,868	3,885	18,061	1,356
26,112	2,965	8,390	1,141	7,921	4,529	8,449
192	16,426	3,005	6,426	8,660	5,186	2,123
1,915	2,780	14,003	7,646	13,106	29	681
8,111	3,030	17,895	5,992	22,516	9,766	6,936
1,496	722	5,229	6,071	18,158	3,575	17,120
29,692	930	11,588	13,680	10,104	2,481	8,930
5,799	11,997	10,211	405	12,872	2,260	3,032
3,224	1,919	4,249	1,034	2,698	851	3,539
13,662	5,341	2,720	16,339	8,393	10,396	7,291
17,840	6,685	10,913	21,824	8,516	6,193	11,511
2,868	3,750	20,767	9,891	5,560	10,942	14,506
6,844	24,319	1,414	15,788	44,906	6,030	4,485
4,561	9,252	4,572	7,521	11,403	13,628	9,762
2,206	13,397	18,657	8,216	28,480	1,896	3,171
1,992	4,473	12,863	18,848	17,968	1,377	3
1,804	6,293	4,742	7,631	4,526	21,032	3,749
6,312	19,232	8,037	5,644	5,175	9,718	3,981
27,784	7,249	19,870	4,289	7,789	8,900	4,241
9,103	2,040	3,997	3,361	235	5,247	2,455
2,956	45,130	24,897	7,248	15,784	11,731	9,429
5,169	11,054	8,344	8,454	7,315	4,178	4,128
7,051	5,503	2,835	5,767	2,576	3,516	3,766
26,015	32,698	2,997	1,931	12,276	1,606	29,567
33,836	5,920	23,080	19,808	22,228	3,844	13,666
1,122	39,272	559	6,536	1,686	11,945	12,365
5,159	25,850	25,275	498	6,447	14,370	20,492
1,172	11,786	1,633	2,372	5,389	1,365	4,561
7,287	32,726	3,441	1,527	5,417	2,295	18,664
3,414	8,733	16,099	26,217	3,481	8,284	8,042
1,454	15,115	12,871	17,559	3,492	3,761	15,296
18,539	14,476	2,205	4,924	5,494	18,189	11,768
3,206	7,834	14,080	12,753	2,042	1,283	9,338
35,630	11,824	33,341	982	18,750	10,725	2,205
11,483	9,796	6,761	2,561	30,128	2,076	
42,115	1,152	4,971	955	10,176	4,060	
204	4,472	4,948	9,587	14,606	960	
<u>\$ 600,495</u>	<u>\$ 649,618</u>	<u>\$ 533,979</u>	<u>\$ 454,538</u>	<u>\$ 505,746</u>	<u>\$ 309,703</u>	<u>\$ 415,047</u>
						<u>\$ 3,469,126</u>