

**STATE OF NEW JERSEY
AGENCY FUNDS**

FINANCIAL STATEMENTS AND SCHEDULES
June 30, 2011 and 2010
(With Independent Auditor's Report Thereon)



Independent Auditor's Report

Director, Division of Pension and Benefits
State of New Jersey
Agency Funds

We have audited the accompanying statement of fiduciary net assets of the State of New Jersey Agency Funds (the Funds) as of June 30, 2011. These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Funds as of June 30, 2010 were audited by other auditors whose report dated October 27, 2010 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes 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 statements. 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 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 position of State of New Jersey State Agency Funds as of June 30, 2011, 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 basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. 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 audit was made for the purpose of forming an opinion on the basic financial statements that collectively comprise the Funds' basic financial statements. The 2011 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 is not a required part of the basic financial statements of the Funds. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Mt. Laurel, New Jersey
November 1, 2011

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Management's Discussion and Analysis

June 30, 2011 and 2010

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, 2011 and 2010. Please read it in conjunction with the basic financial statements and financial statement footnotes, which follow this discussion.

Financial Highlights

2011 – 2010

- The Funds' total additions are \$276.7 million, consisting of member and employer contributions of \$276.6 million and investment income of \$0.1 million.
- The Funds' total deductions are \$276.7 million, consisting of pension and insurance benefit expenses of \$282.9 million and other expenses of \$(6.2) million.

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.

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.

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Management's Discussion and Analysis

June 30, 2011 and 2010

Financial Analysis

Summary of Fiduciary Net Assets

2011 – 2010

	<u>2011</u>	<u>2010</u>	<u>(Decrease)</u>
Assets	\$ 47,982,744	59,097,971	(11,115,227)
Liabilities	47,982,744	59,097,971	(11,115,227)
Net assets	<u>\$ —</u>	<u>—</u>	<u>—</u>

The Funds' assets consist of cash and cash equivalents, investments and contributions due from the State and local employers. Between fiscal years 2010 and 2011, total assets decreased by \$11.1 million or 18.8%. This is attributable to the decreased amount invested in the Cash Management Fund (CMF) of \$8.6 million and decreases in cash and cash equivalents and total receivables of \$2.5 million.

The Funds' liabilities vary according to 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 non-contributory 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 2010 and 2011, total liabilities decreased by \$11.1 million or 18.8%. This is comprised of a \$6.8 million decrease in liabilities in the DEP, a \$0.9 million decrease in liabilities in PAF, and a \$3.4 million decrease in ABP liabilities.

Summary of Fiduciary Net Assets

2010 – 2009

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

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

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Management's Discussion and Analysis

June 30, 2011 and 2010

of \$0.9 million and an increase of \$0.6 million in cash overdraft, a \$0.5 million decrease in liabilities in PAF, and an \$8.1 million decrease overall in ABP liabilities which is made up of an \$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.

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.

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Statements of Net Assets

June 30, 2011 and 2010

	2011	2010
Assets:		
Cash and cash equivalents	\$ 2,400,956	3,300,007
Investments, at fair value:		
Cash Management Fund	19,136,452	27,748,115
Total investments	19,136,452	27,748,115
Receivables:		
State related employer contributions	1,274,762	1,239,922
Other contributions	25,170,574	26,809,927
Total receivables	26,445,336	28,049,849
Total assets	\$ 47,982,744	59,097,971
Liabilities:		
Accounts payable and accrued expenses	\$ 44,093,812	52,440,276
Cash overdraft	—	1,131,149
Assets held for local contributing employers	2,944,265	3,535,187
Pension adjustment payroll payable	392,250	473,221
Due to State of New Jersey	215,744	967,648
Due to other funds	336,673	550,490
Total liabilities	\$ 47,982,744	59,097,971

See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2011 and 2010

(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 (CPFPPF), 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, 2011 and 2010:

	2011		Total
	State	Local	
Dental Expense Program Fund*	115,359	48,793	164,152
Alternate Benefit Program Fund**	18,343	3,021	21,364
Pension Adjustment Fund	123,236	117,087	240,323

* Active and retired participants

** Including those receiving long-term disability benefits

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Notes to Financial Statements

June 30, 2011 and 2010

	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

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, 2011 and 2010 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.

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Notes to Financial Statements

June 30, 2011 and 2010

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 CPFPPF, 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 CPFPPF 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.

Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

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.

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Notes to Financial Statements

June 30, 2011 and 2010

(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.

The State made a contribution of \$145.7 million, excluding noncontributory group insurance (NCGI) of \$13.7 million and short-term disability of \$1.9 million for fiscal year 2011. 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.

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 CPFPPF, POPF and CPF. Funding is on a pay-as-you-go basis.

The State made a contribution of \$1.2 million and \$1.3 million for fiscal years ended June 30, 2011 and 2010, 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 \$26.0 million, excluding administrative revenue of \$10.0 thousand for fiscal year 2011. The local contribution was \$2.6 million for fiscal year 2011. 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.

(4) Income Tax Status

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

STATE OF NEW JERSEY
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Combining Schedule of Balance Sheet
Information – Fiduciary Funds – Agency Funds
June 30, 2011

	<u>Alternate Benefit Program Fund</u>	<u>Pension Adjustment Fund</u>	<u>Dental Expense Program Fund</u>	<u>Total Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 63,944	1,878,696	458,316	2,400,956
Investments, at fair value:				
Cash Management Fund	385,247	476,192	18,275,013	19,136,452
Total investments	<u>385,247</u>	<u>476,192</u>	<u>18,275,013</u>	<u>19,136,452</u>
Receivables:				
State related employer contributions	—	1,274,762	—	1,274,762
Other contributions	25,457,163	68,491	(355,080)	25,170,574
Total receivables	<u>25,457,163</u>	<u>1,343,253</u>	<u>(355,080)</u>	<u>26,445,336</u>
Total assets	<u>\$ 25,906,354</u>	<u>3,698,141</u>	<u>18,378,249</u>	<u>47,982,744</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 25,715,563	—	18,378,249	44,093,812
Assets held for local contributing employers	—	2,944,265	—	2,944,265
Pension adjustment payroll payable	—	392,250	—	392,250
Due to State of New Jersey	190,791	24,953	—	215,744
Due to other funds	—	336,673	—	336,673
Total liabilities	<u>\$ 25,906,354</u>	<u>3,698,141</u>	<u>18,378,249</u>	<u>47,982,744</u>

**STATE OF NEW JERSEY
AGENCY FUNDS**

Combining Schedule of Changes in Fiduciary Net Assets

Information – Fiduciary Funds – Agency Funds

Year ended June 30, 2011

	<u>Alternate Benefit Program Fund</u>	<u>Pension Adjustment Fund</u>	<u>Dental Expense Program Fund</u>	<u>Total Agency Funds</u>
Additions:				
Contributions:				
Members	\$ 931,971	—	81,116,270	82,048,241
Employers	161,288,027	4,566,806	28,650,422	194,505,255
Total contributions	<u>162,219,998</u>	<u>4,566,806</u>	<u>109,766,692</u>	<u>276,553,496</u>
Investment income:				
Net appreciation in fair value of investments	61	76	2,905	3,042
Interest	4,073	13,122	80,847	98,042
Total investment income	<u>4,134</u>	<u>13,198</u>	<u>83,752</u>	<u>101,084</u>
Total additions	<u>162,224,132</u>	<u>4,580,004</u>	<u>109,850,444</u>	<u>276,654,580</u>
Deductions:				
Benefits	162,029,229	5,145,973	115,674,855	282,850,057
Refunds of contributions and to the general fund	194,903	(565,969)	(5,824,411)	(6,195,477)
Total deductions	<u>162,224,132</u>	<u>4,580,004</u>	<u>109,850,444</u>	<u>276,654,580</u>
Change in net assets	—	—	—	—
Net assets – Beginning of year	—	—	—	—
Net assets – End of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

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Combining Schedule of Balance Sheet
Information – Agency Fund – Dental Expense Program
June 30, 2011

	State	Local	Total Agency Fund - Dental Expense Program
Assets:			
Cash and cash equivalents	\$ 564,590	(106,274)	458,316
Investments, at fair value:			
Cash Management Fund	11,667,943	6,607,070	18,275,013
Total investments	11,667,943	6,607,070	18,275,013
Receivables:			
Other contributions	(330,791)	(24,289)	(355,080)
Total receivables	(330,791)	(24,289)	(355,080)
Total assets	\$ 11,901,742	6,476,507	18,378,249
Liabilities:			
Accounts payable and accrued expenses	\$ 11,901,742	6,476,507	18,378,249
Total liabilities	\$ 11,901,742	6,476,507	18,378,249

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Combining Schedule of Changes in Fiduciary Net Assets
Information – Agency Fund – Dental Expense Program
Year ended June 30, 2011

	<u>State</u>	<u>Local</u>	<u>Total Agency Fund - Dental Expense Program</u>
Additions:			
Contributions:			
Members	\$ 50,320,728	30,795,542	81,116,270
Employers	26,043,847	2,606,575	28,650,422
Total contributions	<u>76,364,575</u>	<u>33,402,117</u>	<u>109,766,692</u>
Investment income:			
Net appreciation in fair value of investments	2,760	145	2,905
Interest	66,468	14,379	80,847
Total investment income	<u>69,228</u>	<u>14,524</u>	<u>83,752</u>
Total additions	<u>76,433,803</u>	<u>33,416,641</u>	<u>109,850,444</u>
Deductions:			
Benefits	84,256,822	31,418,033	115,674,855
Refunds of contributions and to the general fund	(7,823,019)	1,998,608	(5,824,411)
Total deductions	<u>76,433,803</u>	<u>33,416,641</u>	<u>109,850,444</u>
Change in net assets	—	—	—
Net assets – Beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
Net assets – End of year	<u>\$ —</u>	<u>—</u>	<u>—</u>

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Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Alternative Benefit Program Fund
June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and cash equivalents	\$ 1,220,743	147,508,551	148,665,350	63,944
Investments, at fair value:				
Cash Management Fund	1,054,763	168,750,308	169,419,824	385,247
Receivables:				
Other contributions	26,987,948	25,457,163	26,987,948	25,457,163
Total assets	<u>\$ 29,263,454</u>	<u>341,716,022</u>	<u>345,073,122</u>	<u>25,906,354</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 28,387,944	26,918,810	29,591,191	25,715,563
Due to State of New Jersey	875,510	190,791	875,510	190,791
Total liabilities	<u>\$ 29,263,454</u>	<u>27,109,601</u>	<u>30,466,701</u>	<u>25,906,354</u>

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Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Pension Adjustment fund
June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and cash equivalents	\$ 2,079,264	3,395,338	3,595,906	1,878,696
Investments, at fair value:				
Cash Management Fund	1,296,520	5,070,934	5,891,262	476,192
Receivables:				
State related employer contributions	1,239,922	4,098,871	4,064,031	1,274,762
Other contributions	35,330	99,301	66,140	68,491
Total assets	<u>\$ 4,651,036</u>	<u>12,664,444</u>	<u>13,617,339</u>	<u>3,698,141</u>
Liabilities:				
Assets held for local contributing employers	\$ 3,535,187	—	590,922	2,944,265
Pension adjustment payroll payable	473,221	5,533,236	5,614,207	392,250
Due to State of New Jersey	92,138	24,953	92,138	24,953
Due to other funds	550,490	4,171,874	4,385,691	336,673
Total liabilities	<u>\$ 4,651,036</u>	<u>9,730,063</u>	<u>10,682,958</u>	<u>3,698,141</u>

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Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Dental Expense Program - Total

June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and cash equivalents	\$ —	32,500,591	31,936,001	564,590
Investments, at fair value:				
Cash Management Fund	25,396,832	187,059,716	194,181,535	18,275,013
Receivables				
Other contributions	(213,351)	124,337,599	124,479,328	(355,080)
Total assets	<u>\$ 25,183,481</u>	<u>343,897,906</u>	<u>350,596,864</u>	<u>18,484,523</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 24,052,332	46,768,696	52,442,779	18,378,249
Cash overdraft	1,131,149	4,857,201	5,882,076	106,274
Total liabilities	<u>\$ 25,183,481</u>	<u>51,625,897</u>	<u>58,324,855</u>	<u>18,484,523</u>

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Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Dental Expense Program - State
June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and cash equivalents	\$ —	32,500,591	31,936,001	564,590
Investments, at fair value:				
Cash Management Fund	19,761,035	150,842,097	158,935,189	11,667,943
Receivables				
Other contributions	8,806	84,473,062	84,812,659	(330,791)
Total assets	<u>\$ 19,769,841</u>	<u>267,815,750</u>	<u>275,683,849</u>	<u>11,901,742</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 19,769,841	39,130,673	46,998,772	11,901,742
Total liabilities	<u>\$ 19,769,841</u>	<u>39,130,673</u>	<u>46,998,772</u>	<u>11,901,742</u>

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Dental Expense Program - Local
June 30, 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Investments, at fair value:				
Cash Management Fund	\$ 5,635,797	36,217,619	35,246,346	6,607,070
Receivables				
Other contributions	<u>(222,157)</u>	<u>39,864,537</u>	<u>39,666,669</u>	<u>(24,289)</u>
Total assets	<u>\$ 5,413,640</u>	<u>76,082,156</u>	<u>74,913,015</u>	<u>6,582,781</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 4,282,491	7,638,023	5,444,007	6,476,507
Cash overdraft	<u>1,131,149</u>	<u>4,857,201</u>	<u>5,882,076</u>	<u>106,274</u>
Total liabilities	<u>\$ 5,413,640</u>	<u>12,495,224</u>	<u>11,326,083</u>	<u>6,582,781</u>