



**STATE OF NEW JERSEY
AGENCY FUNDS**

Financial Statements and Schedules

June 30, 2010 and 2009

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 402
301 Carnegie Center
Princeton, NJ 08540-6227

Independent Auditors' Report

Director, Division of Pensions and Benefits
State of New Jersey
Agency Funds:

We have audited the accompanying statements of fiduciary net assets of the State of New Jersey Agency Funds (the Funds) as of June 30, 2010 and 2009. These financial statements are the responsibility of the Funds' 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the State of New Jersey Agency Funds as of June 30, 2010 and 2009, in conformity with U.S. generally accepted accounting principles.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary 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 financial statements that collectively comprise the Funds' basic financial statements. The 2010 combining schedule of balance sheet information – fiduciary funds – agency funds, combining schedule of changes in fiduciary net assets information – fiduciary funds – agency funds, combining schedule of balance sheet information – agency fund – dental expense program, combining schedule of changes in fiduciary net assets information – agency fund – dental expense program, schedule of changes in assets and liabilities information – agency fund – alternate benefit program fund, schedule of changes in assets and liabilities information – agency fund – pension adjustment fund, schedule of changes in assets and liabilities information – agency fund –



dental expense program – total, schedule of changes in assets and liabilities information – agency fund – dental expense program – state, and schedule of changes in assets and liabilities information – agency fund – dental expense program – local (schedules 1 through 9) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 2010 financial statements taken as a whole.

KPMG LLP

October 27, 2010

**STATE OF NEW JERSEY
AGENCY FUNDS**

Management's Discussion and Analysis

June 30, 2010 and 2009

Our discussion and analysis of the financial performance of the State of New Jersey Agency Funds, which consist of the Alternate Benefit Program Fund (ABP), the Pension Adjustment Fund (PAF), and the Dental Expense Program Fund (DEP) (the Funds), provides an overview of the Funds' financial position as of June 30, 2010 and 2009. Please read it in conjunction with the basic financial statements and financial statement footnotes, which follow this discussion.

Financial Highlights

2010 – 2009

- The Funds' total additions are \$285.3 million, consisting of member and employer contributions of \$285.1 million and investment income of \$0.2 million.
- The Funds' total deductions are \$285.3 million, consisting of pension and insurance benefit expenses of \$284.6 million and other expenses of \$0.7 million.

2009 – 2008

- The Funds' total additions are \$281.2 million, consisting of member and employer contributions of \$280.6 million and investment income of \$0.6 million.
- The Funds' total deductions are \$281.2 million, consisting of pension and insurance benefit expenses of \$283.1 million and other expenses of (\$1.9) million.

The Statements of Fiduciary Net Assets

This annual report consists of one financial statement: *The Statements of Fiduciary Net Assets*. This financial statement reports information about the Funds to help you assess whether the Funds, as a whole, have improved or declined as a result of the year's activities. The financial statement was prepared using the accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurred.

The Statements of Fiduciary Net Assets shows the balances in all of the assets and liabilities of the Funds at the end of the fiscal year. Liabilities include fiduciary net assets held for the State and the local participating employers to cover pension adjustment costs. The financial statement should be reviewed along with the information contained in the financial statement footnotes to determine whether the Funds are able to meet their financial obligations.

**STATE OF NEW JERSEY
AGENCY FUNDS**

Management's Discussion and Analysis

June 30, 2010 and 2009

Financial Analysis

Summary of Fiduciary Net Assets

2010 – 2009

	2010	2009	(Decrease)
Assets	\$ 59,097,971	68,053,528	(8,955,557)
Liabilities	<u>59,097,971</u>	<u>68,053,528</u>	<u>(8,955,557)</u>
Net assets	\$ —	—	—

The Funds' assets consist of cash and cash equivalents, investments and contributions due from the State and local employers. Between fiscal years 2009 and 2010, total assets decreased by \$9.0 million or 13.2%. This is attributable to the decreased amount invested in the Cash Management Fund (CMF) of \$1.9 million and decreases in cash and cash equivalents and receivables of \$7.0 million.

The Funds' liabilities vary according to the plan. In the ABP, they include reimbursements to state and county colleges, reimbursement to the State of New Jersey general fund of any unused appropriations and noncontributory group insurance benefits payable. In the DEP, they include claims payable and cash overdraft, and in the PAF, they include liabilities for payroll and amounts due to the State of New Jersey general fund and other pension funds. Between fiscal years 2009 and 2010, total liabilities decreased by \$9.0 million or 13.2%. This is comprised of a \$0.3 million decrease overall in the DEP which is made up of a decrease in claims payable of \$0.9 million and an increase of \$0.6 million in cash overdraft, a \$0.5 million decrease in liabilities in PAF, and a \$8.1 million decrease overall in ABP liabilities which is made up of a \$8.7 million decrease in reimbursements to state and county colleges and a \$0.6 million increase in reimbursement to the State of New Jersey general fund.

Summary of Fiduciary Net Assets

2009 – 2008

	2009	2008	(Decrease)
Assets	\$ 68,053,528	71,337,297	(3,283,769)
Liabilities	<u>68,053,528</u>	<u>71,337,297</u>	<u>(3,283,769)</u>
Net assets	\$ —	—	—

The Funds' assets consist of cash and cash equivalents, investments and contributions due from the State and local employers. Between fiscal years 2008 and 2009, total assets decreased by \$3.3 million or 4.6%. This is attributable to the decreased amount invested in the CMF of \$7.6 million offset by increases in cash and cash equivalents and other receivables of \$4.3 million.

The Funds' liabilities vary according to the plan. In the ABP, they include reimbursements to state and county colleges, reimbursement to the State of New Jersey general fund of any unused appropriations and noncontributory group insurance benefits payable. In the DEP, they include claims payable, and in the PAF, they include liabilities for payroll and amounts due to the State of New Jersey general fund and other pension funds. Between fiscal years 2008 and 2009, total liabilities decreased by \$3.3 million or 4.6%. This is comprised of a

**STATE OF NEW JERSEY
AGENCY FUNDS**

Management's Discussion and Analysis

June 30, 2010 and 2009

\$2.7 million decrease in claims payable in the DEP, a \$0.2 million decrease in liabilities in PAF, and a \$0.4 million decrease overall in ABP liabilities which is made up of a \$2.9 million increase in reimbursements to state and county colleges and a \$3.3 million decrease in reimbursement to the State of New Jersey general fund.

Retirement System as a Whole

During the year, the ABP and the PAF received sufficient funding to meet their benefit obligations. The DEP received contributions to meet this year's benefit obligations.

Contacting System Financial Management

The financial report is designed to provide our members, beneficiaries, investors and other interested parties with a general overview of the Funds' finances and to show the Funds' accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

**STATE OF NEW JERSEY
AGENCY FUNDS**

Statements of Fiduciary Net Assets

June 30, 2010 and 2009

	2010	2009
Assets:		
Cash and cash equivalents	\$ 3,300,007	3,662,508
Investments, at fair value:		
Cash Management Fund	<u>27,748,115</u>	<u>29,690,677</u>
Total investments	<u>27,748,115</u>	<u>29,690,677</u>
Receivables:		
State related employer contributions	1,239,922	1,827,468
Other contributions	<u>26,809,927</u>	<u>32,872,875</u>
Total receivables	<u>28,049,849</u>	<u>34,700,343</u>
Total assets	<u>\$ 59,097,971</u>	<u>68,053,528</u>
Liabilities:		
Accounts payable and accrued expenses	\$ 52,440,276	62,135,822
Cash overdraft	1,131,149	492,598
Assets held for local contributing employers	3,535,187	3,361,228
Pension adjustment payroll payable	473,221	532,260
Due to State of New Jersey	967,648	820,747
Due to other funds	<u>550,490</u>	<u>710,873</u>
Total liabilities	<u>\$ 59,097,971</u>	<u>68,053,528</u>

See accompanying notes to financial statements.

**STATE OF NEW JERSEY
AGENCY FUNDS**

Notes to Financial Statements

June 30, 2010 and 2009

(1) Description of the Funds

Agency Funds

The Pension Adjustment Fund (PAF), Alternate Benefit Program Fund (ABP), and Dental Expense Program Fund (DEP) (the Funds) are reported as agency funds. The financial statements of the Funds are included along with other state-administered fiduciary funds in the basic financial statements of the State of New Jersey.

The State of New Jersey PAF is a “pay-as-you-go” multiple-employer defined benefit plan which was established in 1958 under the provisions of N.J.S.A. 43:3B. The PAF provides cost-of-living increases in retirement allowances to certain retired public employees and beneficiaries of retired members in the State of New Jersey Consolidated Police and Firemen’s Pension Fund (CPFPF), State of New Jersey Prison Officers’ Pension Fund (POPF), and State of New Jersey Central Pension Fund (CPF).

The State of New Jersey ABP was established by legislation in 1965 through 1968 for full-time faculty members of public institutions of higher education. It was later expanded to include certain administrative and professional titles.

The State of New Jersey DEP was established under the provision of N.J.S.A. 52:14-17.29. State employees and employees of participating employers may choose a traditional indemnity plan called Dental Expense Plan or prepaid dental HMOs called Dental Provider Organizations. Dental coverage is optional. In 2005, dental coverage was made available to State retirees and local retirees. The DEP – State is a single-employer defined other post-employment benefit (OPEB) plan and the DEP – Local is a multi-employer, cost-sharing defined OPEB plan.

(2) Summary of Significant Accounting Policies

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Agency funds do not have a measurement focus, but they employ the accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs.

Membership and Contributing Employers

Membership in the Funds consisted of the following as of June 30, 2010 and 2009:

	2010		
	State	Local	Total
Dental Expense Program Fund*	115,762	42,171	157,933
Alternate Benefit Program Fund**	18,351	2,983	21,334
Pension Adjustment Fund	116,015	111,298	227,313

* Active and retired participants

** Including those receiving long-term disability benefits

**STATE OF NEW JERSEY
AGENCY FUNDS**

Notes to Financial Statements

June 30, 2010 and 2009

	2009		
	State	Local	Total
Dental Expense Program Fund*	115,508	38,942	154,450
Alternate Benefit Program Fund**	18,337	2,948	21,285
Pension Adjustment Fund	113,582	111,725	225,307

* Active and retired participants

** Including those receiving long-term disability benefits

Valuation of Investments

Cash Management Fund units are stated at fair value using the closing bid price on the last day of trading during the period as determined by the Transfer Agent.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

The State of New Jersey, Department of the Treasury, Division of Investment, under the jurisdiction of the State Investment Council, has the investment responsibility for all funds administered by the State of New Jersey Division of Pensions and Benefits. All investments must conform to standards set by state law.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the Funds, through the State Treasurer, and custodian banks as agents for the Funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institutions, amount of the portfolio to be covered by the agreements, and other pertinent matters.

Investments

The Funds' investments as of June 30, 2010 and 2009 consist of an interest in the Cash Management Fund. The Cash Management Fund is not evidenced by securities that exist in physical or book entry form held by the Funds, and it is unrated.

Administrative Expenses

The Funds are administered by the State of New Jersey Division of Pensions and Benefits. Administrative expenses are paid by the State of New Jersey, who is responsible for such costs.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

**STATE OF NEW JERSEY
AGENCY FUNDS**

Notes to Financial Statements

June 30, 2010 and 2009

Vesting and Benefit Provisions

Vesting and Benefit Provisions – ABP

ABP provides retirement benefits, disability benefits, and group life insurance benefits to eligible participants. Retirement benefits are payable upon separation from service with no age or service requirements. However, distributions under age 55 are limited to employee contributions and accumulations. The remaining employer's contributions and earnings are available for distribution upon attaining age 55. Participants are immediately vested if the participant has an existing retirement account containing employer and employee contributions based on employment in public education, or is an active or vested member of a federal or state retirement system.

Benefit Provisions – PAF

PAF covers eligible retirees and survivors of the CPF/PF, POPF and CPF. Eligible retirees and/or survivors are those who have been retired at least 24 months.

Those eligible for benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Chapter 4, P.L. 2001, provided increased benefits to certain members of the CPF/PF who retired prior to December 29, 1989 with at least 25 years of creditable service. The benefit increase was effective November 1, 2001. The maximum amount of the increase was 5% of the retiree's final compensation. For those with 30 or more years of service, the total pension benefit would increase from 65% to 70% of final compensation.

As a result of this legislation, cost-of-living benefits payable to eligible retirees also increased. The State, not the local municipalities, is responsible for these costs.

Benefit Provisions – DEP – State and Local

The DEP provides coverage to employees and their eligible dependents for dental services performed by a qualified dentist. Employees are eligible for coverage after 60 days of employment.

(3) Contributions

Contribution Requirements – ABP

Members contribute a mandatory 5% of base or contractual salary that is tax deferred under the 414(h) provisions of the Internal Revenue Code. Members are also permitted to make voluntary federal tax-deferred contributions under Internal Revenue Code Section 403(b). The State of New Jersey pays the employer contribution for all State and county employees participating in the plan. The employer contribution is based on 8% of base or contractual salary. The State of New Jersey is also responsible for the cost of noncontributory life insurance coverage and disability coverage for its plan members.

**STATE OF NEW JERSEY
AGENCY FUNDS**

Notes to Financial Statements

June 30, 2010 and 2009

The State made a contribution of \$148.6 million, excluding noncontributory group insurance (NCGI) of \$14.2 million and short-term disability of \$2.7 million for fiscal year 2010. The State made a contribution of \$143.0 million, excluding NCGI of \$20.2 million and short-term disability of \$1.7 million for fiscal year 2009.

Contribution Requirements – PAF

The contribution requirements were established by N.J.S.A. 43:3B-4. The State of New Jersey is required to make an annual appropriation payment to fund the cost-of-living increases payable to retirees and beneficiaries of retired members in the CPF/PF, POPF and CPF. Funding is on a pay-as-you-go basis.

The State made a contribution of \$1.3 million and \$1.4 million for fiscal years ended June 30, 2010 and 2009, respectively.

Contribution Requirements – DEP – State and Local

Contributions to pay for the premiums of participating employees in the DEP are collected from the State of New Jersey, local governmental and educational employers, active employees, and former and retired members who have elected to participate under the rules of COBRA. The cost of the premiums is shared by the State of New Jersey and active State employees. Former and retired employees who have chosen to participate under the rules of COBRA pay the full cost of the premium. The employers are billed for the full cost of coverage. The State of New Jersey provides contributions through State appropriations. These appropriations are distributed to the DEP on a biweekly and monthly basis. The active member share of the cost of premiums, which is included in the billing to the employers, is paid to the State on a biweekly and monthly basis. Members participating under COBRA remit their payments on a monthly basis. Retirees pay 100% of the overall dental cost.

The State made a contribution of \$34.0 million, excluding administrative revenue of \$12.2 thousand for fiscal year 2010. The local contribution was \$2.5 million for fiscal year 2010. The State made a contribution of \$31.4 million, excluding administrative revenue of \$9.0 thousand for fiscal year 2009. The local contribution was \$1.9 million for fiscal year 2009.

(4) Income Tax Status

The ABP is a qualified plan as described in Sections 401(a) and 403(b) of the Internal Revenue Code.

Schedule 1

**STATE OF NEW JERSEY
AGENCY FUNDS**

Combining Schedule of Balance Sheet
Information – Fiduciary Funds – Agency Funds

June 30, 2010

	Alternate Benefit Program Fund	Pension Adjustment Fund	Dental Expense Program Fund	Total Agency Funds
Assets:				
Cash and cash equivalents	\$ 1,220,743	2,079,264	—	3,300,007
Investments, at fair value:				
Cash Management Fund	<u>1,054,763</u>	<u>1,296,520</u>	<u>25,396,832</u>	<u>27,748,115</u>
Total investments	<u>1,054,763</u>	<u>1,296,520</u>	<u>25,396,832</u>	<u>27,748,115</u>
Receivables:				
State related employer contributions	—	1,239,922	—	1,239,922
Other contributions	<u>26,987,948</u>	<u>35,330</u>	<u>(213,351)</u>	<u>26,809,927</u>
Total receivables	<u>26,987,948</u>	<u>1,275,252</u>	<u>(213,351)</u>	<u>28,049,849</u>
Total assets	<u>\$ 29,263,454</u>	<u>4,651,036</u>	<u>25,183,481</u>	<u>59,097,971</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 28,387,944	—	24,052,332	52,440,276
Cash overdraft	—	—	1,131,149	1,131,149
Assets held for local contributing employers	—	3,535,187	—	3,535,187
Pension adjustment payroll payable	—	473,221	—	473,221
Due to State of New Jersey	<u>875,510</u>	<u>92,138</u>	<u>—</u>	<u>967,648</u>
Due to other funds	—	550,490	—	550,490
Total liabilities	<u>\$ 29,263,454</u>	<u>4,651,036</u>	<u>25,183,481</u>	<u>59,097,971</u>

Schedule 2

**STATE OF NEW JERSEY
AGENCY FUNDS**

Combining Schedule of Changes in Fiduciary Net Assets
Information – Fiduciary Funds – Agency Funds

Year ended June 30, 2010

	Alternate Benefit Program Fund	Pension Adjustment Fund	Dental Expense Program Fund	Total Agency Funds
Additions:				
Contributions:				
Members	\$ 906,798	—	75,951,816	76,858,614
Employers	<u>165,615,268</u>	<u>6,136,212</u>	<u>36,517,873</u>	<u>208,269,353</u>
Total contributions	<u>166,522,066</u>	<u>6,136,212</u>	<u>112,469,689</u>	<u>285,127,967</u>
Investment income:				
Net appreciation in fair value of investments	1	—	3	4
Interest	<u>10,563</u>	<u>20,498</u>	<u>121,482</u>	<u>152,543</u>
Total investment income	<u>10,564</u>	<u>20,498</u>	<u>121,485</u>	<u>152,547</u>
Total additions	<u>166,532,630</u>	<u>6,156,710</u>	<u>112,591,174</u>	<u>285,280,514</u>
Deductions:				
Benefits	165,656,174	5,889,578	113,087,828	284,633,580
Refunds of contributions and to the general fund	<u>876,456</u>	<u>267,132</u>	<u>(496,654)</u>	<u>646,934</u>
Total deductions	<u>166,532,630</u>	<u>6,156,710</u>	<u>112,591,174</u>	<u>285,280,514</u>
Change in net assets	—	—	—	—
Net assets – Beginning of year	—	—	—	—
Net assets – End of year	\$ —	—	—	—

Schedule 3

**STATE OF NEW JERSEY
AGENCY FUNDS**

Combining Schedule of Balance Sheet
Information – Agency Fund – Dental Expense Program

June 30, 2010

	State	Local	Total Agency Fund - Dental Expense Program
Assets:			
Investments, at fair value:			
Cash Management Fund	\$ 19,761,035	5,635,797	25,396,832
Total investments	<u>19,761,035</u>	<u>5,635,797</u>	<u>25,396,832</u>
Receivables:			
Other contributions	8,806	(222,157)	(213,351)
Total receivables	<u>8,806</u>	<u>(222,157)</u>	<u>(213,351)</u>
Total assets	<u>\$ 19,769,841</u>	<u>5,413,640</u>	<u>25,183,481</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 19,769,841	4,282,491	24,052,332
Cash overdraft	—	1,131,149	1,131,149
Total liabilities	<u>\$ 19,769,841</u>	<u>5,413,640</u>	<u>25,183,481</u>

Schedule 4

**STATE OF NEW JERSEY
AGENCY FUNDS**

Combining Schedule of Changes in Fiduciary Net Assets
Information – Agency Fund – Dental Expense Program

Year ended June 30, 2010

	State	Local	Total Agency Fund - Dental Expense Program
Additions:			
Contributions:			
Members	\$ 48,574,327	27,377,489	75,951,816
Employers	34,017,441	2,500,432	36,517,873
Total contributions	<u>82,591,768</u>	<u>29,877,921</u>	<u>112,469,689</u>
Investment income:			
Net appreciation in fair value of investments	3	—	3
Interest	113,660	7,822	121,482
Total investment income	<u>113,663</u>	<u>7,822</u>	<u>121,485</u>
Total additions	<u>82,705,431</u>	<u>29,885,743</u>	<u>112,591,174</u>
Deductions:			
Benefits	83,857,966	29,229,862	113,087,828
Refunds of contributions and to the general fund	(1,152,535)	655,881	(496,654)
Total deductions	<u>82,705,431</u>	<u>29,885,743</u>	<u>112,591,174</u>
Change in net assets	—	—	—
Net assets – Beginning of year	—	—	—
Net assets – End of year	\$ —	—	—

Schedule 5

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Alternate Benefit Program Fund

June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Assets:				
Cash and cash equivalents	\$ 1,486,556	157,754,719	158,020,532	1,220,743
Investments, at fair value:				
Cash Management Fund	4,100,606	205,317,187	208,363,030	1,054,763
Receivables:				
Other contributions	<u>31,843,341</u>	<u>38,999,647</u>	<u>43,855,040</u>	<u>26,987,948</u>
Total assets	<u>\$ 37,430,503</u>	<u>402,071,553</u>	<u>410,238,602</u>	<u>29,263,454</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 37,126,753	29,590,398	38,329,207	28,387,944
Due to State of New Jersey	<u>303,750</u>	<u>875,510</u>	<u>303,750</u>	<u>875,510</u>
Total liabilities	<u>\$ 37,430,503</u>	<u>30,465,908</u>	<u>38,632,957</u>	<u>29,263,454</u>

Schedule 6

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Pension Adjustment Fund

June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Assets:				
Cash and cash equivalents	\$ 2,175,952	5,480,776	5,577,464	2,079,264
Investments, at fair value:				
Cash Management Fund	1,094,235	7,339,261	7,136,976	1,296,520
Receivables:				
State related employer contributions	1,827,468	5,832,814	6,420,360	1,239,922
Other contributions	23,703	97,281	85,654	35,330
Total assets	<u>\$ 5,121,358</u>	<u>18,750,132</u>	<u>19,220,454</u>	<u>4,651,036</u>
Liabilities:				
Assets held for local contributing employers	\$ 3,361,228	173,959	—	3,535,187
Pension adjustment payroll payable	532,260	6,482,407	6,541,446	473,221
Due to State of New Jersey	516,997	92,138	516,997	92,138
Due to other funds	710,873	4,935,073	5,095,456	550,490
Total liabilities	<u>\$ 5,121,358</u>	<u>11,683,577</u>	<u>12,153,899</u>	<u>4,651,036</u>

Schedule 7

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Dental Expense Program – Total

June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Assets:				
Investments, at fair value:				
Cash Management Fund	\$ 24,495,836	160,859,501	159,958,505	25,396,832
Receivables				
Other contributions	<u>1,005,831</u>	<u>111,008,532</u>	<u>112,227,714</u>	<u>(213,351)</u>
Total assets	<u>\$ 25,501,667</u>	<u>271,868,033</u>	<u>272,186,219</u>	<u>25,183,481</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 25,009,069	37,499,596	38,456,333	24,052,332
Cash overdraft	492,598	37,606,473	36,967,922	1,131,149
Total liabilities	<u>\$ 25,501,667</u>	<u>75,106,069</u>	<u>75,424,255</u>	<u>25,183,481</u>

Schedule 8

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Dental Expense Program – State

June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Assets:				
Investments, at fair value:				
Cash Management Fund	\$ 20,422,193	129,288,859	129,950,017	19,761,035
Receivables				
Other contributions	<u>1,140,769</u>	<u>81,189,797</u>	<u>82,321,760</u>	<u>8,806</u>
Total assets	<u>\$ 21,562,962</u>	<u>210,478,656</u>	<u>212,271,777</u>	<u>19,769,841</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 21,277,197	32,509,029	34,016,385	19,769,841
Cash overdraft	<u>285,765</u>	<u>33,298,285</u>	<u>33,584,050</u>	<u>—</u>
Total liabilities	<u>\$ 21,562,962</u>	<u>65,807,314</u>	<u>67,600,435</u>	<u>19,769,841</u>

Schedule 9

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Dental Expense Program – Local
June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Assets:				
Investments, at fair value:				
Cash Management Fund	\$ 4,073,643	31,570,642	30,008,488	5,635,797
Receivables				
Other contributions	<u>(134,938)</u>	<u>29,818,735</u>	<u>29,905,954</u>	<u>(222,157)</u>
Total assets	<u>\$ 3,938,705</u>	<u>61,389,377</u>	<u>59,914,442</u>	<u>5,413,640</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 3,731,872	4,990,567	4,439,948	4,282,491
Cash overdraft	206,833	4,308,188	3,383,872	1,131,149
Total liabilities	<u>\$ 3,938,705</u>	<u>9,298,755</u>	<u>7,823,820</u>	<u>5,413,640</u>