

**CITY OF JERSEY CITY**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

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

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## **FINANCIAL SECTION**

# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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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"), which comprise the statements of plan net assets as of June 30, 2013 and 2012, and the related statements of changes in plan net assets for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## 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, 2013 and 2012, and the changes in its financial status for the years ended June 30, 2013 and 2012 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.



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DONOHUE, GIRONDA & DORIA  
Certified Public Accountants

Bayonne, New Jersey  
November 15, 2013

**CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2013 AND 2012**

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, 2013 and 2012. 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 \$8,741,628 or 10.6% and decreased by \$767,651 (.9%) as of June 30, 2013 and June 30, 2012, respectively. The increase was primarily due to a higher return on the Plan's investments and the slight decrease was due to increases in benefit payments and refunds of contributions.

**Statement of Plan Net Assets**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Cash and Short-term Investments	\$ 8,457,080	\$ 8,806,217	\$ 8,651,299
Receivables	823,393	216,758	898,839
Investments	82,616,473	74,123,664	74,309,983
Liabilities	<u>(846,413)</u>	<u>(837,734)</u>	<u>(783,565)</u>
Net Assets Held in Trust	<u>\$ 91,050,533</u>	<u>\$ 82,308,905</u>	<u>\$ 83,076,556</u>

*Fiscal Year 2013 compared to 2012* Cash and investments have increased dramatically, from the prior year, by \$8,143,672 or 9.8%. This was due to strong investment returns of the Plan's various investment managers.

*Fiscal Year 2012 compared to 2011* Cash and investments remained "flat" year over year, decreasing by \$31,401 (.04%). This is good when taken into consideration that the last two years have produced strong gains.

**CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2013 AND 2012**

**Statement of Changes in Plan Net Assets**

	2013	2012	2011
Contributions	\$ 10,400,398	\$ 9,879,121	\$ 9,702,047
Net Investment Income (Loss)	8,733,287	(244,496)	14,182,063
Total Additions (Reductions)	<u>19,133,685</u>	<u>9,634,625</u>	<u>23,884,110</u>
Benefit Payments	9,824,208	9,414,268	8,669,873
Other Deductions	567,849	988,008	460,000
Total Deductions	<u>10,392,057</u>	<u>10,402,276</u>	<u>9,129,873</u>
Net Increase (Decrease)	<u>\$ 8,741,628</u>	<u>\$ (767,651)</u>	<u>\$ 14,754,237</u>

*Fiscal Year 2013 compared to 2012* Total additions to net assets of \$19,133,685 for the year ended June 30, 2013 increased by \$9,499,060, due to strong investment income and also continued increases in the amount the City is contributing to the plan. Additionally, benefit payment increases have moderated from recent years, increasing by a modest \$409,940 or 4.4% from the year ended June 30, 2012 due to the number of retirees slowing.

*Fiscal Year 2012 compared to 2011* Total additions to net assets of \$9,634,625 for the year ended June 30, 2012 decreased by \$14,249,485, due almost entirely to the net investment loss for the prior year turning from a significant investment gain to a basically “flat” performance. Benefit payments continued to increase significantly (8.6%) from the year ended June 30, 2011 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, 2013 AND 2012**

**Investment Allocation**

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

	2013	%	2012	%	2011	%
Cash and Short-term Investments	\$ 8,457,080	9.3%	\$ 8,806,217	10.6%	\$ 8,651,299	10.4%
U.S. Government Obligations, CD's	4,905,749	5.4%	4,507,912	5.4%	6,810,408	8.2%
Mortgage and Asset Backed Securities	1,133,979	1.2%	1,551,967	1.9%	3,068,151	3.7%
Corporate Obligations	622,422	0.7%	353,176	0.4%	1,633,721	2.0%
Fixed Income ETF's and Mutual Funds	18,635,731	20.5%	18,626,099	22.5%	12,243,622	14.7%
Equities	50,456,036	55.4%	41,508,696	50.0%	47,084,955	56.8%
Real Estate, Commodity and Hedge Fund	3,790,494	4.1%	4,048,373	4.9%	-	0.0%
Participants' Loans	3,072,062	3.4%	3,527,441	4.3%	3,469,126	4.2%
<b>Total Cash and Investments</b>	<b>\$ 91,073,553</b>	<b>100.0%</b>	<b>\$ 82,929,881</b>	<b>100.0%</b>	<b>\$ 82,961,282</b>	<b>100.0%</b>

The plan decreased its percentage of investments held in fixed income slightly from 30.2 to 27.8 percent, additionally equities increased from 50 to 55.4 percent. The plan had strong investment performance, especially from its equity managers and the small (less than one percent of net plan assets) hedge fund investment.

**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  
STATEMENTS OF PLAN NET ASSETS  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash and Short-term investments	\$ 8,457,080	\$ 8,806,217
Receivables		
Employer Contribution Receivable	661,808	45,191
Accrued Interest and Dividends Receivable	155,739	162,299
Employee Receivable	5,846	9,268
Total Receivables	<u>823,393</u>	<u>216,758</u>
Investments at Fair Value		
U.S. Government and Agency Obligations	4,905,749	4,507,912
Fixed Income ETF's	9,001,347	9,007,798
Mortgage and Asset Backed Securities	1,133,979	1,551,967
Corporate Obligations	622,422	353,176
Fixed Income Mutual Funds	9,634,384	9,618,301
Equities	50,456,036	41,508,696
Real Estate Mutual Funds	1,970,132	1,764,513
Commodity Mutual Fund	945,749	1,497,061
Hedge Fund	874,613	786,799
Participants' Loans	3,072,062	3,527,441
Total Investments	<u>82,616,473</u>	<u>74,123,664</u>
Total Assets	<u>91,896,946</u>	<u>83,146,639</u>
<b>Liabilities</b>		
Accounts Payable	10,023	18,676
Benefits Payable	834,993	813,142
Securities Payable, Net	1,397	5,916
Total Liabilities	<u>846,413</u>	<u>837,734</u>
Net Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented on page 16 )	<u>\$ 91,050,533</u>	<u>\$ 82,308,905</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**CITY OF JERSEY CITY**  
**EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENTS OF CHANGES IN PLAN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
<b>Additions</b>		
Contributions		
Employer	\$ 8,206,999	\$ 7,699,153
Employees	2,193,399	2,179,968
Total Contributions	10,400,398	9,879,121
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	7,142,292	(1,796,417)
Interest	1,243,917	1,212,621
Dividends	844,265	828,328
Insurance from employee loans	15,843	18,214
	9,246,317	262,746
Less: investment expense	513,030	507,242
Net investment Income (loss)	8,733,287	(244,496)
Total Additions (Reductions)	19,133,685	9,634,625
<b>Deductions</b>		
Benefits	9,824,208	9,414,268
Refunds of contributions	384,643	704,844
Administrative expense	154,310	228,810
Employee loan exonerated - deceased member	28,896	54,354
Total Deductions	10,392,057	10,402,276
Net Increase (Decrease)	8,741,628	(767,651)
Net assets held in trust for pension benefits		
Beginning of year	82,308,905	83,076,556
End of year	\$ 91,050,533	\$ 82,308,905

The Accompanying Notes are an Integral Part of the Financial Statements

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**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, 2012. 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, 2013 AND 2012**

**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 received a favorable IRS Determination Letter ruling dating April 15, 2013. 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 retirant'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, 2013 AND 2012**

**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, 2013 and 2012, respectively was 2.7% and 2.9%.

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**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, 2013 and 2012, 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, 2013 AND 2012**

**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, 2012 the period covered by the latest actuarial report, are as follows:

Interest Rate

8.25% per annum, compounded annually.

Mortality Basis

According to the 2012 IRS Static Annuitant Mortality Tables.

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, 2013 AND 2012**

**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, 2012, there was an unfunded accrued liability of \$ 107,343,094. On the basis of this valuation, it was recommended that the City contribute to the Plan for the plan year commencing January 1, 2012, 26.19% of the salaries of the members or an estimated \$8,090,382. 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, 2013 and 2012, the City contributed \$8,206,999 and \$7,699,153, 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, 2013 and 2012, were provided by the City through budget appropriations.



**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**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, 2013 and 2012, 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, 2013 and 2012.

**NOTE 6: INVESTMENTS**

The fair-value of investments at June 30, 2013 and 2012, consist of the following:

	2013		2012	
	Market	Cost	Market	Cost
Investments determined by quoted market price:				
U.S. Government and Agency Obligations and Asset Backed Securities	6,039,728	6,265,237	6,059,879	5,866,347
Corporate Obligations (Including Preferred Equities)	622,422	1,321,823	353,176	1,140,393
Common Stocks	50,456,036	41,248,375	41,508,696	37,026,931
Fixed Income Mutual Funds and ETF's	18,635,731	18,889,971	18,626,099	18,578,124
Commodity and R.E. Mutual Funds and Hedge Fund	3,790,494	3,588,224	4,048,373	3,916,014
Investments determined at estimated fair-value				
Participants' Loans Receivable	3,072,062	3,072,062	3,527,441	3,527,441
Totals	<u>82,616,473</u>	<u>74,385,692</u>	<u>74,123,664</u>	<u>70,055,250</u>

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**NOTE 6: INVESTMENTS (Continued)**

During the years ended June 30, 2013 and 2012, the Plan's investments increased and decreased, respectively, in value by \$7,142,292 and \$1,796,417, respectively, due to the changes in unrealized gains and (losses) and realized gains and (losses) as follows:

	2013	2012
Investments determined by quoted market price:		
U.S. Government and Agency Obligations	\$ (419,041)	\$ 150,192
Corporate Obligations	87,816	26,350
Common Stocks	4,734,511	(2,241,211)
Fixed Income Mutual Funds and ETF's	(302,215)	(251,281)
Commodity and R.E. Mutual Funds and Hedge Fund	69,911	132,359
Unrealized gains (losses) on investments	4,170,982	(2,183,591)
Realized gains (losses) on investments	2,971,310	387,174
Net appreciation (depreciation) on investments	\$ 7,142,292	\$ (1,796,417)

**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, 2013 the Plan has collected \$239,213 of premiums on loans issued and exonerated \$297,936 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**

The Plan Sponsor, The City of Jersey City ("City"), has voted to change the plan year end to December 31, in order to have the same as the City. Subsequent events have been evaluated through November 15, 2013, the date of this report.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
JUNE 30, 2013 and 2012**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded Actuarial Accrued Liability (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a % of Covered Payroll (b-a)/c</b>
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%
January 1, 2012	77,619,541	184,962,635	107,343,094	42.0%	30,895,626	347.4%

**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  
LAST TEN YEARS  
JUNE 30, 2013 and 2012**

<b>Year Ended <u>June 30</u></b>	<b>Annual Required <u>Contribution</u></b>	<b>Percentage Contributed</b>
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%
2012	7,280,689	105.75%
2013	8,416,177	97.51%

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES  
JUNE 30, 2013 AND 2012**

**NOTE 1: ACTUARIAL METHODS AND SIGNIFICANT ASSUMPTIONS USED FOR THE 1-1-2012 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, 2012 actuarial valuation follows.

Valuation date	January 1, 2012
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, 2013

Description	# of Shares	Investment	
		at Cost	Market Value
ABB LTD ADR	3,465	\$ 79,697	\$ 75,052
Aarons Inc Cl A	4,400	72,250	123,244
Abercrombie & Fitch Co	600	29,298	27,150
Acuity Brands Inc	3,102	129,514	234,264
ADT Corp	2,450	65,977	97,633
Adidas AG ADR	2,334	60,615	126,363
AES Corp	11,250	129,355	134,888
Affiliated Managers Group	2,488	161,577	407,883
Agrium Inc CAD	611	51,529	53,133
Airgas Inc	1,052	86,944	100,424
Allianz SE ADR	3,305	44,720	48,286
Amadeus IT Hldgs SA ADR	2,651	47,092	84,805
Ametek Inc.	3,136	69,205	132,653
America Movil S.A.B. DE C.V. Ser L ADR	1,736	43,569	37,758
American Electric Power Inc	4,250	164,770	190,315
American Express	3,965	138,835	296,423
Ameriprise Financial Inc	3,330	160,366	269,330
Ansys Inc	3,070	120,376	224,417
Applied Materials, Inc	7,425	87,484	110,707
Aptargroup Inc	3,207	132,352	177,058
Astrazeneca PLC ADR	3,549	171,153	167,868
Australia & New Zealand Bkg ADR	4,722	112,532	123,362
Avago Technologies LTD	2,295	75,602	85,787
AT & T Inc	5,200	153,884	184,080
Axis Capital Hldgs LTD Shs	2,900	92,852	132,762
BAE Systems PLC ADR	5,726	107,211	135,019
Baidu Inc ADR	1,168	122,394	110,495
Baker Hughes, Inc.	4,650	222,183	214,505
Banco Bradesco S.A. ADR	16,825	254,272	218,893
Barclays PLC ADR	3,736	55,424	63,960
Belle International Holdings LTD ADR	3,797	61,098	52,171
BG Group PLC ADR	4,361	80,280	73,963
BHP Billiton LTD ADR	664	45,552	38,286
Bio Rad Laboratories Inc Cl A	2,149	188,567	241,118
Blackbaud Inc	6,814	142,645	221,939
Brambles LTD ADR	5,556	78,731	94,396
British American Tobacco PLC ADR	1,361	111,896	140,101
British Sky Broadcstng Grp PLC ADR	1,247	55,048	60,342
Bunzl PLC New ADR	1,072	58,852	104,756
Cap Gemini SA ADR	2,752	51,117	66,653
Carlisle Cos Inc	3,354	105,416	208,988
Carlsberg A/S ADR	6,469	110,301	115,989
Carmax Inc	3,473	77,826	160,314
CDN Natl Railway Co CAD	690	46,282	67,116
Cenovus Energy Inc CAD	1,788	52,458	50,994
Centrica PLC ADR	3,159	63,707	69,719
Cheung Kong Holdings LTD ADR	5,520	70,139	74,134
Chevron Corp	2,555	184,005	302,359
China Mobile LTD ADR	903	42,974	46,748
China Petroleum & Chemical Corp ADR	1,159	114,579	106,049
Church and Dwight Corp	2,788	91,824	172,048
Cia Paranaense Energi ADR	7,139	166,118	88,666
Cielo SA ADR	1,845	29,341	46,476
Cigna Corp	1,805	81,346	130,844
Cisco Systems Inc	10,205	175,778	248,084
Citigroup Inc	6,500	197,600	311,805
City National	3,535	173,911	224,013
Clarcor Inc	3,643	169,445	190,201



CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2013

Description	# of Shares	Investment	
		at Cost	Market Value
CNOOC LTD ADR	632	\$ 109,526	\$ 105,847
Coca Cola Amatil Australia ADR	2,089	45,206	48,715
Columbia Sportswear Co	1,690	81,185	105,879
Comcast Corp	8,300	174,116	347,604
Companhia De Saneamento Basico Sao Paulo ADR	12,342	155,297	128,480
Compass Group PLC ADR	10,976	88,983	141,151
Copart Inc	3,718	62,048	114,514
Corning Inc	6,250	82,649	88,938
Cullen Frost Bankers Inc	1,414	72,845	94,413
Dana Holding Corp	10,695	158,971	205,986
Densco ADR	2,786	45,623	65,750
Dentsply Intl Inc	7,687	232,340	314,860
Deutsch Boerse ADR	28,555	151,745	186,607
Deutsche Post AG ADR	2,555	62,725	63,671
Diageo PLC ADR	487	48,983	55,981
Donaldson Inc	2,869	103,871	102,309
Dril-Quip Inc	1,088	57,389	98,236
Energizer Holdings Inc	1,825	135,137	183,431
Enso PLC	4,921	244,080	286,009
Equifax Inc	4,211	138,936	248,154
Ericsson SEK ADR	5,466	66,184	61,656
Factset Resh Systems Inc	1,147	84,436	116,925
Fair Isaac Corp	5,007	113,002	229,471
FANUC LTD ADR	4,133	92,101	99,895
Flir Systems Inc	5,433	142,215	146,528
Fomento Economico Mexicano S.A.B. DE ADR	448	27,738	46,229
Forest City Enterprises Inc Cl A	8,677	98,759	155,405
France Telecom SA ADR	5,725	65,821	54,101
Fresenius Medical Care AG ADR	1,664	47,121	58,689
GAP Inc Com	5,825	109,562	243,077
Galaxy Entertainment Grp HKD	1,308	40,206	63,817
Gartner Inc	2,317	130,959	132,046
General Electric	13,725	308,960	318,283
Gentex Corp	10,324	253,551	237,968
Golden Agri Resources LTD ADR	2,298	118,237	101,112
Graco Inc	2,514	70,753	158,910
Groupe CGI Inc SV CL A CAD	3,042	72,691	89,100
Grupo Televisa SA Global Dep Rct Ord Mex. ADR	3,815	76,338	94,765
Hang Seng Bk ADR	3,709	49,992	54,912
Hartford Finl Svcs Group Inc	4,565	118,306	141,150
HCC Insurance Hldgs Inc	8,166	223,436	352,036
Henry Jack & Assoc Inc	3,717	88,221	175,182
Hitachi Japan ADR	1,661	108,180	107,234
Hologic Inc	8,365	130,369	161,445
Home Depot	3,900	118,786	302,133
Honeywell Intl Inc	2,445	98,765	193,986
HSBC Holdings GB ADR	2,321	109,453	120,460
Hunt JB Trans Svc Inc	2,447	95,921	176,771
Hutchison Whampoa LTD Hong Kong ADR	3,197	48,550	66,897
IDEX Corp	4,873	153,512	262,216
Idexx Labs	1,138	98,043	102,067
Imperial Tobacco Group PLC ADR	3,028	206,623	211,021
Industrial & Coml Bk China ADR	6,714	94,804	83,455
Intel Corp	7,650	151,219	185,283
Israel Chemicals ADR	4,892	50,096	48,284
Jacobs Engineering Group Inc	4,180	149,901	230,443
Johnson & Johnson	2,125	134,322	182,453
JPMorgan Chase & Co	6,537	274,562	345,088

CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2013

Description	# of Shares	Investment	
		at Cost	Market Value
Julius Baer Group LTD ADR	11,274	\$ 80,692	\$ 87,655
KDDI Corp ADR	12,026	95,947	155,917
Keppel Corp LTD ADR	4,735	56,055	78,128
Kingfisher PLC ADR	5,303	39,383	55,363
Kirby Corporation	3,342	136,422	265,823
KOC Hldgs ADR	3,026	53,435	71,958
Komatsu LTD ADR	4,343	105,350	100,715
Lam Research Corp	2,300	96,155	101,982
Lennar Corp	5,600	81,704	201,824
LKQ Corp	14,747	195,050	379,735
Magna Intl Inc CAD	1,184	52,764	84,324
Manulife Financial CAD	9,113	117,473	145,990
Markel Corp	932	319,491	491,117
Marks & Spencer ADR	4,476	51,888	58,591
Meadwestvaco Corp	1,637	43,024	55,838
Medtronic Inc	3,325	131,287	171,138
Mettler-Toledo Intl	564	62,619	113,477
Mitsui & Co Japan ADR	420	128,674	106,021
Mizuho Financial ADR	29,857	92,002	123,309
Mondelez International Inc.	5,425	112,241	154,775
Morningstar Inc	5,024	219,556	389,762
Mylan, Inc	6,060	117,066	188,042
Nabors Industries LTD	6,225	156,157	95,305
Nestle Switz ADR	1,483	76,559	97,552
Nitto Denko ADR	3,895	80,491	125,770
Novartis AG ADR	1,019	54,019	72,053
Novo Nordisk Denmark ADR	360	31,165	55,789
OAD Gazprom Russia ADR	2,230	23,210	14,651
O Reilly Automotive Inc	1,001	67,613	112,733
Oceaneering Intl Inc	2,270	56,886	163,894
Pall Corp	1,542	68,362	102,435
Pentair LTD	1,922	68,008	110,880
Pepsico Inc	2,400	163,312	196,296
Petroleo Brasileiro SA ADR	3,306	70,594	44,333
Pfizer Inc Com Stk	12,725	276,400	356,428
Posco ADR	1,248	103,953	81,220
Potash Corp CAD	1,846	76,358	70,388
Publicis Groupe SA ADR	6,862	88,411	123,242
Reed Elsevier Ord SHS ADR	7,887	218,634	303,189
Renaissance RE Holdings LTD	619	46,765	53,723
RIO Tinto PLC ADR	2,286	123,209	93,909
Roche Holding LTD Switz ADR	2,528	95,830	156,395
Royal Dutch Shell PLC Cl A ADR	4,307	282,584	278,674
SAP AG ADR	2,046	108,763	149,010
Sage Group PLC ADR	2,937	55,113	60,326
Sally Beauty Co Inc	10,584	136,894	329,162
Sanofi ADR	2,911	86,016	149,946
Sasol ADR	4,102	187,702	177,658
Schein Henry Inc	3,161	168,752	302,634
Schneider Elec SA ADR	4,111	48,337	59,363
Sealed Air Corp	5,785	107,293	138,551
Sega Sammy Hldg ADR	10,657	54,356	66,660
SEI Investments Co	6,282	109,578	178,597
Shire PLC ADR	800	60,811	76,088
Siemens AG ADR	1,293	108,650	130,994
SK Telecom LTD ADR	6,804	107,714	138,325
SLM Corp.	6,790	122,073	155,219
Smith & Nephew PLC ADR	981	49,924	55,024

CITY OF JERSEY CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
EQUITIES  
JUNE 30, 2013

Description	# of Shares	Investment	
		at Cost	Market Value
Sodexo ADR	338	\$ 30,707	\$ 28,301
Solera Hldgs Inc	2,323	123,038	129,275
Sperbank ADR	1,897	21,552	21,778
State Street Corp	5,200	219,360	339,092
Statoil ASA ADR	4,231	110,729	87,539
Suncor Energy Inc CAD	3,135	110,298	92,451
Svenska Cellulosa AB ADR	3,392	53,191	85,546
Swedbank AB ADR	2,837	46,744	65,336
Syngenta AG ADR	1,404	69,445	109,315
Taiwan Semiconductor LTD ADR	7,856	91,905	143,922
Tata Motors ADR	2,004	57,600	46,974
TE Connectivity LTD	4,875	80,503	222,008
Telenor ASA ADR	896	60,942	53,321
Telstra Corp ADR	2,594	45,471	56,653
Terex Corp	6,658	162,932	175,105
Tesco PLC ADR	7,188	126,039	109,617
Teva Pharmaceuticals Ind	2,727	114,955	106,898
Teva Pharmaceuticals Ind Israel ADR	3,183	151,472	124,774
Textron Inc	10,745	238,437	279,907
Thermo Fisher Scientific Inc	1,550	80,431	131,177
Time Warner Inc Com	2,475	102,540	143,105
Toronto Dominion Bk CAD	1,275	106,515	102,472
Total S.A. France ADR	596	28,989	29,083
Toyota Motor Corp Japan ADR	836	72,241	100,872
Transcanada Corp CAD	1,824	65,099	78,633
Transdigm Group Inc	825	85,844	129,335
Travelers Cos Inc	3,340	141,162	266,933
Tyco International LTD	5,750	133,445	189,463
UBS AG Regs Ord	1,767	30,562	29,951
Umpqua Holdings Corp Or	10,995	116,808	165,035
Unilever NV ADR	2,529	73,038	99,415
United Overseas Bank Singapore ADR	3,554	104,849	111,738
Vale SA ADR	7,335	148,080	96,455
Valero Energy Corp	4,525	93,297	157,334
Varian Medical Systems Inc	1,798	96,191	121,275
Volvo Aktiebolaget ADR	4,084	68,022	54,521
Wellpoint, Inc.	1,000	78,221	81,840
Western Digital Corp	3,000	117,573	186,270
Wex Inc	1,600	78,681	122,711
Woori Fin Hldgs ADR	1,832	56,498	50,710
Worleyparson LTD ADR	2,647	80,413	46,984
WPP Plc ADR	1,541	86,525	131,586
Yamana Gold CAD	10,385	141,747	98,761
Yanzhou Coal Mining ADR	1,915	38,156	13,400
Zurich Ins Group ADR	7,131	158,084	185,691
	-	-	-
Ishares TR Russell 1000 Grwth Indx ETF	133,988	8,804,158	9,748,284
SPDR Select Consumer Discretionary ETF	22,580	1,114,394	1,273,512
SPDR Select Consumer Staples ETF	31,831	1,180,143	1,262,736
SPDR Select Energy ETF	15,950	1,182,255	1,248,885
SPDR Select Financial ETF	64,828	1,093,021	1,260,580
SPDR Select Health Care ETF	26,359	1,120,355	1,254,952
SPDR Select Industrial ETF	29,245	1,145,636	1,247,007
SPDR Select Materials ETF	31,972	1,209,540	1,225,966
SPDR Select Utilities ETF	34,011	1,228,550	1,279,835
Total		<u>\$ 41,248,375</u>	<u>\$ 50,456,036</u>

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
U.S. GOVERNMENT, U.S. GOVERNMENT AGENCY  
AND MORTGAGE BACKED SECURITIES  
June 30, 2013**

<u>DESCRIPTION</u>	<u>MATURITY RATE (%)</u>		<u>UNITS</u>	<u>INVESTMENT INVESTMENT</u>	
				<u>AT COST</u>	<u>AT MARKET</u>
U. S. Government Obligations:					
United States Treasury Note	9/30/2013	0.125	124,000	123,807	124,010
United States Treasury Note	1/31/2014	0.250	137,000	136,896	137,101
United States Treasury Note	2/15/2015	0.250	137,000	136,453	136,919
US Treasury Inflation Protection Note	7/15/2015	1.875	259,000	341,428	329,184
United States Treasury Note	10/31/2016	1.000	67,000	67,289	67,398
United States Treasury Note	10/31/2017	0.750	330,000	331,326	323,786
United States Treasury Note	10/31/2018	1.750	66,000	67,181	66,928
United States Treasury Bond Zero Coupon	2/15/2019	0.000	57,000	43,035	52,137
United States Treasury Note	2/28/2019	1.375	146,000	145,316	144,403
United States Treasury Note	5/15/2019	3.125	82,000	81,904	88,989
United States Treasury Note	12/31/2019	1.125	205,000	203,158	196,417
United States Treasury Note	2/15/2020	3.625	36,000	37,114	40,160
US Treasury Inflation Protection Note	7/15/2021	0.625	1,246,000	1,402,528	1,326,827
United States Treasury Note	11/15/2021	2.000	151,000	156,556	148,392
US Treasury Inflation Protection Note	7/15/2022	0.125	413,000	452,851	408,224
United States Treasury Note	2/15/2023	2.000	255,000	257,495	245,417
US Treasury Inflation Protection Note	1/15/2029	2.500	95,000	147,973	126,921
US Treasury Inflation Protection Bond	4/15/2029	3.875	203,000	390,337	413,884
United States Treasury Bond	2/15/2040	4.625	24,000	25,657	29,246
US Treasury Inflation Protection Bond	2/15/2042	0.750	49,000	55,985	43,678
US Treasury Inflation Protection Bond	2/15/2043	0.625	245,000	252,561	208,420
				\$ 4,856,850	\$ 4,658,441
U. S. Government Agencies					
Federal Home Loan Mortgage Corp (FHLMC)	11/15/2013	4.875	82,000	90,528	83,463
Federal National Mortgage Assoc (FNMA)	10/30/2014	0.625	82,000	82,381	82,349
Federal National Mortgage Assoc (FNMA)	1/30/2017	1.25	81,000	81,834	81,496
				\$ 254,743	\$ 247,308
U.S. Government and U.S. Government Agencies					
				\$ 5,111,593	\$ 4,905,749
Mortgage (MBS) and Asset Backed Securities (ABS):					
Federal National Mortgage Association Pool	7/1/2035	5.000	42,203	46,133	45,575
Federal National Mortgage Association Pool	8/1/2035	5.000	395	428	425
Federal National Mortgage Association Pool	2/1/2036	5.000	4,213	4,554	4,540
Federal National Mortgage Association Pool	7/1/2037	5.000	37,184	40,339	40,156
Federal Home Loan Mortgage Corporation Pool	11/1/2038	5.000	1,875	2,009	1,999
Federal National Mortgage Association Pool	6/1/2039	5.000	68,990	74,751	74,504
Federal National Mortgage Association Pool	5/1/2040	4.500	6,177	6,588	6,545
Federal National Mortgage Association Pool	5/1/2040	5.000	8,527	9,213	9,164
Federal National Mortgage Association Pool	8/1/2040	4.000	119,656	128,087	124,716
Federal National Mortgage Association Pool	11/1/2040	5.000	32,939	35,718	35,399
Federal National Mortgage Association Pool	12/1/2040	4.000	67,474	65,796	70,327
Federal Home Loan Mortgage Corporation Pool	2/1/2041	4.000	12,063	12,658	12,552
Federal National Mortgage Association Pool	2/1/2041	3.500	28,435	29,573	28,904
Federal Home Loan Mortgage Corporation Pool	2/1/2041	4.500	106,674	107,265	112,646
Federal Home Loan Mortgage Corporation Pool	2/1/2041	4.500	31,810	32,020	33,591
Federal National Mortgage Association Pool	2/1/2041	4.000	133,366	140,992	139,006
Federal National Mortgage Association Pool	2/1/2041	4.000	5,348	5,694	5,592
Federal National Mortgage Association Pool	9/1/2041	4.000	5,999	6,519	6,285
Federal National Mortgage Association Pool	9/1/2041	4.000	9,146	9,791	9,533
Federal National Mortgage Association Pool	10/1/2041	4.000	3,738	4,002	3,900
Federal National Mortgage Association Pool	3/1/2042	4.000	9,930	10,564	10,380
Federal National Mortgage Association Pool	9/1/2042	3.500	206,841	221,770	210,330
Federal National Mortgage Association Pool	10/1/2042	3.500	926	983	941
Federal National Mortgage Association Pool	11/1/2042	3.000	147,133	155,076	143,959
Federal National Mortgage Association Pool	2/1/2043	3.500	2,960	3,121	3,010
				\$ 1,153,644	\$ 1,133,979

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

**JUNE 30, 2013**

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	79,730	\$ 1,022,951	\$ 1,026,923
Allianz Fixed Income Shares Series M	N/A	N/A	88,445	888,561	948,130
Allianz Fixed Income Shares Series R	N/A	N/A	177,815	1,930,358	1,836,829
FT Templeton Global Bond A	N/A	N/A	356,740	4,899,729	4,619,783
Blackrock Bond Allocation Target Shares Series C	N/A	N/A	62,213	621,823	654,485
Blackrock Bond Allocation Target Shares Series M	N/A	N/A	57,648	550,892	548,234
Fixed Income Mutual Funds				<u>\$ 9,914,314</u>	<u>\$ 9,634,384</u>
Fixed Income ETF's:					
Guggenheim Bullet shares 2017 Corp Bd ETF	N/A	N/A	11,000	\$ 251,130	\$ 245,410
Guggenheim Bullet shares 2016 Corp Bd ETF	N/A	N/A	32,097	\$ 695,922	\$ 708,381
Guggenheim Bullet shares 2015 Corp Bd ETF	N/A	N/A	77,412	1,678,351	1,684,485
Guggenheim Bullet shares 2014 Corp Bd ETF	N/A	N/A	98,994	2,089,872	2,105,602
Guggenheim Bullet shares 2013 Corp Bd ETF	N/A	N/A	204,686	4,260,382	4,257,469
Fixed Income ETF's				<u>\$ 8,975,657</u>	<u>\$ 9,001,347</u>
Preferred Equities:					
Volkswagen AG Pfd ADR		1.68	1387	<u>\$ 162,864</u>	<u>\$ 177,828</u>
Corporate Obligations:					
Lehman Bros Hldgs Cap Tr Pfd	4/22/2053	6.000	10,000	\$ 250,000	\$ 3,000
General Electric Cap Corp.	7/2/2015	1.625	28,000	28,550	28,327
Lehman Brothers Holdings, Inc (Defaulted)	2/11/2013	5.000	250,000	212,885	57,187
Anheuser Busch Inbev	1/15/2015	4.125	24,000	26,056	25,217
Lehman Brothers Holdings, Inc (Defaulted)	2/11/2015	5.250	250,000	212,881	57,187
JP Morgan Chase & Co	7/5/2016	3.150	26,000	25,854	27,004
American Express Crd Corp	3/24/2017	2.375	53,000	54,784	54,107
Total Capital Canada Ltd	1/15/2018	1.450	42,000	42,144	41,024
Goldman Sachs Group Inc	1/22/2018	2.375	42,000	42,232	41,237
International Paper Co	8/15/2021	7.500	22,000	26,639	27,002
Verizon Communications	11/1/2021	3.500	26,000	26,547	26,115
Lehman Brothers Holdings, Inc (Defaulted)	2/22/2023	6.250	250,000	210,387	57,187
Corporate Obligations				<u>\$ 1,158,959</u>	<u>\$ 444,594</u>
Alternative Investments:					
PIMCO Commodity Real Return					
Strategy Mutual Fund Class A	N/A	N/A	173,532	1,156,381	945,749
ING Global Real Estate Fund Class A	N/A	N/A	108,847	1,651,843	1,970,132
Prisma Spectrum Fund LTD Adv Class E	N/A	N/A	N/A	780,000	874,613
Alternative Investments:				<u>\$ 3,588,224</u>	<u>\$ 3,790,494</u>

**CITY OF JERSEY CITY  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENTS  
PARTICIPANT LOANS RECEIVABLE  
June 30, 2013**

Amount	Amount	Amount	Amount	Amount	Amount	Amount
\$ 265	\$ 1,779	\$ 8,601	\$ 2,605	\$ 1,117	\$ 4,360	\$ 4,256
31,059	14,369	4,713	4,353	1,037	7,293	2,160
14,191	4,646	6,220	6,669	3,189	2,305	1,277
40,168	41,224	5,888	2,403	5,463	13,214	11,437
24,399	561	6,545	3,389	4,744	1,528	2,939
5,050	6,534	8,129	5,840	4,507	2,171	5,723
15,308	10,961	4,058	15,636	12,890	6,991	3,265
8,950	2,139	2,202	8	4,771	8,461	6,176
4,210	2,021	9,859	9,702	571	3,414	17,404
27,059	12,309	18,091	12,486	22,369	4,754	558
20,439	629	3,358	5,231	3,479	3,384	533
5,192	8,378	2,046	9,854	5,580	974	3,166
5,144	156	9,824	6,391	19,901	1,897	13,533
18,801	1,979	2,886	8,551	1,023	5,389	3,059
22,422	6,614	14,003	3,663	6,494	380	1,061
2,319	3,059	10,088	14,315	3,549	826	3,076
1,452	11,990	6,956	11,268	14,676	7,404	10,484
5,627	6,972	9,528	5,307	12,928	4,799	2,386
14,054	150	11,959	274	6,525	3,769	7,823
4,762	2,217	19,040	7,535	5,672	1,606	1,295
1,554	4,610	2,981	7,117	11,227	7,177	32,195
3,185	13,440	6,191	6,383	8,413	1,599	954
1,718	16,693	15,686	411	4,206	306	8,477
749	6,163	14,570	16,984	5,698	1,148	8,063
2,827	8,511	4,708	8,675	3,106	2,123	3,748
28,504	1,580	4,964	15,598	4,709	2,753	5,198
8,213	5,493	1,982	48	11,708	7,745	7,077
2,431	6,495	26,580	5,361	5,121	2,061	5,391
6,049	9,047	5,849	8,208	8,932	11,603	8,124
6,849	3,466	7,692	24,518	17,671	4,240	11,511
7,544	50,877	21,086	4,775	16,462	2,643	10,349
38,088	5,745	24,592	9,092	7,726	9,159	8,674
5,969	1,717	9,194	10,021	5,292	3,767	19,436
802	40,119	840	3,630	35,560	22,432	4,192
8,649	6,535	5,079	12,226	7,692	805	5,191
2,649	42,782	12,227	4,085	7,209	12,750	11,765
4,880	30,064	334	2,662	22,754	9,251	5,602
4,069	5,590	10,981	13,741	2,522	4,502	5,050
1,824	7,752	1,434	11,651	7,336	4,164	10,648
9,748	3,595	2,979	8,570	9,382	3,175	1,345
1,855	9,881	26,101	6,599	1,319	2,808	21,973
14,940	10,476	2,856	1,984	17,321	9,387	5,563
24,387	14,267	2,763	3,915	6,888	4,497	13,540
35,821	11,974	7,686	3,861	23,850	7,245	1,947
1,558	6,764	47,356	189	5,794	6,100	9,052
13,420	33,195	611	1,371	5,092	3,635	19,633
4,608	8,016	684	9,373	1,824	8,693	2,994
14,077	9,032	4,827	2,731	8,436	26,339	11,012
7,418	2,300	5,934	13,024	8,593	10,863	2,361
9,284	17	3,366	2,658	38,343	14,631	4,089
7,775	5,515	9,494	57,627	5,796	5,408	
<u>\$ 552,315</u>	<u>\$ 520,398</u>	<u>\$ 455,621</u>	<u>\$ 412,568</u>	<u>\$ 466,467</u>	<u>\$ 297,928</u>	<u>\$ 366,765</u>
						<u>\$ 3,072,062</u>