STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES
DEFERRED COMPENSATION PLAN

Financial Statements

June 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

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

Independent Auditors' Report

New Jersey State Employees Deferred
Compensation Plan Board
New Jersey State Employees Deferred
Compensation Plan:

We have audited the accompanying statements of fiduciary net assets of the New Jersey State Employees Deferred Compensation Plan (the Plan) as of June 30, 2008 and 2007, and the related statements of changes in fiduciary net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Plan's 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 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 New Jersey State Employees Deferred Compensation Plan as of June 30, 2008 and 2007, and the changes in its financial position for the years then ended 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.

KPMG LLP

April 29, 2009

STATE OF NEW JERSEY
NEW JERSEY STATE EMPLOYEES
DEFERRED COMPENSATION PLAN

Management's Discussion and Analysis

June 30, 2008 and 2007

Our discussion and analysis of the financial performance of the New Jersey State Employees Deferred Compensation Plan (the Plan) provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2008 and 2007. Please read it in conjunction with the basic financial statements and financial statement footnotes, which follow this discussion.

As of January 1, 2006, Prudential Retirement was selected as the Plan's third-party administrator. The Division of Investments retains its fiduciary functions over the Plan's assets, and the Division of Pensions and Benefits maintains its administrative oversight functions.

Financial Highlights

2008 – 2007

- Net assets decreased by $50,477,275 as a result of fiscal year 2008's operations from $2,068,148,264 to $2,017,670,989.
- Additions for the year are $14,992,262, which are comprised of member contributions of $185,234,570 and an investment loss of $170,242,308.
- Deductions for the year are $65,469,537, which are comprised of benefit payments of $65,013,841 and administrative expenses of $455,696.

2007 – 2006

- Net assets increased by $359,807,311 as a result of fiscal year 2007's operations from $1,708,340,953 to $2,068,148,264.
- Additions for the year are $422,130,728, which is comprised of member contributions of $173,352,442 and net investment income of $248,778,286.
- Deductions for the year are $62,323,417, which are comprised of benefit payments of $61,812,001 and administrative expenses of $511,416.

The Statements of Fiduciary Net Assets and the Statements of Changes in Fiduciary Net Assets

This annual report consists of two financial statements: *The Statements of Fiduciary Net Assets* and *The Statements of Changes in Fiduciary Net Assets*. These financial statements report information about the Plan and about its activities to help you assess whether the Plan, as a whole, has improved or declined as a result of the year's activities. The financial statements were prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period they are earned, and expenses are recorded in the year they are incurred, regardless of when cash is received or paid.

The Statements of Fiduciary Net Assets show the balances in all of the assets and liabilities of the Plan at the end of the fiscal year. The difference between assets and liabilities represents the Plan's fiduciary net assets. Over time, increases or decreases in the Plan's fiduciary net assets provide one indication of whether the financial health of the Plan is improving or declining. *The Statements of Changes in Fiduciary Net Assets* show the results of financial operations for the year. The statements provide an explanation for the change in the Plan's fiduciary

(Continued)

net assets since the prior year. These two financial statements should be reviewed along with the information contained in the financial statement footnotes to determine whether the Plan is becoming financially stronger or weaker.

Financial Analysis

Summary of Fiduciary Net Assets

2008 – 2007

	2008	2007	Increase (decrease)
Assets	$ 2,019,849,491	2,069,187,014	(49,337,523)
Liabilities	2,178,502	1,038,750	1,139,752
Net assets	$ 2,017,670,989	2,068,148,264	(50,477,275)

Total assets decreased by $49.3 million or 2.4% between fiscal years 2007 and 2008 due to the decrease in the fair value of investments.

Total liabilities increased by $1.1 million or 109.7% due to an increase in administrative fees payable and cash overdraft.

Net assets decreased by $50.4 million or 2.4%.

2007 – 2006

	2007	2006	Increase
Assets	$ 2,069,187,014	1,709,246,862	359,940,152
Liabilities	1,038,750	905,909	132,841
Net assets	$ 2,068,148,264	1,708,340,953	359,807,311

Total assets increased by $359.9 million or 21.1% between fiscal years 2006 and 2007 primarily due to an increase in the fair value of investments.

Total liabilities increased by $0.1 million or 14.7% due to an increase in administrative fees payable.

Net assets increased by $359.8 million or 21.1%.

Summary of Additions to Fiduciary Net Assets

2008 – 2007

		2008	2007	Increase (decrease)
Member contributions	$	185,234,570	173,352,442	11,882,128
Net investment income (loss)		(170,242,308)	248,778,286	(419,020,594)
Totals	$	14,992,262	422,130,728	(407,138,466)

Additions consist of member contributions and earnings from investment activities. Total additions decreased by $407.1 million or 96.4% between fiscal year 2007 and 2008 primarily due to the decline in the net appreciation of the fair value of investments.

2007 – 2006

		2007	2006	Increase
Member contributions	$	173,352,442	166,371,405	6,981,037
Net investment income		248,778,286	106,982,480	141,795,806
Totals	$	422,130,728	273,353,885	148,776,843

Additions consist of member contributions and earnings from investment activities. Total additions increased by $148.8 million or 54.4% between fiscal year 2006 and 2007 because of increases in membership and the net appreciation in fair value of investments.

Summary of Deductions from Fiduciary Net Assets

2008 – 2007

		2008	2007	Increase (decrease)
Benefits	$	65,013,841	61,812,001	3,201,840
Administrative expenses		455,696	511,416	(55,720)
Totals	$	65,469,537	62,323,417	3,146,120

Deductions consist of benefit payments made during the year and administrative expenses. Total benefit payments increased by $3.1 million or 5.0% between fiscal year 2007 and 2008.

(Continued)

2007 – 2006

		2007	2006	Decrease
Benefits	$	61,812,001	80,873,250	(19,061,249)
Administrative expenses		511,416	513,741	(2,325)
Totals	$	62,323,417	81,386,991	(19,063,574)

Deductions consist of benefit payments made during the year and administrative expenses. Total benefit payments decreased by $19.1 million or 23.4% between fiscal year 2006 and 2007.

Retirement System as a Whole

Members are 100% vested in the present value of their contributions.

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 Plan's finances and to show the Plan's 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, 2008 and 2007

		2008	2007
Assets:			
Cash	$	—	23,422
Investments at fair value:			
Cash Management Fund		138,364,923	162,407,735
U.S. Government obligations		587,719,678	440,449,436
Domestic equities		1,108,910,500	1,273,088,973
International equities		161,165,096	156,071,071
Other fixed income securities		21,789,935	35,155,805
Total investments		2,017,950,132	2,067,173,020
Receivables:			
Accrued interest and dividends		1,868,133	1,990,572
Other		31,226	—
Total receivables		1,899,359	1,990,572
Total assets		2,019,849,491	2,069,187,014
Liabilities:			
Accounts payable and accrued expenses		1,518,573	1,038,750
Cash overdraft		659,929	—
Total liabilities		2,178,502	1,038,750
Net assets:			
Held in trust for benefits	$	2,017,670,989	2,068,148,264

See accompanying notes to financial statements.

STATE OF NEW JERSEY
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Statements of Changes in Fiduciary Net Assets

Years ended June 30, 2008 and 2007

		2008	2007
Additions:			
Member contributions	$	185,234,570	173,352,442
Investment income:			
Net (depreciation) appreciation in fair value of investments		(192,302,803)	222,642,662
Interest		11,141,724	14,433,257
Dividends		11,165,631	11,924,994
		(169,995,448)	249,000,913
Less investment expense		246,860	222,627
Net investment (loss) income		(170,242,308)	248,778,286
Total additions		14,992,262	422,130,728
Deductions:			
Benefits		65,013,841	61,812,001
Administrative expense		455,696	511,416
Total deductions		65,469,537	62,323,417
Change in net assets		(50,477,275)	359,807,311
Net assets – beginning of year		2,068,148,264	1,708,340,953
Net assets – end of year	$	2,017,670,989	2,068,148,264

See accompanying notes to financial statements.

(1) Summary of Significant Accounting policies

Basis of Accounting

The financial statements of the New Jersey State Employees Deferred Compensation Plan (the Plan) have been prepared using the accrual basis of accounting and conform to the provisions of Government Accounting Standards Board (GASB) Statements No. 25, "*Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*," and Statement No. 32, "*Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*."

Investments

The Division of Investment, Department of the Treasury, State of New Jersey (the Division of Investment) manages and invests certain assets of various divisions, agencies and employees of the State of New Jersey in various groups of funds, which includes the Deferred Compensation Fund.

Prudential Retirement was selected as the NJSEDCP's third-party administrator following a competitive bidding process with a contract awarded on August 26, 2005. As of January 1, 2006, the four state-managed investment options (DCP Money Market, DCP Equity, DCP Bond and DCP Small Cap Equity) were closed to new investment and 23 new investment options were opened. Participant recordkeeping operations were transferred to Prudential Retirement on January 2, 2006. Assets held in the four state-managed investment options were transferred to Prudential separate accounts on February 1, 2006. The custodian of Plan assets was PNC Bank through January 31, 2006, with State Street Bank acting as custodian, through an agreement with Prudential Retirement, from February 1, 2006 to present. The Division of Investment retains its fiduciary functions over the Plan's assets and the Division of Pensions and Benefits maintains its administrative oversight functions.

Investments are reported at fair value as follows:

- U.S. Government and Agency and Corporate obligations – prices quoted by a major dealer in such securities.
- Common Stocks – closing prices as reported on the primary market or exchange on which they trade.
- Money Market Instruments – amortized cost which approximates fair value.
- Cash Management Fund – closing bid price on the last day of trading during the period as determined by the Transfer Agent.

Investment transactions are accounted for on a trade or investment date basis. Gains and losses from investment transactions are determined by the average cost method. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date.

Administrative Expenses

Expenses associated with the Plan, which include but are not limited to administrative and investment costs, are charged against the Plan's net assets as determined by the action of the New Jersey State Employees Deferred Compensation Board (the Board). The fee is charged to participants' accounts on a monthly basis. Amounts charged against the net assets by the Plan to date have exceeded the payments made, the excess of which has been recorded as administrative fees payable.

Unit Valuation

Participants' net asset value per unit is determined on a daily basis for each of the Plan's 27 investment fund options. Net asset value per unit is computed on the total fair value at the end of the day of the Plan's net assets divided by the total outstanding units of the Plan.

(2) Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the Plan information statement, which is available from the State of New Jersey, Division of Pensions and Benefits, for a more complete description of the Plan's provisions.

General

The Plan was established by Chapter 39, P.L. 1978, which became effective June 19, 1978, amended by Chapter 449, P.L. 1985, effective January 14, 1986, and by Chapter 116, P.L. 1997, effective June 6, 1997, and is available to any state employee who is a member of a state-administered retirement system or an employee of an eligible state agency, authority, commission or instrumentality of state government provided the employee has at least 12 continuous months of employment, and any individual employed through a Governor's appointment. The Plan's membership was 42,201 and 39,937 at June 30, 2008 and 2007, respectively.

The assets of the Plan are being held in trust for the exclusive benefit of Plan members and their beneficiaries as required by Internal Revenue Code Section 457.

Contributions

Participants may defer between 1% and 100% of their salary, as defined, and less any 414h reductions or $15,500 annually. Under the limited "catch-up" provision, a participant may be eligible to defer up to a maximum of twice the annual maximum in the three years immediately preceding the retirement age at which no reduction in benefits would be applicable. Participants must defer at least 1% of their annual salary but no less than $10 biweekly or $20 monthly. Federal income taxes are not due on deferred amounts or on any accumulated earnings until the participant receives a distribution of assets. Participants may elect to invest their contributions in multiples of 1% in any of the four investment fund options, and may increase, decrease or suspend their deferrals once a month. Compensation amounts deferred and accumulated earnings thereon, while in trust for the exclusive benefit of the participants, remain the property of the State of New Jersey until distributed to participants. Participants are always fully vested for the accumulated units in their accounts. Participation in the Plan ceases at retirement, termination of service, disability or death.

Participants' Accounts

The administrator maintains a bookkeeping account for each participant that is credited as of the date at which the participant's compensation is deferred.

The account is also credited with any increase or charged with any decrease related to the transactions of the Plan.

The State of New Jersey is only under a contractual obligation to make payments under this Plan in accordance with the provisions of the applicable statute as payments become due. The State of New Jersey is not a guarantor of the Plan.

Distribution of Assets

A participant of the Plan or beneficiary may receive a distribution of assets under the Plan upon the participant's retirement, termination of service, disability, or death. Distribution of the participant's account will be made in a single lump-sum payment within two months after the administrator is notified of the event for all accounts unless the participant elects to delay distribution from the Plan. In all cases, distribution must commence no later than 90 days following the close of the calendar year in which the participant retired, terminated service, became disabled, died or attained age 70½, whichever is later. If the value of the participant's account is at least $5,000, the participant may choose distribution as a lump-sum payment or, in substantially equal installments over a period not to exceed fifteen years. Additionally, the participant may select a combination payment consisting of an initial lump-sum payment followed by installments over a period not to exceed fifteen years if the balance in the account following the initial lump-sum payment is at least $5,000. Accounts are valued for distribution purposes as of the end of the month immediately preceding distribution.

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Distribution is also permitted in the case of an unforeseen emergency, as defined by Internal Revenue Code 457 regulations. A participant may also elect to receive an in-service distribution if the participant has not made deferrals into the Plan for 24 consecutive months and the total value of the participant's account does not exceed $5,000.

Termination of the Plan

The Board, in accordance with the provisions of Chapter 39, P.L. 1978, has the authority to terminate this Plan or to substitute a new plan consistent with the requirements of the United States Internal Revenue Service.

Upon termination, each participant shall be deemed to have withdrawn from the Plan as of the date of such termination; the participant's full compensation on a Nondeferred basis will be restored; and the administrator shall treat such participants as if they had termination of service on the date of such termination and pay such deferred compensation in accordance with provisions of the Plan.

Any substitute of a new plan, consistent with the requirements of the United States Internal Revenue Service, shall provide for the retention by the employer of the amounts already deferred under the prior plan and for the distribution of said amounts in accordance with the irrevocable written elections made pursuant to the Plan.

(3) Investments

The Plan's investments as of June 30, 2008 and 2007 are as follows:

	2008	2007
Cash management funds	$ 138,364,923	162,407,735
Domestic equities	1,108,910,500	1,273,088,973
International equities	161,165,096	156,071,071
U.S. Government and agency obligations	587,719,678	440,449,436
Other fixed income securities	21,789,935	35,155,805
	$ 2,017,950,132	2,067,173,020

New Jersey state statute provides for a State Investment Council (Council) and a Director. Investment authority is vested in the Director of the Division of Investment and the role of the Council is to formulate investment policies. The Council issues regulations which establish guidelines for permissible investments which include domestic and international equities and exchange traded funds, covered call and put options, equity futures contracts, obligations of the U.S. Treasury, government agencies, corporations, finance companies and banks, obligations of international corporations, governments and agencies, interest rate swap transactions, fixed income exchange traded funds, U.S. Treasury futures contracts, New Jersey State and Municipal general obligations, public authority revenue obligations, collateralized notes and mortgages, commercial paper, certificates of deposit, repurchase agreements, bankers acceptances, guaranteed income contracts, funding agreements, money market funds, private equity, real estate, other real assets and absolute return strategy funds and the State of New Jersey Cash Management Fund (CMF). The CMF is a short-term cash fund and is open to state and certain non-state participants.

The Cash Management Fund is not evidenced by securities that exist in physical or book entry form held by the Plan and is not rated.

The Plan’s investments are subject to various risks. Among these risks are custodial credit risk, credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Each one of these risks is discussed in more detail below.

Custodial credit risk, as it relates to investments, is the risk that in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of investment or collateral securities that are in the possession of the third party. The Plan’s investment securities are not exposed to custodial credit risk as they are held in segregated trust accounts in the name of the Plan with the custodians.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is evaluated by nationally recognized statistical rating agencies such as Moody’s Investors Service, Inc. (Moody’s), Standard & Poor’s Corporation (S&P), and Fitch Ratings (Fitch). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in United States Treasury and Government agency obligations. Council regulations require minimum credit ratings for certain categories of fixed income obligations held directly by the Plan and limit the amount that can be invested in any one issuer or issue.

(Continued)

These limits for the period July 1, 2006 through September 4, 2006 were as follows:

Category	Minimum rating[1] Moody's	S&P	Limitation of issuer's outstanding debt	Limitation of issue	Other limitations
Corporate obligations	Baa	BBB	25%	25%	—
U.S. finance company debt, bank debentures and NJ state and municipal obligations	A	A	10%	10%	—
Canadian obligations	A	A	10%	10%	Purchase cannot exceed greater of 10% of issue or $10 million; not more than 2% of fund assets can be invested in any one issuer
International government and agency obligations	Aa	AA	2%	10%	Not more than 1% of fund assets can be invested in any one issuer
Public Authority revenue obligations	A	A	—	10%	Not more than 2% of fund assets can be invested in any one public authority
Collateralized notes and mortgages	Baa	BBB	—	33.3%	Not more than 2% of fund assets can be invested in any one issuer
Commercial paper	P-1	A-1	—	—	—
Certificates of deposit and Banker's acceptances (rating applies to international)	Aa/P-1	—	—	—	Uncollateralized certificates of deposit and banker's acceptances cannot exceed 10% of issuer's primary capital
Guaranteed income contracts	P-1	—	—	—	A+ rating from A.M. Best for insurance companies
Money market funds	—	—	—	—	Not more than 10% of fund assets can be invested in money market funds; limited to 5% of shares or units outstanding

(1) Short term ratings (e.g. P-1, A-1, F-1) are used for commercial paper and certificates of deposit.

Effective September 5, 2006, the following limits became effective:

Category	Minimum rating[1] Moody's	S&P	Fitch	Limitation of issuer's outstanding debt	Limitation of issue	Other limitations
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
U.S. finance company debt and bank debentures	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
International corporate obligations	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in any one issuer with maturities exceeding 12 months; not more than 10% of fund assets can be invested in this category
International government and agency obligations	Aa3	AA-	AA-	25%	Greater of 25% or $10 million	Not more than 1% of fund assets can be invested in any one issuer
Collateralized notes and mortgages	Baa3	BBB-	BBB-	—	25%	Not more than 5% of fund assets can be invested in any one issue; not more than 10% of fund assets (or 20% of Fund B assets) can be invested in this category
Commercial paper	P-1	A-1	F1	—	—	—
Certificates of deposit and Banker's acceptances:						Certificates of deposit and banker's acceptances cannot exceed 10% of issuer's primary capital
Domestic	A3/P-1	A-/A-1	A-/F1	—	—	
International	Aa3/P-1	AA-/A-1	AA-/F1	—	—	
Guaranteed income contracts and funding agreements	A3	A-	A-	—	—	—
Money market funds	—	—	—	—	—	Not more than 10% of fund assets can be invested in money market funds; limited to 5% of shares or units outstanding

Category	Minimum rating[1] Moody's	S&P	Fitch	Limitation of issuer's outstanding debt	Limitation of issue	Other limitations
Interest rate swap transactions	A3	A-	A-	—	—	Notional value of net exposure to any one counterparty shall not exceed 10% of fund assets
Repurchase agreements	Aa3	AA-	AA-	—	—	—
NJ state & municipal obligations	A3	A-	A-	10%	10%	Not more than 10% of fund assets can be invested in debt of any one political entity maturing more than 12 months from purchase
Public authority revenue obligations	A3	A-	A-	—	10%	Not more than 2% of fund assets can be invested in any one public authority
Mortgage backed pass-through securities	A3	A-	A-	—	—	Not more than 5% of fund assets can be invested in any one issue
Mortgage backed senior debt securities	—	—	—	—	25%	Not more than 5% of fund assets can be invested in any one issue

(1) Short term ratings (e.g. P-1, A-1, F-1) are used for commercial paper and certificates of deposit.

For securities exposed to credit risk in the fixed income portfolio, the following tables disclose aggregate fair value, by major credit quality rating category at June 30, 2008 and 2007:

	June 30, 2008							
	Moody's rating							
(In thousands)	Aaa	Aa	A	Baa	Ba	B	P1	Not rated
U.S. Treasury Bonds	$ 155,056	—	—	—	—	—	—	—
U.S. Government Agency	76,242	64	—	—	—	—	—	1,090
Domestic Corporate Obligations	237,237	20,528	46,521	39,517	851	655	—	11,089
Commercial Paper	—	—	—	—	—	—	1,305	30
Other	12,644	3,676	1,859	(329)	111	—	1,124	240
Total	$ 481,179	24,268	48,380	39,188	962	655	2,429	12,449

	June 30, 2007							
	Moody's rating							
(In thousands)	Aaa	Aa	A	Baa	Ba	B	P1	Not rated
U.S. Treasury Notes	$ 84,077	572	62,166	—	—	—	—	—
U.S. Treasury TIPS	41	—	—	—	—	—	—	—
Federal Farm Credit Banks	7,816	—	—	—	—	—	—	—
Federal Home Loan Mortgage	104,327	—	—	—	—	—	—	—
FNMA Debentures	564	—	—	—	—	—	—	—
Corporate Bond	14,826	28,438	28,842	29,833	223	3	—	3,976
Finance Company Debentures	5,716	—	—	—	—	—	—	188
FHLM Collateralized Notes	79,248	—	—	—	—	—	—	—
Other	3,332	313	625	2,507	2	—	140	17,830
Total	$ 299,947	29,323	91,633	32,340	225	3	140	21,994

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Council regulations provide limitations in the amounts that can be invested in fixed income securities maturing more than 12 months from date of purchase for finance company debt and New Jersey state and municipal general obligations. Commercial paper must mature within 270 days. Certificates of deposits and bankers acceptances are limited to a term of one year or less. The maturity of repurchase agreements shall not exceed 15 days. The investment in a guaranteed income contract is limited to a term of 10 years or less.

The following tables summarize the maturities of the fixed income portfolio at June 30, 2008 and 2007:

(In thousands)	June 30, 2008					
		Maturities in years				
Fixed income investment type	**Total fair value**	**Less than 1**	**1 – 5**	**6 – 10**	**More than 10**	**Unknown**
U.S. Treasury Bonds	$ 155,056	5,048	111,079	9,823	29,106	—
U.S. Government Agency	77,396	3,218	57,691	7,638	8,849	—
Domestic Corporate Obligations	356,398	15,068	112,603	173,756	54,943	28
Commercial Paper	1,335	1,335	—	—	—	—
Other	19,325	7,656	(1,679)	5,755	4,613	2,980
Total	$ 609,510	32,325	279,694	196,972	97,511	3,008

(In thousands)	June 30, 2007				
		Maturities in years			
Fixed income investment type	**Total fair value**	**Less than 1**	**1 – 5**	**6 – 10**	**More than 10**
U.S. Treasury Notes	$ 146,815	5,146	116,405	21,924	3,340
U.S. Treasury TIPS	41	—	20	20	1
Federal Farm Credit Banks	816	—	609	207	—
Federal Home Loan Mortgage	134,217	4,378	125,273	3,452	1,114
FNMA Debentures	564	—	—	—	564
Corporate Bond	106,141	2,592	52,413	37,691	13,445
Finance Company Debentures	6,957	4,958	1,184	130	685
FHLM Collateralized Notes	44,899	161	35,236	2,232	7,270
Other	35,155	18,085	14,805	729	1,536
Total	$ 475,605	35,320	345,945	66,385	27,955

(4) Income Tax Status

Based on a 1986 declaration of the Attorney General of the State of New Jersey, the Plan is an eligible plan as described in Section 457 of the Internal Revenue Code. The Plan operates within the terms of the Plan and remains eligible under the applicable provisions of the Internal Revenue Code.

(5) Subsequent Events

Subsequent to the June 30, 2008 fiscal year end, global financial markets suffered significant declines in value attributable to significant strains on many of the world's largest financial institutions. These difficulties, which were caused by a combination of liquidity constraints and continued write downs of mortgage-related assets, have resulted in a global economic downturn that has negatively impacted the value of most financial assets.