

STATE OF NEW JERSEY
AGENCY FUNDS

FINANCIAL STATEMENTS AND SCHEDULES
June 30, 2012 and 2011
(With Independent Auditor's Report Thereon)



CliftonLarsonAllen

Independent Auditor's Report

Director, Division of Pension 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, 2012 and 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 present fairly, in all material respects, the financial position of the of State of New Jersey Agency Funds as of June 30, 2012 and 2011, and changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4 be presented to supplement the basic financial statements, such information although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. 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 additional information, schedules 1 through 9, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information, schedules 1 through 9, has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information, schedules 1 through 9, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

CliftonLarsonAllen LLP

Mt. Laurel, New Jersey
November 5, 2012

**STATE OF NEW JERSEY
AGENCY FUNDS**

Management's Discussion and Analysis

June 30, 2012 and 2011

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, 2012 and 2011. Please read it in conjunction with the basic financial statements and financial statement footnotes, which follow this discussion.

Financial Highlights

2012 – 2011

- The Funds' total additions are \$306.3 million, consisting of member and employer contributions of \$306.2 million and investment income of \$42 thousand.
- The Funds' total deductions are \$306.3 million, consisting of pension and insurance benefit expenses of \$304.2 million and other expenses of \$2.1 million.

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.

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, 2012 and 2011

Financial Analysis

Summary of Fiduciary Net Assets

2012 – 2011

	<u>2012</u>	<u>2011</u>	<u>Increase</u>
Assets	\$ 60,038,707	47,982,744	12,055,963
Liabilities	<u>60,038,707</u>	<u>47,982,744</u>	<u>12,055,963</u>
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 2011 and 2012, total assets increased by \$12.0 million or 25.1%. This is attributable to the increased amount invested in the Cash Management Fund (CMF) of \$9.1 million, a small increase in cash and cash equivalents and an increase in total receivables of \$ 2.9 million.

The Funds' liabilities vary according to plan. In the Alternate Benefit Program (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 life insurance benefits payable. In the Dental Expense Program (DEP), they include claims payable, and in the Pension Adjustment Fund (PAF), they include liabilities for payroll and amounts due to the State of New Jersey general fund and other pension funds. Between fiscal years 2011 and 2012, total liabilities increased by \$12.0 million or 25.1%. This is comprised of a \$0.8 million decrease in liabilities in the PAF, a \$6.6 million increase in liabilities in DEP, and a \$6.2 million increase in ABP liabilities.

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	<u>47,982,744</u>	<u>59,097,971</u>	<u>(11,115,227)</u>
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.

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Management's Discussion and Analysis

June 30, 2012 and 2011

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
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Statements of Fiduciary Net Assets

June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Cash and cash equivalents	\$ 2,410,643	2,400,956
Investments, at fair value:		
Cash Management Fund	<u>28,235,738</u>	<u>19,136,452</u>
Total investments	<u>28,235,738</u>	<u>19,136,452</u>
Receivables:		
State related employer contributions	852,147	1,274,762
Other contributions	<u>28,540,179</u>	<u>25,170,574</u>
Total receivables	<u>29,392,326</u>	<u>26,445,336</u>
Total assets	<u>\$ 60,038,707</u>	<u>47,982,744</u>
Liabilities:		
Accounts payable and accrued expenses	\$ 57,047,268	44,093,812
Assets held for local contributing employers	2,412,989	2,944,265
Pension adjustment payroll payable	237,510	392,250
Due to State of New Jersey	163,355	215,744
Due to other funds	<u>177,585</u>	<u>336,673</u>
Total liabilities	<u>\$ 60,038,707</u>	<u>47,982,744</u>

See accompanying notes to financial statements.

**STATE OF NEW JERSEY
AGENCY FUNDS**

Notes to Financial Statements

June 30, 2012 and 2011

(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, 2012 and 2011:

	2012		Total
	State	Local	
Dental Expense Program Fund*	116,691	53,326	170,017
Alternate Benefit Program Fund**	19,204	3,021	22,225
Pension Adjustment Fund	120,315	113,236	233,551

* Active and retired participants

** Including those receiving long-term disability benefits

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Notes to Financial Statements

June 30, 2012 and 2011

	2011		
	State	Local	Total
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

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, 2012 and 2011 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, 2012 and 2011

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 additional increases were suspended for all current and future retirees and beneficiaries of all retirement systems. COLA increases may be reactivated at a future date as permitted by this law. 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.

**STATE OF NEW JERSEY
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Notes to Financial Statements

June 30, 2012 and 2011

(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 \$153.0 million, excluding NCGI of \$16.3 million and short-term disability of \$1.2 million, for fiscal year 2012. 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.

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 \$1,166 thousand for fiscal year 2012 and \$1,234 thousand for fiscal year 2011.

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 \$37.9 million, excluding administrative revenue of \$5.4 thousand, for fiscal year 2012. The local contribution was \$2.7 million for fiscal year 2012. 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.

(4) Income Tax Status

The ABP received a determination letter that it complies with the qualification requirements of the Internal Revenue Code in September 2012.

**STATE OF NEW JERSEY
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Combining Schedule of Balance Sheet
Information – Fiduciary Funds – Agency Funds
June 30, 2012

	<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	\$ 752,115	610,514	1,048,014	2,410,643
Investments, at fair value:				
Cash Management Fund	<u>558,756</u>	<u>1,420,116</u>	<u>26,256,866</u>	<u>28,235,738</u>
Total investments	<u>558,756</u>	<u>1,420,116</u>	<u>26,256,866</u>	<u>28,235,738</u>
Receivables:				
State related employer contributions	—	852,147	—	852,147
Other contributions	<u>30,816,885</u>	<u>9,435</u>	<u>(2,286,141)</u>	<u>28,540,179</u>
Total receivables	<u>30,816,885</u>	<u>861,582</u>	<u>(2,286,141)</u>	<u>29,392,326</u>
Total assets	<u>\$ 32,127,756</u>	<u>2,892,212</u>	<u>25,018,739</u>	<u>60,038,707</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 32,028,529	—	25,018,739	57,047,268
Assets held for local contributing employers	—	2,412,989	—	2,412,989
Pension adjustment payroll payable	—	237,510	—	237,510
Due to State of New Jersey	99,227	64,128	—	163,355
Due to other funds	<u>—</u>	<u>177,585</u>	<u>—</u>	<u>177,585</u>
Total liabilities	<u>\$ 32,127,756</u>	<u>2,892,212</u>	<u>25,018,739</u>	<u>60,038,707</u>

STATE OF NEW JERSEY
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Combining Schedule of Changes in Fiduciary Net Assets

Information – Fiduciary Funds – Agency Funds

Year ended June 30, 2012

	<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	\$ 959,024	—	85,622,543	86,581,567
Employers	175,266,446	3,772,893	40,608,023	219,647,362
Total contributions	<u>176,225,470</u>	<u>3,772,893</u>	<u>126,230,566</u>	<u>306,228,929</u>
Investment income:				
Net depreciation in fair value of investments	(48)	(42)	(2,277)	(2,367)
Interest	1,829	6,845	35,825	44,499
Total investment income	<u>1,781</u>	<u>6,803</u>	<u>33,548</u>	<u>42,132</u>
Total additions	<u>176,227,251</u>	<u>3,779,696</u>	<u>126,264,114</u>	<u>306,271,061</u>
Deductions:				
Benefits	176,143,473	4,246,843	123,803,658	304,193,974
Refunds of contributions and to the general fund	83,778	(467,147)	2,460,456	2,077,087
Total deductions	<u>176,227,251</u>	<u>3,779,696</u>	<u>126,264,114</u>	<u>306,271,061</u>
Change in net assets	—	—	—	—
Net assets – Beginning of year	—	—	—	—
Net assets – End of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

**STATE OF NEW JERSEY
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Combining Schedule of Balance Sheet

Information – Agency Fund – Dental Expense Program

June 30, 2012

	State	Local	Total Agency Fund - Dental Expense Program
Assets:			
Cash and cash equivalents	\$ 651,305	396,709	1,048,014
Investments, at fair value:			
Cash Management Fund	15,956,388	10,300,478	26,256,866
Total investments	15,956,388	10,300,478	26,256,866
Receivables:			
Other contributions	572,165	(2,858,306)	(2,286,141)
Total receivables	572,165	(2,858,306)	(2,286,141)
Total assets	\$ 17,179,858	7,838,881	25,018,739
Liabilities:			
Accounts payable and accrued expenses	\$ 17,179,858	7,838,881	25,018,739
Total liabilities	\$ 17,179,858	7,838,881	25,018,739

**STATE OF NEW JERSEY
AGENCY FUNDS**

Combining Schedule of Changes in Fiduciary Net Assets

Information – Agency Fund – Dental Expense Program

Year ended June 30, 2012

	<u>State</u>	<u>Local</u>	<u>Total Agency Fund - Dental Expense Program</u>
Additions:			
Contributions:			
Members	\$ 51,468,095	34,154,448	85,622,543
Employers	37,927,718	2,680,305	40,608,023
Total contributions	<u>89,395,813</u>	<u>36,834,753</u>	<u>126,230,566</u>
Investment income:			
Net depreciation in fair value of investments	(2,163)	(114)	(2,277)
Interest	26,055	9,770	35,825
Total investment income	<u>23,892</u>	<u>9,656</u>	<u>33,548</u>
Total additions	<u>89,419,705</u>	<u>36,844,409</u>	<u>126,264,114</u>
Deductions:			
Benefits	86,614,797	37,188,861	123,803,658
Refunds of contributions and to the general fund	2,804,908	(344,452)	2,460,456
Total deductions	<u>89,419,705</u>	<u>36,844,409</u>	<u>126,264,114</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>

STATE OF NEW JERSEY
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Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Alternate Benefit Program Fund

June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and cash equivalents	\$ 63,944	153,994,782	153,306,611	752,115
Investments, at fair value:				
Cash Management Fund	385,247	175,007,751	174,834,242	558,756
Receivables:				
Other contributions	25,457,163	30,816,885	25,457,163	30,816,885
Total assets	<u>\$ 25,906,354</u>	<u>359,819,418</u>	<u>353,598,016</u>	<u>32,127,756</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 25,715,563	32,797,605	26,484,639	32,028,529
Due to State of New Jersey	190,791	99,227	190,791	99,227
Total liabilities	<u>\$ 25,906,354</u>	<u>32,896,832</u>	<u>26,675,430</u>	<u>32,127,756</u>

STATE OF NEW JERSEY
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Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Pension Adjustment fund
June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and cash equivalents	\$ 1,878,696	3,105,846	4,374,028	610,514
Investments, at fair value:				
Cash Management Fund	476,192	5,552,470	4,608,546	1,420,116
Receivables:				
State related employer contributions	1,274,762	3,861,184	4,283,799	852,147
Other contributions	68,491	22,394	81,450	9,435
Total assets	<u>\$ 3,698,141</u>	<u>12,541,894</u>	<u>13,347,823</u>	<u>2,892,212</u>
Liabilities:				
Assets held for local contributing employers	\$ 2,944,265	1,842	533,118	2,412,989
Pension adjustment payroll payable	392,250	4,287,545	4,442,285	237,510
Due to State of New Jersey	24,953	64,128	24,953	64,128
Due to other funds	336,673	3,315,740	3,474,828	177,585
Total liabilities	<u>\$ 3,698,141</u>	<u>7,669,255</u>	<u>8,475,184</u>	<u>2,892,212</u>

STATE OF NEW JERSEY
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Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Dental Expense Program - Total

June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and cash equivalents	\$ 564,590	36,897,969	36,414,545	1,048,014
Investments, at fair value:				
Cash Management Fund	18,275,013	197,598,272	189,616,419	26,256,866
Receivables				
Other contributions	(355,080)	133,016,450	134,947,511	(2,286,141)
Total assets	<u>\$ 18,484,523</u>	<u>367,512,691</u>	<u>360,978,475</u>	<u>25,018,739</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 18,378,249	68,853,814	62,213,324	25,018,739
Cash overdraft	106,274	—	106,274	—
Total liabilities	<u>\$ 18,484,523</u>	<u>68,853,814</u>	<u>62,319,598</u>	<u>25,018,739</u>

**STATE OF NEW JERSEY
AGENCY FUNDS**

Schedule of Changes in Assets and Liabilities

Information – Agency Fund – Dental Expense Program - State

June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and cash equivalents	\$ 564,590	32,371,195	32,284,480	651,305
Investments, at fair value:				
Cash Management Fund	11,667,943	155,835,936	151,547,491	15,956,388
Receivables				
Other contributions	(330,791)	93,171,500	92,268,544	572,165
Total assets	<u>\$ 11,901,742</u>	<u>281,378,631</u>	<u>276,100,515</u>	<u>17,179,858</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 11,901,742	55,734,173	50,456,057	17,179,858
Total liabilities	<u>\$ 11,901,742</u>	<u>55,734,173</u>	<u>50,456,057</u>	<u>17,179,858</u>

STATE OF NEW JERSEY
AGENCY FUNDS

Schedule of Changes in Assets and Liabilities
Information – Agency Fund – Dental Expense Program - Local
June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Assets:				
Cash and cash equivalents	\$ —	4,526,774	4,130,065	396,709
Investments, at fair value:				
Cash Management Fund	6,607,070	41,762,336	38,068,928	10,300,478
Receivables				
Other contributions	(24,289)	39,844,950	42,678,967	(2,858,306)
Total assets	<u>\$ 6,582,781</u>	<u>86,134,060</u>	<u>84,877,960</u>	<u>7,838,881</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 6,476,507	13,119,641	11,757,267	7,838,881
Cash overdraft	106,274	—	106,274	—
Total liabilities	<u>\$ 6,582,781</u>	<u>13,119,641</u>	<u>11,863,541</u>	<u>7,838,881</u>