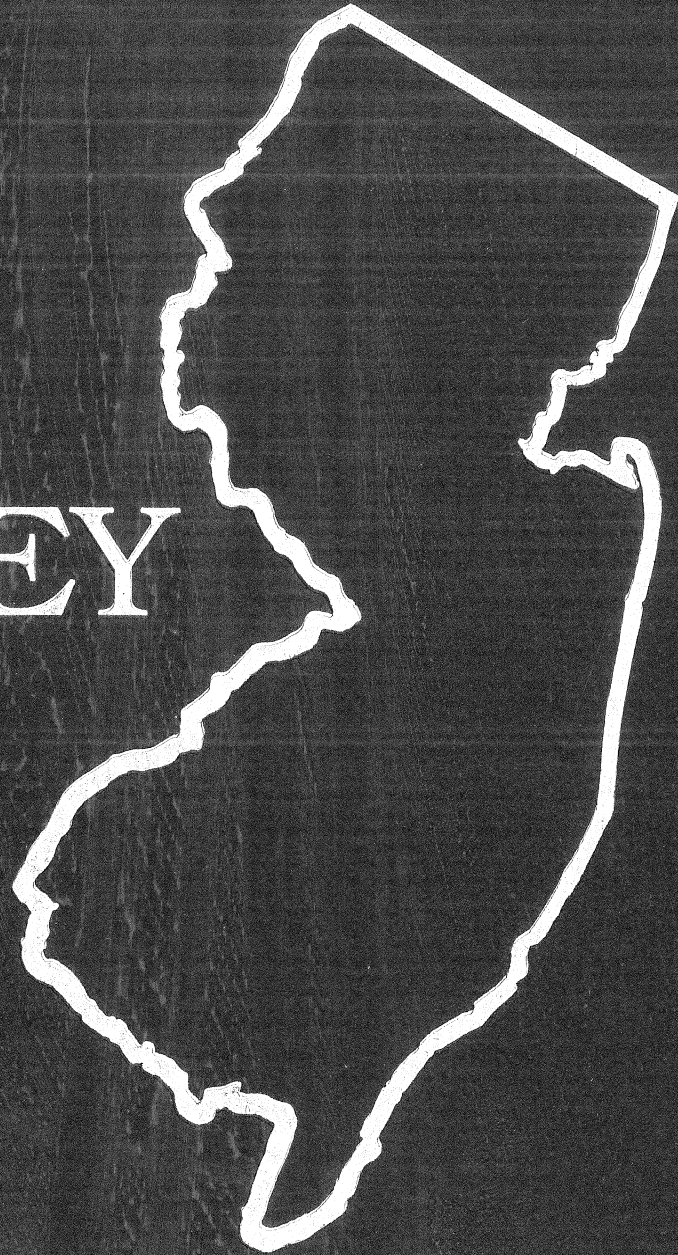


NEW
JERSEY



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
JUNE 30, 1987

NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT JUNE 30, 1987

Thomas H. Kean
Governor

Department of the Treasury
Feather O'Connor
State Treasurer

Division of Budget and Accounting
Richard F. Keevey
Deputy State Comptroller

Division of Budget and Accounting
Richard B. Standiford
State Comptroller

Division of Budget and Accounting
Stephen D. Rohrer
Manager of Financial Reporting

**STATE OF NEW JERSEY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1987
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INTRODUCTION



State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
CN 221

TRENTON, NEW JERSEY 08625

FEATHER O'CONNOR
STATE TREASURER

RICHARD B. STANDIFORD
DIRECTOR AND COMPTROLLER
DIVISION OF BUDGET AND ACCOUNTING

December 23, 1987

Governor Thomas H. Kean
Members of the Legislature
Citizens of New Jersey

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the Annual Financial Report for the year ended June 30, 1987, depicting the financial condition of the State and the results of operations for the year.

This report was prepared by the Department of the Treasury, Office of Management and Budget, Division of Budget and Accounting, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The report presents the financial position and operating results of the State under generally accepted accounting principles, as well as, the traditional budgetary basis presentations and includes audited financial statements. We are confident the data is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of the State's operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

METHOD OF PRESENTATION

The reporting approach established by the National Council on Governmental Accounting in Statement 1 and endorsed by the Governmental Accounting Standards Board has been utilized. This approach does not provide a consolidated State financial statement; rather, it combines funds and component units in columns of fund types to provide an overview of the State's financial position and results of operations. The statements which reflect these combined fund type columns are referred to as the General Purpose Financial Statements and the auditor's opinion is rendered upon the statements and notes in this section.

Following the General Purpose Financial Statements are the combining financial statements, schedules, statistical data, and budgetary revenue and appropriation statements. These statements and schedules provide detail, generally by fund, for the amounts shown in the fund type columns in the General Purpose Financial Statements.

REPORTING ENTITY

As required by generally accepted accounting principles, the accompanying financial statements include the funds and account groups of the State (oversight entity) and those component units of government determined to be part of the oversight entity. These component units of government include various public authorities, corporations, commissions, and universities that are not operating departments of the State but for which the State is deemed to have oversight responsibility. Accepted accounting principles provide that oversight responsibility includes the ability to select the governing authority, ability to significantly influence operations, accountability for fiscal matters, financial interdependency and scope of public service. The financial condition and activities of State component units meeting this criteria are presented in the accompanying financial statements as Enterprise Funds for authorities, corporations and commissions and as University Funds for financial activities of the University of Medicine and Dentistry of New Jersey, Rutgers, the State University and New Jersey Institute of Technology. The amounts presented were derived from their most recent audited financial statements. At year end these component unit entities reflected combined net assets of \$17.9 billion. In addition, the activity of the several pension plans sponsored and administered by the State are included in the accompanying financial statements. For further information on both the component units and the pension plans, refer to Notes 20 and 15 respectively, of the notes to the General Purpose Financial Statements.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS

The accounting records of most State departments are maintained on a centralized accounting system. The operations of this system are directed and supervised by the Office of Management and Budget, Division of Budget and Accounting. Separate accounting systems are maintained by those component units of government which are included in the State's reporting entity.

The State's annual budget is comprised of individual appropriations to departments for specific programs, purposes, and/or special outlays and operating expenditures. Budgetary control is exercised at the department level by individual appropriations and by allocations within appropriations to various major objects of expenditure.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Under encumbrance accounting, purchase orders, contracts, and other commitments involving the expenditure of monies are recorded in estimated amounts in order to reserve a portion of an appropriation until an actual liability is incurred. Total encumbrances and expenditures are monitored so as not to exceed amounts appropriated and/or allocated. Encumbrances outstanding at the end of a fiscal year are reported in the financial statements as reservations of fund balance, as distinguished from undesignated fund balances. Any unencumbered and unexpended non-continuing appropriations lapse at the end of the fiscal year and become available for appropriation in the next fiscal year.

In developing and maintaining the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and reliability of the financial records used in preparation of the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

FISCAL YEAR 1987—OVERVIEW

REVENUES

Budgetary revenues for general governmental operations totaled \$9.8 billion. This represents an increase of \$1,194.0 million or 13.8% over 1986. Major taxes comprised 84% of total revenues. The largest part of major tax revenues consisted of Sales tax, Gross Income tax and Corporation Business tax which accounted for 30%, 27%, and 12% respectively of total revenues. Other major tax revenues (Cigarette, Public Utilities Excise, Motor Fuels, etc.) accounted for 15% of total revenues.

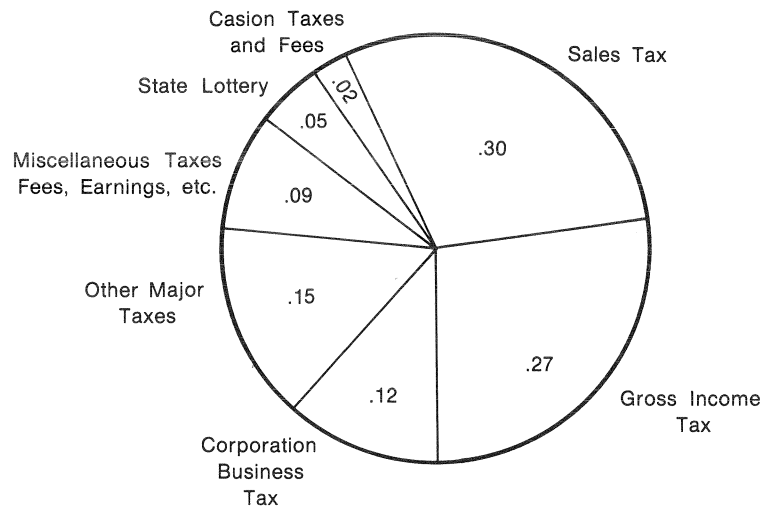
The remaining 16% of total revenues was generated from principally three sources. Miscellaneous taxes, fees, fines, investment earnings, etc. (\$856.0 million) generated 9% of total revenues while State Lottery revenues (\$472.2 million) and Casino taxes and fees (\$246.8 million) represented 5% and 2% respectively of the total revenues for the year.

SCHEDULE OF BUDGETARY REVENUES

| <u>Source of Revenue (\$000)</u> | <u>F.Y. 1987</u> | <u>F.Y. 1986</u> | <u>Increase</u> | |
|---|--------------------|--------------------|--------------------|-----------------|
| | <u>Amount</u> | <u>Amount</u> | <u>Amount</u> | <u>Per Cent</u> |
| Sales Tax | \$2,910,696 | \$2,614,372 | \$ 296,324 | 11.3% |
| Gross Income Tax | 2,605,907 | 2,052,592 | 553,315 | 27.0 |
| Corporation Business Tax | 1,129,230 | 996,135 | 133,095 | 13.4 |
| Other Major Taxes | 1,606,472 | 1,528,486 | 77,986 | 5.1 |
| Miscellaneous Taxes, Fees, Earnings, etc. | 856,008 | 802,120 | 53,888 | 6.7 |
| State Lottery | 472,218 | 419,353 | 52,865 | 12.6 |
| Casino Taxes and Fees | 246,840 | 220,375 | 26,465 | 12.0 |
| | <u>\$9,827,371</u> | <u>\$8,633,433</u> | <u>\$1,193,938</u> | <u>13.8%</u> |

The State experienced continuing growth in revenues due to favorable national and statewide economic conditions. Revenue highlights for 1987 include a \$296.3 million or 11.3% increase in sales tax collections over 1986, a \$553.3 million or 27.0% increase in personal income tax collections, and a \$52.9 million or 12.6% increase in State Lottery revenues. The graph below illustrates the various sources which comprise the revenue dollar for fiscal year 1987.

REVENUE DOLLAR
Fiscal Year 1987



| | |
|---|----------------------|
| Sales Tax | \$.30 |
| Gross Income Tax | .27 |
| Corporation Business Tax | .12 |
| Other Major Taxes | .15 |
| Miscellaneous Taxes, Fees, Earnings, etc. | .09 |
| State Lottery | .05 |
| Casino Taxes and Fees | .02 |
| Total | <u><u>\$1.00</u></u> |

EXPENDITURES

Budgetary expenditures for general governmental operations totaled \$9.5 billion in 1987, an increase of \$774.8 million, or 8.9% over 1986.

SCHEDULE OF BUDGETARY EXPENDITURES

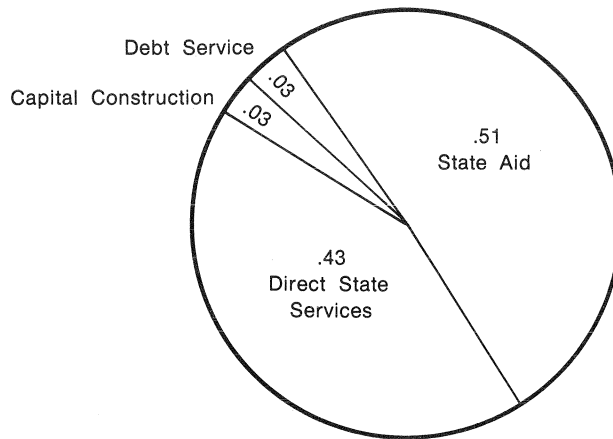
| <u>Expenditure Category (\$000)</u> | <u>F.Y. 1987</u> <u>Amount</u> | <u>F.Y. 1986</u> <u>Amount</u> | <u>Increase</u> | |
|-------------------------------------|-----------------------------------|-----------------------------------|-------------------------|--------------------|
| | | | <u>Amount</u> | <u>Per Cent</u> |
| State Aid | \$4,838,055 | \$4,512,708 | \$325,347 | 7.2% |
| Direct State Services | 4,061,933 | 3,629,456 | 432,477 | 11.9 |
| Debt Service | 315,222 | 295,833 | 19,389 | 6.6 |
| Capital Construction | 270,781 | 273,176 | (2,395) | (.9) |
| | <u><u>\$9,485,991</u></u> | <u><u>\$8,711,173</u></u> | <u><u>\$774,818</u></u> | <u><u>8.9%</u></u> |

State aid was the largest expenditure of the state budget. In fiscal year 1987, 51.0 percent of the State's expenditures consisted of funds which were distributed to homeowners, municipalities, counties, school districts, and for the non-federal share of the Medicaid program. The largest state aid expenditure, \$2,910.3 million, was provided for local elementary and secondary education programs. State aid expenditures by the Treasury Department totaled \$633.4 million to fund homestead rebates to homeowners, senior citizens' and veterans' property tax deductions, revenue sharing and other distributions to municipalities. A total of \$961.7 million was expended for state aid programs administered by the Department of Human Services. Of that amount, \$605.7 million was expended as the State's share of Medicaid, which provides hospital, nursing home, medical, and pharmacist services for those people eligible for a variety of welfare programs. In addition, \$257.9 million was expended for welfare programs.

The second largest portion of expenditures was applied to direct state services programs. In fiscal year 1987, expenditures for direct state services represented approximately 43 per cent of expenditures. A total of \$745.8 million was expended by the Department of Higher Education for the support of the state colleges and universities. A total of \$858.0 million was expended for programs administered by the Department of Human Services, to provide support for day care centers, homemaker services, child abuse prevention, programs for the aged, juvenile reform programs, and mental health and mental retardation programs. A total of \$643.6 million was expended by the Departments of Law and Public Safety, and Corrections, and \$313.7 million was expended by the Department of Transportation, principally for highway maintenance and transit subsidies.

In 1987, \$270.8 million, or 2.9 per cent of the State budget, was expended for capital construction. This compares to \$273.2 million expended in 1986. Monies expended for capital construction represent the State's effort on a pay-as-you-go basis as contrasted to borrowing for construction purposes. The principal areas of expenditure are for highway construction, environmental programs and construction of correctional bed spaces.

**EXPENDITURE DOLLAR
Fiscal Year 1987**



| | |
|-----------------------|--------|
| State Aid | \$.51 |
| Direct State Services | .43 |
| Debt Service | .03 |
| Capital Construction | .03 |
| Total | \$1.00 |

FUND BALANCE

The State ended fiscal year 1987 with an undesignated fund balance (surplus) of \$885.7 million for the major governmental funds. The following table presents a comparison of the 1987 and 1986 fiscal year undesignated fund balances in millions for the funds comprising this figure.

| <u>Fund</u> | <u>1987</u> | <u>1986</u> | <u>Change</u> |
|--------------------------|-------------|-------------|---------------|
| General Fund | \$565.0 | \$444.5 | \$120.5 |
| Property Tax Relief Fund | 157.0 | 76.5 | 80.5 |
| Casino Revenue Fund | 163.7 | 125.0 | 38.7 |
| | \$885.7 | \$646.0 | \$239.7 |

As a result of taxpayer reactions to changes in the Federal Internal Revenue Code made by the Tax Reform Act of 1986, fiscal year 1987 revenues collected under the New Jersey Gross Income Tax Act were considered far in excess of the level reasonable of anticipation. It is the State's position that revenues should not be available as resources for expenditure until the effects of the Tax Code changes on fiscal year 1988 revenues are more clearly determined. In the interest of sound fiscal policy, therefore, the Appropriations Act for fiscal year 1988 has reserved \$285.9 million in the Property Tax Relief Fund pending that determination. These reserved funds have not been anticipated as resources available for appropriation for fiscal year 1988.

INVESTMENTS

The book value of all securities held by the state investment funds as of June 30, 1987, was \$19.8 billion, an increase of 16.5 per cent, or \$2.8 billion over fiscal year 1986. Of the \$19.8 billion book value of funds, the assets of the seven pension funds represent \$15.1 billion book value of funds, while the remainder was in trust funds and other state funds.

The net investment earnings produced by the investments in fiscal year 1987 were \$1.30 billion, an increase of \$12 million or 10.2 per cent over the prior year. The largest portion of the earnings, \$1.06 billion, was earned on securities held by the state-managed pension funds. These earnings enable the State to reduce its obligation to appropriate tax dollars to fund the accrued liability of the State's pension obligations. The remaining \$130.9 million was earned on various state demand, reserve, static, and trust funds.

The book value of securities noted above include amounts representing the New Jersey Cash Management Fund. The New Jersey Cash Management Fund is an investment pool made up of assets of a number of state funds, together with deposits from "Other than State" entities, including counties, municipalities, school boards, and other eligible public entities.

The fund provides that eligible participants can deposit and withdraw funds at any time and earn daily interest at a rate which reflects interest and amortization income of the securities in the fund. The gross daily return for the fund on an annualized basis was 6.13 per cent in fiscal year 1987, compared to 7.79 per cent in the prior year.

As of June 30, 1987, the General Fund share in the Cash Management Fund approximated \$1.77 billion.

A State law enacted on August 27, 1985 requires the Division of Investment to divest of all securities or other obligations of any company engaged in business in or with the Republic of South Africa by August 27, 1988. As of June 30, 1987, the market value of these investments equals or exceeds the applicable cost basis.

FEDERAL AID

According to the most recently published statistics, New Jersey is eighth highest among the states in the amount of federal aid received. During fiscal year 1987 federal expenditures on a budgetary basis in the General Fund amounted to \$2.09 billion, an increase of \$9.4 million over fiscal year 1986 budgetary expenditures.

The largest portion of federal aid is made up of entitlements, whereby the State is reimbursed for expenditures up to a certain percentage of total cost. For example, in the Medicaid program the federal government reimburses the State for approximately 48 percent of total expenditures. In the AFDC program, federal reimbursement represents 50 percent of assistance costs.

Other federal aid is provided to the State by means of various formulae programs, which determine how much federal aid will be allocated to each state for certain programs. The State may or may not have to submit a grant application.

A third major type of federal aid is funding for which the State must apply through grant applications.

Whether federal aid is received under a formula, an entitlement, or a categorical grant program, the actual expenditure of funds may be either at the State level, the local level, or some other level, such as a non-profit agency. For example, education funds are transmitted to local school districts; transportation funds can be used for State highway construction and for local roads; welfare funds are reimbursements to counties for expenditures incurred at the county level; Medicaid funds are disbursed to health care providers; and social services funds are used both at the State level and by non-profit agencies.

FIXED ASSETS

The Division of Budget and Accounting, in conjunction with external consultants, has commenced the development and implementation of a fixed asset accounting system. This system will enable the State to control and report on its fixed assets in accordance with generally accepted accounting principles. It is anticipated that the General Fixed Asset Account Group will be included in the annual financial report for the year ended June 30, 1988.

DEBT MANAGEMENT

New Jersey continues to receive the highest bond rating from both Moody's Investor Service (Aaa) and Standard and Poor's Corporation (AAA). This reflects New Jersey's long-standing record of sound financial management.

Outstanding Long-Term Debt as of June 30, 1986 was \$2,479,055,000. During fiscal year 1987 the State issued \$610,735,000 in bonds, including \$198,235,000 in refunding bonds. During fiscal year 1987 the state retired \$315,350,000 of the debt. Total Long-Term Debt as of June 30, 1987 amounted to \$2,774,440,000.

THE YEAR AHEAD

Fiscal year 1987 was a banner year financially for the State of New Jersey. The year ended with substantial undesignated fund balances in both the General Fund and the Property Tax Relief Fund. Revenues continued to grow despite an overall sluggishness and uncertainty in the general economic picture of the nation. Prudent fiscal management and restraint insured that resources needed for ongoing and new programs were expended in accordance with budgetary parameters. New Jersey continues to be one of the most fiscally responsible states in the country.

Based on the State's financial success of the past, the outlook for fiscal year 1988 looks bright. New Jersey is now seen as an economic leader for other states to imitate. Continued growth of the New Jersey economy will insure that the financial success of the past will carry forward into the future.

While 1988 may remain a solid year in terms of economic performance this must be tempered by the fact that the beginning of real deficit reduction at the Federal level and the uncertainty caused by the fluctuations in the stock market may dampen the overall rate of growth of employment and investment nationwide and in New Jersey. The State's ability to continue to outperform the national economy will be dependent upon the ability of both the State and the business community to address problems concerning the availability of skilled and clerical labor, the high costs of insurance, the costs to protect the environment, rising health care costs and continuance of tax incentives and initiatives to attract business to the State.

New Jersey looks forward to the economic challenges ahead. Given the State's current strong financial position and management's commitment to maintaining and enforcing sound financial practices, the State will be able to provide the resources and means to address the economic, social and environmental needs of its citizens.

Finally, we wish to express our appreciation to the many people whose dedicated efforts made possible the preparation of this report. We believe their combined efforts have produced a report that will enable government decision makers and concerned citizens to evaluate and understand the State's financial condition.

Respectfully submitted,



Feather O'Connor
State Treasurer



Richard B. Standiford
State Comptroller

NEW JERSEY STATE GOVERNMENT

LEGISLATIVE

Legislative Activities
Senate
General Assembly
Commissions
Support Services
Legal Services
Information and Research
State Auditing
Budget and Program Review

EXECUTIVE

Office of the Governor

JUDICIARY

Court System
Supreme Court
Superior Court
Civil Court
Criminal Courts
Family Courts
Municipal Courts
Probation Services
Court Reporting
Legal and Professional Services
Information Services
Field Operations
Management and Administration

Executive Departments

Agriculture Banking Commerce and Economic Development Community Affairs Corrections Defense Education Energy Environmental Protection Health

Higher Education Human Services Insurance Labor Law and Public Safety Personnel Public Advocate State Transportation Treasury

FINANCIAL SECTION



**GENERAL PURPOSE
FINANCIAL STATEMENTS**

**LEGISLATIVE SERVICES
COMMISSION**

**SENATOR
JOHN F. RUSSO**
Chairman

**ASSEMBLYMAN
ROBERT E. LITTELL**
Vice-Chairman

SENATE

**LEONARD T. CONNORS, JR.
DONALD T. DiFRANCESCO
MATTHEW FELDMAN
S. THOMAS GAGLIANO
JAMES R. HURLEY
CARMEN A. ORECHIO
LAURENCE S. WEISS**

GENERAL ASSEMBLY

**BYRON M. BAER
JOHN O. BENNETT
WILLIE B. BROWN
JOHN PAUL DOYLE
CHUCK HARDWICK
DENNIS L. RILEY
ANTHONY M. VILLANE, JR.**



**New Jersey State Legislature
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR**

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PRINCETON, NEW JERSEY 08540
MAILING ADDRESS:
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ALBERT PORRONI
Executive Director
(609) 292-4625

JAMES J. DOLAN
State Auditor
(609) 292-3700

December 22, 1987

The Honorable Thomas H. Kean
Governor of New Jersey

The Honorable John F. Russo
President of the Senate

The Honorable Chuck Hardwick
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the general purpose financial statements of the State of New Jersey, as of and for the year ended June 30, 1987, as listed in the foregoing table of contents-Financial Section. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the enterprise funds and the university funds. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these entities, is based solely upon the reports of other auditors. Further information pertaining to these entities is provided in Note 20.

As described more fully in Note 1, the State has not maintained a record of general fixed assets and, accordingly, the general purpose financial statements referred to above do not include a statement of the general fixed asset account group. The financial statements for the aforementioned account group are required by generally accepted accounting principles.

In our opinion, based on our examination and the reports of other auditors, except for the effect of not including fixed assets, as previously set forth, the general purpose financial statements listed in the aforementioned table of contents present fairly the financial position of the State of New Jersey at June 30, 1987, and the results of its operations and the changes in financial position of its proprietary funds and similar trust funds for the year then ended, in conformity with generally accepted accounting principles which, except for the change, with which we concur, as described in Note 2, have been applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New Jersey. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The accompanying statistical and supplemental schedules as listed in the aforementioned table of contents are presented as additional analytical data and are not necessary for a fair presentation of the general purpose financial statements. This information has not been audited by us and, accordingly, we do not express an opinion on them.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4.

Respectfully submitted,

A handwritten signature in cursive script that reads "James J. Dolan". The signature is written in dark ink and includes a small flourish at the end.

James J. Dolan
State Auditor

**STATE OF NEW JERSEY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1987**

| | GOVERNMENTAL FUND TYPES | | |
|--|--------------------------------|--------------------------------------|----------------------------------|
| | General Fund | Special Revenue Funds | Debt Service Fund |
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 45,006,666 | \$ 11,554,562 | \$9,050,913 |
| INVESTMENTS | 285,424,914 | 181,834,147 | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | 352,963,082 | 182,225 | — |
| Departmental accounts | 733,650,645 | 164,856,761 | — |
| Loans | 1,500,000 | 201,410,685 | — |
| Mortgages | — | — | — |
| Other | — | 23,163,883 | — |
| FIXED ASSETS, NET | — | — | — |
| OTHER ASSETS | | | |
| Due from other funds | 1,980,295,474 | 1,074,774,737 | — |
| Due from intergovernmental agencies | — | — | — |
| Advances to other funds | 17,299,187 | — | — |
| Deferred charges | 2,940,000 | 1,009,803 | — |
| Amount to be provided for: | | | |
| Retirement of bonds | — | — | — |
| Payment of capital leases | — | — | — |
| Other | — | — | — |
| Total Assets | \$3,419,079,968 | \$1,658,786,803 | \$9,050,913 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 698,738,107 | \$ 236,090,410 | \$ — |
| Deferred revenue | 79,862,352 | 2,368,307 | — |
| Due to other funds | 569,990,617 | 109,658,226 | — |
| Due to intergovernmental agencies | — | — | — |
| Advances from other funds | — | 16,500,000 | — |
| Other | 52,883,974 | 20,994,616 | — |
| Matured interest payable | — | — | 3,230,913 |
| Matured bonds payable | — | — | 5,820,000 |
| Deferred compensation payable | — | — | — |
| General obligation bonds payable | — | — | — |
| Revenue bonds payable | — | — | — |
| Notes payable | — | — | — |
| Capital leases payable | — | — | — |
| Total Liabilities | 1,401,475,050 | 385,611,559 | 9,050,913 |
| FUND BALANCES | | | |
| Cost of investment in facilities | — | — | — |
| Reserved for: | | | |
| Encumbrances | 470,763,567 | 229,798,779 | — |
| Higher education programs | — | — | — |
| Pension benefits | — | — | — |
| Other | 126,563,344 | 504,514,230 | — |
| Unreserved: | | | |
| Designated for continuing appropriations | 855,260,117 | 489,497,519 | — |
| Undesignated | 565,017,890 | 49,364,716 | — |
| Total Fund Balances | 2,017,604,918 | 1,273,175,244 | — |
| Total Liabilities and Fund Balances | \$3,419,079,968 | \$1,658,786,803 | \$9,050,913 |

The accompanying notes are an integral part of the financial statements.

| | PROPRIETARY | FIDUCIARY | ACCOUNT GROUP | |
|------------------------------|-------------------------|------------------------------|------------------------------|------------------------|
| | FUND TYPE | FUND TYPES | General | Long-Term |
| Capital Projects Funds | Enterprise Funds | Trust and Agency Funds | Obligations Account Group | University Funds |
| \$ 383,673 | \$ 164,294,315 | \$ 73,020,590 | \$ — | \$ 156,716,191 |
| — | 5,523,188,576 | 20,483,171,589 | — | 322,774,076 |
| 48,234,506 | — | 1,551,733,346 | — | — |
| 21,500,351 | — | 102,491,220 | — | 165,071,908 |
| — | — | 339,732,657 | — | — |
| — | 3,616,991,000 | — | — | — |
| 7,255,910 | 1,715,645,872 | 607,647,936 | — | — |
| — | 4,533,163,767 | — | — | 1,170,694,037 |
| 195,175,151 | — | 13,872,098,064 | — | 13,752,316 |
| — | 80,041,171 | — | — | — |
| — | 14,702,501 | — | — | — |
| — | 251,780,000 | — | 2,774,440,000 | — |
| — | — | — | 641,929,866 | — |
| — | 155,905,660 | — | — | 20,003,537 |
| <u>\$272,549,591</u> | <u>\$16,055,712,862</u> | <u>\$37,029,895,402</u> | <u>\$3,416,369,866</u> | <u>\$1,849,012,065</u> |
| \$ 59,266,461 | \$ 354,458,925 | \$ 697,960,878 | \$ — | \$ 90,424,044 |
| — | 52,222,272 | 7,710,176 | — | 20,908,294 |
| 72,114,217 | — | 16,370,580,366 | — | 13,752,316 |
| — | 143,438,176 | — | — | — |
| — | 13,771,286 | 799,187 | — | — |
| — | 379,015,965 | 1,037,465,603 | — | 15,026,198 |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | 64,867,413 | — | 365,000 |
| — | — | — | 2,774,440,000 | — |
| — | 9,588,505,437 | — | — | 305,732,387 |
| — | 77,431,673 | — | — | 11,541,148 |
| — | — | — | 641,929,866 | 7,856,366 |
| <u>131,380,678</u> | <u>10,608,843,734</u> | <u>18,179,383,623</u> | <u>3,416,369,866</u> | <u>465,605,753</u> |
| — | 2,445,921 | — | — | 1,029,640,178 |
| 100,443,067 | — | 651,504 | — | — |
| — | — | — | — | 194,691,007 |
| — | — | 16,560,230,337 | — | — |
| — | 4,884,945,450 | 125,416,535 | — | 8,580,021 |
| 148,085,831 | — | — | — | — |
| (107,359,985) | 559,477,757 | 2,164,213,403 | — | 150,495,106 |
| <u>141,168,913</u> | <u>5,446,869,128</u> | <u>18,850,511,779</u> | <u>—</u> | <u>1,383,406,312</u> |
| <u>\$272,549,591</u> | <u>\$16,055,712,862</u> | <u>\$37,029,895,402</u> | <u>\$3,416,369,866</u> | <u>\$1,849,012,065</u> |

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | GOVERNMENTAL | |
|--|-------------------------|--------------------------------------|
| | General Fund | Special Revenue Funds |
| REVENUES | | |
| Taxes | \$ 6,339,273,369 | \$2,830,808,309 |
| Federal and other grants | 2,179,995,938 | 1,109,924 |
| Licenses and fees | 439,626,745 | 51,057,639 |
| Services and assessments | 700,259,147 | 33,830,637 |
| Investment earnings | 59,929,992 | 43,287,055 |
| Contributions | — | — |
| Other | 67,752,557 | 1,187,905,405 |
| | 9,786,837,748 | 4,147,998,969 |
| OTHER INCREASES | | |
| Transfers from other funds | 575,517,421 | 91,458,494 |
| Proceeds from sale of bonds | — | 282,000,000 |
| Other | 684,799 | 18,321,003 |
| | 576,202,220 | 391,779,497 |
| Total Revenues and Other Increases | 10,363,039,968 | 4,539,778,466 |
| EXPENDITURES | | |
| Public safety and criminal justice | 736,505,355 | 39,564,898 |
| Physical and mental health | 1,715,487,435 | 104,333,179 |
| Educational, cultural and intellectual development | 2,728,742,368 | 1,818,049,835 |
| Community development and environmental management | 391,806,939 | 126,972,554 |
| Economic planning, development and security | 1,427,067,613 | 66,718,311 |
| Transportation programs | 540,802,307 | 9,331,938 |
| Government direction, management and control | 1,913,776,512 | 459,399,797 |
| Special government services | 93,147,925 | 656,777,665 |
| Debt service: | | |
| Principal | — | — |
| Interest | — | — |
| | 9,547,336,454 | 3,281,148,177 |
| OTHER DECREASES | | |
| Transfers to other funds | 517,936,397 | 564,203,338 |
| Other | — | 3,075,135 |
| | 517,936,397 | 567,278,473 |
| Total Expenditures and Other Decreases | 10,065,272,851 | 3,848,426,650 |
| Net Increase (Decrease) in Fund Balances for the Year | 297,767,117 | 691,351,816 |
| FUND BALANCES—JULY 1, 1986 | 1,719,837,801 | 581,823,428 |
| FUND BALANCES—JUNE 30, 1987 | \$ 2,017,604,918 | \$1,273,175,244 |

The accompanying notes are an integral part of the financial statements.

FUND TYPES

**FIDUCIARY
FUND TYPES**

| Debt Service Fund | Capital Projects Funds | Expendable Trust Funds |
|-------------------------|------------------------------|------------------------------|
| \$ — | \$ — | \$1,261,569,545 |
| — | 309,245,811 | 47,597,629 |
| — | — | 3,457,577 |
| — | 209,032,000 | 93,407,056 |
| — | 9,993,516 | 161,281,842 |
| — | — | 252,878,592 |
| — | 607,146 | 24,922,444 |
| — | 528,878,473 | 1,845,114,685 |
| 316,326,977 | — | 165,153,419 |
| 198,235,000 | 123,500,000 | 7,000,000 |
| — | 18,697 | 1,197,442 |
| 514,561,977 | 123,518,697 | 173,350,861 |
| 514,561,977 | 652,397,170 | 2,018,465,546 |
| — | 24,298,166 | 2,404,188 |
| — | — | — |
| — | 721,736 | 28,436,101 |
| — | 18,914,963 | 57,684 |
| — | — | 890,602,605 |
| — | 589,120,605 | — |
| — | — | 462,037,896 |
| — | — | — |
| 315,350,000 | — | — |
| 165,576,977 | — | — |
| 480,926,977 | 633,055,470 | 1,383,538,474 |
| — | 10,430,809 | 55,885,767 |
| 33,635,000 | 1,051 | 12,009,110 |
| 33,635,000 | 10,431,860 | 67,894,877 |
| 514,561,977 | 643,487,330 | 1,451,433,351 |
| — | 8,909,840 | 567,032,195 |
| — | 132,259,073 | 1,640,918,337 |
| \$ — | \$141,168,913 | \$2,207,950,532 |

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987.

| | PROPRIETARY FUND TYPES | FIDUCIARY FUND TYPES | |
|---------------------------------------|-----------------------------------|-----------------------------|--------------------------------|
| | Enterprise | Pension Trust | Nonexpendable Trust |
| REVENUES | | | |
| Charges for services and sales | \$ 937,154,097 | \$ — | \$ — |
| Contributions | — | 1,459,582,388 | — |
| Mortgage interest | 189,201,000 | — | — |
| Investment income | 165,867,636 | 1,758,974,840 | 31,799 |
| Governmental subsidies and grants | 330,445,645 | — | — |
| Other | 289,016,201 | 1,157,664 | — |
| Total Revenues | 1,911,684,579 | 3,219,714,892 | 31,799 |
| EXPENSES | | | |
| Operations | 1,159,661,910 | — | — |
| Benefit payments | — | 861,486,246 | — |
| Interest | 399,124,232 | — | — |
| Depreciation and amortization | 91,876,179 | — | — |
| Other | 69,012,446 | 127,749,668 | — |
| Total Expenses | 1,719,674,767 | 989,235,914 | — |
| Excess of Revenues Over Expenses | 192,009,812 | 2,230,478,978 | 31,799 |
| FUND BALANCE—Beginning Of Year | 5,206,946,508 | 14,411,666,196 | 416,073 |
| Other fund balances changes | 47,912,808 | — | (31,799) |
| FUND BALANCE—End Of Year | \$5,446,869,128 | \$16,642,145,174 | \$416,073 |

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | <u>PROPRIETARY FUND TYPES</u> | <u>FIDUCIARY FUND TYPES</u> | |
|--|-----------------------------------|-----------------------------|--------------------------------|
| | <u>Enterprise</u> | <u>Pension Trust</u> | <u>Nonexpendable Trust</u> |
| SOURCES OF FINANCIAL RESOURCES | | | |
| Operations: | | | |
| Excess of revenues over expenses | \$ 192,009,812 | \$2,230,478,978 | \$31,799 |
| Expenses not requiring current outlay of financial resources: | | | |
| Accretion and amortization | — | (7,639,623) | — |
| Depreciation and amortization | 112,329,789 | — | — |
| Other | 369,615 | — | (11,909) |
| Total Sources of Financial Resources from Operations | 304,709,216 | 2,222,839,355 | 19,890 |
| Decrease in investments | 400,700,270 | 5,112,592 | — |
| Issuance of notes payable | 18,975,000 | — | — |
| Issuance of revenue bonds | 1,504,934,597 | — | — |
| Increase of deferred revenue | (20,355,815) | — | — |
| Increase in accounts payable and accrued expenses | 36,861,404 | 6,532,258 | — |
| Increase in due to other funds | — | (16,544) | (23,000) |
| Increase in other liabilities | 135,676,514 | — | — |
| Other, net | 47,912,808 | — | 9,235 |
| Total Sources of Financial Resources | 2,429,413,994 | 2,234,467,661 | 6,125 |
| USES OF FINANCIAL RESOURCES | | | |
| Increase in deferred charges | (2,091,735) | — | — |
| Increase in due from other funds | — | 1,972,477,877 | 5,000 |
| Increase in investments | 200,433,931 | 222,641,006 | — |
| Increase in receivables | (31,354,813) | 18,368,876 | — |
| Increase in other assets | 178,013,378 | — | — |
| Acquisition of fixed assets | 509,871,982 | — | — |
| Decrease in accounts payable and accrued expenses | 31,051,912 | 11,059,604 | — |
| Retirement of notes payable | 17,649,088 | — | — |
| Retirement of bonds | 1,504,165,078 | — | — |
| Total Uses of Financial Resources | 2,407,738,821 | 2,224,547,363 | 5,000 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 21,675,173 | 9,920,298 | 1,125 |
| CASH AND CASH EQUIVALENTS—Beginning of Year | 142,619,142 | 164,119 | 138 |
| CASH AND CASH EQUIVALENTS—End of Year | \$ 164,294,315 | \$ 10,084,417 | \$ 1,263 |

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
JUNE 30, 1987**

| <u>ASSETS</u> | CURRENT FUNDS | |
|--|----------------------|---------------------|
| | Unrestricted | Restricted |
| CASH AND CASH EQUIVALENTS | \$ 43,476,452 | \$16,949,910 |
| INVESTMENTS | — | 12,151,468 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | |
| Departmental | 77,407,576 | 27,464,947 |
| FIXED ASSETS | — | — |
| OTHER ASSETS | | |
| Due from other funds | 934,856 | 11,523,136 |
| Other | 10,187,075 | 115,261 |
| Total Assets | \$132,005,959 | \$68,204,722 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 79,062,222 | \$ 9,916,400 |
| Deferred revenue | 20,902,014 | 6,280 |
| Due to other funds | 11,424,584 | — |
| Other | 7,696,822 | 1,873,417 |
| Deferred compensation payable | 365,000 | — |
| Revenue bonds payable | — | — |
| Notes payable | — | 50,000 |
| Capital leases payable | — | — |
| Total Liabilities | 119,450,642 | 11,846,097 |
| FUND BALANCES | | |
| Cost of investment in facilities | — | — |
| Reserved for: | | |
| Auxiliary enterprises | 1,859,496 | — |
| General university | 6,448,325 | — |
| Endowment and similar funds | — | — |
| Retirement of indebtedness | — | — |
| Unreserved—Undesignated | 4,247,496 | 56,358,625 |
| Total Fund Balances | 12,555,317 | 56,358,625 |
| Total Liabilities and Fund Balances | \$132,005,959 | \$68,204,722 |

The accompanying notes are an integral part of the financial statements.

| Loan Funds | Plant Funds | Endowment and Similar Funds | Total |
|-----------------------|------------------------|--|------------------------|
| \$ 2,529,105 | \$ 92,123,727 | \$ 1,636,997 | \$ 156,716,191 |
| 139,000 | 210,768,282 | 99,715,326 | 322,774,076 |
| 36,792,406 | 23,270,541 | 136,438 | 165,071,908 |
| — | 1,170,694,037 | — | 1,170,694,037 |
| 4,333 | 1,289,991 | — | 13,752,316 |
| 90,000 | 9,605,201 | 6,000 | 20,003,537 |
| <u>\$39,554,844</u> | <u>\$1,507,751,779</u> | <u>\$101,494,761</u> | <u>\$1,849,012,065</u> |
| \$ — | \$ 1,445,422 | \$ — | \$ 90,424,044 |
| — | — | — | 20,908,294 |
| — | 1,887,514 | 440,218 | 13,752,316 |
| — | 4,932,617 | 523,342 | 15,026,198 |
| — | — | — | 365,000 |
| — | 305,732,387 | — | 305,732,387 |
| — | 11,491,148 | — | 11,541,148 |
| — | 7,856,366 | — | 7,856,366 |
| — | <u>333,345,454</u> | <u>963,560</u> | <u>465,605,753</u> |
| — | 1,029,640,178 | — | 1,029,640,178 |
| — | — | — | 1,859,496 |
| 32,413,952 | 39,819,373 | — | 78,681,650 |
| 5,188,199 | 8,430,461 | 100,531,201 | 114,149,861 |
| — | 8,580,021 | — | 8,580,021 |
| 1,952,693 | 87,936,292 | — | 150,495,106 |
| <u>39,554,844</u> | <u>1,174,406,325</u> | <u>100,531,201</u> | <u>1,383,406,312</u> |
| <u>\$39,554,844</u> | <u>\$1,507,751,779</u> | <u>\$101,494,761</u> | <u>\$1,849,012,065</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987.**

| | CURRENT FUNDS | |
|--|----------------------|----------------------|
| | Unrestricted | Restricted |
| REVENUES AND OTHER ADDITIONS | | |
| Student tuition and fees | \$133,312,416 | \$ 617,000 |
| State appropriations | 404,053,083 | — |
| Auxiliary enterprises | 69,905,262 | — |
| Patient service revenue | 91,747,473 | 32,291,929 |
| Governmental grants and contracts | 4,701,667 | 80,391,950 |
| Fringe benefits paid directly by the State of New Jersey | 82,593,970 | — |
| Private gifts, grants and contracts | 314,975 | 34,112,132 |
| Investment income | — | 7,288,246 |
| Realized gains on endowment investments | 2,046,927 | — |
| Interest on loans receivable | — | — |
| Expended for plant facilities | — | — |
| Retirement of indebtedness | — | — |
| Other | 21,935,559 | 6,949,874 |
| Total Revenues and Other Additions | 810,611,332 | 161,651,131 |
| EXPENDITURES AND OTHER DEDUCTIONS | | |
| Educational and general: | | |
| Instruction | 276,105,146 | 7,359,587 |
| Research | 26,243,475 | 74,448,572 |
| Public service | 19,958,988 | 26,549,439 |
| Academic support | 29,056,736 | 1,831,810 |
| Student services | 31,699,336 | 6,391,009 |
| Institutional support | 67,478,786 | 6,441,194 |
| Scholarships and fellowships | 2,407,421 | 3,431,464 |
| Operation and maintenance plant | 80,855,777 | 2,000 |
| Auxiliary enterprises | 56,493,212 | — |
| Expenditures for plant facilities | — | — |
| Loan cancellations, write-offs and refunds | — | 431,953 |
| Disposal of property, plant and equipment | — | — |
| Interest on indebtedness | — | — |
| Retirement of indebtedness | — | — |
| Other | 151,194,299 | 18,677,736 |
| Total Expenditures and Other Deductions | 741,493,176 | 145,564,764 |
| Net Revenues | 69,118,156 | 16,086,367 |
| HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT) | | |
| Mandatory: | | |
| Principal and interest | (11,247,660) | — |
| Loan funds matching grants | (79,028) | — |
| Non-mandatory: | | |
| Plant funds | (54,172,286) | (6,048,855) |
| Other | 1,224,980 | (2,594,374) |
| Total Higher Education and University Hospital Interfund Transfers | (64,273,994) | (8,643,229) |
| Net Increase (Decrease) in Fund Balances | 4,844,162 | 7,443,138 |
| FUND BALANCES—JULY 1, 1986 | 7,711,155 | 48,915,487 |
| FUND BALANCES—JUNE 30, 1987 | \$ 12,555,317 | \$ 56,358,625 |

The accompanying notes are an integral part of the financial statements.

| Loan Funds | Plant Funds | Endowment and Similar Funds | Total |
|---------------------|------------------------|--------------------------------------|------------------------|
| \$ — | \$ 3,352,695 | \$ — | \$ 137,282,111 |
| — | 12,760,262 | — | 416,813,345 |
| — | — | — | 69,905,262 |
| — | — | — | 124,039,402 |
| 832,335 | 1,000,000 | — | 86,925,952 |
| — | — | — | 82,593,970 |
| 76,544 | 11,656,730 | 2,478,477 | 48,638,858 |
| 666,155 | 13,097,046 | 1,041,466 | 22,092,913 |
| — | — | 5,384,903 | 7,431,830 |
| 212,594 | — | — | 212,594 |
| — | 78,571,733 | — | 78,571,733 |
| — | 2,324,362 | — | 2,324,362 |
| 104,872 | 7,352,621 | 82,164 | 36,425,090 |
| <u>1,892,500</u> | <u>130,115,449</u> | <u>8,987,010</u> | <u>1,113,257,422</u> |
| — | — | — | 283,464,733 |
| — | — | — | 100,692,047 |
| — | — | — | 46,508,427 |
| — | — | — | 30,888,546 |
| — | — | — | 38,090,345 |
| 60,000 | — | — | 73,979,980 |
| — | — | — | 5,838,885 |
| — | — | — | 80,857,777 |
| — | — | — | 56,493,212 |
| — | 70,023,708 | — | 70,023,708 |
| 335,101 | — | — | 767,054 |
| — | 3,402,856 | — | 3,402,856 |
| — | 12,944,640 | — | 12,944,640 |
| — | 2,324,362 | — | 2,324,362 |
| 584,209 | 8,356,223 | 568,253 | 179,380,720 |
| <u>979,310</u> | <u>97,051,789</u> | <u>568,253</u> | <u>985,657,292</u> |
| <u>913,190</u> | <u>33,063,660</u> | <u>8,418,757</u> | <u>127,600,130</u> |
| — | 11,247,660 | — | — |
| 79,028 | — | — | — |
| — | 60,221,141 | — | — |
| — | (240,856) | 1,610,250 | — |
| <u>79,028</u> | <u>71,227,945</u> | <u>1,610,250</u> | <u>—</u> |
| <u>992,218</u> | <u>104,291,605</u> | <u>10,029,007</u> | <u>127,600,130</u> |
| <u>38,562,626</u> | <u>1,070,114,720</u> | <u>90,502,194</u> | <u>1,255,806,182</u> |
| <u>\$39,554,844</u> | <u>\$1,174,406,325</u> | <u>\$100,531,201</u> | <u>\$1,383,406,312</u> |

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | Actual | Adjustment to Budgetary Basis |
|---|------------------|-------------------------------------|
| REVENUES | | |
| Taxes | \$ 6,339,273,369 | \$ 9,426,811 |
| Federal and other grants | 2,179,995,938 | 4,536,205 |
| Licenses and fees | 439,626,745 | — |
| Services and assessments | 700,259,147 | 11,641,028 |
| Investment earnings | 59,929,992 | — |
| Other | 67,752,557 | 1,245,618 |
| | 9,786,837,748 | 26,849,662 |
| OTHER INCREASES | | |
| Transfers from other funds | 575,517,421 | (239,720) |
| Other | 684,799 | 26,055,242 |
| | 576,202,220 | 25,815,522 |
| | 10,363,039,968 | 52,665,184 |
| EXPENDITURES | | |
| Public safety and criminal justice | 736,505,355 | 48,686,705 |
| Physical and mental health | 1,715,487,435 | 33,895,599 |
| Educational, cultural and intellectual development | 2,728,742,368 | 39,298,947 |
| Community development and environmental management | 391,806,939 | 45,896,334 |
| Economic planning, development and security | 1,427,067,613 | 19,218,545 |
| Transportation programs | 540,802,307 | (2,507,550) |
| Government direction, management and control | 1,913,776,512 | 3,590,757 |
| Special government services | 93,147,925 | 16,712,748 |
| | 9,547,336,454 | 204,792,085 |
| OTHER DECREASES | | |
| Transfers to other funds | 517,936,397 | (417,646) |
| Other | — | — |
| | 517,936,397 | (417,646) |
| | 10,065,272,851 | 204,374,439 |
| | \$ 297,767,117 | \$(151,709,255) |

The accompanying notes are an integral part of the financial statements.

| Actual on Budgetary Basis | Budget | Variance- Favorable (Unfavorable) |
|---------------------------------|---------------------------|---|
| \$ 6,348,700,180 | \$ 6,151,982,612 | \$ 196,717,568 |
| 2,184,532,143 | 2,173,640,372 | 10,891,771 |
| 439,626,745 | 452,856,504 | (13,229,759) |
| 711,900,175 | 670,483,958 | 41,416,217 |
| 59,929,992 | 18,540,690 | 41,389,302 |
| 68,998,175 | 29,709,655 | 39,288,520 |
| <u>9,813,687,410</u> | <u>9,497,213,791</u> | <u>316,473,619</u> |
| | | |
| 575,277,701 | 524,816,491 | 50,461,210 |
| 26,740,041 | 51,929,882 | (25,189,841) |
| <u>602,017,742</u> | <u>576,746,373</u> | <u>25,271,369</u> |
| | | |
| <u>10,415,705,152</u> | <u>10,073,960,164</u> | <u>341,744,988</u> |
| | | |
| 785,192,060 | 903,380,428 | 118,188,368 |
| 1,749,383,034 | 1,776,925,527 | 27,542,493 |
| <u>2,768,041,315</u> | <u>2,925,515,138</u> | <u>157,473,823</u> |
| | | |
| 437,703,273 | 748,389,477 | 310,686,204 |
| 1,446,286,158 | 1,516,899,466 | 70,613,308 |
| 538,294,757 | 606,456,662 | 68,161,905 |
| <u>1,917,367,269</u> | <u>2,137,059,851</u> | <u>219,692,582</u> |
| 109,860,673 | 116,696,147 | 6,835,474 |
| <u>9,752,128,539</u> | <u>10,731,322,696</u> | <u>979,194,157</u> |
| | | |
| 517,518,751 | 517,518,751 | — |
| <u>—</u> | <u>—</u> | <u>—</u> |
| | | |
| 517,518,751 | 517,518,751 | — |
| <u>10,269,647,290</u> | <u>11,248,841,447</u> | <u>979,194,157</u> |
| | | |
| <u>\$ 146,057,862</u> | <u>\$ (1,174,881,283)</u> | <u>\$1,320,939,145</u> |

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | <u>Actual</u> | <u>Adjustment to Budgetary Basis</u> |
|--|-----------------------|--|
| REVENUES | | |
| Taxes | \$2,605,521,438 | \$ — |
| Total Revenues | <u>2,605,521,438</u> | <u>—</u> |
| OTHER INCREASES | | |
| Transfers from other funds | 385,600 | — |
| Total Other Increases | <u>385,600</u> | <u>—</u> |
| Total Revenues and Other Increases | <u>2,605,907,038</u> | <u>—</u> |
| EXPENDITURES | | |
| Educational, cultural and intellectual development | 1,813,296,070 | 3,870,310 |
| Government direction, management and control | 421,894,438 | 1,507,411 |
| Total Expenditures | <u>2,235,190,508</u> | <u>5,377,721</u> |
| OTHER DECREASES | | |
| Total Other Decreases | <u>—</u> | <u>—</u> |
| Total Expenditures and Other Decreases | <u>2,235,190,508</u> | <u>5,377,721</u> |
| Net Increase (Decrease) in Fund Balances for the Year | <u>\$ 370,716,530</u> | <u>\$(5,377,721)</u> |

The accompanying notes are an integral part of the financial statements.

| Actual on Budgetary Basis | Budget | Variance- Favorable (Unfavorable) |
|---------------------------------|------------------------|---|
| \$2,605,521,438 | \$2,217,000,000 | \$388,521,438 |
| <u>2,605,521,438</u> | <u>2,217,000,000</u> | <u>388,521,438</u> |
| 385,600 | — | 385,600 |
| <u>385,600</u> | <u>—</u> | <u>385,600</u> |
| <u>2,605,907,038</u> | <u>2,217,000,000</u> | <u>388,907,038</u> |
| 1,817,166,380 | 1,818,000,000 | 833,620 |
| <u>423,401,849</u> | <u>424,580,000</u> | <u>1,178,151</u> |
| <u>2,240,568,229</u> | <u>2,242,580,000</u> | <u>2,011,771</u> |
| — | — | — |
| <u>2,240,568,229</u> | <u>2,242,580,000</u> | <u>2,011,771</u> |
| <u>\$ 365,338,809</u> | <u>\$ (25,580,000)</u> | <u>\$390,918,809</u> |

STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | Actual | Adjustment to Budgetary Basis |
|--|---------------|--|
| REVENUES | | |
| Other | \$1,618,051 | \$ — |
| Total Revenues | 1,618,051 | — |
| EXPENDITURES | | |
| Public safety and criminal justice | (3,826) | (19,650) |
| Total Expenditures | (3,826) | (19,650) |
| Net Increase (Decrease) in Fund Balances for the Year | \$1,621,877 | \$ 19,650 |

The accompanying notes are an integral part of the financial statements.

| Actual on Budgetary Basis | Budget | Variance- Favorable (Unfavorable) |
|---------------------------------|-------------|---|
| \$1,618,051 | \$1,600,000 | \$ 18,051 |
| 1,618,051 | 1,600,000 | 18,051 |
| (23,476) | 510,039 | 533,515 |
| (23,476) | 510,039 | 533,515 |
| \$1,641,527 | \$1,089,961 | \$551,566 |

**STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Actual | Adjustment to Budgetary Basis |
|--|---------------|--|
| REVENUES | | |
| Licenses and fees | \$47,345,518 | \$ — |
| Total Revenues | 47,345,518 | — |
| OTHER INCREASES | | |
| Transfers from other funds | — | — |
| Total Other Increases | — | — |
| Total Revenues and Other Increases | 47,345,518 | — |
| EXPENDITURES | | |
| Public safety and criminal justice | 27,640,982 | 505,232 |
| Government direction, management and control | 19,605,359 | 585,195 |
| Total Expenditures | 47,246,341 | 1,090,427 |
| OTHER DECREASES | | |
| Transfers to other funds | 30,493 | (30,493) |
| Total Other Decreases | 30,493 | (30,493) |
| Total Expenditures and Other Decreases | 47,276,834 | 1,059,934 |
| Net Increase (Decrease) in Fund Balances for the Year | \$ 68,684 | \$(1,059,934) |

The accompanying notes are an integral part of the financial statements.

| Actual on Budgetary Basis | Budget | Variance- Favorable (Unfavorable) |
|---------------------------------|--------------|---|
| \$47,345,518 | \$51,017,000 | \$(3,671,482) |
| 47,345,518 | 51,017,000 | (3,671,482) |
| — | — | — |
| — | — | — |
| 47,345,518 | 51,017,000 | (3,671,482) |
| 28,146,214 | 29,966,000 | 1,819,786 |
| 20,190,554 | 21,051,000 | 860,446 |
| 48,336,768 | 51,017,000 | 2,680,232 |
| — | — | — |
| — | — | — |
| 48,336,768 | 51,017,000 | 2,680,232 |
| \$ (991,250) | \$ — | \$ (991,250) |

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | Actual | Adjustment to Budgetary Basis |
|--|---------------|-------------------------------------|
| REVENUES | | |
| Taxes | \$188,996,098 | \$ — |
| Investment earnings | 10,498,785 | — |
| Total Revenues | 199,494,883 | — |
| OTHER INCREASES | | |
| Total Other Increases | — | — |
| Total Revenues and Other Increases | 199,494,883 | — |
| EXPENDITURES | | |
| Physical and mental health | 55,689,511 | 125,994 |
| Economic planning, development and security | 66,718,311 | 1,530,305 |
| Transportation programs | 9,331,938 | 4,168,062 |
| Government direction, management and control | 17,900,000 | — |
| Total Expenditures | 149,639,760 | 5,824,361 |
| OTHER DECREASES | | |
| Transfers to other funds | 7,023,000 | — |
| Total Other Decreases | 7,023,000 | — |
| Total Expenditures and Other Decreases | 156,662,760 | 5,824,361 |
| Net Increase (Decrease) in Fund Balances for the Year | \$ 42,832,123 | \$(5,824,361) |

The accompanying notes are an integral part of the financial statements.

| Actual on Budgetary Basis | Budget | Variance- Favorable (Unfavorable) |
|---------------------------------|-----------------------|---|
| \$188,996,098 | \$183,000,000 | \$ 5,996,098 |
| 10,498,785 | 2,000,000 | 8,498,785 |
| <u>199,494,883</u> | <u>185,000,000</u> | <u>14,494,883</u> |
| — | — | — |
| <u>199,494,883</u> | <u>185,000,000</u> | <u>14,494,883</u> |
| 55,815,505 | 81,512,594 | 25,697,089 |
| 68,248,616 | 72,978,406 | 4,729,790 |
| 13,500,000 | 13,500,000 | — |
| <u>17,900,000</u> | <u>18,900,000</u> | <u>1,000,000</u> |
| <u>155,464,121</u> | <u>186,891,000</u> | <u>31,426,879</u> |
| 7,023,000 | 7,023,000 | — |
| <u>7,023,000</u> | <u>7,023,000</u> | <u>—</u> |
| <u>162,487,121</u> | <u>193,914,000</u> | <u>31,426,879</u> |
| <u>\$ 37,007,762</u> | <u>\$ (8,914,000)</u> | <u>\$45,921,762</u> |

**STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1—SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

(A) FUND ACCOUNTING

The Governmental Accounting Standards Board in its Statement 1 entitled *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide* continued in force the National Council on Governmental Accounting's (NCGA) Statement 1. NCGA Statement 1 defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

Basis of Preparation:

The accompanying financial statements include the fund and account groups of the State of New Jersey. In addition, the financial statements of various public benefit corporations, authorities, commissions and universities for which the State has oversight responsibility have been included as part of the State's financial reporting entity.

The financial statements have been prepared primarily from accounts and records maintained by the State Comptroller. The financial data for the various public benefit corporations, authorities, commissions and universities has been derived from reports prepared by those organizations based on independent accounting systems maintained by those organizations.

GOVERNMENTAL FUNDS

General Fund:

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes and Federal sources and certain miscellaneous revenue items are recorded in the General Fund. The appropriations act enacted by the Legislature provides the basic framework for the operation of the General Fund.

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major

capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund:

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.

The accounts which comprise this Fund are established based upon the following bond acts:

- Beaches and Harbors (1977)
- Clean Waters (1976)
- Community Development (1982)
- Correctional Facilities Construction (1982)
- Emergency Flood Control (1978)
- Energy Conservation (1980)
- Farmland Preservation (1981)
- Higher Education Construction (1971)
- Highway Improvement (1930)
- Human Services Facilities Construction (1984)
- Institutional Construction (1978)
- Institutions Construction (1976)
- Jobs, Science and Technology (1984)
- Medical Education Facilities (1977)
- Natural Resources (1980)
- New Jersey Bridge Rehabilitation and Improvement (1983)
- New Jersey Green Acres (1983)
- New Jersey Institutions Construction (1964)
- Public Building Construction (1968)
- Public Purpose Buildings Construction (1980)
- Refunding Bonds (1985)
- Shore Protection (1983)
- State Facilities for Handicapped (1973)
- State Higher Education (1959)
- State Higher Education Construction (1964)
- State Housing Assistance (1968)
- State Institution Construction (1960)
- State Land Acquisition and Development (1978)
- State Mortgage Assistance (1976)
- State Recreation and Conservation Land Acquisition (1961)
- State Recreation and Conservation Land Acquisition (1971)
- State Recreation and Conservation Land Acquisition and Development (1974)
- State Transportation (1968)
- Transportation Rehabilitation and Improvement (1979)
- Wastewater Treatment (1985)
- Water Conservation (1969)
- Water Development (1958)
- Water Supply (1981)

Capital Projects Funds:

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government for facilities are not classified as Capital Projects Funds and are included as expenditures of Special Revenue Funds. The State Land Acquisition and Development Fund, State Recreation and Conservation Land Acquisition Fund (1971), and State Recreation and Conservation Land Acquisition and Development Fund (1974) which have been classified as Special Revenue Funds, and the Transportation Rehabilitation and Improvement Fund, which is classified as a Capital Projects Fund, include funds both for capital facilities for State use and for grants to other units of government.

PROPRIETARY FUND TYPE

Enterprise Funds:

Enterprise Funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds include the accounts of public benefit corporations, public authorities, private not-for-profit corporations and similar entities. The accompanying financial statements are derived from their most recently issued annual financial statements. The inclusion of these entities in the State's combined financial statements reflects the oversight role exercised by the State over them, but does not affect their separate legal standing. Oversight is defined to include criteria such as appointment of the board, designation of management, scope of public service and the ability to significantly influence operations.

Additional information, including an explanation of the entities included and their basis of accounting, is provided in Note 20.

FIDUCIARY FUNDS

Trust and Agency Funds:

Trust and Agency Funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal

liabilities) and do not involve measurement of results of operations.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The General Long-Term Obligations Account Group accounts for the unmatured general long-term liabilities of the State.

There are four types of public purpose capital financings through borrowing which are done by the State of New Jersey or which the State supports through annual appropriations: (1) full faith and credit or direct debt; (2) authority financing; (3) lease agreements; (4) state-aid for local educational financings.

This account group sets forth the amounts which are supported by the State's full faith and credit (item 1 and 3 above) and do not include borrowing by authorities or local financing (item 2 and 4 above). Borrowing by authorities and universities is described in Note 20.

The General Long-Term Obligations Account Group includes the liabilities for future payments under capital lease agreements.

UNIVERSITY FUNDS

The University Funds account for the operations of Rutgers, the State University and the University of Medicine and Dentistry of New Jersey and New Jersey Institute of Technology including their foundations and associations, in accordance with existing authoritative accounting and reporting principles applicable to universities and hospitals. Accordingly, the University Fund type is an aggregation of the following funds:

Current

Current funds account for economic resources of the institution which are expendable for any purpose in performing the primary objectives of the institution and which have not been designated by the governing body for any other purpose. Resources restricted for specific current operating purposes by a donor or other external agency are accounted for as restricted current funds.

Loan

Loan funds account for resources available for loans to students, staff and faculty.

Endowment and Similar

Endowment and similar funds are related to trust funds in that they must be administered in accordance with the terms of the applicable agreement.

Plant

Plant funds consist of resources available to acquire or repair institutional properties, to service debt incurred to acquire such properties and the cost of fixed assets and the sources from which the cost is funded, including associated liabilities.

Agency

Agency funds consist of funds held by the institution acting in the capacity of an agent, for distribution to designated beneficiaries.

Foundations

Foundations and associations have been established to promote and serve the interests and welfare of their respective universities.

The accompanying financial statements are derived from the universities' most recently issued annual financial statements. Additional information including an explanation of the universities included and their bases of accounting is provided in Note 20.

(B) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Expendable Trust Funds, and Agency Funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues which are considered to be susceptible to accrual include amounts received during the 12 month period subsequent to June 30 as well as amounts received by the Treasury during the month of July that were earned as of June 30 and in the hands of receiving agents. In addition, accruals include amounts earned as of June 30 for Investment earnings, Federal Revenues, and items billed as of June 30 but received subsequent to July 31.

Pension and non-expendable Trust Funds are accounted for on an accrual basis of accounting.

Revenues that are determined not to be susceptible to accrual because they either are not available soon enough to pay liabilities of the current period or are not objectively measurable include various fees and self-assessed taxes.

Refunds of revenue applicable to June 30 but anticipated to be paid subsequently are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Appropriations are authorized by an act of the Legislature for expenditure during the fiscal year and for a period of one month thereafter. Expenditures are recorded on an accrual basis when the related liability is incurred. Modifications to the accrual basis of accounting include:

- (a) Disbursements for prepaid expenses, inventory items, and fixed assets are recorded as expenditures when incurred.
- (b) Accumulated unpaid vacation and sick pay are not accrued. (See Note 12).

Expenditures for principal and interest on general obligation long-term debt are recognized as expenditures when due.

Encumbrances represented by purchase orders and contracts are recorded and reported as reservations of fund balance since they do not constitute expenditures or liabilities.

The General Long-Term Obligations Account Group is not a fund. An account group is concerned only with the measurement of financial position and does not involve measurement of results of operations.

(1) GENERAL OBLIGATION BONDS

At the time of sale of general obligation serial bonds by the State, as authorized by the approved bond act, the principal amount of each series sold is recorded in an account of the General Long-Term Obligations Account Group. The recording of the long-term liability is offset with an increase to the "amount to be provided" account.

Upon enactment of the State's annual appropriations for amounts of principal to be paid to bondholders during that fiscal year, such amounts of principal as appropriated reduce both the amount to be provided and the general obligation bond payable accounts.

(2) LEASE COMMITMENTS

Obligations for future lease commitments due beyond one year from the balance sheet date are recorded at the present value of future minimum lease payments under capitalized realty and equipment lease agreements. The recording of the long-term liability is offset with an increase in the "amount to be provided" account.

(C) REVENUE AND EXPENDITURE BUDGETS

1. The General Fund and those Special Revenue Funds detailed in the following table operate under a budgetary control system comprised of:
 - (a) The Annual Appropriations Act approved June 30, 1986 for fiscal year 1987 and various supplemental appropriations acts during the fiscal year.
 - (b) Reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year.
 - (c) Appropriated Revenues (authorized by the Annual Appropriations Act) which established certain revenues as appropriations.

The above items provided the following amounts for the fiscal year 1987 budget:

Revenue and Other Increases (In Millions)

| | General Fund | Casino Control Fund | Casino Revenue Fund | Gubernatorial Elections Fund | Property Tax Relief Fund |
|---------------------------|-------------------------|------------------------------------|------------------------------------|---|---|
| Annual Appropriations Act | \$ 6,633.6 | \$51.0 | \$185.0 | \$1.6 | \$2,217.0 |
| Reappropriations | 26.8 | — | — | — | — |
| Appropriated Revenue | 3,413.6 | — | — | — | — |
| Totals | \$10,074.0 | \$51.0 | \$185.0 | \$1.6 | \$2,217.0 |

Expenditures and Other Decreases (In Millions)

| | General Fund | Casino Control Fund | Casino Revenue Fund | Gubernatorial Elections Fund | Property Tax Relief Fund |
|---------------------------|-------------------------|------------------------------------|------------------------------------|---|---|
| Annual Appropriations Act | \$ 6,921.2 | \$51.0 | \$193.9 | \$ — | \$2,242.6 |
| Reappropriations | 914.1 | — | — | .5 | — |
| Appropriated Revenue | 3,413.6 | — | — | — | — |
| Totals | \$11,248.9 | \$51.0 | \$193.9 | \$.5 | \$2,242.6 |

Budgetary control is maintained at the program unit level.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual—Budgetary Basis presents comparisons of the legally adopted budget with actual data on a budgetary basis.

The State's budgetary basis of accounting differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis are that under the budgetary basis encumbrances are recognized as expenditures, the Federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year.

There were no expenditures in excess of appropriations for those funds operating under an annual budgetary control system.

2. Other Special Revenue Funds, Capital Projects Funds, and Trust Funds do not operate under an annual budgetary control system, but expenditures are authorized by the enabling legislation. Accordingly, the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual—Budgetary Basis does not include these funds.

3. The State Lottery operates under an informal budgetary control system approved by the New Jersey State Lottery Commission which for fiscal year 1987 resulted in the Governor's revenue certification of \$425.0 million representing transfers from the State Lottery Fund to the General Fund.

(D) FIXED ASSETS

The State owns extensive fixed assets consisting of: (1) land, (2) office buildings, hospitals, educational facilities, etc., and (3) equipment used in construction, data processing, hospitals, offices, etc. Fixed assets, including public domain general fixed assets ("infrastructure"), are recorded as expenditures at the time of acquisition and are not included as assets of any of the funds. The State does not currently maintain a centralized system accounting for fixed assets and therefore an estimate of the total value for fixed assets is not readily available.

(E) FUND BALANCES

The Fund balance of the various funds consists of:

- (a) **Reserved for encumbrances**—used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
- (b) **Reserved—Other**—used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.
- (c) **Unreserved—Designated for continuing appropriations**—used to represent that portion of the fund balance available to finance expenditures of the subsequent period.
- (d) **Unreserved—Undesignated**—used to represent that portion of the fund balance resources available for appropriation.

(F) OTHER

(1) CONSTITUTIONAL PROVISIONS

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law shall have been submitted to the people at a general election and approved by a majority of the legally qualified voters.

(2) FINANCIAL REPORTING

Agency Funds—Change in Assets and Liabilities
Agency Funds are custodial in nature and do not involve measurement of operations; accordingly, there is no Statement of Revenues, Expenditures and Changes in Fund Balances.

(3) OPERATING TRANSFERS

During the course of normal operations the State has numerous routine transactions between funds, including expenditures and transfers of resources to provide administrative services, program services, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursements of expenses.

(4) HEALTH BENEFIT FUNDS

The accompanying financial statements include the following health benefit funds:

Health Benefits Program Fund established by N.J.S.A. 52:14-17.25 et seq. provides employer paid basic health services.

Dental Expense Program Fund established by N.J.S.A. 52:14-17.29 provides for eligible members to contribute premiums calculated to meet half the cost of the plan.

The Prescription Drug Program Fund established by N.J.S.A. 52:14-17.29 provides employer paid coverage for drugs prescribed by a physician for all State employees.

Alternate Benefit Programs Fund established by N.J.S.A. 18A:66-167 et seq. to permit full time faculty members of public institutions of higher education to transfer their interests in the State pension plans to this program.

The Alternate Benefit Long Term Disability Fund was established October 1, 1986. It is an employer funded expendable trust fund, for Long Term Disability. Benefits will be paid to those members of the Alternate Benefits Programs Fund who have been disabled for two years or more since October 1, 1986.

These funds are classified as expendable trust funds and are accounted for using a modified accrual basis of accounting. The funds are self insured programs administered by insurance carriers. Claims paid by the insurance carriers are reimbursed from the funds. Fund balances in each of these funds are available to pay claims of future periods. These balances are maintained to stabilize rates and assure the ability to meet unexpected increases in claims. Each year actuarial studies are conducted to review present rate structure as compared to projections of anticipated claims and expenses in order to determine the need for rate and premium changes.

A complete description of the plan agreements vesting and benefit provisions can be found in various Employee Benefit Pamphlets published by the New Jersey Division of Pensions.

(5) OTHER

The financial statements of the Client Security Fund and the Office of Attorney Ethics are as of December 31, 1986. These funds are administered by state officials within the Judicial Branch of the State Government. Other significant accounting policies are described in Notes 2 to 22.

NOTE 2—CHANGES IN ACCOUNTING POLICY

(A) CAPITAL LEASES

Amounts in the General Long-Term Obligations Account Group, under the classification Capital Leases, include a significant portion which is attributable to Certificates of Participation. In the past, only that part of Certificates of Participation for which equipment had been delivered and accepted was recognized as an obligation of the State. Language in the Certificates indicates that although these are not instruments of the State, an obligation does exist on the part of the State to comply with formal repayment schedules. This applies regardless of the status of the equipment.

In order to reflect more accurately the obligations of the State, Capital Leases, beginning in Fiscal Year 1987, will now include future principal payments for all Certificates of Participation outstanding at the close of the fiscal year. A comparison of the schedule for capital equipment leases as it appeared in the Notes to the Financial Statements as of June 30, 1986 and as it would appear under the new method of accounting follows:

| Fiscal Year | Original Method (In Millions) | Revised Method (In Millions) |
|---|----------------------------------|---------------------------------|
| 1987 | \$ 8.41 | \$ 29.43 |
| 1988 | 6.46 | 34.64 |
| 1989 | 2.63 | 35.07 |
| 1990 | — | 31.21 |
| Total minimum lease payments 1987-1990 | 17.50 | 214.73 |
| Less: Interest | 1.28 | 43.60 |
| Present value of principal payments 1987-1990 | 16.22 | 86.75 |
| Principal payments 1991 and after | — | 84.38 |
| Total present value minimum lease payments | <u>\$16.22</u> | <u>\$171.13</u> |

NOTE 3—RESTATEMENTS

The beginning fund balance of the *State Recycling Fund* has been restated from \$8.5 million to \$10.7 million to adjust for prior years' loans previously unrecorded.

Unemployment Compensation Auxiliary Fund beginning fund balance has been restated from \$16.5 million to \$8.6 million to adjust for a change in the method of recording revenues, whereby penalties and interest are recorded when received.

NOTE 4—CASH AND DEPOSITS

- (a) Negative book balances of \$192.8 million representing a managed overdraft have been reclassified and are included in the accounts payable balance as follows:

| Funds | Amount (In Millions) |
|------------------------|-------------------------|
| General Fund | \$153.0 |
| Special Revenue Funds | 6.6 |
| Capital Projects Funds | 2.9 |
| Trust and Agency Funds | 25.3 |
| Total | <u>\$187.8</u> |

- (b) Cash transactions of the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation and Property Tax Relief Funds are made through and by the General Fund cash accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective Due from or Due to accounts on the Balance Sheets. All other funds maintain individual bank accounts.

- (c) In the Debt Service Fund, principal and interest amounts charged by the fiscal agent for which cancelled documents may not have been delivered to the State are recognized as reductions of cash and the related liability.
- (d) New Jersey Revised Statutes (52:18-16.1) sets the policy that the State Treasurer must adhere to when depositing State Funds and the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds as well as certificates of deposit must be collateralized. Securities pledged as collateral must consist of obligations of or guaranteed by the United States or by the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than \$10 million in State deposits per month are 100% and 120% of collateral, respectively, of the highest daily balance of each account. For banks that have State deposits which total \$10 million or more per month, the amount of collateral required is 120% of the total average daily balance on deposit in the bank during each calendar quarter of the year. The amount of collateral required for certificates of deposits is 120% par value minus FDIC and FSLIC Coverage.

The State Department of Treasury monitors the level of collateral required to be maintained by the banks.

NOTE 5—INVESTMENTS

All securities purchased are recorded at cost and amortized for premium or discount. Securities received as donations and from settlement of claims are recorded at market value when received, and any difference between that and the par value is amortized. Investments of the Deferred Compensation Fund and Supplemental Annuity Collection Trust Fund are recorded at market value. At June 30, 1987 the book value approximates market value. Investments of Common Pension Fund A and Common Pension Fund B totalling \$12.2 billion are recorded at cost. The market value of these investments at June 30, 1987 is \$16.2 billion.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government, are combined into a large scale investment program. The

State's participation in the Cash Management Fund is reflected as part of Due from other funds in the Balance Sheet and consists of the following:

| Funds | Amount Invested (In Millions) |
|-------------------------------------|----------------------------------|
| General Fund | \$1,773.1 |
| Special Revenue Funds ¹ | 529.5 |
| Capital Projects Funds ¹ | 192.4 |
| Trust and Agency Funds | 1,310.5 |
| Total | <u>\$3,805.5</u> |

¹The Casino Control, Casino Revenue, gubernatorial Elections, Special Transportation and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 4, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

The value of the Cash Management Fund at the balance sheet date approximates market value.

Approximately \$273.7 million of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. An agency fund has been established to record the deposit fund contracts and related liabilities at present value. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. Face value of deposit fund contracts approximates \$693.7 million.

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, agencies, and municipal or political subdivisions of the State; commercial paper; bankers acceptances; revenue obligations of public authorities; debt instruments of banks; collateralized notes and mortgages; certificates of deposit; repurchase agreements; equity and convertible equity securities and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such things as minimum capital, dividend paying history, credit history, and other evaluation factors.

The purchase, sale, receipt of income and other transactions affecting investments are governed by

custodial agreements between the investing 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 be the size of the custodial institution, amount of the portfolio to be covered by the agreements and other pertinent matters.

Federal securities, including federal securities held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular state fund which establishes the state fund's unconditional right to the securities. The custodian banks as agents for the state funds maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the state funds.

Except for repurchase agreements (\$33,819,000 at June 30, 1987 secured by federal securities), collateralization of investment is generally not required.

The following schedule (in millions) presents the carrying amount and market value of investments by type of investment for the State's Governmental and Fiduciary Fund types. The schedule does not include the investments of the Enterprise Funds and the University Funds. Information on deposits and investments of the Enterprise Funds and University Funds is presented in Note 20.

| <u>Type of Security</u> | <u>Carrying Value</u> | <u>Market Value</u> |
|--|-----------------------|---------------------|
| U.S. Government and Municipal Government bonds and obligations | \$ 9,441.6 | \$ 9,684.3 |
| Repurchase agreements | 33.8 | 33.8 |
| Industrial bonds | 692.4 | 656.5 |
| Telephone bonds | 207.5 | 192.2 |
| Gas and electric bonds | 807.4 | 757.5 |
| Water bonds | 4.4 | 3.7 |
| World Bank bonds | 17.9 | 17.2 |
| Canadian bonds | 175.0 | 166.1 |
| Finance companies—senior debt | 57.0 | 54.1 |
| Railroad equipment obligations | 7.0 | 6.9 |
| Commercial paper | 358.7 | 358.7 |
| Mortgage | 2,072.3 | 2,023.7 |
| Common stocks | 6,302.9 | 10,229.1 |
| Mortgage—backed certificates | 141.8 | 138.4 |
| Time certificates of deposits | 262.2 | 262.2 |
| Lottery deposit fund contracts | 273.7 | 273.7 |
| Other | 25.7 | 24.6 |
| Unallocated units N.J. Cash Management Fund | 8.4 | 8.4 |
| Accounting practices for adjustments to cost | 60.8 | — |
| Total | <u>\$20,950.5</u> | <u>\$24,891.1</u> |

General Fund:

| | |
|---|---------|
| Class II Railroad Taxes and Interest Receivable | \$ 29.7 |
| Railroad Franchise Taxes Receivable | 8.9 |
| Patient Accounts Receivable | .7 |

Special Revenue Funds:

| | |
|--------------------------|-----|
| Casino Control Fund—Fees | 1.6 |
|--------------------------|-----|

Trust Funds:

| | |
|--|------|
| Unemployment Compensation Contributions Receivable | 68.9 |
| State Disability Benefits Contributions Receivable | 15.3 |

| | |
|-------|----------------|
| Total | <u>\$125.1</u> |
|-------|----------------|

Federal

Federal government receivables are composed of amounts established as appropriations based upon grant awards, the expenditure of which is the basis for reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 19—Federal Programs.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in *Statement 2—Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$468.1 million of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 1987. In addition, at June 30, 1987 there was \$31.0 million of unrecorded transportation apportionments deferred to future years.

NOTE 6—RECEIVABLES

Departmental

Departmental accounts receivable include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and therefore no allowance for doubtful accounts is necessary.

In addition, the Departmental accounts receivables are reflected net of allowances of \$125.1 million for the following items:

Loans and Other

| Fund | (In Millions) | | | | |
|------------------------|----------------|----------------|------------------|----------------|------------------|
| | Loans | Other | Gross | Allowance | Net |
| General Fund | \$ 1.5 | \$ 69.0 | \$ 70.5 | \$ 69.0 | \$ 1.5 |
| Special Revenue Funds | 211.3 | 82.9 | 294.2 | 69.6 | 224.6 |
| Capital Projects Funds | — | 7.3 | 7.3 | — | 7.3 |
| Trust and Agency Funds | 341.8 | 681.4 | 1,023.2 | 75.9 | 947.3 |
| Total | <u>\$554.6</u> | <u>\$840.6</u> | <u>\$1,345.2</u> | <u>\$214.5</u> | <u>\$1,180.7</u> |

Loans receivable (\$554.6 million) are reduced by allowances of \$12.0 million and include \$31.4 million due from the New Jersey Housing and Mortgage Finance Authority, \$10.8 million due the Luxury Tax Fund from the Atlantic County Improvement Authority for housing projects, \$161.7 million due from local units of government for environmental projects, \$9.4 million representing Higher Education Assistance Fund loans to students, \$321.5 representing loans from respective pension funds to participating members of the pension funds, and \$15.6 million loaned to local units of government for economic development.

Other Receivables totaling \$840.6 million are reduced by allowances of \$202.5 million and include amounts due from lottery ticket sales (\$17.9 million), assessments to uninsured motorists (\$9.3 million), receivables for surcharge remittance (\$13.0 million), and accrued interest and dividends on investments (\$171.1 million), and contributions due from employees and members to the respective pension funds (\$321.6 million).

NOTE 7—INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables (\$17.1 billion) are referred to respectively as Due from other funds

and Due to other funds on the Balance Sheet. A summary of interfund receivables and payables at June 30, 1987 is presented below:

| Due From | Due To (In Millions) | | | | | Total |
|------------------------|-------------------------|-----------------------|------------------------|------------------------|------------------|-------------------|
| | General Fund | Special Revenue Funds | Capital Projects Funds | Trust and Agency Funds | University Funds | |
| General Fund | \$ — | \$ 526.3 | \$ — | \$ 43.7 | \$ — | \$ 570.0 |
| Special Revenue Funds | 95.4 | 14.2 | — | — | — | 109.6 |
| Capital Projects Funds | 69.4 | — | 2.7 | — | — | 72.1 |
| Trust and Agency Funds | 1,815.5 | 534.2 | 192.4 | 13,828.4 | — | 16,370.5 |
| University Funds | — | — | — | — | 13.7 | 13.7 |
| Total | <u>\$1,980.3</u> | <u>\$1,074.7</u> | <u>\$195.1</u> | <u>\$13,872.1</u> | <u>\$13.7</u> | <u>\$17,135.9</u> |

NOTE 8—ACCOUNTS PAYABLE

Accounts payable consist primarily of amounts due for goods or services received by the State prior to June 30, 1987 and aid payments to eligible recipients. Other major items include negative cash book balances of \$192.8 million (See Note 4), amounts due to lottery prize winners of \$273.7 million, pension benefits payable of \$67.3 million and health benefits payable to providers of \$117.1 million as determined by the Fund's actuary.

NOTE 9—DEFERRED REVENUE

Deferred revenue represents amounts received but not earned as of June 30. These amounts will be earned in subsequent fiscal years.

Deferred revenue at June 30, 1987 in the General Fund (\$79.9 million) consists principally of motor vehicle licenses and registrations, professional board licenses and fees, and college tuitions and fees. The amount at June 30, 1987 also includes approximately \$8.8 million representing Business Dissolution Tax pending tax clearance certificates \$6.5 million of receipts for Truck Axle Taxes collected but subject to possible refund, and \$29.7 million in oil overcharge monies.

NOTE 10—ADVANCES FROM OTHER FUNDS

\$9.6 million represents an advance from the General Fund to the Uncompensated Care Trust Fund in accordance with P.L. 1986, Chapter 204. \$6.8 million represents an advance from the General Fund to the State Recycling Fund in accordance with P.L. 1987, Chapter 102. \$.8 million represents an advance from the General Fund to the Deferred Compensation Fund.

NOTE 11—OTHER LIABILITIES

Other liabilities at June 30, 1987 include the following items:

Deposits and accumulated earnings on investments (\$1.0 billion) due to local units of government and school districts from the State of New Jersey Cash Management Fund. In the General Fund, \$52.9 million of other liabilities consists principally of revenue refunds payable. In the Pension Adjustment Fund, \$32.8 million represents amounts due to retirees for cost of living increases.

NOTE 12—ACCUMULATED UNPAID SICK AND VACATION BENEFITS

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$15,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick

leave balances. At June 30, 1987 accumulated employee sick leave balances had an estimated value of \$318.3 million. Cash payments for sick leave at retirement are made from annual legislative appropriations for salaries and wages on a "pay-as-you-go" basis. Payments for accumulated sick leave during fiscal year 1987 amounted to \$3.5 million. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay during illness or injury. Because future cash payments for unused sick leave and unpaid vacation benefits can not be reasonably determined, no amount has been included in the General Long-Term Obligations Account Group.

NOTE 13—GENERAL LONG-TERM DEBT

The general long-term debt outstanding as of June 30, 1987 is \$2,774,440,000, which is secured by the full faith and credit of the State (the General Fund). Amount to be provided for retirement of general obligation bonds on the balance sheet represents appropriations to be provided in the future from the General Fund for principal payments.

Outstanding long-term debt as of June 30, 1986 was \$2,479,055,000. During Fiscal Year 1987 the State issued \$610,735,000 in bonds.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 1987 was \$316,326,977. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances as a Transfer to other funds in the General Fund and a Transfer from other funds in the Debt Service Fund.

A summary of debt service requirements on bonds outstanding as of June 30, 1987 to maturity is as follows:

| <u>Fiscal Year</u> | <u>Interest</u> | <u>Principal</u> |
|--------------------|------------------------|------------------------|
| 1988 | \$ 181,758,575 | \$ 166,615,000 |
| 1989 | 171,025,666 | 185,051,000 |
| 1990 | 159,202,866 | 183,106,000 |
| 1991 | 147,263,823 | 179,750,000 |
| 1992 | 135,165,262 | 171,517,000 |
| 1993-1997 | 507,037,872 | 844,479,000 |
| 1998-2002 | 250,873,357 | 696,506,000 |
| 2003-2007 | 59,903,137 | 322,261,000 |
| 2008 | 1,608,796 | 25,155,000 |
| | <u>\$1,613,839,354</u> | <u>\$2,774,440,000</u> |

On October 1, 1986 the State sold a series of refunding bonds totalling \$198,235,000. These bonds were issued for the purpose of refinancing certain maturities of several series of State of New Jersey General Obligation Bonds which were originally sold as two issues, one in the aggregate principal amount of \$150,000,000 and originally dated December 1, 1982 and the other in the aggregate principal amount of \$145,000,000 and

originally dated October 1, 1984. The State refunded in advance the two bond issues to reduce its total debt service payments over the next nineteen years by \$9.23 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9.60 million.

Under the terms of the Refunding Bond issue, sufficient assets to pay all principal and interest on the refunded issues have been put into a special escrow account at a commercial bank. The financial transactions, assets, and liabilities of this special escrow agent account are not reflected in the financial statements of the State.

In addition, the State (the General Fund) has guaranteed the principal and interest payments on certain bonds issued by the New Jersey Sports and Exposition Authority. The amount outstanding on these bonds as of December 31, 1986, is \$175,450,000. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation and the New Jersey Housing and Mortgage Finance Agency. However, the Legislature is not legally bound to make such appropriations for these "moral obligation" bonds.

The New Jersey Housing and Mortgage Finance Agency has not had a deficiency in a debt service reserve which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. In December 1986, the Corporation certified that it would be able to provide sufficient funds from operations for debt service and would, therefore, not require a State appropriation for 1988.

In addition, legislation provides for future appropriations for state aid to local school districts equal to debt service on a maximum principal amount of \$280,000,000 of bonds issued by such local school districts for construction and renovation of school facilities. New Jersey statutes also provide for state aid to counties equal to debt service up to \$80,000,000 of bonds issued by counties for construction of county college facilities. The Legislature is not legally bound to make such future appropriations, but has done so to date on all outstanding obligations issued under these laws.

NOTE 14—LEASE COMMITMENTS

(A) REALTY LEASES

The State has entered into various realty lease agreements which have been identified as capital leases. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of June 30, 1987.

| <u>Fiscal Year</u> | <u>Amount (In Millions)</u> |
|---|---------------------------------|
| 1988 | \$ 38.3 |
| 1989 | 47.5 |
| 1990 | 46.4 |
| 1991 | 46.1 |
| 1992 | 49.9 |
| <hr/> | |
| Total minimum lease payments—1988-1992 | 228.2 |
| LESS: Amount representing interest | 168.0 |
| <hr/> | |
| Present value of principal payments—1988-1992 | 60.2 |
| Principal payments—1993 and after | 425.9 |
| <hr/> | |
| Total present value of minimum lease payments | <u>\$486.1</u> |

Included in the above lease commitments are agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State. The State agrees to make rental payments equal to the debt service of the respective authorities' funds, subject to and dependent upon appropriations being made by the State Legislature for such purposes. At the conclusion of the term of the lease agreements, title to the various facilities is to be transferred to the State.

(B) OTHER LEASES

In addition to realty leases, the State is actively involved in lease agreements for various types of equipment, e.g., data processing, photocopying, typewriters, vehicles, highway construction equipment, helicopters, etc.

Future obligations for identified equipment capital leases are presented below:

| <u>Fiscal Year</u> | <u>Amount (In Millions)</u> |
|---|---------------------------------|
| 1988 | \$ 34.6 |
| 1989 | 35.1 |
| 1990 | 31.2 |
| 1991 | 27.3 |
| 1992 | 22.5 |
| <hr/> | |
| Total minimum lease payments—1988-1992 | 150.7 |
| LESS: Amount representing interest | 41.1 |
| <hr/> | |
| Present value of principal payments—1988-1992 | 109.6 |
| Principal payments—1993 and after | 46.2 |
| <hr/> | |
| Total present value of minimum lease payments | <u>\$155.8</u> |

A significant portion of the above figures represents assets which were purchased or refinanced through the sale of certificates of participation. These transactions are described below:

The State has entered into a series of master lease agreements with a trustee for the rental and purchase of equipment financed or refinanced by a trustee from the sale of certificates of participation. The State is required to make aggregate lease payments on the equipment that approximate the interest and principal payments to be made by the trustee to certified holders.

The initial lease agreement, effective April 1, 1984, consisted of \$36,975,000 in principal and \$7,884,726 in interest. The second agreement, conducted on February 15, 1985 amounted to \$32,410,000 in principal and \$9,249,112 representing interest. The third agreement, dated April 15, 1986, totalled \$143,955,000 in future principal payments and \$59,463,312 in interest.

NOTE 15—PENSIONS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems:

Consolidated Police and Firemen's Pension Fund (CPFPPF)—established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with 2 active members.

Judicial Retirement System (JRS)—established in June 1973 to provide coverage to all members of the State judiciary system.

Police and Firemen's Retirement System (PFRS)—established in June 1944 to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after July 1, 1944.

Prison Officers Pension Fund (POPF)—established in January of 1941 to provide coverage to various employees working in state penal institutions who were appointed prior to January 1, 1960. The System was closed as of January 1960. Employees hired after January 1960 became members of PERS. This fund is not actuarially reserved as the State funds on a "pay as you go" basis.

Public Employees Retirement System (PERS)—established in January 1955 to provide coverage to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system.

State Police Retirement System (SPRS)—established in July 1965 to provide coverage to all uniformed officers and troopers in the State Police in the State.

Teacher's Pension and Annuity Fund (TPAF)—established in January 1955 to provide coverage to substantially all full time public school teachers in the State.

In addition to the above retirements systems, the State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several state-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a non-contributory defined benefit plan for special groups not included in other state-administered systems. The fund is not actuarially reserved nor does the state receive actuarial valuations for this system. The State funds the plan on a "pay as you go" basis.

The State also administers the Pension Adjustment Program which provides cost of living increases, equal to 60% of the change in the average consumer price index to eligible retirants in all state-sponsored pension systems. The cost of living increases are payable from the State of New Jersey Pension Adjustment Fund which is funded on a "pay as you go" basis.

The Systems have elected to report in conformity with National Council on Governmental Accounting (NCGA) Statement No. 1 which represents an acceptable reporting alternative under generally accepted accounting principles (GAAP) for retirement systems along with Financial Accounting Standards Board

(FASB) Statement No. 35 and NCGA Statement No. 6. The effective dates of the aforementioned statements were deferred indefinitely to allow the Governmental Accounting Standards Board (GASB) to formulate GAAP for public employee retirement systems.

The Systems provide for employee contributions based on percentages ranging from 3% to 10.63% of employees' annual compensation. Funding by state and state-related employers are based upon annual actuarially determined percentages of total compensation of all active members. The amount is determined annually that is necessary to provide the Systems with assets sufficient to meet benefit payments. For the year ended June 30, 1987, normal contribution rates for state and state-related employers ranged, from 6% to 32.28% and 6.87% to 16.01% respectively of active payroll. The State appropriation for the June 30, 1987 fiscal year paid July 1, 1986, is based on 1985 actuarial valuations and the state related employer contributions are payable June 30, 1987 based on the most recent 1986 actuarial valuations. The State's contribution totaled \$504,239,794 and \$460,345,100 for the years ended June 30, 1987 and June 30, 1986, respectively. The State's annual contribution approximates the actuarially determined pension cost for the year, including amortization of prior service cost over 5 to 27 years. The Systems use the "projected benefit method" with

aggregate normal cost and frozen initial unfunded accrued liability. Under this method, employers are required to make a normal cost contribution and an accrued liability contribution to fund retirement benefits accrued by members with credited past service to be amortized over a specified number of years.

In determining plan obligations, assumed rates of return on investments range from 6.5% to 6.75% and assumed salary increases range from 1% to 12.497%. Mortality, vestings, retirement age and withdrawal estimates are based on various tables supplied by the actuary. Actuarial assumptions remained unchanged during the year.

Consulting actuaries determine the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and expected date of payment. The accumulated plan benefits information, calculated in accordance with FASB No. 35, for the most recent actuarial valuation as well as other actuarial information including actuarial projected liabilities under the cost method are presented in the following table.

| <u>Actuary</u> | <u>CPFPF</u> <u>The Wyatt Company</u> | <u>JRS</u> <u>Mercer—Meidinger</u> | <u>PFRS</u> <u>Buck Consultants</u> |
|--|--|---------------------------------------|--|
| Most recent actuarial valuation date | December 31, 1985 | July 1, 1986 | June 30, 1986 |
| Actuarial present value of accumulated plan benefits | | | |
| Vested benefits: | | | |
| Retirees and beneficiaries | \$116,059,487 | \$ 38,980,528 | \$1,157,641,000 |
| Members | 1,249,955 | 62,455,237 | 1,084,042,000 |
| | <hr/> | <hr/> | <hr/> |
| | 117,309,442 | 101,435,765 | 2,241,683,000 |
| Non-vested benefits | — | 13,620,869 | 352,415,000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS | <hr/> <hr/> \$117,309,442 | <hr/> <hr/> \$115,056,634 | <hr/> <hr/> \$2,594,098,000 |
| Net assets available for plan benefits (at market value) | <hr/> <hr/> \$ N/A | <hr/> <hr/> \$ 58,241,481 | <hr/> <hr/> \$3,626,920,821 |
| The following significant actuarial assumptions were used in the actuarial computations: | | | |
| Death, retirement and withdrawals | Tables supplied by actuary | Tables supplied by actuary | Tables supplied by actuary |
| Assumed Rate of Return | 8-1/2% | 8-1/2% | 7-1/2% |
| ACTUARIAL COST METHOD (traditional approach) | | | |
| Projected accrued liabilities | <hr/> <hr/> \$132,895,427 | <hr/> <hr/> \$150,153,972 | <hr/> <hr/> \$3,655,744,000 |
| Asset valuation, at cost | <hr/> <hr/> \$113,590,209 | <hr/> <hr/> \$ 54,622,371 | <hr/> <hr/> \$2,917,039,085 |
| Assumed rate of return to determine projected accrued liabilities | 6% | 6-1/2% | 6-3/4% |
| Normal Contributions | | | |
| State | \$ 4,311,773 | \$ 5,749,482 | \$ 25,412,157 |
| State related employers | — | — | 124,744,858 |
| Unfunded accrued liabilities | <hr/> <hr/> — | <hr/> <hr/> 1,948,371 | <hr/> <hr/> 9,788,129 |
| TOTAL | <hr/> <hr/> \$ 4,311,773 | <hr/> <hr/> \$ 7,697,853 | <hr/> <hr/> \$ 159,945,144 |

| <u>Actuary</u> | <u>POPF</u> <u>Mercer—Meidinger</u> | <u>PERS</u> <u>Buck Consultants</u> | <u>SPRS</u> <u>Mercer—Meidinger</u> |
|--|--|--|--|
| Most recent actuarial valuation date | July 1, 1986 | March 31, 1986 | July 1, 1986 |
| Actuarial present value of accumulated plan benefits | | | |
| Vested benefits: | | | |
| Retirees and beneficiaries | \$18,154,473 | \$1,666,772,000 | \$123,246,991 |
| Members | 5,495,968 | 2,093,951,000 | 169,462,392 |
| | <u>23,650,441</u> | <u>3,760,723,000</u> | <u>292,709,383</u> |
| Non-vested benefits | — | 498,819,000 | 57,054,975 |
| | <u>—</u> | <u>498,819,000</u> | <u>57,054,975</u> |
| TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS | <u><u>\$23,650,441</u></u> | <u><u>\$4,259,542,000</u></u> | <u><u>\$349,764,358</u></u> |
| Net assets available for plan benefits (at market value) | <u><u>\$ 772,817</u></u> | <u><u>\$6,541,804,137</u></u> | <u><u>\$365,068,777</u></u> |
| The following significant actuarial assumptions were used in the actuarial computations: | | | |
| Death, retirement and withdrawals | Tables supplied by actuary | Tables supplied by actuary | Tables supplied by actuary |
| Assumed Rate of Return | 8-1/2% | 7-1/2% | 8-1/2% |
| ACTUARIAL COST METHOD (traditional approach) | | | |
| Projected accrued liabilities | <u><u>\$32,521,791</u></u> | <u><u>\$5,620,128,000</u></u> | <u><u>\$567,559,685</u></u> |
| Asset valuation, at cost | <u><u>\$ 771,754</u></u> | <u><u>\$4,902,465,018</u></u> | <u><u>\$292,563,434</u></u> |
| Assumed rate of return to determine projected accrued liabilities | 4-1/2% | 6-1/2% | 6-1/2% |
| Normal Contributions | | | |
| State | \$ 2,447,696 | \$ 115,543,883 | \$ 18,299,680 |
| State related employers | — | 160,945,534 | — |
| Unfunded accrued liabilities | — | 16,011,481 | 3,896,578 |
| | <u>—</u> | <u>16,011,481</u> | <u>3,896,578</u> |
| TOTAL | <u><u>\$ 2,447,696</u></u> | <u><u>\$ 292,500,898</u></u> | <u><u>\$ 22,196,258</u></u> |

| <u>Actuary</u> | <u>TPAF Buck Consultants</u> |
|---|----------------------------------|
| Most recent actuarial valuation date | March 31, 1986 |
| Actuarial present value of accumulated plan benefits | |
| Vested benefits: | |
| Retirees and beneficiaries | \$1,902,196,500 |
| Members | 2,828,559,600 |
| | <hr/> |
| | 4,730,756,100 |
| Non-vested benefits | 251,987,900 |
| | <hr/> |
| TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS | \$4,982,744,000 |
| | <hr/> <hr/> |
| Net assets available for plan benefits (at market value) | \$7,750,652,110 |
| | <hr/> <hr/> |
| The following significant actuarial assumptions were used in the actuarial computations: | |
| Death, retirement and withdrawals | Tables supplied by actuary |
| Assumed Rate of Return | 7-1/2% |
| ACTUARIAL COST METHOD (traditional approach) | |
| Projected accrued liabilities | \$7,252,971,900 |
| | <hr/> <hr/> |
| Asset valuation, at cost | \$5,729,423,812 |
| | <hr/> <hr/> |
| Normal Contributions | |
| State | \$ 293,752,552 |
| State related employers | — |
| Unfunded accrued liabilities | 25,710,091 |
| | <hr/> |
| TOTAL | \$ 319,462,643 |
| | <hr/> <hr/> |

Post-retirement health care benefits are provided for retired employees that meet specified length-of-service and other requirements. These benefits are provided through the State's self-insured trust fund. The State recognizes the cost of providing these benefits, which totaled \$8.6 million for the year ended June 30, 1987,

based on an amount of funding to provide adequate reserve balances as determined by a consulting actuary.

Systems investments at June 30, 1987, by major class, (expressed in thousands) were as follows:

| | <u>CPF</u> | | <u>CPFPF</u> | | <u>JRS</u> | |
|-----------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | <u>Amortized Cost</u> | <u>Market Value</u> | <u>Amortized Cost</u> | <u>Market Value</u> | <u>Amortized Cost</u> | <u>Market Value</u> |
| U.S. and Municipal | | | | | | |
| Government Bonds | \$ — | \$ — | \$ 58,095 | \$ 58,599 | \$ 1,768 | \$ 1,769 |
| Corporate equity securities | — | — | — | — | — | — |
| Corporate debt securities | — | — | 19,300 | 17,908 | — | — |
| Common Pension Fund A | — | — | — | — | 22,134 | 34,669 |
| Common Pension Fund B | — | — | — | — | 25,363 | 26,385 |
| State of New Jersey Cash | | | | | | |
| Management Fund | — | — | 11,265 | 11,265 | 5,763 | 5,763 |
| Other | — | — | 13,925 | 14,100 | — | — |
| | <u>—</u> | <u>—</u> | <u>102,585</u> | <u>101,872</u> | <u>55,028</u> | <u>68,586</u> |
| TOTAL | \$ — | \$ — | \$102,585 | \$101,872 | \$ 55,028 | \$ 68,586 |

| | <u>PFRS</u> | | <u>POPF</u> | | <u>PERS</u> | |
|-----------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | <u>Amortized Cost</u> | <u>Market Value</u> | <u>Amortized Cost</u> | <u>Market Value</u> | <u>Amortized Cost</u> | <u>Market Value</u> |
| U.S. and Municipal | | | | | | |
| Government Bonds | \$ 541,836 | \$ 530,129 | \$ — | \$ — | \$ 727,246 | \$ 711,255 |
| Corporate equity securities | — | — | — | — | — | — |
| Corporate debt securities | 72,525 | 65,831 | — | — | 148,833 | 135,623 |
| Common Pension Fund A | 1,137,957 | 1,860,152 | — | — | 2,198,364 | 3,565,226 |
| Common Pension Fund B | 1,241,336 | 1,271,892 | — | — | 2,221,578 | 2,310,541 |
| State of New Jersey Cash | | | | | | |
| Management Fund | 87,144 | 87,144 | 756 | 756 | 198,626 | 198,626 |
| Other | 9,818 | 9,420 | — | — | 20,816 | 19,814 |
| | <u>3,090,616</u> | <u>3,824,568</u> | <u>756</u> | <u>756</u> | <u>5,515,463</u> | <u>6,941,085</u> |
| TOTAL | \$3,090,616 | \$3,824,568 | \$ 756 | \$ 756 | \$5,515,463 | \$6,941,085 |

| | <u>SPRS</u> | | <u>SACT</u> | | <u>TPAF</u> | |
|-----------------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| | <u>Amortized Cost</u> | <u>Market Value</u> | <u>Amortized Cost</u> | <u>Market Value</u> | <u>Amortized Cost</u> | <u>Market Value</u> |
| U.S. and Municipal | | | | | | |
| Government Bonds | \$ 27,793 | \$ 27,083 | \$ — | \$ — | \$ 925,044 | \$ 901,308 |
| Corporate equity securities | — | — | 143,590 | 143,590 | — | — |
| Corporate debt securities | 9,023 | 8,448 | — | — | 276,204 | 248,991 |
| Common Pension Fund A | 137,063 | 221,920 | — | — | 2,719,701 | 4,383,465 |
| Common Pension Fund B | 144,961 | 149,574 | — | — | 2,449,786 | 2,494,195 |
| State of New Jersey Cash | | | | | | |
| Management Fund | 12,542 | 12,542 | 4,329 | 4,329 | 153,128 | 153,128 |
| Other | 599 | 560 | — | — | 33,062 | 31,830 |
| | <u>331,981</u> | <u>420,127</u> | <u>147,919</u> | <u>147,919</u> | <u>6,556,925</u> | <u>8,212,917</u> |
| TOTAL | \$ 331,981 | \$ 420,127 | \$147,919 | \$147,919 | \$6,556,925 | \$8,212,917 |

| | <u>Grand Total</u> | |
|---|----------------------------|----------------------------|
| | <u>Amortized Cost</u> | <u>Market Value</u> |
| U.S. and Municipal Government Bonds | \$ 2,281,782 | \$ 2,230,143 |
| Corporate equity securities | 143,590 | 143,590 |
| Corporate debt securities | 525,885 | 476,801 |
| Common Pension Fund A | 6,215,219 | 10,065,432 |
| Common Pension Fund B | 6,083,024 | 6,252,587 |
| State of New Jersey Cash Management Fund | 473,553 | 473,553 |
| Other | 78,220 | 75,724 |
| TOTAL | <u><u>\$15,801,273</u></u> | <u><u>\$19,717,830</u></u> |

NOTE 16—TRANSFER TO AND FROM OTHER FUNDS

Transfer to and Transfer from other funds (\$1,148.3 million) in the Statement of Revenues, Expenditures,

and Changes in Fund Balances represents operating transfers between fund groups. A summary of Transfers to and Transfers from is presented below.

| <u>Transfers From</u> | <u>Transfers To (In Millions)</u> | | | | | <u>Total</u> |
|------------------------|---------------------------------------|-------------------------|--------------------------------------|---------------------------------------|---------------------------------------|-------------------------|
| | <u>General Fund</u> | <u>Debt Service</u> | <u>Special Revenue Funds</u> | <u>Capital Projects Funds</u> | <u>Expendable Trust Funds</u> | |
| General Fund | \$ — | \$316.3 | \$36.4 | \$ — | \$165.1 | \$ 517.8 |
| Debt Service | — | — | — | — | — | — |
| Special Revenue Funds | 519.3 | — | 44.9 | — | — | 564.2 |
| Capital Projects Funds | 10.4 | — | — | — | — | 10.4 |
| Trust and Agency Funds | 45.8 | — | 10.1 | — | — | 55.9 |
| Total | <u><u>\$575.5</u></u> | <u><u>\$316.3</u></u> | <u><u>\$91.4</u></u> | <u><u>\$ —</u></u> | <u><u>\$165.1</u></u> | <u><u>\$1,148.3</u></u> |

NOTE 17—DEFICIT FUND BALANCES

The deficit fund balance in the Gubernatorial Elections Fund (\$.9 million) results from expenditures in excess of revenues. It is anticipated that revenues realized during fiscal year 1988 will reduce this deficit.

NOTE 18—FUND BALANCE RESERVED—OTHER

The following portions of fund balances have been reserved:

GENERAL FUND

Of the \$126.6 million reservation in the General Fund, \$26.2 million consists principally of long-term advances and receivables due from individuals, estates, municipalities, railroads and other funds that are considered not currently available for appropriation. \$46.7 million is reserved for potential disallowance of amounts previously claimed and received from the Federal government by the Department of Human Services. In addition, \$53.7 million represents a segregation of funds for specific future use.

SPECIAL REVENUE FUNDS

Clean Waters Fund and Natural Resources Fund

These funds have loaned various qualifying municipalities \$10.4 and \$2.5 million, respectively, for the purpose of improving sewerage treatment facilities and emergency water supply projects. These loans will be repaid over a ten year period.

Mortgage Assistance Fund

\$13.7 million represents loans receivable from the New Jersey Housing and Mortgage Finance Agency which will subsequently be repaid over a period of years based on repayments to that agency by borrowers.

Housing Assistance Fund

\$7.8 million represents loans receivable from the New Jersey Housing and Mortgage Finance Agency which are to be repaid over a period of years based on repayments to that agency of mortgage loans made to borrowers.

Water Conservation Fund

\$3.7 million represents sewage facility planning loans plus accumulated interest thereon.

Superior Court Trust Fund

The fund's Investment Advisory Committee has adopted a policy of establishing a reserve against capital losses on sales of securities to insure payment of interest at established rates. This reserve is based on 3% of the annual moving average market value of total investments as of the end of each month and amounted to approximately \$3.8 million at June 30, 1987.

Green Trust Fund

\$10.5 million represents loans and interest due from various municipalities for land acquisition and development.

Beaches and Harbor Fund

\$4.9 million represents amounts in escrow with respect to a harbor dredging project in New York Harbor.

Hazardous Discharge Site Clean Up Fund

\$.3 million represents a promissory note for which payment will be made between 1992 and 1994.

New Jersey Local Development Financing Fund

\$15.6 million represents loans made to various municipalities for economic development which will be repaid during a subsequent period of years.

Water Supply Fund

\$126.0 million represents loans to the New Jersey Water Supply Authority which will be repaid over a 10 year period commencing on May 1, 1986.

\$8.7 million represents principal and interest on rehabilitation loans made to various municipalities.

New Jersey Uncompensated Care Trust Fund

P.L. 1986, Chapter 204 requires that 1/12 of the estimated annual payment for uncompensated care is to be reserved. Accordingly, \$5.9 million has been reserved.

State Recycling Fund

\$2.5 million represents low interest loans to recycling businesses which will be repaid in future years.

Property Tax Relief Fund

The 1988 Appropriation Act requires that all Fiscal Year 1987 receipts in excess of \$2,323 million be reserved. The \$285.9 million reservation represents this excess revenue.

State Land Acquisition and Development Fund

\$2.1 million represents monies held in escrow for Liberty State Park Seawall Project.

TRUST FUNDS

Fund for Support of Free Public Schools

New Jersey Statutes provide for the establishment of a School Bond Reserve within this fund, in an amount equal to at least one and one-half percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of the debt service for bonds as provided by State appropriations. Accordingly, \$18.8 million of this fund balance has been reserved at June 30, 1987.

Higher Education Assistance Fund

\$7.3 million represents loans to students that will be paid over an extended period of time.

Unsatisfied Claim and Judgment Fund

\$3.9 million represents claims which will be repaid over an extended period of years.

Motor Vehicle Liability Security Fund

\$13.2 million represents a future liability to the New Jersey Property-Liability Insurance Guarantee Association based on a Stipulation and Order of Dismissal entered into by the State Treasurer and Commissioner of Insurance.

NOTE 19—CONTINGENT LIABILITIES

The State is involved in a number of legal actions wherein the State of New Jersey has the potential for either loss of revenue or unanticipated expenditure. The exact amount involved in these legal proceedings is not fully determinable as of June 30, 1987.

GENERAL FUND

There are presently several cases pending in federal courts challenging conditions and adequacy of care in State psychiatric hospitals and schools for the mentally retarded. The plaintiffs allege that the institutions are not providing their residents with educational and rehabilitative programs which comply with state and federal constitutional and statutory standards. At present, the State operates four psychiatric hospitals, eight State residential institutions for the mentally retarded, one nursing home and one juvenile treatment facility. Judgments for plaintiffs could require the State to make substantial expenditures, the exact amount of which cannot be estimated at this time.

There is currently a case concerning a challenge to the constitutionality of the Public Education Act of 1975, N.J.S.A. 18A:17A-1m et seq. Plaintiffs are students in the cities of Irvington, Jersey City, East Orange and Camden. Should the statute be declared unconstitutional, the State would be subject to reformulating its contributions of aid to public schools by giving more aid to urban areas. The case is currently pending before the Commissioner of the New Jersey Department of Education and has been referred to the New Jersey Office of Administrative Law for a hearing. The hearing in the New Jersey Office of Administrative Law has been held and the record is still open pending final submissions.

There is a civil action now pending in the Tax Court of New Jersey, wherein the plaintiffs have challenged the increases in motor fuels user identification markers fees effected by the Transportation Trust Fund Authority Act. Plaintiffs are seeking a declaratory judgment holding the N.J.S.A. 54:39A-10, as amended by the Transportation Trust Fund Authority Act, is unconstitutional insofar as it assesses a \$25.00 motor fuels user identification marker fee on out-of-state motor carriers; a permanent injunction against collection of the increased fee; and refunds of any increased fees unlawfully collected and attorneys' fees and costs. An adverse decision could result in tax refunds that may exceed \$30 million.

On August 28, 1987 the New Jersey Tax Court issued an order declaring that the identification marker fee violates the commerce clause. In addition, the Tax Court denied the plaintiffs' application for injunctive relief (the State having ceased to collect the fee on August 19, 1987). The refund issue involving the fees previously collected is still pending in the Tax Court.

As of June 30, 1987 there were numerous tort and contract cases and notices of claims filed against the State. The State is unable to estimate

its exposure for these cases and claims. An independent study estimated an aggregate potential exposure of \$50 million for claims pending, as of January 1, 1982. It is estimated that were a similar study made of claims currently pending, the amount of such estimated exposure would be somewhat higher.

SPECIAL REVENUE FUNDS

New Jersey Spill Compensation Fund

There are pending damage claims filed in the amount of \$41.2 million at June 30, 1987 and \$27.8 million at June 30, 1986. In addition, Exxon vs Hunt—several major taxpayers have filed suit claiming that the Spill Fund tax used to fund the toxic waste cleanup program has been pre-empted by the Federal Superfund Law. The Tax Court, the Appellate Court and the New Jersey Supreme Court upheld the State tax. In March 1986, the United States Supreme Court found that the Spill Compensation and Control Act was partially pre-empted by the Superfund law and remanded the case back to the New Jersey Supreme Court for further consideration. In April 1986, the Supreme Court of New Jersey remanded the case to the Tax Court of New Jersey. In October 1986, the New Jersey Tax Court issued proposed findings of fact and conclusions of law which was forwarded to the Supreme Court of New Jersey. On December 2, 1987, the Supreme Court remanded this matter to the New Jersey Tax Court for a determination of the amount of Spill Fund expenditures relative to pre-emption by the Federal Superfund Law. Once such determination is made, the State Legislature is afforded six months to provide for a reimbursement of the pre-empted expenditures to the Spill Fund. If such reimbursement is not provided, the plaintiffs are to be refunded pro-rata so much of the pre-empted expenditures as bears the same proportion to the total pre-empted expenditures as the amount of the Spill Act taxes paid by the plaintiffs bears to the total amount of the Spill Act taxes collected.

Sanitary Landfill Contingency Fund

Various claims totalling approximately \$27.9 million have been filed against this fund by individuals, local municipalities and school districts. The ultimate disposition of these claims is not determinable at this time.

CAPITAL PROJECTS FUNDS

State Transportation Fund and 1979 Transportation Rehabilitation and Improvement Fund

Contractor claims totaling \$1.7 million and \$29.5 million, respectively, have been filed against these

funds. These claims are for damages due to delays in construction and design problems. Fund management is presently evaluating these claims and there has been no determination as to the ultimate amount for which these funds will be liable.

AUTHORITIES

Authorities (as defined above) are legally separate entities that are not operating departments of the State. The Authorities are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. However, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

The Governor, with the approval of the State Senate, appoints the members of the board of most authorities. Authorities generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto the actions.

The amounts presented in the accompanying combined financial statements for Authorities include the following entities for the fiscal years indicated:

| <u>Entity</u> | <u>Year End</u> |
|-----------------------------------|-------------------|
| Hackensack Meadowlands | |
| Development Commission | December 31, 1986 |
| New Jersey Building Authority | December 31, 1986 |
| New Jersey Casino Reinvestment | |
| Development Authority | December 31, 1986 |
| New Jersey Economic | |
| Development Authority | December 31, 1986 |
| New Jersey Educational | |
| Facilities Authority | December 31, 1986 |
| New Jersey Expressway | |
| Authority | December 31, 1986 |
| New Jersey Health Care Facilities | |
| Financing Authority | December 31, 1986 |
| New Jersey Highway Authority | December 31, 1986 |
| New Jersey Housing and | |
| Mortgage Finance Agency | June 30, 1987 |
| New Jersey Sports and | |
| Exposition Authority | December 31, 1986 |
| New Jersey Transit Corporation | June 30, 1987 |
| New Jersey Transportation | |
| Trust Fund Authority | June 30, 1987 |
| New Jersey Turnpike Authority | December 31, 1986 |
| New Jersey Wastewater | |
| Treatment Trust | June 30, 1987 |
| New Jersey Water Supply | |
| Authority | June 30, 1987 |
| South Jersey Port Corporation | December 31, 1986 |

TRUST FUNDS

Stock Worker's Compensation Security Fund Mutual Worker's Compensation Security Fund

As of June 30, 1987, there are unasserted insurance claims in the above funds for which the amounts have not yet been determined.

Unsatisfied Claim and Judgment Fund

At June 30, 1987, this fund was contingently liable for reported excess medical benefit claims of \$544.0 million. In addition, there may be a substantial amount of incurred, but unreported excess medical benefit claims, which have been actuarially estimated to be \$718.0 million as of December 31, 1986.

The Fund is also liable for claims for injuries arising out of uninsured motorist claims actuarially estimated to be \$16.9 million at June 30, 1987.

FEDERAL PROGRAMS

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 1987, audits of expenditures for fiscal years 1985 and prior may not be completed. Disallowances which may result from these audits are not determinable at this time. It is management's opinion that disallowances, if any, would not be material as of June 30, 1987.

NOTE 20—PUBLIC AUTHORITIES AND UNIVERSITIES

(A) ENTERPRISE FUNDS

The accounts of public authorities, private not-for-profit corporations and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. The inclusion of these entities in the State's combined financial statements reflects the oversight role exercised by the State over them, but does not affect their separate legal standing. Oversight is defined to include criteria such as appointment of the board, designation of management, and the ability to significantly influence operations. Other factors that have been considered include the scope of the services rendered and the existence of special financial relationships.

Additional information, including descriptions of the entities, is provided below.

AUTHORITIES FINANCIAL INFORMATION

All the financial data presented was derived from audited financial statements and summarized into the accompanying format, which includes segment information. A statement of changes in financial position was not provided in the audited financial statements of the New Jersey Transportation Trust Fund Authority and the New Jersey Waste Water Treatment Trust.

These two statements were compiled from the authorities audited reports. The public authorities predominantly follow the accrual basis of accounting. A few of the individual component units, principally the Expressway Authority, South Jersey Port Corporation, Highway Authority, and Turnpike Authority do not fully conform to the accrual basis of accounting but are based on the provisions of bond resolutions.

SEGMENT INFORMATION (In thousands)

| | <u>Total Assets</u> | <u>Total Fund Balances</u> | <u>Total Revenue</u> | <u>Excess Revenue Over Expenses</u> | <u>Depre- ciation and Amorti- zation Expense</u> |
|--|-------------------------|------------------------------------|--------------------------|---|--|
| Hackensack Meadowlands | | | | | |
| Development Commission | \$ 107,562 | \$ 49,960 | \$ 47,809 | \$ 14,540 | \$ 790 |
| New Jersey Building Authority | 169,584 | 13,893 | 16,834 | 4,532 | — |
| New Jersey Casino Reinvestment Development Authority | 137,223 | 96,967 | 52,598 | 41,180 | — |
| New Jersey Economic Development Authority | 91,768 | 89,169 | 16,602 | 6,198 | 91 |
| New Jersey Educational Facilities Authority | 588,653 | 94,052 | 47,297 | (26,263) | — |
| New Jersey Expressway Authority | 109,023 | 60,791 | 23,146 | 6,015 | — |
| New Jersey Health Care Facilities Financing Authority | 4,102,187 | 1,167,917 | 1,789 | (119) | 93 |
| New Jersey Highway Authority | 1,163,606 | 682,599 | 137,645 | 44,976 | — |
| New Jersey Housing and Mortgage Finance Agency | 3,051,628 | 279,817 | 282,241 | 31,912 | 19,846 |
| New Jersey Sports and Exposition Authority | 517,743 | 68,053 | 167,293 | (8,284) | 13,208 |
| New Jersey Transit Corporation | 1,590,199 | 1,355,933 | 540,695 | (74,207) | 74,942 |
| New Jersey Transportation Trust Fund Authority | 657,641 | 405,150 | 361,327 | 131,797 | — |
| New Jersey Turnpike Authority | 3,561,665 | 1,020,979 | 193,305 | 19,891 | — |
| New Jersey Wastewater Treatment Trust | 175 | 69 | 8 | (181) | — |
| New Jersey Water Supply Authority | 148,352 | 54,682 | 9,637 | 707 | 2,560 |
| South Jersey Port Corporation | 58,704 | 6,837 | 13,457 | (684) | — |
| | <u>\$16,055,713</u> | <u>\$5,446,868</u> | <u>\$1,911,683</u> | <u>\$192,010</u> | <u>\$111,530</u> |

HACKENSACK MEADOWLANDS DEVELOPMENT COMMISSION

The Commission was established to provide for orderly and comprehensive development of the Hackensack meadowlands, including the authority to reclaim, plan, develop, redevelop, and regulate sanitary landfills.

The financial statements of the Commission are prepared in accordance with generally accepted accounting principles.

The principal asset of the Commission is investments of \$41.8 million, which approximates market and consist of U.S. Government Securities and New Jersey Cash Management Deposits. Fixed assets of \$12.4

million are stated at cost and depreciated over their estimated useful life using the straight-line basis. The major fixed asset is the Solid Waste Baler Facility.

The Commission's debt at December 31, 1986 consisted of notes in the amount of \$8.0 million at interest rates from 6.85% to 8%. The net revenues, defined as all revenues derived by the Commission from the operation of the baler project not applied to the expenses, are pledged as security for payment of debt service on the notes. The notes are not a debt or liability of the State of New Jersey.

Charges for services less rebates amounted to \$34.6 million for the year ended December 31, 1986. This represented 94% of operating revenue and 72% of the Commission's total revenue. The Commission's 1986 revenue includes an appropriation from the State of New Jersey in the amount of \$4.7 million.

NEW JERSEY BUILDING AUTHORITY

The Authority was created for the purpose of providing the capital resources necessary to construct office buildings and related facilities to meet the needs of State agencies.

The financial statements of the Authority have been prepared on the accrual basis in accordance with generally accepted accounting principles.

The Authority's investments of \$46.9 million, are stated at cost, which approximates market and bear interest at varying rates ranging from 5.40% to 8.45%. All investments are made by the trustee at the direction of the Authority. Fixed assets of \$107.4 million are stated at cost, less net capitalized interest on construction account investments, which includes direct construction costs and other expenditures related to construction. All construction costs related to buildings which are not yet completed are charged to construction-in-progress until such time as the buildings are completed at which time the cost is transferred to lease payments receivable.

The Authority had outstanding bonds at December 31, 1986 amounting to \$133.5 million with maturities through 2013 at interest rates from 6.5% to 12.0%. The bonds are collateralized by the lease payments received from the State of New Jersey.

The Authority has leased completed buildings and buildings in progress to the State. The State will pay rent to the Authority at times and in amounts sufficient to pay debt service on the bonds outstanding (to the extent such debt service is not funded from bond proceeds) and administrative expenses of the Authority. The transaction is accounted for as a sales type direct financing lease.

In addition, the State is responsible through its Division of Building and Construction for the letting of all contracts for the design, acquisition and construction of the Initial Project as well as supervision of con-

struction work and acceptance of the completed project. All project costs incurred by the State are paid by the Authority's bond trustee out of the construction fund after approval by an authorized Authority representative. The Authority is not liable or responsible for the adequacy, sufficiency and suitability of the plans and specifications or any contracts or agreements with respect to the acquisition, construction or installation of the Initial Project.

During the lease term of 44 years, the State is responsible for all costs relating to the operation, maintenance and repair of the Initial Project. In addition, the State pays for all utilities, taxes and governmental charges in connection with the Project during the lease term.

Minimum lease payments receivable from the State of New Jersey are to be received in an amount equal to annual debt service of the Authority until the interest on and principal of the outstanding bonds is fully paid.

At any time prior to the expiration of the lease term, the State has the option to purchase the Project for a price of \$1 plus an amount sufficient to provide for full payment of the bonds in conformity with the bond resolution. If such option has not been exercised prior to the end of the lease term, the title to the Project will be transferred by the Authority to the State at that time.

NEW JERSEY CASINO REINVESTMENT DEVELOPMENT AUTHORITY

The Authority was created pursuant to Chapter 218 of P.L. 1984, effective December 19, 1984. Under the law, licensees (casinos) are required to pay 2.5% of their gross revenues as tax or to invest 1.25% of gross revenues in bonds of the Authority. The bonds are used to finance projects approved by the Authority, in Atlantic City, South Jersey and North Jersey. The Authority can approve direct investments made by the licensees, and approved investments may be used to satisfy the licensees investment obligation.

The Authority as created pursuant to law is to maintain public confidence in the New Jersey casino gaming industry as a unique tool of urban redevelopment for the City of Atlantic City, New Jersey and to directly facilitate the redevelopment of blighted areas in New Jersey by providing eligible projects in which licensees (casinos) can invest.

The Authority provides loans and other financial assistance for the planning, construction, rehabilitation and repair of housing, recreation, transportation, education and community service facilities to provide decent, safe and sanitary living conditions for persons of low, moderate, median and middle incomes.

In addition, the Authority assists in financing buildings, infrastructure and other property to increase opportunities in manufacturing, industrial, commercial, entertainment, and service enterprises to induce and

accelerate opportunity for employment in those enterprises.

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY**

The accounts of the Authority are maintained in accordance with generally accepted accounting principles. Revenues are recorded in the accounting period that they become both measurable and available to finance operations of the current period. Investment earnings are recognized when earned. Receivables that are not considered available to finance current operations are recorded as deferred revenue. Expenditures and related liabilities are recorded in the accounting period the liability is incurred.

Investments of \$90.5 million consists primarily of funds deposited in the State of New Jersey Cash Management Fund. \$7.7 million of the investments represent repurchase agreements which were collateralized by obligations of or guaranteed by the United States. These securities were held in the pledging financial institutions name. Other receivables of \$46.3 million include \$39.1 million of obligations incurred by licensees operating prior to the establishment of the Authority, based upon two percent of its gross revenue. Obligations are payable to the Authority in accordance with the following schedule:

| | | |
|------|-----|------|
| 1979 | due | 1984 |
| 1980 | due | 1985 |
| 1981 | due | 1986 |
| 1982 | due | 1987 |
| 1983 | due | 1988 |

For financial reporting purposes, these amounts are recorded as deferred revenues and recognized as revenue in the year the payments are due and available to finance operations.

Investment obligations under the Authority statute represent amounts incurred by licensees based upon 1.25% of their gross revenues. Investment obligations are considered available and are recognized as revenue at the time gross revenues are earned by casino licensees. Payments are due quarterly on April 15, July 15, October 15 and January 15.

All investment obligations are held until projects are approved by the Authority's Board. At that time they are used for the purpose of purchasing bonds issued by the Authority for financing projects, financing licensees' direct investment projects, and the purchase of the Small Businesses, Minorities, and Women's Enterprises Authority's bonds. A pro rata share of two thirds of all interest earned by the Authority from investment of obligation funds received from licensees is payable to those licensees, such share amounted to \$2.7 million in 1986.

The reserved fund balance of \$95.8 million includes \$27.7 million of current projects which have been granted final approval by the Authority and subject to the issuance of bonds and/or adoption of a bond resolution. The remaining \$68.1 includes \$63.4 million reserved for future projects.

The Authority was established primarily to provide long-term, low interest financing to private firms and companies for the purpose of maintaining and expanding employment opportunities in the State. To accomplish its objectives, the Authority is empowered to issue tax-exempt industrial development bonds; to guarantee loans; to make direct loans; to buy and sell land, buildings, and other property; and to conduct studies related to its legislative mandate to stimulate employment and investment in New Jersey.

The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's primary source of operating revenue are its bond fees, which are based on a percentage of the principal amount of bonds issued. Revenues from this source amounted to \$3.0 million for the year ended December 31, 1986. Revenues from bond fees are recognized at the time of loan settlement.

Interest income of \$5.1 million for fiscal year 1986 is recorded as earned. Other income includes \$5.5 million from the resale of real estate. Interest earned and other revenue received is used by the Authority to increase the amount of funds available for the purpose defined in the original appropriation or grant agreements.

The Authority's principal asset is cash and cash equivalents. Cash equivalents are stated at cost which approximates market. Cash and cash equivalents at December 31, 1986 amounted to \$55.3 million and consisted of short-term certificates of deposit, U.S. Treasury obligations and prime commercial paper based on the recommendations of the Division of Investment, New Jersey Department of the Treasury. Investments are stated at cost which approximates market.

Notes receivable in the amount of \$31.3 million consist of installment notes due from companies which qualify for various loan programs of the Authority and are generally collateralized by the assets and guarantees of the companies or the principals of the companies which receive Authority assistance. The notes receivable bear interest at varying rates from 3% to 13% and mature at various times through 2003.

Other assets include \$3.6 million of real estate acquired by the Authority for development and resale. Real estate held for resale is carried at the lower of cost or estimated net realizable value. To provide an incentive for firms to locate in the industrial parks developed by the Authority, the estimated selling price does not include the total recovery of various grant funds received. Accordingly, the carrying value of real estate held for resale at December 31, 1986 is \$93,000 less than the total cost of property and related development costs.

During 1986, approximately \$479.3 million aggregate principal amount of Authority bonds have been issued. As set forth in such bonds and in the various agreements and documents related to their authorization and issuance, the principal of, premium if any, and interest on all bonds issued are payable solely from the revenues and other monies derived from the sale or other disposition of the project financed by such bonds, any other revenues from the project or other monies which may be pledged with respect to such issues. All such bonds are special obligations of the Authority, do not constitute obligations against the general credit of the Authority, and are not in any way a debt or liability of the State. Therefore, the bonds are not recorded on the financial statements of the Authority.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

The Authority was established to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell tax-exempt bonds. While the Authority may finance only revenue-producing facilities on public college campuses, it is not so restricted for the independent institutions, and may finance academic facilities as well. The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's primary source of revenue is its charges to the various colleges for their annual rental requirement. During the year ended December 31, 1986, revenue from these charges amounted to \$32.8 million. When undertaking the funding of projects for universities, the Authority normally takes title to the property by way of a deed from the respective Board of Trustees and the New Jersey Board of Higher Education. At the same time as the Authority accepts a deed to the property, it also negotiates a lease and agreement whereby the project is made available to the Board of Trustees of the College for operating purposes. The nature of the lease is that of a net lease, whereby the Board of Trustees is required to charge sufficient annual rentals to provide for operation and maintenance of the project, with a sufficient net residual amount to be available to provide for payment of the annual rentals to the Authority (rental requirement). The Authority's security for the loan is the pledge of net operating revenues from the use of the facility by the participating institution.

Since the public colleges are agencies of the State of New Jersey, the Authority Act and subsequent Supreme Court decisions testing its powers provided that a Board of Trustees may pledge only those revenues derived from the operation of the Authority financed project for the repayment of its obligations.

When the Authority makes a loan for a project on

the campus of an independent college or university, the prevalent pattern has been for the Authority to accept a mortgage on a particular facility and enter into a Loan Agreement for the repayment of the mortgage obligation. Under this system, the participating institution is responsible for the construction of the project. The mortgage on the property remains in effect during the period of the Authority's interest in the project.

The principal assets of the Authority at December 31, 1986 were receivables and investments which amounted to \$410.3 and \$165.1 million, respectively.

Receivables from mortgages and leases are repaid over periods concurrent with those of the related bond issues of the Authority. For those projects under lease agreements, it is the intention of the Authority to transfer title in the land and buildings to the institutions at the expiration of the leases. Accordingly, the leases are being accounted for as financing transactions.

Investments are comprised of Commercial Paper and U.S. Government Obligations and are stated at the lower of cost or market.

As of December 31, 1986, the Authority had outstanding revenue bonds and notes amounting to \$490.4 million, which are secured by a pledge of the net operating revenues from the use of the facility by the institution for which such bonds were issued. The obligations incurred by the Authority in issuing bonds are exclusively those of the Authority and do not place an obligation on, or have the guarantee of, the State of New Jersey for repayment of interest or principal.

During 1986 the Authority issued \$110.5 million principal amount of bonds. Of this amount \$83.6 principal amount was sold to provide for the advance refunding of \$72.0 million of previously issued obligations. In addition to the 1986 refundings, the Authority has issued refunding bonds during the period April 1983 through June 1985, principal amounting to \$66.5 million, to refund \$55.6 million in previously outstanding bonds.

The sale of the refunding issues enabled the Authority to provide for defeasance of the outstanding bond issues with a resultant reduction in annual debt service payment requirements to provide a savings to the colleges during the term of the issues.

The proceeds received from the sale of the bond issues were used to refund the outstanding bond issues by depositing in an escrow fund to be held by the Trustee an amount at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon to and including, the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date.

Approximately \$91.6 million of the fund balance includes unexpended allocated proceeds of bonds designated for specific projects, debt service and debt service reserves, and the renewal or replacement of major equipment and components of a project as required under the individual bond resolution.

NEW JERSEY EXPRESSWAY AUTHORITY

The Authority was established to acquire, construct, maintain, repair, and operate expressway projects at such locations as determined by law and to issue its bonds for such purposes. Presently, the Authority operates a toll road from Camden to Atlantic City, which is called the Atlantic City Expressway.

The accounts of the Authority are maintained in accordance with the provisions of its bond resolutions. The financial statements of the Authority differ from generally accepted accounting principles insofar as; they do not include a provision for depreciation of the Expressway and related facilities; construction costs are recorded as paid and costs of major repairs and equipment replacements are not capitalized.

Investments totaling \$30.8 million, which approximates market, are recorded at cost and consist principally of Money Market Accounts and Certificates of Deposit, U.S. Government Securities and repurchase agreements which are collateralized by various U.S. Government Securities.

Bonds payable of \$44.9 million represent the most significant liability of the Authority. On December 5, 1985, the Authority issued \$28.3 million of General Expressway System Revenue Bonds 1985 Series A dated November 1, 1985 (the "1985 Bonds"). The proceeds from the 1985 Bonds will be used for the purpose of providing a portion of the funds required to construct an additional lane on a portion of the Atlantic City Expressway.

The 1985 Bonds were issued as follows: \$7.6 million serially through November 1, 1995, with interest rates ranging from 5.50% to 7.60% and \$20.6 million term bonds due May 1, 2005, with interest at 8.875% per annum. The 1985 Bonds are subject to redemption prior to maturity, at the option of the Authority as a whole or in part at any time on or after November 1, 1995, at varying premium rates. The 1985 Bonds are secured by the proceeds of the sale of the 1985 Bonds, all revenues (subject to the primary pledge of such revenues to the 1983 Bonds) and all funds established by the resolution except for the Subordinated Obligation Fund.

In 1983, the Authority issued \$17.7 million of Expressway System Revenue Refunding Bonds (the "1983 Bonds") and \$12.5 million of Special Obligation Refunding Bonds (the "Special Obligation Bonds") for the purpose of refunding the Authority's outstanding Atlantic City Expressway Revenue Bonds, Series A and B. These bonds are not a debt or liability of the State of New Jersey.

The 1983 Expressway System Revenue Refunding Bonds mature as follows: \$5.4 million serially through November 1, 1994, with interest ranging from 6% to 9% per annum, and \$12.3 million Term Bonds due November 1, 2003, with interest at 9.875% per annum. The bonds are subject to redemption prior to maturity on

or after November 1, 1993 at varying premium rates. The Bonds are collateralized by the proceeds of sale of the Bonds, all revenues, and all funds established by the 1983 Bond Resolution except for the Subordinated Obligation Fund.

The Special Obligation Refunding Bonds mature serially through February 1, 1996, at interest rates ranging from 5.50% to 8.75% and are not subject to redemption prior to maturity. They are collateralized solely by the moneys deposited for investment securities, and the Authority is not liable for the payment of principal or interest, other than from moneys held in escrow by the trustee.

Under the terms of an agreement dated November 17, 1983, the Authority has agreed to make annual payments to the State of New Jersey to assist in transportation purposes. These payments are to be made at an annual sum of at least \$2.5 million plus additional amounts as may be determined annually based on the Authority's annual budget requirements for the next succeeding fiscal year.

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

The Authority was established to encourage the timely construction and modernization of qualified hospitals and other health care facilities by making available the necessary financing. The Authority issues revenue bonds and equipment revenue notes to designated borrowers for specific purposes in order to provide the financing. The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's primary source of revenue is its administrative fees. The Authority charges an initial fee and/or an annual administrative fee to those health care facilities for which bond and note sales have been completed. Such fees are charged for the monitoring of construction progress, processing of project costs, investment management of bond proceeds, monitoring of financial performance and other services provided to institutions to which it lends the proceeds of its bonds and notes. The fees are used to provide sufficient funds to ensure that the Authority's operating expenses will be met, and that sufficient reserves will be available to provide for the Authority's needs, including, but not limited to, the possible future expansion of the Authority's offices and staff in order to provide additional services to the health care community; the coverage of Authority members' legal liability as a result of official actions; and research and development costs consistent with the Authority's legislation. Revenues from administrative fees for the year ended December 31, 1986 amounted to \$1.3 million.

The Authority's primary asset, receivables is comprised principally of \$1.5 billion of other receivables and \$1.2 billion of mortgage receivables at December

31, 1986. Other Receivable consist primarily of loan receivables of \$1.4 billion with principal and interest payments on the loans being payable at such time and in such amounts as to provide the Authority with sufficient funds to meet the principal and interest requirements of the revenue bonds. Mortgage receivables are granted to the Authority by the borrower for periods concurrent with those of the related bond issues of the Authority. The institutions are required to make principal and interest payments to the Authority or trustee bank sufficient to meet the principal and interest requirements of the revenue bonds payable. To the extent required by the applicable debt service schedules, funds received by the Authority have been placed in debt service and debt service reserve funds for future interest and principal payments. The interest payments charged to the institutions are the same interest payments due on the Authority's outstanding revenue bonds. Among other things, the mortgages provide first liens on the physical property financed with the bond proceeds and, in some instances, previously existing hospital facilities. The Authority has assigned all of its rights, title and interest in such security to the trustee bank for each respective bond issue.

The Authority's financial statements also include cash of \$23.9 million and investments of \$1.4 billion at December 31, 1986. Investments include interest bearing time deposits, obligations of governmental agencies, obligations of banking institutions secured by investments in governmental obligations and units of the State of New Jersey Cash Management Fund.

Uninvested cash consists primarily of investments converted to cash on December 31 and utilized, together with maturities of additional investments, for the succeeding January 1 interest payments due bondholders.

As of December 31, 1986, the Authority had outstanding revenue bonds and notes of \$2.8 billion. The security for these obligations of the Authority is described above and is assigned to the Trustee of the bond issue or to the holder of the notes. The bonds and notes do not constitute a debt or liability of the State of New Jersey or any political subdivision thereof other than the Authority, or a pledge of the faith and credit of the State of New Jersey or any such political subdivision thereof other than the Authority, but are payable solely from the revenues received by the Authority under the mortgage, loan, lease and note agreements.

NEW JERSEY HIGHWAY AUTHORITY

The Authority was established to acquire, construct, operate, and maintain highway projects. The Authority has constructed and maintains and operates the Garden State Parkway. The Authority also owns and operates the Garden State Arts Center.

The Authority's policy is to prepare its financial state-

ments in accordance with the provisions of its bond resolutions. The financial statements of the Highway Authority differ from generally accepted accounting principles insofar as they do not include a provision for depreciation of the Garden State Parkway and related facilities and equipment replacements are not capitalized. However, it is the Authority's policy to annually fund the cost of the maintenance of facilities and replacement of equipment.

All operating and maintenance costs, repairs, replacements and provision for reasonable and necessary reserves to maintain such facilities in good operating condition, are charged to expense.

The Authority's fixed assets, which are stated at cost, consist principally of rights-of-way and parkway and recreational facilities. These amounts totaled \$909.4 million at December 31, 1986.

Investments totaling \$238.5 million consist of direct obligations of the U.S. Government, U.S. Government Agencies, U.S. Government Sponsored Corporations, bank repurchase agreements, and certificates of deposit which are valued at cost, adjusted for premium amortization or discount accretion.

Bonds payable of \$419.2 million at December 31, 1986 is the Authority's most significant liability. In April 1986, the Authority authorized a Financing Plan for the refunding of \$194.3 million of the ten outstanding \$273.5 million Senior Parkway Revenue Bonds, 1984 Series (the "Refunded Bonds") and to finance a portion of the Authority's five-year capital improvement program. The refunding was accomplished by the issuance of Senior Parkway Revenue Bonds, 1986 (the "Bonds"), under the Parkway Revenue Bond Resolution of 1984, Supplemental Resolution No. 2. A portion of the proceeds received from the sale of the Bonds was used to purchase direct obligations of the United States of America (the "Government Obligations"). The Government Obligations, which are held in trust for the payment of the Series 1984 Bonds, will mature at such times and in such amounts so that sufficient monies will be available to pay, when due, the principal and interest on the Refunded Bonds.

The advance refunding of the Senior Parkway Revenue Bonds, 1984 Series, in 1986 resulted in the recognition of a loss on defeasance of \$64.1 million; however, the net benefit to the Authority over the life of the new issue is an economic gain (difference between the present values of the old and new debt service requirements) of \$17.6 million.

There was an economic in-substance defeasance in 1984 whereby certain funds and monies were used to purchase direct obligations or obligations secured by direct obligations of the United States of America (the "Prior Lien Bond Government Obligations"). The Prior Lien Bond Government Obligations are held in trust and will mature at such times and in such amounts, so that sufficient monies will be available to pay all matur-

ing principal, sinking fund installments, and interest on the Junior Revenue Bonds, Series One (the "Prior Lien Bonds"). The Prior Lien Bonds in the original amount of \$40.0 million are being retired at a rate of \$4.5 million annually with a final installment of \$13.0 million payable on July 1, 1991. It is not anticipated that revenues from any of the Authority's facilities will be required to pay any part of the Prior Lien Bonds. Redemption of \$4.5 million in 1986 resulted in a gain of \$.4 million.

Bond indebtedness is collateralized by a pledge of all tolls and other revenues from the Parkway. The bonds are not a debt or liability of the State of New Jersey.

The Authority and the State of New Jersey signed an agreement in 1984, whereby the Authority agreed to make annual contributions to the State for general transportation purposes for a period of 20 years. The total annual contribution is set at \$10.0 million. The payments to the State are on a parity with or subordinate to the Senior Parkway Revenue Bonds, 1986 and 1984 Series. Payments are made to the State Payment Fund only if other required payments under the Authority's bond resolution have been made. The Authority maintains a discretionary reserve of \$5.0 million to cover seasonal variations in revenues.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

The Agency has been granted the power to obtain funds through tax-exempt bond sales and to use the proceeds to finance the construction and rehabilitation of housing projects for families of low and moderate income by providing mortgage loans to qualified housing sponsors or to increase the funds available for residential mortgage and rehabilitation or improvement loans. In addition, the agency is authorized to make loans to boarding home operators for life safety improvements.

Substantially all the Agency-financed Multi-Family Housing Projects (the Projects) have entered into subsidy contracts with the U.S. Department of Housing and Urban Development (HUD) under Section 236 of the National Housing Act, as amended, or under Section 8 of the United States Housing Act of 1937, as amended. The subsidies, paid to the Agency for the account of the respective projects, have been pledged, under the terms of the bond resolutions, for the security of the bondholders.

The Agency presents its financial statements in accordance with generally accepted accounting principles.

Interest income and fees and charges are recorded as earned. The Agency's policy is to suspend the accrual of interest and fees and charges on all delinquent loans.

Fees and charges income includes an annual ser-

ving fee on the mortgages which ranges from 1/4% to 1/2% of the original mortgage. The Agency also charges a financing fee of 2-1/2% to 3-1/2% of the mortgage which is collected upon loan closing.

Interest expense on the bonds and obligations include amortization of bond discount and premium using the effective interest method.

Expenses include Agency administrative expenses, costs and expenses incurred in connection with the authorization, issuance, sale and delivery of bonds and notes, and fees and expenses of the trustee, depository and paying agents.

Certain Projects have not generated sufficient cash flow to meet both operating expenses and debt service payments as the result of delays in attaining full occupancy levels and rising operating costs. The Agency has developed programs designed to provide adequate cash flow for these Projects by obtaining additional rental assistance subsidies from HUD, rent increases, additional contributions by limited-dividend sponsors, the State of New Jersey Bond and Housing Assistance Funds and the Agency's Administrative Fund. The Agency has provided an allowance for loan losses aggregating \$12.2 million at June 30, 1987, including provision for negative cash flows and cost overruns for these Projects.

The Agency's primary asset, receivables, is comprised of first mortgage loans of \$2.0 billion, which is net of allowances of \$2.3 million. Mortgage loans are generally repayable over terms of 25 to 48 years and bear interest at rates from 4.5% to 13.0% per annum. Primarily all first mortgage loans receivable are collateralized by first mortgage liens on the property of the housing sponsors and contain exculpatory clauses with respect to the liability of the principals and housing sponsors.

Construction advances made from the proceeds of the sale of bonds and obligations are recorded as funds are disbursed for construction costs, interest, carrying fees, working capital advances and other project-related expenses. Upon substantial completion and occupancy of the project, amortization of the loan will commence.

Investments of \$918.9 million are stated at amortized cost which approximates market. Discounts and premiums on investments are credited to income and amortized to expense, respectively, on a straight-line basis over the lives of the respective investments. Income on investments is accrued as earned.

Investments consists of \$327.4 million shares in the State of New Jersey Cash Management Fund; \$286.7 million in Investment Agreements and \$304.8 in obligations of the U.S. Government.

Cash and investments are substantially restricted under the terms of the bond resolutions for the payment of bond principal and interest expense and the extension of mortgage loans. The resolutions limit in-

vestments to obligations of the U.S. Government or its agencies, investments in certain certificates of deposit of commercial banks which are members of the Federal Reserve System, investments in the State of New Jersey Cash Management Fund and direct and general obligations of any State which meets the minimum requirements of the resolution.

In connection with certain bond resolutions, investment agreements are entered into by the Trustees, at the Agency's instruction, whereby funds are invested with highly rated financial institutions. Under certain circumstances, collateralization of the funds may be required or is provided.

The Agency also purchases U.S. Government securities from certain financial institutions under agreements whereby the seller has agreed to repurchase the securities at cost plus accrued interest.

In those instances where the market values are below amortized cost, no provision for loss has been provided as the Agency intends and believes it has the ability to hold the securities to maturity.

Other receivables of \$78.5 million include \$40.2 million in notes receivable from mortgage lenders which are general obligations of the mortgage lenders and are secured by pledges of collateral, and \$14.3 million in home improvement loans purchased by the Agency which have stated interest rates and are insured by the Federal Housing Administration (FHA). In addition, \$11.4 million in other receivables represent accrued interest receivable.

Long-term obligations are the Agency's primary liability. At June 30, 1987, outstanding bond obligations amounted to \$2.5 billion, which is net of bond discount. Bonds have varying maturity dates to 2030 and varying interest rates ranging from 3.2% to 13%.

Zero coupon bonds and compound interest bonds do not bear interest but instead accrete in value continuously until maturity. Accretion is recorded as interest expense with a corresponding increase in the value of the bonds outstanding. The Agency also issues compound interest bonds which accrete in value for a designated period of time and thereafter bear interest currently.

The bonds and notes, except for the Section 11(b) mortgage revenue bonds, are generally collateralized by: (1) a pledge of the full faith and credit of the Agency, (2) all mortgage repayments to the Agency of mortgage loans financed out of bonds or obligations pursuant to the respective Agency resolution, (3) all Agency income resulting from fees and charges collected from sponsors or permanently financed projects under the Agency resolutions pursuant to mortgages and all net operating income from such financed projects which the Agency may acquire title to, or take possession of, through protection and enforcement of its rights under

mortgage agreements on such projects, (4) all mortgages pledged as collateral under mortgage loans financed out of bonds or obligations pursuant to the respective Agency resolution, and (5) the funds and accounts under the resolutions and investments thereof.

The Section 11(b) mortgage revenue bonds are separately secured special and limited obligations of the Agency payable solely from the property pledged to the payment thereof. The Section 11(b) bonds are not payable from any of the funds or accounts established under any other resolution of the Agency securing bonds and other obligations.

The Agency has no taxing power and the State of New Jersey is not liable on bonds issued by the agency.

Due to intergovernmental agencies represents advances from the State for bond and housing assistance amounting to \$35.5 million. This represents amounts received by the Agency from the 1968 and 1976 State of New Jersey General Obligation Bond Assistance Funds. These funds have been pledged as security for bonds of certain bond resolutions and to provide additional financing (supplemental mortgages and other loans) to certain housing projects. These funds are repayable to the State when the related loans are collected and the bonds have been retired.

Other liabilities amounting to \$161.4 million include \$86.0 million of funds held in trust for mortgagors representing amount available to absorb initial operating deficits, construction overruns, and for contingencies. Also included in other liabilities are Mortgagor escrow deposits (\$56.5 million) from the projects for payments of insurance, major repairs and replacements and for payments in lieu of taxes.

In March 1987, the Agency, in conjunction with the Casino Reinvestment Development Authority, CRDA, entered into an agreement to provide funding for a \$18.0 million housing project in Atlantic City. Under the agreement, CRDA sold bonds to Atlantic City Casinos, then loaned the proceeds of the bond sale to the Agency on a pass-through basis in exchange for the Agency's interest bearing note. The Agency in turn loaned the funds to the housing project in exchange for its mortgage note. In the event of a mortgage default, CRDA has agreed to assume all risks.

During the years ended June 30, 1987 and 1986, the Agency repurchased or redeemed approximately \$473.9 million and \$156.2 million, respectively, principal amount of its bonds. A loss of \$5.1 million for the year ended June 30, 1987 and a gain of \$2.0 million for the year ended June 30, 1986 on early extinguishment of debt has been recorded since the bonds were retired prior to their scheduled maturity. The repurchases were facilitated by accelerated repayments of certain mortgages and by investment earnings.

Subsequent to June 30, 1987 the Agency redeemed the following bonds (in millions) on the dates specified below:

| <u>Date</u> | <u>Issue</u> | <u>Par Amount</u> |
|------------------|--|-------------------|
| July 10, 1987 | Second Home Improvement Loan Program | |
| | Revenue Bonds—1981 Series A | \$ 3.1 |
| | 1983 Series A | .6 |
| July 20, 1987 | Single Family Mortgage Revenue Bonds— 1980 Series 1 | 20.8 |
| August 17, 1987 | Residential Home Mortgage Purchase Bonds | 1.5 |
| October 1, 1987 | Statewide Mortgage Purchase Bonds— 1982 Series 1 | 24.4 |
| | 1983 Series 2 | 29.6 |
| October 31, 1987 | Home Mortgage Purchase Revenue Bonds— 1986 Series B | 140.0 |

In addition, the Agency has given notice to their Trustee to redeem \$21.9 million par amount of the Statewide Mortgage Purchase Bonds 1982 Series I on November 2, 1987.

On July 9, 1987, the Agency closed the Home Mortgage Purchase Revenue Bonds—1987 Series A and B issued for \$90,000,000 and \$50,000,000 respectively. These were refunding issues for the \$140,000,000 Home Mortgage Purchase Revenue Bonds, 1986 Series B, which were redeemed September 30, 1987.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

The Authority was established to own and operate various projects, located in the State of New Jersey, including stadiums and other buildings and facilities for athletic contests, horse racing, and other spectator sporting events and for trade shows and other exhibitions.

The Authority operates a racetrack for both thoroughbred and harness horseracing, and a stadium for football, and other events, which comprise the Authority's Initial Project and a multi-purpose arena (Project II) for basketball, hockey and other sports and entertainment events.

On September 24, 1985, the Authority purchased all the outstanding shares of Monmouth Park Jockey Club (the Company), which owned and operated a racetrack located in Oceanport, New Jersey at a cost of approximately \$43.5 million. On December 31, 1985, the Authority dissolved the Company and transferred all of the Company's assets to the Authority and assumed all of the Company's liabilities.

From time to time, the Authority has considered expanding into other ventures, as provided for in the Act,

including an aquarium and a baseball stadium. The Board of Commissioners authorized \$2.0 million of surplus revenues from operations of the Sports Complex during 1985 and 1984 to cover the preliminary development costs of these projects.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles. The acquisition of the Company has been accounted for under the purchase method of accounting in accordance with Accounting Principles Board Opinion No. 16.

The principal asset of the Authority, fixed assets of \$402.9 million, is stated at cost, which includes, all costs during the construction period for acquisition of land, rights-of-way, surveys, engineers charges, roads, construction costs and additions to facilities, administrative and financial expenses and interest during the construction net of interest income earned on the unexpended funds. Depreciation is computed on a straight-line method based on the estimated useful lives of the related assets. Depreciation expense for the year ended December 31, 1986 amounted to \$12.7 million.

Investments of \$85.2 million are recorded at amortized cost which approximates market. Investments (in millions) consists of Certificates of Deposit (\$51.9), U.S. Treasury Notes (\$15.4), Repurchase Agreements (\$9.5) and units in the New Jersey Cash Management Fund (\$8.4). The bond resolutions of the Sports Authority and the indenture of trust of Monmouth Park specify the banking institutions and types of investments that can be made with the money available for investment.

Repurchase agreements are secured by one or more of the securities the Authority is authorized to hold as an investment. The collateral is held by the banking

institution in the name of the Sports Authority. The Monmouth Park indenture of trust requires that the collateral be delivered to another bank or trust company as custodian. During 1986, Monmouth Park invested in repurchase agreements totalling \$25,290,000 which did not have collateral transferred to another bank or trust company.

At December 31, 1986, the Authority had outstanding bonds and notes of \$395.7 million and \$16.1 million, respectively. Included in the amount of bonds outstanding is \$73.7 million of Sports Complex Bonds—1978 Series (Senior Lien Bonds), \$175.4 million Sports Complex Refunding Bonds—1985 Series (Guaranteed by the State of New Jersey), \$107.2 million Sports Complex Subordinated Refunding Bonds—1985 Series, and \$39.4 million Monmouth Park Revenue Bonds, 1985 Series.

On December 4, 1985, the Authority issued \$175.4 million of Sports Complex Refunding Bonds, 1985 Series, guaranteed by the State of New Jersey and \$107.2 million of Sports Complex Subordinated Refunding Bonds, 1985 Series, in connection with a restructuring of the Authority's outstanding debt. The proceeds from the bonds along with other available funds of \$12.4 million were used to refund the Sports Complex Refunding Bonds, 1978 Series in the amount of \$270.5 million, the Sports Complex Subordinated Refunding Bonds, 1983 Series in the amount of \$38.3 million, the Sports Complex Notes, 1985 First Series in the amount of \$12.0 million and the accrued interest on the aforementioned obligations through December 4 of approximately \$6.9 million. In addition, \$15.9 million was deposited into the reserve account established for the 1985 Subordinated Refunding Bonds. The gain on the advance refunding was \$45.4 million. Issuance cost of \$4.8 million has been reflected in other assets.

The Sports Complex bond resolutions pledge the net revenues of the Sports Complex as security for the bonds. Pursuant to authorization contained in the State Guaranty Act, the punctual payment of principal and interest on the Guaranteed Refunding Bonds is unconditionally guaranteed by the State of New Jersey. In addition, the debt service reserve requirements of \$6.1 million and \$15.9 million for the Senior Lien Bonds and the Subordinated Refunding Bonds, respectively, have been set aside out of the proceeds of the bond sales, as additional security for the respective bond holders. These amounts are included as part of the Authority's investments.

The Senior Lien Bonds, the Subordinated Refunding Bonds and the Monmouth Park Revenue Bonds are not a debt or liability of the State of New Jersey or of any political subdivision of the State other than the Authority. The Subordinated Refunding Bonds are subordinate to the outstanding Senior Lien Bonds and \$1.0 million Sports Complex Note—1980 Third Series.

The Monmouth Park Revenue Bonds, 1985 Series, are secured by a pledge of the net revenues derived from Monmouth Park. Additional security includes mortgages on certain assets of Monmouth Park, the Debt Service Reserve of \$5.9 million, and available annual surplus revenues derived from the Sports Complex.

Notes payable (\$16.1 million) includes \$13.1 million Monmouth Park Junior Lien Restricted Revenue Notes. The notes are special, limited obligations of the Authority secured by a subordinate pledge of the net revenues derived from Monmouth Park, the Debt Service Reserve and Special Reserve accounts, respectively. The Special Reserve Account was funded on May 1, 1986 from available Sports Complex revenue in an amount equal to the maximum annual principal and interest. Additional security includes a first mortgage on certain assets of Monmouth Park.

The Authority's primary source of revenues is from the racetracks, which contributed \$121.9 million or 73% of total revenues for 1986. According to the Act which created the Authority, any excess revenues are designated for transfer to the State's General Fund.

NEW JERSEY TRANSIT CORPORATION

NJ Transit Corporation was created to acquire, own, operate and contract for the operation of public transportation services. The Corporation receives operating subsidies principally from the State of New Jersey by legislative appropriation and the Federal Government by defined formula grants under the Urban Mass Transportation Administration (UMTA). These grants are used to support the operation of public transportation services. The Corporation provides these services through the operation of bus and commuter rail subsidiaries. During the year ended June 30, 1987, the Corporation received approximately \$167.4 million in operating subsidy from the State of New Jersey and \$49.0 million from the Federal Government. The Corporation cannot issue revenue bonds.

The Corporation's financial statements are presented in accordance with generally accepted accounting principles.

Fixed assets of \$1.47 billion are reported net of \$369.1 million accumulated depreciation, which is provided on a straight-line basis over the estimated useful lives of the fixed assets.

The Corporation receives designated funds from Federal, State and local sources for substantially all capital acquisitions. The receivables for these capital grants and the related contributed capital are recorded when eligible expenditures are incurred on projects funded by such grants. Assets acquired in connection with capital grants are included in fixed assets. Certain grants require a State or local match at an agreed percent of total project costs.

Injury and damage claims for NJ Transit operations are accrued at estimated award or settlement amounts. The Corporation is self-insured for up to \$2.0 million and \$3.0 million per occurrence for Bus and Rail Operations, respectively, and subject to additional participation for losses from \$4.0 million to \$6.0 million, and from \$24.0 million to \$25.0 million for Bus Operations, and from \$5.0 million to \$7.0 million for Rail Operations. The Corporation has recorded an estimated liability of \$35.9 million claims as of June 30, 1987 of which \$15.7 million is included in Other Liabilities at June 30, 1987.

The Corporation and the Port Authority of New York and New Jersey are related parties and have entered into an agreement whereby the Port has committed funds up to \$220.0 million to the Corporation for the purchase of buses or bus facilities which would qualify as the local match on certain UMTA capital grants. When purchased, such buses or facilities are leased to the Corporation at no cost for a period approximating their useful life. Fixed assets include approximately \$161.0 million at June 30, 1987 for the cost of buses purchased by the Port Authority and leased to Corporation at no cost.

The Corporation has entered into various lease agreements for land, buildings, and equipment ranging in periods from 5 years to 25 years. The Corporation has recorded obligations under capital leases of \$58.0 million which are included in Other liabilities on the balance sheet.

Minimum lease commitments as of June 30, 1987 are as follows:

| <u>Years ending June 30</u> | <u>(Dollars In Thousands)</u> |
|--|-----------------------------------|
| 1988 | \$ 7,734 |
| 1989 | 8,811 |
| 1990 | 7,241 |
| 1991 | 6,833 |
| 1992 | 6,663 |
| Subsequent to 1992 | <u>81,238</u> |
| Total minimum lease payments | 118,520 |
| LESS: Executory costs | <u>(2,043)</u> |
| Net minimum lease payments | 116,477 |
| LESS: Estimated amounts representing interest | <u>(58,494)</u> |
| Present value of net minimum lease payments | <u>\$ 57,983</u> |

As of June 30, 1987, NJ Transit had made commitments of approximately \$80 million for fiscal year 1988 operating expenditures. Additionally, the Corporation was committed for future expenditures of \$223.6 million.

The Corporation also has commitments for future expenditures on other non-capital projects of approximately \$76 million. Funding for all such commitments is dependent upon the availability of future Federal and State funding.

Certain claims and contingencies have been asserted relating to the re-electrification projects for cost overruns, lost track time, change orders and delay claims. As of June 30, 1987, such claims and contingencies totaled approximately \$32 million. Management believes that the ultimate settlement of such claims will not have a significant effect on the consolidated financial statements.

The National Railroad Passenger Corporation (Amtrak) has advised NJ Transit of a potential claim to be filed by the State of New York for unpaid sales tax on services purchased since January 2, 1983 for NJ Transit's rolling stock maintenance performed by Amtrak at Sunnyside Yard, Queens, New York. The Corporation disputes this on the grounds that it is constitutionally exempt from sales tax. Under the Northeast Rail Service Act of 1982 (NERSA), Amtrak was granted an exemption from all State sales tax liability nationwide. NJ Transit believes that when the Northeast Rail Service Act was adopted, Congress failed to consider the possible application of State taxes to interstate commuter authorities. Efforts are currently underway to cure this congressional omission and management believes these efforts will be successful resulting in no final liability by NJ Transit.

NJ Transit is not in full compliance with certain Federal grant regulations. Efforts have been undertaken to establish future compliance and management believes that the ultimate resolution of these matters will not have a material effect on the consolidated financial statements of NJ Transit.

The Corporation issued grant anticipation notes during November 1985 and August 1986. The proceeds of the notes are used to fund working capital needs. These notes are special and limited obligations of the Corporation payable solely from note proceeds, Federal operating grant proceeds and investment earnings on funds held by the Trustee. The November 1985 and August 1986 notes were defeased as of June 30, 1986 and 1987, respectively.

Subsequent to June 30, 1987, the Corporation has entered into a line of credit arrangement providing for maximum borrowings of 80% of the Corporation's Federal Section 9 operating grant proceeds for future working capital needs.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

The New Jersey Transportation Trust Fund Authority was created to provide the payment for and financing of all, or a portion of, the costs incurred by the State Department of Transportation for the planning, acquisi-

tion, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system.

Pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, the Authority may issue its bonds to provide the payment for and financing of all or a portion of the State's share of the costs of such programs to the extent that State appropriations to the Authority and other available Authority revenues in each fiscal year are insufficient to fund such costs. The Act currently provides that the aggregate principal amount of bonds, notes or other obligations, including subordinated indebtedness, of the Authority may not exceed \$600 million.

The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's most significant asset, investments of \$379.6 million are stated at cost, which approximates market. Investments consist of \$135.1 million in U.S. Government obligations and \$244.5 million in units of the State of New Jersey Cash Management Fund.

Pursuant to a contract signed with the State of New Jersey, the Authority will receive revenues during the fiscal year ending June 30, 1988 from state appropriations, which are funded from assessments to toll road authorities, commercial vehicle fees and motor fuel taxes, pursuant to Article VIII, Section 2 of the State Constitution. Revenues in the amount of \$201,000,000 have been appropriated by the State to the Authority for the fiscal year ending June 30, 1988.

The Authority's primary liability is bonds payable of \$251.8 million.

Transportation System Bonds payable at June 30, 1987, is composed of the January 15, 1985 original issue of \$61,270,000 of Series A Bonds, maturing serially from December 15, 1985 through December 15, 1994 at interest rates ranging from 4.75% to 8.00% and the December 1, 1986 issue of \$200,000,000 of Series A Bonds, maturing sequentially from June 15, 1988 through June 15, 1997 at interest rates ranging from 4.10% to 6.00%.

The Series A Bonds maturing on December 15, 1992, 1993 and 1994 are subject to redemption prior to maturity, in whole or in part, at any time after December 15, 1991, at varying premium rates.

The Bonds are primarily secured by payments received or to be received by the Authority from the State of New Jersey.

NEW JERSEY TURNPIKE AUTHORITY

The Authority was established to construct, maintain, repair, and operate turnpike projects at locations established by law and to issue turnpike revenue bonds or notes of the Authority, subject to prior approval in writing from the Governor and from either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the

Authority. Under the provisions of the Act, turnpike bonds or notes and interest thereon shall not be deemed to constitute a debt or liability or pledge of the faith and credit of the State or any political subdivision thereof. The Authority presently operates the New Jersey Turnpike.

Accounts of the Authority are maintained in accordance with the provisions of the Bond Resolution and on the Authority's interpretation of said resolution. These practices differ in certain respects from generally accepted accounting principles applied in the presentation of financial position and results of operations commonly followed by other types of enterprises. The significant practices are as follows:

Depreciation of the Turnpike and related facilities is not included as an operating expense or otherwise provided.

Costs of investment in facilities are generally recorded when paid except for costs for payments to contractors and engineers which include amounts withheld (retainage) from such payments. Income on unexpended construction funds is credited to cost of investment in facilities when received.

Costs of investment in facilities also include expenses in connection with the offering, selling and issuance of bonds and notes; discount on the sale of bonds and notes; costs of issuing refunding bonds; costs of certain real estate in excess of right-of-way requirements which may be sold and proceeds applied in reduction of construction costs; certain interest on bonds and notes, and administrative and legal expenses during the construction period.

Toll revenues are recorded as received.

Income on investments and other income is recorded when received.

Operating expenses (including materials, supplies and equipment) and compensated absences are recorded when paid.

Interest on bond indebtedness is recorded on the accrual basis.

Costs for major repairs, replacements or maintenance items of a type not recurring annually or at short intervals and costs for major surfacing, replacement, repairs, renewals or reconstruction of the Turnpike System are recorded when paid.

The Turnpike's principal asset, investments (in millions), at December 31, 1986 consisted of the following:

| | |
|-----------------------------|------------------|
| U.S. Government Obligations | \$2,013.1 |
| Certificates of Deposit | 38.2 |
| Repurchase Agreements | 40.4 |
| Other Investments | 2.8 |
| | <u>\$2,094.5</u> |

Investments are carried at cost, which approximates their market value. Other investments include life insurance bonds purchased under the provisions relating to the Employees' Deferred Compensation Plan.

On November 21, 1985, the Authority issued \$2.0 billion of Turnpike Revenue Bonds, 1985 Series Bi-Modal Multi-Term Format Bonds (the 1985 Bonds or Priority Bonds). Under the Bi-Modal Multi-Term Format (BMTF) structure, the Authority issued all the Bonds necessary to finance the 1985-1990 widening program (originally estimated to cost \$1.7 billion) at one time. Initially, proceeds of the Bond sale were invested in government securities and deposited into an Escrow Account within the Construction Fund. As funds are needed for construction, monies will be transferred out of the Escrow Account and into the Widening Program Construction Account (both accounts are contained within the Construction Fund). The Authority will not begin to pay debt service from revenues until such funds are utilized for construction.

The 1985 Bonds have two modes while they are outstanding: Mode 1 and Mode A. These modes differ with respect to primary security and maturity. Initially, \$2 billion of Bonds were issued as Mode 1 Bonds and \$1 million of Bonds were issued as Mode A Bonds.

When Bonds are in Mode 1, the primary security as to principal and interest payments are monies held in the Escrow Account. As the Authority makes funds available for construction, the Mode 1 Bonds will be converted to Mode A Bonds. The primary security for Mode A Bonds are the net revenues, as defined, of the Authority.

Bonds in Mode 1 have tender dates ranging from one week to July 2, 1990. On these tender dates, the bonds may be redeemed or converted to Mode A Bonds, at the discretion of the Authority. Bonds converted to Mode A will have varying maturity dates ranging to January 1, 2018.

On September 13, 1984, the Authority issued \$501.8 million of Turnpike Revenue Bonds, 1984 Series (the 1984 Bonds), for the purpose of refunding the Authority's outstanding 1966 Turnpike Revenue Bonds and 1977 Turnpike System Revenue Bonds, having outstanding principal amounts aggregating \$538.0 million and \$186.9 million, respectively.

The 1984 Bonds are term bonds which mature as follows: \$249.0 million due January 1, 2003 with interest at 10.375% per annum; \$69.2 million due January 1, 2005 with interest at 12% per annum; \$132.5 million due January 1, 2009 with interest at 6-3/4% per annum; and \$51.0 million due January 1, 2014 with interest at 7% per annum. The bonds are collateralized by the proceeds of the sale of the 1984 Bonds, all revenue, and all amounts on deposit in funds established by the resolution other than the State Payment Fund and the Construction Fund. Such lien is subordinate to the lien and pledge of net revenues for any Priority Bonds which may be issued pursuant to the Resolution. Under

the terms of the Bond Resolution the 1985 Bonds have a senior lien on the revenues of the Authority over the 1984 Bonds.

Toll revenues of \$173.5 million accounted for 90% of the Turnpike's total revenues during 1986. Expenses related directly to this revenue accounted for \$34.2 million or 33% of total operating expenses, whereas expenses for maintenance, repair, replacement and reconstruction accounted for \$25.9 million or 25% of total operating expenses.

Under the terms of an agreement dated April 27, 1984, the Authority has agreed to make annual payments to the State of New Jersey to assist in transportation purposes (see Transportation Trust Fund Authority). These payments, which aggregate \$12 million annually, are due for a period of 20 years from the agreement date. The payments to the State are subordinate to the 1985 Turnpike Revenue Bonds and the 1984 Turnpike Revenue Bonds.

On January 30, 1987, the Authority approved a resolution authorizing a preliminary remarketing memorandum for the Authority's currently outstanding \$2 billion Turnpike Revenue Bonds, 1985 Series, Bi-Modal Multi-Term Format (1985 Bonds) in Mode 1. The 1985 bonds are subject to mandatory tender for purchase upon the occurrence of events under the Drop-Lock Provision of the Bond Resolution.

Pursuant to the Bond Resolution, the interest rate on the 1985 Bonds will be converted from adjustable rates to a fixed rate of interest to maturity (the "Long-Term Rate"), determined as set forth in the Bond Resolution. On the Drop-Lock Conversion Date, the 1985 Bonds will be converted to Mode A and will be secured by the Net Revenues of the Authority and the Priority Debt Reserve Fund. The Long-Term Rate will remain in effect until the maturity (January 1, 2018) or earlier redemption of the 1985 Bonds.

NEW JERSEY WASTEWATER TREATMENT TRUST

The New Jersey Wastewater Treatment Trust (the "Trust") was created by the State Legislature in November 1985 as an independent State financing authority to administer the New Jersey Wastewater Treatment Financing Program. The Trust is empowered to issue revenue bonds, make loans and guarantee debt issued by local governments for the construction and rehabilitation of eligible wastewater treatment projects. The Trust will finance fifty percent of the allowable costs of wastewater treatment projects. The Trust will lend its share of allowable costs to local governments for up to twenty years at a rate equal to or less than the interest rate on its revenue bonds. Local borrowers' loan repayments will be used to pay debt service on Trust revenue bonds. Interest earnings on the Trust's reserve fund will help offset Trust loan repayments.

The financial statements of the Trust are presented in accordance with generally accepted accounting principles.

Operating fund expenditures consist primarily of the Trust's share of bond counsel and financial advisor fees incurred in connection with the development of the Wastewater Financing Program and the Trust's anticipated issuance of revenue bonds during fiscal year 1988. Pursuant to an agreement between the State and the Trust, such costs are shared by the Trust and the State of New Jersey.

Under an agreement dated November 3, 1986, the State of New Jersey, through the Department of Environmental Protection, capitalized the Trust with an initial appropriation of \$250,000.

NEW JERSEY WATER SUPPLY AUTHORITY

The Authority was created by the New Jersey Water Supply Authority Act and in connection with the Act, all water supply facilities owned or operated by the State (Delaware and Raritan Canal Transmission Complex and Spruce Run-Round Valley Reservoir Complex) were transferred or leased to the Authority. The Act empowers the Authority to acquire, finance, construct and operate water systems under certain circumstances and authorizes the issuance of bonds of the Authority and provides for the terms and security thereof.

The financial statements of the Authority are presented in accordance with generally accepted accounting principles.

The Authority's fixed assets (essentially utility plant) are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place in operation the projects of the Authority. Normal maintenance and repair costs are charged to operations and maintenance expense. Major repairs, improvements and replacements are capitalized.

Utility plant is depreciated on the straight-line basis over the estimated useful lives of the various classes of plant.

Short-term investments (\$5.4 million) and restricted investments (\$61.0 million) for construction and repayment of interest consist primarily of money market funds with variable interest rates at June 30, 1987. Restricted investments at June 30, 1987 for construction and repayment of interest on the Manasquan State Loan Notes are governed by an investment agreement whose return is fixed at 7.72%. All investments are carried at cost, which approximates market.

The Authority's principal liability, Due to Intergovernmental Agencies (\$91.6 million) represents amounts due to the State of New Jersey. This amount consists of various contractual agreements with the State.

The Authority has a contractual obligation to retire the remaining principal and interest associated with the 1958 and 1969 State bond issues. The bonds bear

interest at 3.269% and 5.40%, respectively. The Authority also has a contractual obligation to repay the December 12, 1985 loan of \$19.6 million. These funds were obtained from the 1981 bond appropriation of \$20.6 million. On June 3, 1987, the Authority issued \$63.6 million of its Manasquan Water Supply System State Loan Notes ("the State Loan Notes") pursuant to the terms of a State Loan Agreement between the Authority and the State of New Jersey (the "State Loan Agreement") from moneys made available from a State bond appropriation of \$72.0 million. The State Loan Notes bear interest at 7.15%. Aggregate maturities of bond, loan and State Loan Notes principal and interest (dollars in thousands) are as follows:

| | |
|--|-------------------------|
| 1988 | \$ 3,159 |
| 1989 | 2,438 |
| 1990 | 2,624 |
| 1991 | 2,620 |
| 1992 | 3,722 |
| 1993 through 2027 | <u>120,473</u> |
| Total principal and interest | 135,036 |
| Less: Amounts representing interest | <u>(42,997)</u> |
| Principal amount due to State of New Jersey | 92,039 |
| Less: Current portion | <u>(1,716)</u> |
| Long-term liability at June 30, 1987 | <u><u>\$ 90,323</u></u> |

The Authority has no obligation to repay 1976 and 1980 bond proceeds as these issues were considered to be contributed capital.

In accordance with the terms of the State Loan Agreement the State Loan Notes are classified as either Current Debt Service Portion Notes or Deferred Service Portion Notes. The principal amount classified as the Current Debt Service Portion Notes is \$27.1 million (the "Current Notes") and the principal amount classified as the Deferred Debt Service Portion notes is \$36.5 million (the "Deferred Notes"). Payment of the interest on the Current Notes is deferred until February 1, 1991 or such later February 1 or August 1 as is at least two months following the date which the Authority's Manasquan Reservoir Water Supply System (the "System") becomes fully operable. Interest accruing on the Current Notes prior to the first interest payment date accretes as principal and bears interest at the rate of 7.15% per annum. Principal of the Current Notes, including the interest that has accreted as principal, shall be payable in thirty annual installments, the first of which is due on August 1, 1991 or such later August 1 as is the first such date which is at least thirteen months following the date upon which the System becomes fully operable.

The Deferred Notes bear interest from June 3, 1987 but such interest is not payable until the Deferred Notes have been exchanged for Current Notes. Interest accruing on the Deferred Notes accretes as principal and bears interest at the rate of 7.15% per annum. Interest on the Deferred Notes will cease to accrue three years after the first payment of interest on the Current Notes. Principal of the Deferred Notes, including the interest that has accreted as principal will be discharged solely by exchange for Current Notes or by the expiration of a period of forty years from their date of issuance. The Deferred Notes must be exchanged for Current Notes on an annual basis to the extent that the Authority has entered into additional long-term contracts to sell water from the System.

The accretion to the principal amount, of interest from June 3, 1987, the date of the loan, to July 31, 1990 for the Current Notes and to July 31, 1993 for the Deferred Notes is expected to be \$22.2 million. The initial issuance costs of \$478,406 are being amortized over the applicable forty year financing period.

In fiscal year 1986, the Authority and the Department of Environmental Protection negotiated a ninety-nine year property lease, commencing July 1, 1987, whereby the Authority will lease certain additional real property known as the Delaware and Raritan Canal Transmission Complex. The State House Commission approved the lease on June 17, 1986. Sole consideration under the lease agreement is the benefits derived from the transfer of responsibility for operation and maintenance of the Delaware and Raritan Canal by the State of New Jersey to the Authority.

The Authority supplied water to approximately twenty-five customers during fiscal year 1987. Two customers accounted for approximately 80% of total operating revenues.

On September 1, 1987, the Authority entered into three contracts for the construction of the Manasquan Reservoir project totalling \$41.5 million.

SOUTH JERSEY PORT CORPORATION

The Port Corporation was established to acquire, construct, rehabilitate, improve, operate and maintain marine terminals in the South Jersey Port District, which includes Mercer, Burlington, Camden, Gloucester, Salem, Cumberland and Cape May counties.

The accounts of the Port Corporation are maintained in accordance with the provisions of its bond resolutions. The financial statements of the Corporation differ from generally accepted accounting principles insofar as depreciation has not been recognized as an expense, nor have the purchases of fixed assets from the Operating Fund been capitalized.

The Corporation's most significant asset, fixed assets (Port facilities) of \$48.0 million, is stated at original

cost. The Port facilities include two Marine Terminals—Beckett Street Terminal and Broadway Terminal.

Investment at December 31, 1986 (\$6.8 million) consisted of participation in the New Jersey Cash Management Fund, U.S. Government Securities, time deposits and Wilmington Trust Company Notes due in the year 2020. These notes are subject to prior maturity if funds are necessary to meet obligations under the terms of the bond resolution. The notes are collateralized under the terms of the bond resolution.

The Corporation is subject to the provisions and restrictions of the Marine Revenue Bond Resolution adopted June 5, 1985. According to the bond resolutions of the Corporation, a reserve fund must be maintained in order to provide the necessary funds to meet debt service obligations should revenues be insufficient. In addition, the Corporation is required to maintain a tax reserve fund in order to provide for the payment of amounts due to local governments in lieu of property taxes. To the extent that these reserve funds are not adequately funded, the laws of New Jersey require an annual appropriation be made by the Governor and paid to the Corporation for deposit in said funds. The amount to be appropriated is based on an annual certification by the Corporation's Chairman to the Governor on or before December 1.

On December 9, 1986, the Chairman certified to the Governor that the Corporation anticipated it would be able to provide sufficient funds from operations for debt service and would, therefore, not require a State appropriation for the reserve fund; however, \$1.6 million was required to provide an amount equal to the property tax reserve. Likewise, \$1.6 million was received during 1986 from the State of New Jersey to fund the property tax reserve as a result of the 1985 certification.

At December 31, 1986 the Marine Terminal Revenue Bonds consisted of the following (in thousands):

| | <u>Year of Maturity</u> | <u>Interest Rate</u> | <u>Principal Amount</u> |
|----------------------------------|-----------------------------|--------------------------|-----------------------------|
| Serial bonds dated June 1, 1985: | | | |
| | 1995 | 7.80% | \$ 320 |
| | 1996 | 8.00 | 345 |
| | 1997 | 8.20 | 375 |
| | 1998 | 8.40 | 405 |
| | 1999 | 8.50 | 440 |
| | 2000 | 8.60 | 475 |
| Term bonds dated June 1, 1985: | | | |
| | 2005 | 8.75 | 3,085 |
| | 2020 | 9.00 | 23,150 |
| | | | <u>\$28,595</u> |

The Bond Resolution requires annual sinking fund payments which commence in 2001 in the amount of \$.5 million and increase each year through 2020 when the payment is \$2.6 million. In addition, these Bonds are subject to redemption prior to maturity as a whole or in part by lot at the option of the Corporation on or after January 1, 1995 at a redemption price which decreases from 102% during 1995 to 100% from 1999 through maturity.

During 1985, the Port Corporation issued \$28.6 million of Marine Terminal Revenue Bonds for the purpose of refunding the outstanding debt (Series A and B) which was \$29.2 million at the time. Approximately \$26.2 million is held in trust for the payment of the refunded debt. These funds are primarily invested in Treasury Bonds (State and Local Government Series) at rates of interest sufficient to pay the principal and interest as it becomes due. This debt is considered defeased and as such the debt and related assets held

in trust are properly not included in the balance sheet. This refunding created a gain of \$1.3 million.

On April 2, 1987 the Port Corporation issued \$31.6 million Marine Terminal Revenue Bonds, 1987 Series C and \$10.3 million Marine Terminal Revenue Bonds, 1987 Series D. The Series C bonds are being issued to refund the "1985 Refunding Bonds," in a "crossover refunding." The proceeds of the Series C bonds will be used to pay debt service on the "1985 Refunding Bonds." Debt Service on the "1985 Refunding Bonds" through January 1, 1995, excluding principal due on their date, is to be paid from revenues. The Series D bonds are being issued to provide for various capital improvements and additions to the Marine Terminal facilities; to provide funds to increase in the Debt Reserve Fund the debt reserve requirement; and to provide for the payment of interest on the Series D bonds through to and including July 1, 1988.

OTHER INFORMATION

Fixed assets are comprised of the following (in thousands):

| | Cost of Investment in Facilities | Land and Land Improve- ments | Buildings | Equipment | Accum- ulated Depre- ciation | Total (Net) |
|---|---|---|----------------------|------------------|---|------------------------|
| Hackensack Meadowlands Development Commission | \$ — | \$ 1,922 | \$ 16,489 | \$ 4,078 | \$ 10,100 | \$ 12,389 |
| New Jersey Building Authority | — | 3,839 | 103,600 ¹ | — | — | 107,439 |
| New Jersey Casino Reinvestment Development Authority | — | — | — | — | — | — |
| New Jersey Economic Development Authority | — | — | — | 1,077 | 657 | 420 |
| New Jersey Educational Facilities Authority | — | — | — | 135 | 22 | 113 |
| New Jersey Expressway Authority | 75,436 | — | — | — | — | 75,436 |
| New Jersey Health Care Facilities Financing Authority | — | — | — | 566 | 195 | 371 |
| New Jersey Highway Authority | 909,357 | — | — | — | — | 909,357 |
| New Jersey Housing and Mortgage Finance Agency | — | — | — | 1,144 | 687 | 457 |
| New Jersey Sports and Exposition Authority | 424,417 | 92,118 | — | — | 113,590 | 402,945 |
| New Jersey Transit Corporation | — | — | 1,033,500 | 801,381 | 369,100 | 1,465,781 |
| New Jersey Transportation Trust Fund Authority | — | — | — | — | — | — |
| New Jersey Turnpike Authority | 1,433,313 | — | — | — | — | 1,433,313 |
| New Jersey Wastewater Treatment Trust | — | — | — | — | — | — |
| New Jersey Water Supply Authority | — | 73,618 | 13,754 ¹ | 1,927 | 12,132 | 77,167 |
| South Jersey Port Corporation | — | 17,120 | 22,840 | 8,015 | — | 47,975 |
| | <u>\$2,842,523</u> | <u>\$188,617</u> | <u>\$1,190,183</u> | <u>\$818,323</u> | <u>\$506,483</u> | <u>\$4,533,163</u> |

(1) Includes construction in progress.

Certain Authorities issue their own revenue bonds and bond anticipation notes. Bond anticipation notes are generally repaid from the proceeds of revenue bonds to be issued from the renewal of the notes, Federal or State aid or other sources relative to the purpose of the issuance. Revenue bonds, except as

disclosed are not obligations of the State of New Jersey and have interest rates ranging from 3.2% to 13.75%. Interest rates for bond anticipation notes ranged from 3.375% to 11%. Changes in outstanding bonds and notes (in thousands) were as follows:

| | Outstanding, Beginning of Year | Issued | Redeemed | Outstanding, End of Year |
|--|--------------------------------------|--------------------|--------------------|--------------------------------|
| Hackensack Meadowlands Development Commission | \$ 12,530 | \$ — | \$ 4,495 | \$ 8,035 |
| New Jersey Building Authority | 142,092 | — | 8,569 | 133,523 |
| New Jersey Casino Reinvestment Development Authority | — | 68 | — | 68 |
| New Jersey Economic Development Authority | 1,213 | — | 1,213 | — |
| New Jersey Educational Facilities Authority | 462,980 | 110,405 | 82,985 | 490,400 |
| New Jersey Expressway Authority | 45,230 | — | 375 | 44,855 |
| New Jersey Health Care Facilities Financing Authority | 2,823,986 | 79,848 | 61,675 | 2,842,159 |
| New Jersey Highway Authority | 275,545 | 145,655 | 2,025 | 419,175 |
| New Jersey Housing and Mortgage Finance Agency | 2,812,717 | 260,569 | 540,580 | 2,532,706 |
| New Jersey Sports and Exposition Authority | 413,413 | 1,000 | 2,595 | 411,818 |
| New Jersey Transit Corporation | — | — | — | — |
| New Jersey Transportation Trust Fund Authority | 56,635 | 200,000 | 4,855 | 251,780 |
| New Jersey Turnpike Authority | 2,502,825 | — | — | 2,502,825 |
| New Jersey Wastewater Treatment Trust | — | — | — | — |
| New Jersey Water Supply Authority | 65,708 | 745,399 | 811,107 | — |
| South Jersey Port Corporation | 28,595 | — | — | 28,595 |
| | <u>\$9,643,469</u> | <u>\$1,542,944</u> | <u>\$1,520,474</u> | <u>\$9,665,939</u> |

Debt service requirements to maturity for revenue bonds and notes are as follows (in thousands):

| | |
|-------------|--------------------|
| First Year | \$ 349,268 |
| Second Year | 156,312 |
| Third Year | 161,813 |
| Fourth Year | 159,444 |
| Fifth Year | 251,285 |
| Thereafter | 8,587,817 |
| | <u>\$9,665,939</u> |

The following schedule details bonds that were either legally defeased or were defeased in-substance at each Authority's year end.

Proceeds from the bond issues and, in some instances, monies available from the Authorities were used to purchase direct obligations of the United States Government which are held in trust for the payment of the bonds. The U.S. Government obligations are scheduled to mature at such times and in such amounts so that sufficient monies will be available to pay the principal and interest on the bonds when due.

New Jersey Building Authority

| | |
|-------------------|---------------|
| 1981 Series Bonds | \$129,040,000 |
| 1982 Series Bonds | 155,720,000 |

New Jersey Educational Facilities Authority

| | |
|--|--------------|
| Montclair State College, Series 1982 B | \$15,980,000 |
| Montclair State College, Series 1982 C | 8,245,000 |
| Stockton State College, Series 1980 B | 9,620,000 |
| William Paterson College, Series 1981 A | 12,320,000 |
| Stockton State College, Series 1981 D | 3,780,000 |
| Kean College of N.J., Series 1981 E | 4,105,000 |
| Glassboro State College, Series 1982 D | 1,540,000 |
| New Jersey Institute of Technology, Series 1982 F | 5,920,000 |
| Glassboro State College, Series 1983 C | 10,200,000 |
| Trenton State College, Series 1983 F | 8,790,000 |
| Glassboro State College, Series 1983 G | 3,010,000 |
| Ramapo College of New Jersey, Series 1984 A | 7,205,000 |
| Trenton State College, Series 1984 B | 9,110,000 |
| Montclair State College, Series 1983 A | 18,320,000 |
| Montclair State College, Series 1983 B | 9,480,000 |

New Jersey Expressway Authority

| | |
|---|--------------|
| Atlantic City Expressway Revenue Bonds, Series A and B | \$21,815,000 |
|---|--------------|

New Jersey Health Care Facilities Financing Authority**Public Issues:**

| | |
|--|--------------|
| Community Hospital Group, Inc., Series A | \$ 8,220,000 |
| Chilton Memorial Hospital, Series A | 2,945,000 |
| Helene Fuld Medical Center, Series A | 2,060,000 |
| Shore Memorial Hospital, Series A | 7,985,000 |
| Community Memorial Hospital Association (Toms River), Series A | 11,690,000 |
| The Overlook Hospital Association, Series C | 17,795,000 |

| | |
|---|------------|
| Hackensack Hospital, Series A (Currently Hackensack Medical Center) | 35,205,000 |
| Burlington County Memorial Hospital, Series A (Currently Memorial Hospital of Burlington County) | 42,345,000 |
| Riverview Hospital, Series A | 50,225,000 |
| Mercer Medical Center, Series B | 13,530,000 |
| Monmouth Medical Center, Series A | 16,915,000 |
| Our Lady of Lourdes Medical Center, Series A | 8,200,000 |
| St. Francis Hospital, Series A | 20,335,000 |
| Chilton Memorial Hospital, Series B | 36,335,000 |
| Warren Hospital, Series A | 10,815,000 |
| West Jersey Health Systems, Series A | 68,275,000 |
| Hackensack Medical Center, Series 1982 A & B | 43,770,000 |
| Dover General Hospital, Series B | 35,245,000 |
| Passaic General Hospital, Series A | 53,980,000 |
| Warren Hospital, Series B | 1,630,000 |

Private Issues:

| | |
|--|------------|
| Community Hospital Group, Inc., Series B | 200,000 |
| Dover General Hospital and Medical Center, Series A | 2,200,000 |
| John F. Kennedy Memorial Hospital, Series A | 3,620,000 |
| Zurbrugg Memorial Hospital, Series A | 4,345,000 |
| Burdette Tomlin Memorial Hospital, Series A | 3,385,000 |
| St. Peter's Medical Center, Series A | 4,498,000 |
| Bridgeton Hospital Association, Series A | 3,000,000 |
| The Society of The Valley Hospital, Series A | 3,505,000 |
| Burlington County Memorial Hospital, Series B | 4,630,000 |
| Morristown Memorial Hospital, Series A | 20,380,000 |

New Jersey Highway Authority

| | |
|---|---------------|
| Junior Revenue Bonds, Series 1 | \$ 40,000,000 |
| Parkway Refunding Revenue Bonds, 1978 Series | 82,640,000 |
| Senior Parkway Revenue Bonds, 1984 Series | 273,520,000 |

New Jersey Sports and Exposition Authority

| | |
|--|---------------|
| Sports Complex, 1978 Series Refund Bonds | \$270,466,000 |
| Sports Complex, 1983 Series Subordinated Refunding Bonds | 38,271,000 |
| Sports Complex, 1985 First Series | 12,000,000 |

New Jersey Turnpike Authority

| | |
|------------------------------------|---------------|
| 1966 Turnpike Revenue Bonds | \$537,982,000 |
| 1977 Turnpike System Revenue Bonds | 186,855,000 |

South Jersey Port Corporation

| | |
|---|---------------|
| Marine Terminal Revenue Bonds, Series A and B | \$ 29,155,000 |
|---|---------------|

Pensions

The employees of the various Authorities are generally covered by the Public Employees' Retirement System of New Jersey (PERS). This pension system was established by an act of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by state legislation. Contribution to the Retirement System by the Authority is based upon a percentage of the Authority's annual gross wages.

State law requires actuarial valuation every year and actuarial investigation every three years. Such valuations and reviews insure that the program adequately recognizes the additional costs resulting from experience or legislative changes in the benefits to be paid.

The State law also provides that any changes in pension fund benefits must be approved by the Legislature, and that each bill submitted to the Legislature must be accompanied by a fiscal memorandum stating the cost of the proposal. State law provides that pension fund benefits are not subject to negotiation between the public employers and the employee members of the plan.

New Jersey Transit Corporation and its subsidiaries have sponsored plans covering substantially all employees; certain employees are covered by PERS or the Railroad Retirement Fund. Contributions to the sponsored plans are based on an accepted projected benefit actuarial cost method which maintains contributions at a relatively level percentage of payroll. NJ Transit contributes to the PERS plan and Railroad Retirement Fund based upon a fixed percentage of applicable compensation as determined by the respective plan sponsors.

A comparison of the actuarial present value of accumulated plan benefits and the market value of net

assets available for plan benefits of NJ Transit Corporation sponsored plans as of the most recent valuation dates (dollars in millions) is presented below:

| | <u>1987</u> | <u>1986</u> |
|--|----------------|---------------|
| Actuarial present value of accumulated plan benefits: | | |
| Vested | \$ 76.1 | \$65.1 |
| Nonvested | 24.8 | 20.3 |
| Total | <u>\$100.9</u> | <u>\$85.4</u> |
| Market Value of Net Assets Available for Plan Benefits | <u>\$ 91.1</u> | <u>\$64.3</u> |

A weighted average rate of return of 8.7% was used in determining the actuarial present value of accumulated plan benefits.

In addition to providing pension benefits, the Corporation provides an employee savings and protection plan (401-K Plan) for all eligible employees. The Plan permits each employee to contribute up to 17% of salary not to exceed \$7,000 annually on a pretax basis. The Corporation provides a maximum 50% matching contribution each month on the first 6% contributed by employee. Recorded expenses for all plans amounted to \$39.2 million in fiscal year 1987.

In addition to providing pension benefits to retired employees, the Corporation also provides certain post-retirement health care benefits. Substantially all of the Corporation's employees may become eligible for such benefits if they reach normal retirement age while working for the corporation. Health care benefits for active and retired employees are provided through an insurance company whose premiums are based on the benefits paid during the year. The Corporation recognizes the cost of providing such benefits by expensing the annual insurance premiums, which were \$11.4 million in fiscal year 1987.

(B) UNIVERSITY FUND

Transactions related to the financial activities of Rutgers, the State University, the New Jersey Institute of Technology, and the University of Medicine and Dentistry (Universities) are accounted for in the University Fund. The University of Medicine and Dentistry operates a hospital in addition to the University. The financial statements of this fund have been prepared in accordance with the American Institute of Certified Public Accountants' "Industry Audit Guide—Audit of Colleges and Universities" and, accordingly, are presented in a separate column in the combined balance sheet.

Basis of Accounting

The accounts of the universities are maintained and reported on the accrual basis of accounting.

Fund Accounting

The financial activities of the universities are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for higher education programs and higher education general endowment and similar funds.

Unrestricted revenue is accounted for in the current unrestricted fund. Restricted gifts, grants, endowment income and other restricted resources are accounted for in the current restricted fund, loan funds, endowment and similar funds and plant funds. Revenue and expenses are reported in the current restricted fund when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the universities are accounted for in loan funds. Resources dedicated to the acquisition and investment in property, plant and equipment are accounted for in the plant funds. To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewals and replacements; and (3) transfers of a nonmandatory nature in all other significant cases.

General endowment funds are subject to the restrictions of gift instruments requiring the principal be invested in perpetuity and only the income be utilized. Term endowment funds are similar to general endowment funds except, upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended. Quasi-endowment funds have been established for the same purposes as general endowment funds, except any portion of quasi-endowment funds may be expended.

Investments

Investments of the universities are stated at cost, adjusted for amortization of premiums and accretion of discounts. Donated securities are carried at market value at the date of gift.

Patient Service Revenues

Patient revenues, which were \$91.7 million during 1987, are recognized at the time of service, net of allowances applicable to third-party payers, charity and bad debts in the amount of \$55.8 million.

Accounts and Notes Receivable

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection.

The estimated losses are based on historical collection experience and a review of the status of existing receivables.

Inventories

Inventories are stated at the lower of cost, using the first-in, first-out method, or market.

Plant

Property, plant and equipment are stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets.

The University of Medicine and Dentistry's Plant Funds include University Hospital and several smaller facilities which were financed by a \$120.0 million State of New Jersey General Obligation Medical Educational Facilities Bond Issue (Bond Issue). Because this Bond Issue is an obligation of the State of New Jersey, it is not reflected on the University's balance sheet. The book value of University Hospital includes approximately \$20.5 million of capitalized interest costs which were paid by the State.

Operating Transfers from State's General Fund

A substantial portion of the University Fund's current unrestricted expenses, including current payments for retirement costs and fringe benefits, are funded through appropriations from the general fund at the time the expenses are encumbered or paid. State appropriations are included as appropriation revenue and as expenditures in the accompanying financial statements.

Transactions with Affiliates

The financial statements of the New Jersey Institute of Technology do not include the accounts of the Foundation at New Jersey Institute of Technology ("the Foundation"), a privately incorporated resource development organization that has as its goal the support of excellence in instruction, research and public service programs at the New Jersey Institute of Technology. The Foundation's assets and liabilities approximated \$3.4 million and \$2.9 million, respectively.

The Foundation of the University of Medicine and Dentistry of New Jersey, incorporated in 1973 for the benefit of the University, is not included in the accompanying financial statements. Total assets of the Foundation as of June 30, 1987 aggregated approximately \$32.9 million.

By action of the University's Board of Trustees, with the concurrence of the Board of Governors, the Rutgers University Foundation was established for the benefit of Rutgers, The State University to aid in obtaining resources to meet the needs of the University for which adequate funding is not available from other sources. The accounts of such Foundation are not in-

cluded in the accompanying financial statements. Based upon audited financial statements as of June 30, 1987, net assets of the Foundation aggregated approximately \$13.0 million.

Pension & Retirement Benefits

Retirement benefits for the majority of eligible full-time employees of the University Funds are provided under various pension agreements, namely the Public

Employees' Retirement System and the Teachers Insurance and Annuity Association College Retirement Equity Fund. Under these arrangements, the plan participants make annual contributions, and the State provides the University's portion of the contribution directly. In addition to the above major plans, some employees of the University of Medicine and Dentistry are covered under retirement systems of the City of Newark.

NOTES PAYABLE

Rutgers, the State University had notes payable outstanding at June 30, 1987 (in thousands) as follows:

| | |
|---|---------------------------------|
| 8.25% unsecured demand note payable to bank | \$ 4,750.0 |
| 6.60% unsecured demand note payable to bank | 3,350.0 |
| Installment loan payable to bank, due in monthly installments of \$2,056, including interest at 5% per annum, final installment due July 3, 1992 | 110.5 |
| Installment loan payable to bank, due in monthly installments of \$3,798, including interest at 5.5% per annum, final installment due January 10, 1989 | 69.0 |
| Installment loan payable to bank, due in quarterly installments of \$10,675, plus a variable rate of interest, 5.1% at June 30, 1986, and final installment due September 30, 1992 ... | 224.2 |
| Installment loan payable to bank, due in quarterly installments of \$18,438, plus a variable rate of interest, 6.0% at June 30, 1986, final installment of \$1,094,000 due December 31, 1988 | 1,186.1 |
| Advance payable to the New Jersey Sports and Exposition Authority, to be repaid prior to April 1, 1988 from a percentage of television and bowl appearance revenues; beginning April 1, 1988, remaining principal will be repaid in twelve annual installments with interest at a rate to be negotiated prior to September 1, 1987, final installment due April 1, 2000 | 1,334.6 |
| TOTAL | <u><u>\$11,024.4</u></u> |

Rutgers, the State University, has an unsecured \$20.0 million line of credit with a bank which is to be used for interim financing of construction projects. At June 30, 1987, the University had borrowed \$8.1 million against the line of credit.

The New Jersey Institute of Technology had notes outstanding at June 30, 1987 in the amount of \$218 thousand. The terms of the notes provide for payment of interest at annual rates of 5% to 12%. The notes require monthly payments of principal and interest for various five to seven year periods.

BONDS PAYABLE AND OTHER DEBT

Rutgers, the State University entered into an open-ended indenture dated May 1, 1967 to provide a means of financing construction of auxiliary enterprise facilities and to consolidate previously outstanding bond indebtedness. Under the terms of the indenture, all

bonds issued are direct and general obligations of the University and are in no way an obligation of the State of New Jersey. All revenues from auxiliary enterprise facilities constructed from the proceeds of the bonds together with revenues from certain other such facilities are pledged to secure the indebtedness and must be applied to (1) annual interest and amortization payments, (2) debt service reserve deficiency, if any, (3) operating and maintenance expenses, and (4) the funding of repair and replacement reserves. The excess of funds, after satisfying these requirements, is available to the University. The University has covenanted that so long as the bonds are outstanding, it will not incur any other indebtedness secured by a pledge of the facility revenues, nor sell, mortgage or otherwise dispose of such facilities.

A summary of bonds issued and outstanding (in thousands) for Rutgers, the State University at June 30, 1987 is as follows:

| | <u>Date of Series</u> | <u>Original Amount</u> | <u>Outstanding June 30, 1987</u> |
|---|-----------------------|-------------------------|----------------------------------|
| Revenue refunding bonds: | | | |
| Series A, 3 $\frac{1}{8}$ %, due serially to May 1, 2001 | 5/1/67 | \$ 5,025 | \$ 3,110 |
| Series B, 2 $\frac{7}{8}$ %, due serially to May 1, 1999 | 5/1/67 | 575 | 295 |
| Series C, 2 $\frac{3}{4}$ %, due serially to May 1, 1999 | 5/1/67 | 2,190 | 1,050 |
| Series D, 4.4% effective, due serially to May 1, 1999 | 5/1/67 | 1,920 | 510 |
| Total Refunding Bonds | | <u>9,710</u> | <u>4,965</u> |
| Revenue bonds: | | | |
| Series E, 3 $\frac{3}{4}$ %, due serially to May 1, 2016 | 5/1/67 | 1,200 | 955 |
| Series F, 3%, due serially to May 1, 2016 | 11/1/67 | 2,350 | 1,790 |
| Series G, 7% effective, due serially to May 1, 2005 | 11/1/69 | 13,600 | 10,950 |
| Series H, 5.9% effective, due serially to May 1, 2007 | 11/1/70 | 8,300 | 6,800 |
| Series I, 6.7% effective, due serially to May 1, 2001 and term bonds due May 1, 2011 | 11/1/75 | 24,800 | 21,930 |
| Series J, 5.8% effective, due serially to May 1, 2003 and term bonds due May 1, 2013 | 11/1/76 | 11,200 | 10,045 |
| Series K, 6.68% effective, due serially to May 1, 2004 and term bonds due May 1, 2014 | 11/1/77 | 7,635 | 7,000 |
| Series L, 9.70% effective, due serially to May 1, 2003 and term bonds due May 1, 2013 | 5/1/83 | 5,400 | 5,250 |
| Series N, 7.38% effective, due serially to May 1, 2001 and term bonds due May 1, 2016 | 8/1/87 | 35,625 | 35,265 |
| Total Revenue Bonds | | <u>110,110</u> | <u>99,985</u> |
| General obligations bonds: | | | |
| Series 1, 7.63% effective, due serially to May 1, 2001 and term bonds due May 1, 2015 | 5/1/86 | 10,100 | 10,100 |
| 1987 Series A, 7.7% effective, due serially to May 1, 2002 and term bonds due May 1, 2017 | 5/1/87 | 89,015 | 89,015 |
| Total General Obligation Bonds | | <u>99,115</u> | <u>99,115</u> |
| TOTAL BONDS | | <u><u>\$218,935</u></u> | <u><u>\$204,065</u></u> |

The Revenue Refunding Bonds, Series A-D, and the Revenue Bonds, Series E-L and N, were issued under an open-ended indenture of trust date May 1, 1967 to provide a means of financing construction of auxiliary enterprise facilities and to consolidate previously outstanding bond indebtedness. Under the terms of the indenture, all bonds issued are direct and general obli-

gations of the University and are in no way an obligation of the State of New Jersey. All revenues from auxiliary enterprise facilities constructed from the proceeds of the bonds together with revenues from certain other such facilities are pledged to secure the indebtedness. The University has covenanted that so long as the bonds are outstanding, it will not incur any other in-

debtedness secured by a pledge of the facility revenues, nor sell, mortgage or otherwise dispose of such facilities.

The Series N Bonds were issued to refund the University's outstanding Revenue Bonds, Series M, dated November 1, 1984. The proceeds of the Series N Bonds were used to deposit into a special escrow fund to be held by the Trustee, as refunding escrow trust agent, an amount sufficient to purchase certain direct obligations of or obligations guaranteed by the United States of America, the principal of and interest on which will be sufficient to pay, when due, the principal of, redemption premium, if any, and interest on the Series M Bonds as they mature on and before May 1, 1995.

The General Obligation Bonds, Series 1, were issued under an indenture of trust, dated May 1, 1986, to provide a means of financing a portion of the cost of construction of the Center for Advanced Biotechnology and Medicine to be located in Piscataway, New Jersey. Construction and operation of the Center is to be undertaken as a joint venture of Rutgers, The State University and the University of Medicine and Dentistry of New Jersey (UMDNJ).

Series 1 Bonds are not a debt, liability or a loan or pledge of credit out of the property or funds of the State of New Jersey.

The General Obligation Bonds, 1987 Series A, were issued under an open-ended indenture of trust, dated May 1, 1987, to provide a means of financing a portion of the cost of the construction of certain academic and other facilities of the University (Phase II Facilities). The Series A Bonds are not construed or deemed to be a debt, liability, or a loan or pledge of credit of, or be payable out of the property or funds of the State of New Jersey.

Principal payments by Rutgers, the State University applicable to Series A through L and N, Series 1 and 1987 Series A due over the next five years and thereafter are as follows:

| <u>Fiscal Year</u> | <u>Amount (Thousands)</u> |
|--------------------|-------------------------------|
| 1988 | \$ 2,900 |
| 1989 | 3,200 |
| 1990 | 3,370 |
| 1991 | 3,580 |
| 1992 | 3,780 |
| Thereafter | 187,235 |
| Total | <u>\$204,065</u> |

Pursuant to the terms of a lease and agreement dated September 1, 1971 between Rutgers, The State University and the New Jersey Educational Facilities Authority ("Authority"), the University transferred to the Authority title to certain land, upon which dormitories have been constructed.

In 1974, the Authority issued bonds in the aggregate amount of \$6,725,000 at an effective interest cost of 5.95% per annum, for the purpose of providing long-term financing for the aforementioned facilities. Such bonds mature serially through 2008. In accordance with the agreement, the University is required to pay an annual rental to the Authority over the life of the agreement in amounts necessary to retire the bonds, including interest, provide sinking fund and reserve account requirements and reimburse the Authority for its administrative costs. As security for its obligation under the agreement, the University has pledged the revenues arising from the financed facilities. Upon retirement of the bonds, title to the land and facilities will revert to the University; accordingly, the land and facilities have been capitalized with a corresponding liability classified as a capitalized lease obligation. At June 30, 1987, this liability is \$5,455,000.

The University has entered into certain lease-purchase agreements for equipment which are principally for a duration of one to five years depending on the application and financial advantage to the University. At June 30, 1987, the aggregate capitalized lease obligation associated with these agreements, which excludes future interest payments, is approximately \$1,465,000.

In addition to the \$218 thousand notes payable, the New Jersey Institute of Technology has bonds payable (in thousands) consisting of:

| | |
|--|-----------------|
| 1986 Series A, 7.25%, (due to the New Jersey Educational Facilities Authority to July 1, 2006) | \$26,775 |
| 1986 Series B, 7.0%, (due to the New Jersey Educational Facilities Authority to July 1, 2002) | 6,715 |
| Total | <u>\$33,490</u> |

Aggregate principal payments during the next five fiscal years and thereafter for notes and bonds payable are:

| <u>Fiscal Year</u> | <u>Amount (Thousands)</u> |
|--------------------|-------------------------------|
| 1988 | \$ 1,181 |
| 1989 | 1,161 |
| 1990 | 1,215 |
| 1991 | 1,273 |
| 1992 | 1,323 |
| Thereafter | 27,555 |
| Total | <u>\$33,708</u> |

In December, 1986, the New Jersey Institute of Technology issued the Series 1986 B Bonds for the purpose of refinancing its Series 1982 F issue. The proceeds from this transaction have been irrevocably deposited with the Trustee of the 1982 F issue, in order to satisfy the principal, interest, and call premium obligations of the 1982 F bonds. The bonds cannot be called until July 1, 1992, at which time the Trustee intends to do so. Accordingly, the amounts deposited with the Trustee and the liability with respect to the 1982 F issues have been removed from the financial statements.

At June 30, 1987, long-term debt of University of Medicine and Dentistry consisted of the following (excluding debt relating to Raritan Valley Hospital discussed below):

| | |
|--|--------------|
| University of Medicine and Dentistry of New Jersey, Series A Tax Exempt Revenue Bonds of December 1985 issued in the amount of \$12,335,000. Serial bonds in the amount of \$6,955,000, bearing interest at rates of 6.25-8.70% are payable in equal installments of interest and principal through 2000; \$5,095,000 of 8.9% term bonds are due in 2005. The issue is collateralized by certain University revenues | \$12,050,000 |
| University of Medicine and Dentistry of New Jersey, Series B Tax Exempt Revenue Bonds of August 1986 issued in the amount of \$56,840,000. Serial bonds in the amount of \$22,550,000 bearing interest at rates of 5.0-7.1% are payable in equal annual installments of interest and principal through 2001; \$34,290,000 of term bonds bearing interest of 7.0% and 5.0% are due through 2001. The issue is collateralized by certain University revenues | 56,840,000 |
| University of Medicine and Dentistry of New Jersey, Certificates of Participation, Series A issued in February 1987 | 936,768 |
| | 69,826,768 |
| LESS: Amortized discount of Series B Tax Exempt Revenue Bonds | (5,398,146) |
| Total | \$64,428,622 |

In February 1987, the University of Medicine and Dentistry of New Jersey entered into a Master Lease Agreement whereby the University may acquire up to \$13,080,000 in various types of equipment under a capital lease. To finance these acquisitions, the underwriter for the Lessor, Fiscal Funding of New Jersey I, issued \$13,080,000 of Certificates of Participation, bearing interest at 4.10-5.20% due serially from December 1988 to December 1992 and placed the proceeds in an Acquisition Account. The University draws against these proceeds for equipment purchases, which will be repaid through rent payments over a five year period. Title to all equipment purchases under this lease agreement vests with the University and the lease is secured by the equipment acquired.

The Plant Funds include the assets, liabilities and fund balance related to Raritan Valley Hospital (RVH). From August 1975 until May 1981, the University leased RVH from the New Jersey Health Care Facilities Financing Authority (Authority) and operated the facility as an acute care hospital and ambulatory care center. Effective May 1, 1981, the University was discharged from its obligations under the Authority lease and possession of RVH was transferred to the Division of Mental Retardation (DMR). The RVH accounts will be formally transferred to DMR when the appropriate authorizing legislation is enacted. At June 30, 1987, RVH assets and long-term debt are \$10,178,666 and \$4,685,533, respectively, and are reflected on the plant funds balance sheet.

Repayments of principal amounts of long-term debt and capitalized leases, exclusive of the debt related to Raritan Valley Hospital, for the next five years are as follows:

| Fiscal Year | Amount |
|-------------|--------------|
| 1988 | \$ 305,000 |
| 1989 | 1,561,522 |
| 1990 | 1,648,361 |
| 1991 | 1,731,511 |
| 1992 | 1,835,129 |
| Thereafter | 62,745,245 |
| Total | \$69,826,768 |

Self Insurance Reserve Fund

The University of Medicine and Dentistry of New Jersey maintains a trust fund with the State of New Jersey Department of the Treasury known as the "University of Medicine and Dentistry of New Jersey Self-Insurance Reserve Fund" which provides professional and comprehensive general liability insurance coverage. Monies in the fund, existing commercial excess liability insurance coverage and coverage provided by the State of New Jersey Tort Claims Act, will be used to meet the cost of claims assessed against the University, which includes University Hospital and affiliated hospitals.

The assets of the fund are only used for payment of malpractice and other tort liability claims, related expenses, insurance expense and the cost of administering the fund.

Payments by affiliated hospitals for University employees and staff while employed at the affiliated hospitals totalled \$2,859,462 in 1987. The combined payment of the University and related facility practice plans amounted to \$2,781,477 in 1987.

An actuarial valuation was performed as of October 31, 1986, which indicated that there was a maximum exposure for asserted and unasserted claims of \$11,448,000. Based upon this valuation the administration believes that the reserve appeared to be adequate for funding potential liability claims as of June 30, 1987. The State has the ultimate liability for any claims in excess of the reserve fund.

Commitments

At June 30, 1987, Rutgers, The State University had estimated completion cost of capital projects under construction, in the design stage with approved sources of funding, and in the design stage pending determination of sources of funding, of approximately \$188,709,582.

NOTE 21—JOINT VENTURES

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor.

The Governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each governor has from time to time exercised the statutory power to veto the actions of the commissioners from his state.

The commissioners serve six-year overlapping terms as public officials without compensation. They

establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds and its future revenues. The agency has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority for the fiscal year ended December 31, 1986 disclosed the following (in thousands):

| Financial Position | |
|--|---------------------------|
| Total Assets | \$5,290,422 |
| Total Liabilities | <u>3,265,604</u> |
| Net Assets | <u><u>\$2,024,818</u></u> |
| Operating Results | |
| Operating Revenues | \$1,169,586 |
| Operating Expenses | (937,820) |
| Depreciation and Amortization | <u>(156,727)</u> |
| Income from Operations | 75,039 |
| Financial Income (Expense), Net | <u>(38,500)</u> |
| Income Before Extraordinary Gain | 36,539 |
| Extraordinary Gain—Purchase of Port Authority Bonds in Connection with Sinking Fund Requirements | <u>2,082</u> |
| Net Income | <u><u>\$ 38,621</u></u> |
| Changes in Net Assets | |
| Balance, January 1, 1985 | \$1,954,498 |
| Net Income | 38,621 |
| Federal Contributions in Aid of Construction | <u>31,699</u> |
| Balance, December 31, 1986 | <u><u>\$2,024,818</u></u> |

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 1986, Port Authority debt consisted of the following (in thousands):

| | |
|-------------------------|--------------------|
| Consolidated Bonds | \$2,659,825 |
| Consolidated Notes | 100,000 |
| Special Project Bonds | 96,500 |
| | <hr/> |
| | 2,856,325 |
| Less: Amortized Cost of | |
| Purchased Bonds | (32,284) |
| Unamortized Discount | (19,201) |
| | <hr/> |
| Total | <u>\$2,804,840</u> |

NOTE 22—SUBSEQUENT EVENTS

Effective July 1, 1987 nine State colleges whose revenue and expenditures were previously accounted for in the General Fund were given autonomous status as result of Chapters 42 and 88 of Public Laws of 1986 and 1987 respectively. Beginning in fiscal year 1988 the activities of these nine state colleges will be accounted for in accordance with the accounting principles established for colleges and universities. For fiscal year 1988 the financial statements of these colleges will be re-

ported in the College and University Fund group in the Comprehensive Annual Financial Report.

In August 1, 1987, a sale of Certificates of Participation was conducted. The State is to pay a total of \$97.6 million; \$80,770,000 represents principal and \$16,837,829 represents interest. Capital equipment leases utilizing the proceeds of this issue are expected to be entered into during fiscal year 1988.

The majority of the State's investment in equity securities is in the various retirement systems. At June 30, 1987 the retirement systems (TPAF, PERS, PFRS, SPRS, and JRS) had approximately \$3,850,213,000 of net unrealized appreciation (market value in excess of carrying value) on equity securities invested in Common Pension Fund A. During October 1987, the stock market experienced unprecedented volatility and decline in value. As of October 31, 1987, the net unrealized appreciation on the equity securities that were in Common Pension Fund A at June 30, 1987 decreased to \$1,791,572,000. The effect on the market value of the remaining securities held at June 30, 1987 was immaterial. Retirement benefits payable to the plan participants are set by state formulas which are not affected by the market value of pension fund assets. Furthermore, management believes the current decline in market value will not have an adverse effect on future contributions as actuarial valuations are based on the carrying value of investments.



COMBINING FINANCIAL STATEMENTS

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SPECIAL REVENUE FUNDS

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987**

| | Alcohol Education, Rehabilitation & Enforcement Fund | Beaches And Harbor Fund | Boarding House Rental Assistance Fund |
|--|---|--|--|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 103,852 | \$ 10,536 | \$ 3,851 |
| INVESTMENTS | — | 4,881,888 | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | — | 282,623 | — |
| OTHER ASSETS | | | |
| Due from other funds | 14,333,263 | 1,775,796 | 8,059,541 |
| Deferred charges | — | — | — |
| Total Assets | \$14,437,115 | \$6,950,843 | \$8,063,392 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 5,047,904 | \$ — | \$ 175,342 |
| Deferred revenue | — | — | — |
| Due to other funds | — | 427,606 | 106,745 |
| Advances from other funds | — | — | — |
| Other | — | 16,845 | — |
| Total Liabilities | 5,047,904 | 444,451 | 282,087 |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | 97,262 | 9,124 | — |
| Other | — | 4,881,888 | — |
| Unreserved: | | | |
| Designated for continuing appropriations | — | 1,049,424 | — |
| Undesignated | 9,291,949 | 565,956 | 7,781,305 |
| Total Fund Balances | 9,389,211 | 6,506,392 | 7,781,305 |
| Total Liabilities and Fund Balances | \$14,437,115 | \$6,950,843 | \$8,063,392 |

| Casino Control Fund | Casino Revenue Fund | Clean Communities Account Fund | Clean Waters Fund | Clients' Security Fund |
|---------------------|----------------------|--------------------------------|---------------------|------------------------|
| \$ — | \$ — | \$ — | \$ 1,177 | \$ 229,184 |
| — | — | — | — | 4,360,466 |
| — | — | — | — | — |
| 8,559,472 | 3,681,730 | 48,372 | — | — |
| — | — | — | 10,407,331 | — |
| — | — | — | — | — |
| — | 195,681,504 | 5,344,571 | 10,586,013 | — |
| — | — | — | — | — |
| <u>\$8,559,472</u> | <u>\$199,363,234</u> | <u>\$5,392,943</u> | <u>\$20,994,521</u> | <u>\$4,589,650</u> |
| \$5,221,798 | \$ 8,091,887 | \$ 100,752 | \$ 262,214 | \$ 190,256 |
| 2,341,500 | — | — | — | — |
| 901,170 | — | 225,000 | 2,381,403 | — |
| — | — | — | — | — |
| — | — | — | — | — |
| <u>8,464,468</u> | <u>8,091,887</u> | <u>325,752</u> | <u>2,643,617</u> | <u>190,256</u> |
| 2,336,671 | 26,611,170 | — | 4,677,509 | — |
| — | — | — | 10,407,330 | 46,705 |
| — | 1,000,000 | — | 12,252,733 | — |
| (2,241,667) | 163,660,177 | 5,067,191 | (8,986,668) | 4,352,689 |
| <u>95,004</u> | <u>191,271,347</u> | <u>5,067,191</u> | <u>18,350,904</u> | <u>4,399,394</u> |
| <u>\$8,559,472</u> | <u>\$199,363,234</u> | <u>\$5,392,943</u> | <u>\$20,994,521</u> | <u>\$4,589,650</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Emergency Flood Control Fund</u> | <u>Enterprise Zone Assistance Fund</u> | <u>Farmland Preservation Fund</u> |
|--|---|--|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 587 | \$ 64,291 | \$ — |
| INVESTMENTS | — | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | — | — | — |
| OTHER ASSETS | | | |
| Due from other funds | 3,602,565 | 2,998,878 | 8,907,169 |
| Deferred charges | — | — | — |
| Total Assets | \$ 3,603,152 | \$3,063,169 | \$8,907,169 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ — | \$ — | \$ 13,600 |
| Deferred revenue | — | — | — |
| Due to other funds | 499,409 | — | 664,742 |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Total Liabilities | 499,409 | — | 678,342 |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | 8,678,142 | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Designated for continuing appropriations | 5,418,911 | — | 8,143,092 |
| Undesignated | (10,993,310) | 3,063,169 | 85,735 |
| Total Fund Balances | 3,103,743 | 3,063,169 | 8,228,827 |
| Total Liabilities and Fund Balances | \$ 3,603,152 | \$3,063,169 | \$8,907,169 |

| <u>Green Trust Fund</u> | <u>Gubernatorial Elections Fund</u> | <u>Hazardous Discharge Site Cleanup Fund</u> | <u>Housing Assistance Fund</u> | <u>Jobs, Science And Technology Fund</u> |
|-------------------------|-------------------------------------|--|--------------------------------|--|
| \$ 12,602 | \$ — | \$ 655,388 | \$ 5,932 | \$ — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | 303 | — | — | — |
| 10,382,244 | — | — | 7,795,060 | — |
| 76,964 | — | 1,002,494 | 91,376 | — |
| 20,243,706 | — | 2,296,069 | 411,117 | 38,178,870 |
| — | — | — | — | — |
| <u>\$30,715,516</u> | <u>\$ 303</u> | <u>\$ 3,953,951</u> | <u>\$8,303,485</u> | <u>\$38,178,870</u> |
| | | | | |
| \$ 122,047 | \$ — | \$ — | \$ — | \$ 2,902,857 |
| — | — | — | — | — |
| 215,220 | 861,175 | — | 123,504 | 1,032,034 |
| — | — | — | — | — |
| — | — | — | — | — |
| <u>337,267</u> | <u>861,175</u> | <u>—</u> | <u>123,504</u> | <u>3,934,891</u> |
| | | | | |
| 18,710,708 | — | 6,371 | — | 18,079 |
| 10,459,207 | — | 302,494 | 7,795,060 | — |
| 32,153,079 | — | 106,465,539 | 20,186 | 54,762,392 |
| (30,944,745) | (860,872) | (102,820,453) | 364,735 | (20,536,492) |
| <u>30,378,249</u> | <u>(860,872)</u> | <u>3,953,951</u> | <u>8,179,981</u> | <u>34,243,979</u> |
| | | | | |
| <u>\$30,715,516</u> | <u>\$ 303</u> | <u>\$ 3,953,951</u> | <u>\$8,303,485</u> | <u>\$38,178,870</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | Medical Education Facilities Fund | Mortgage Assistance Fund | Natural Resources Fund |
|--|--|---|---------------------------------------|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 1,725 | \$ 434 | \$ 2,840 |
| INVESTMENTS | — | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | 13,759,730 | 2,456,378 |
| Other | — | 671,205 | — |
| OTHER ASSETS | | | |
| Due from other funds | 665,428 | 2,056,876 | 6,489,654 |
| Deferred charges | — | — | — |
| Total Assets | \$667,153 | \$16,488,245 | \$ 8,948,872 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ — | \$ — | \$ 340,817 |
| Deferred revenue | — | — | — |
| Due to other funds | 42,885 | 464,547 | 2,187,673 |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Total Liabilities | 42,885 | 464,547 | 2,528,490 |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | 403,268 | 57,363 | 11,819,297 |
| Other | — | 13,759,730 | 2,456,378 |
| Unreserved: | | | |
| Designated for continuing appropriations | 214,648 | 43,904 | 37,481,825 |
| Undesignated | 6,352 | 2,162,701 | (45,337,118) |
| Total Fund Balances | 624,268 | 16,023,698 | 6,420,382 |
| Total Liabilities and Fund Balances | \$667,153 | \$16,488,245 | \$ 8,948,872 |

| New Jersey Local Development Financing Fund | New Jersey Spill Compensation Fund | New Jersey Uncompensated Care Trust Fund | 1983 New Jersey Green Acres Fund | Office Of Attorney Ethics |
|--|---|---|---|--|
| \$ — | \$ 10,135 | \$ 7,277,700 | \$ — | \$274,438 |
| — | — | — | — | 426,993 |
| — | — | — | 149,803 | — |
| — | — | 6,795,000 | — | — |
| 15,572,765 | — | — | — | — |
| 38,579 | 2,093,306 | — | — | — |
| 8,546,774 | 42,454,263 | 5,121,849 | 15,992,506 | — |
| — | — | — | — | — |
| <u>\$24,158,118</u> | <u>\$44,557,704</u> | <u>\$19,194,549</u> | <u>\$16,142,309</u> | <u>\$701,431</u> |
| | | | | |
| \$ 2,173,350 | \$ 2,433,852 | \$ — | \$ 223,985 | \$530,993 |
| — | — | — | — | — |
| 191,807 | 4,880,757 | 5,418,758 | 1,757,002 | — |
| — | — | 9,600,000 | — | — |
| — | — | — | — | — |
| <u>2,365,157</u> | <u>7,314,609</u> | <u>15,018,758</u> | <u>1,980,987</u> | <u>530,993</u> |
| | | | | |
| 1,197,900 | 14,667,240 | — | 3,085,830 | — |
| 15,572,765 | 16,457 | 5,867,000 | — | — |
| 28,174,549 | — | — | 38,130,228 | — |
| (23,152,253) | 22,559,398 | (1,691,209) | (27,054,736) | 170,438 |
| <u>21,792,961</u> | <u>37,243,095</u> | <u>4,175,791</u> | <u>14,161,322</u> | <u>170,438</u> |
| | | | | |
| <u>\$24,158,118</u> | <u>\$44,557,704</u> | <u>\$19,194,549</u> | <u>\$16,142,309</u> | <u>\$701,431</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Pinelands Infrastructure Trust Fund</u> | <u>Property Tax Relief Fund</u> | <u>Resource Recovery and Solid Waste Disposal Facility Fund</u> |
|--|--|---|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ — | \$ — | \$ — |
| INVESTMENTS | — | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | 144,831,207 | — |
| Loans | 100,000 | — | — |
| Other | — | — | — |
| OTHER ASSETS | | | |
| Due from other funds | — | 331,603,690 | 71,118,665 |
| Deferred charges | — | — | — |
| Total Assets | <u>\$100,000</u> | <u>\$476,434,897</u> | <u>\$71,118,665</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ — | \$ 2,503,252 | \$ — |
| Deferred revenue | — | — | — |
| Due to other funds | — | — | — |
| Advances from other funds | 100,000 | — | — |
| Other | — | 20,712,480 | — |
| Total Liabilities | <u>100,000</u> | <u>23,215,732</u> | <u>—</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | 10,286,509 | 48,000,000 |
| Other | — | 285,907,038 | — |
| Unreserved: | | | |
| Designated for continuing appropriations | — | — | 23,118,665 |
| Undesignated | — | 157,025,618 | — |
| Total Fund Balances | <u>—</u> | <u>453,219,165</u> | <u>71,118,665</u> |
| Total Liabilities and Fund Balances | <u>\$100,000</u> | <u>\$476,434,897</u> | <u>\$71,118,665</u> |

| Safe Drinking Water Fund | Salem Municipal Port Authority Assistance Fund | Sanitary Landfill Facility Contingency Fund | Shore Protection Fund | State Land Acquisition And Development Fund |
|--------------------------------|--|---|-----------------------------|---|
| \$ — | \$1,700,000 | \$ 32,054 | \$ 53,926 | \$ — |
| — | — | — | — | 2,055,000 |
| — | — | — | — | 32,422 |
| 19,061 | — | — | — | — |
| — | — | — | — | — |
| — | — | 6,542 | 90,037 | 83,460 |
| 3,927,277 | — | 29,851,122 | 27,499,482 | 15,394,523 |
| — | — | — | — | — |
| <u>\$3,946,338</u> | <u>\$1,700,000</u> | <u>\$29,889,718</u> | <u>\$27,643,445</u> | <u>\$17,565,405</u> |
| \$ 106,180 | \$ — | \$ 55,000 | \$ 907,678 | \$ 1,437,092 |
| — | — | — | — | — |
| — | — | 161,606 | 1,508,638 | 1,786,690 |
| — | — | — | — | — |
| — | — | — | 12,863 | — |
| <u>106,180</u> | <u>—</u> | <u>216,606</u> | <u>2,429,179</u> | <u>3,223,782</u> |
| 531,910 | — | 204,500 | 2,251,602 | 33,239,589 |
| — | — | — | — | 2,055,000 |
| — | 1,700,000 | — | 13,663,916 | 23,959,548 |
| 3,308,248 | — | 29,468,612 | 9,298,748 | (44,912,514) |
| <u>3,840,158</u> | <u>1,700,000</u> | <u>29,673,112</u> | <u>25,214,266</u> | <u>14,341,623</u> |
| <u>\$3,946,338</u> | <u>\$1,700,000</u> | <u>\$29,889,718</u> | <u>\$27,643,445</u> | <u>\$17,565,405</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | State Lottery Fund | State Recreation And Conservation Land Acquisition Fund 1971 | State Recreation And Conservation Land Acquisition And Development Fund 1974 |
|--|--------------------------|---|--|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 492,281 | \$ 1,729 | \$ — |
| INVESTMENTS | — | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | 18,347,741 | — | — |
| OTHER ASSETS | | | |
| Due from other funds | 49,908,807 | 1,903,036 | 12,297,391 |
| Deferred charges | 1,009,803 | — | — |
| Total Assets | <u>\$69,758,632</u> | <u>\$1,904,765</u> | <u>\$12,297,391</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$30,748,247 | \$ 8,119 | \$ 201,900 |
| Deferred revenue | 26,807 | — | — |
| Due to other funds | 37,217,797 | 625,466 | 917,868 |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Total Liabilities | <u>67,992,851</u> | <u>633,585</u> | <u>1,119,768</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | 1,515,781 | 348,072 | 8,395,073 |
| Other | 250,000 | — | — |
| Unreserved: | | | |
| Designated for continuing appropriations | — | 923,108 | 7,782,550 |
| Undesignated | — | — | (5,000,000) |
| Total Fund Balances | <u>1,765,781</u> | <u>1,271,180</u> | <u>11,177,623</u> |
| Total Liabilities and Fund Balances | <u>\$69,758,632</u> | <u>\$1,904,765</u> | <u>\$12,297,391</u> |

| <u>State Recycling Fund</u> | <u>State Water Development Fund</u> | <u>Superior Court Of New Jersey Trust Fund</u> | <u>Transportation Fund</u> | <u>Trial Attorney Certification Program</u> |
|-------------------------------------|---|--|--------------------------------|---|
| \$ — | \$ 3,025 | \$ 293,090 | \$ 83,204 | \$ 2,000 |
| — | — | 150,554,024 | — | 226,524 |
| — | — | — | — | — |
| — | — | — | — | — |
| 2,507,914 | — | — | — | — |
| 1,022 | — | — | 541 | — |
| 9,698,209 | 324,457 | — | 1,011,817 | — |
| — | — | — | — | — |
| <u>\$12,207,145</u> | <u>\$327,482</u> | <u>\$150,847,114</u> | <u>\$1,095,562</u> | <u>\$228,524</u> |
| \$ 159,354 | \$ — | \$136,288,392 | \$ 612 | \$ — |
| — | — | — | — | — |
| 1,500,141 | 19,217 | 300,792 | 900,879 | 41,831 |
| 6,800,000 | — | — | — | — |
| — | — | — | 194,071 | — |
| <u>8,459,495</u> | <u>19,217</u> | <u>136,589,184</u> | <u>1,095,562</u> | <u>41,831</u> |
| 767,094 | 21,600 | — | — | — |
| 2,507,914 | — | 3,800,000 | — | — |
| — | 286,665 | — | — | — |
| 472,642 | — | 10,457,930 | — | 186,693 |
| <u>3,747,650</u> | <u>308,265</u> | <u>14,257,930</u> | <u>—</u> | <u>186,693</u> |
| <u>\$12,207,145</u> | <u>\$327,482</u> | <u>\$150,847,114</u> | <u>\$1,095,562</u> | <u>\$228,524</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Unemployment Compensation Auxiliary Fund</u> | <u>Wastewater Treatment Fund</u> | <u>Wastewater Treatment Trust Fund</u> |
|--|---|--|--|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 30,554 | \$ — | \$ 100 |
| INVESTMENTS | — | — | 19,329,252 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | — | — | 377,993 |
| OTHER ASSETS | | | |
| Due from other funds | 26,927,468 | 64,932,715 | 14,605,349 |
| Deferred charges | — | — | — |
| Total Assets | <u>\$26,958,022</u> | <u>\$64,932,715</u> | <u>\$34,312,694</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ — | \$ — | \$34,101,269 |
| Deferred revenue | — | — | — |
| Due to other funds | 19,428,228 | 14,204,031 | 34,739 |
| Advances from other funds | — | — | — |
| Other | 58,357 | — | — |
| Total Liabilities | <u>19,486,585</u> | <u>14,204,031</u> | <u>34,136,008</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Designated for continuing appropriations | — | — | (34,136,008) |
| Undesignated | 7,471,437 | 50,728,684 | 34,312,694 |
| Total Fund Balances | <u>7,471,437</u> | <u>50,728,684</u> | <u>176,686</u> |
| Total Liabilities and Fund Balances | <u>\$26,958,022</u> | <u>\$64,932,715</u> | <u>\$34,312,694</u> |

| <u>Water Conservation Fund</u> | <u>Water Supply Fund</u> | <u>Worker And Community Right To Know Fund</u> | <u>Total Special Revenue Funds</u> |
|--|----------------------------------|--|--|
| \$ — | \$ 39,650 | \$ 168,277 | \$ 11,554,562 |
| — | — | — | 181,834,147 |
| — | — | — | 182,225 |
| — | — | 921,616 | 164,856,761 |
| 3,724,857 | 134,704,406 | — | 201,410,685 |
| — | — | — | 23,163,883 |
| 7,637,526 | 9,144,662 | 3,242,129 | 1,074,774,737 |
| — | — | — | 1,009,803 |
| <u>\$11,362,383</u> | <u>\$143,888,718</u> | <u>\$4,332,022</u> | <u>\$1,658,786,803</u> |
| \$ 78,008 | \$ 1,043,003 | \$ 620,650 | \$ 236,090,410 |
| — | — | — | 2,368,307 |
| 1,580,879 | 6,976,982 | 71,005 | 109,658,226 |
| — | — | — | 16,500,000 |
| — | — | — | 20,994,616 |
| <u>1,658,887</u> | <u>8,019,985</u> | <u>691,655</u> | <u>385,611,559</u> |
| 8,559,258 | 22,762,125 | 539,732 | 229,798,779 |
| 3,724,857 | 134,704,407 | — | 504,514,230 |
| 37,419,381 | 89,469,184 | — | 489,497,519 |
| (40,000,000) | (111,066,983) | 3,100,635 | 49,364,716 |
| <u>9,703,496</u> | <u>135,868,733</u> | <u>3,640,367</u> | <u>1,273,175,244</u> |
| <u>\$11,362,383</u> | <u>\$143,888,718</u> | <u>\$4,332,022</u> | <u>\$1,658,786,803</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Alcohol Education, Rehabilitation & Enforcement Fund</u> | <u>Beaches And Harbor Fund</u> | <u>Boarding House Rental Assistance Fund</u> |
|--|---|--|--|
| REVENUES | | | |
| Taxes | \$11,667,337 | \$ — | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | 1,195,637 | — | — |
| Investment earnings | 728,057 | 461,712 | 508,373 |
| Other | — | — | — |
| Total Revenues | <u>13,591,031</u> | <u>461,712</u> | <u>508,373</u> |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | 8,779,000 |
| Proceeds from sale of bonds | — | — | — |
| Other | — | — | — |
| Total Other Increases | <u>—</u> | <u>—</u> | <u>8,779,000</u> |
| Total Revenues and Other Increases | <u>13,591,031</u> | <u>461,712</u> | <u>9,287,373</u> |
| EXPENDITURES | | | |
| Public safety and criminal justice | 1,469,716 | — | — |
| Physical and mental health | 10,036,073 | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | — | 1,443,499 | 2,921,106 |
| Economic planning, development and security | — | — | — |
| Transportation programs | — | — | — |
| Government direction, management and control | — | — | — |
| Special government services | — | — | — |
| Total Expenditures | <u>11,505,789</u> | <u>1,443,499</u> | <u>2,921,106</u> |
| OTHER DECREASES | | | |
| Transfers to other funds | — | 422,098 | 176,627 |
| Other | — | — | — |
| Total Other Decreases | <u>—</u> | <u>422,098</u> | <u>176,627</u> |
| Total Expenditures and Other Decreases | <u>11,505,789</u> | <u>1,865,597</u> | <u>3,097,733</u> |
| Net Increase (Decrease) in Fund Balances for the Year | 2,085,242 | (1,403,885) | 6,189,640 |
| FUND BALANCES—JULY 1, 1986 | <u>7,303,969</u> | <u>7,910,277</u> | <u>1,591,665</u> |
| FUND BALANCES—JUNE 30, 1987 | <u>\$ 9,389,211</u> | <u>\$6,506,392</u> | <u>\$7,781,305</u> |

| Casino Control Fund | Casino Revenue Fund | Clean Communities Account Fund | Clean Waters Fund | Clients' Security Fund |
|---------------------|---------------------|--------------------------------|-------------------|------------------------|
| \$ — | \$188,996,098 | \$5,217,619 | \$ — | \$ — |
| — | — | — | — | — |
| 47,345,518 | — | — | — | 1,483,448 |
| — | — | — | — | — |
| — | 10,498,785 | 74,572 | 659,017 | 306,653 |
| — | — | — | 1,219,058 | — |
| 47,345,518 | 199,494,883 | 5,292,191 | 1,878,075 | 1,790,101 |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | 1,585,887 | — |
| — | — | — | 1,585,887 | — |
| 47,345,518 | 199,494,883 | 5,292,191 | 3,463,962 | 1,790,101 |
| 27,640,982 | — | — | — | 801,999 |
| — | 55,689,511 | — | — | — |
| — | — | — | — | — |
| — | — | — | 2,089,416 | — |
| — | 66,718,311 | — | — | — |
| — | 9,331,938 | — | — | — |
| 19,605,359 | 17,900,000 | — | — | — |
| — | — | — | — | — |
| 47,246,341 | 149,639,760 | — | 2,089,416 | 801,999 |
| 30,493 | 7,023,000 | 225,000 | 2,378,649 | — |
| — | — | — | — | — |
| 30,493 | 7,023,000 | 225,000 | 2,378,649 | — |
| 47,276,834 | 156,662,760 | 225,000 | 4,468,065 | 801,999 |
| 68,684 | 42,832,123 | 5,067,191 | (1,004,103) | 988,102 |
| 26,320 | 148,439,224 | — | 19,355,007 | 3,411,292 |
| \$ 95,004 | \$191,271,347 | \$5,067,191 | \$18,350,904 | \$4,399,394 |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Emergency Flood Control Fund | Enterprise Zone Assistance Fund | Farmland Preservation Fund |
|--|---|--|---|
| REVENUES | | | |
| Taxes | \$ — | \$2,366,999 | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | — | — | — |
| Investment earnings | 295,409 | 92,768 | 538,169 |
| Other | — | — | — |
| Total Revenues | 295,409 | 2,459,767 | 538,169 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | — |
| Proceeds from sale of bonds | — | — | — |
| Other | — | — | — |
| Total Other Increases | — | — | — |
| Total Revenues and Other Increases | 295,409 | 2,459,767 | 538,169 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Physical and mental health | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | 2,273,701 | 26,893 | 447,623 |
| Economic planning, development and security | — | — | — |
| Transportation programs | — | — | — |
| Government direction, management and control | — | — | — |
| Special government services | — | — | — |
| Total Expenditures | 2,273,701 | 26,893 | 447,623 |
| OTHER DECREASES | | | |
| Transfers to other funds | 498,032 | — | 759,871 |
| Other | — | — | — |
| Total Other Decreases | 498,032 | — | 759,871 |
| Total Expenditures and Other Decreases | 2,771,733 | 26,893 | 1,207,494 |
| Net Increase (Decrease) in Fund Balances for the Year | (2,476,324) | 2,432,874 | (669,325) |
| FUND BALANCES—JULY 1, 1986 | 5,580,067 | 630,295 | 8,898,152 |
| FUND BALANCES—JUNE 30, 1987 | \$3,103,743 | \$3,063,169 | \$8,228,827 |

| <u>Green Trust Fund</u> | <u>Gubernatorial Elections Fund</u> | <u>Hazardous Discharge Site Cleanup Fund</u> | <u>Housing Assistance Fund</u> | <u>Jobs, Science And Technology Fund</u> |
|-------------------------|-------------------------------------|--|--------------------------------|--|
| \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | 3,063,769 | — | — |
| 1,475,525 | — | 91,069 | 24,983 | 823,657 |
| 8,633,604 | 1,618,051 | — | 98,521 | 192,212 |
| <u>10,109,129</u> | <u>1,618,051</u> | <u>3,154,838</u> | <u>123,504</u> | <u>1,015,869</u> |
| — | — | — | — | — |
| — | — | — | — | 37,000,000 |
| — | — | 2,820,453 | — | — |
| — | — | 2,820,453 | — | 37,000,000 |
| <u>10,109,129</u> | <u>1,618,051</u> | <u>5,975,291</u> | <u>123,504</u> | <u>38,015,869</u> |
| — | (3,826) | — | — | — |
| — | — | — | — | — |
| — | — | — | — | 4,753,765 |
| 8,032,350 | — | 3,381 | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| <u>8,032,350</u> | <u>(3,826)</u> | <u>3,381</u> | <u>—</u> | <u>4,753,765</u> |
| 215,220 | — | — | 123,504 | 1,015,869 |
| — | — | — | 254,682 | — |
| <u>215,220</u> | <u>—</u> | <u>—</u> | <u>378,186</u> | <u>1,015,869</u> |
| <u>8,247,570</u> | <u>(3,826)</u> | <u>3,381</u> | <u>378,186</u> | <u>5,769,634</u> |
| 1,861,559 | 1,621,877 | 5,971,910 | (254,682) | 32,246,235 |
| 28,516,690 | (2,482,749) | (2,017,959) | 8,434,663 | 1,997,744 |
| <u>\$30,378,249</u> | <u>\$ (860,872)</u> | <u>\$3,953,951</u> | <u>\$8,179,981</u> | <u>\$34,243,979</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Medical Education Facilities Fund | Mortgage Assistance Fund | Natural Resources Fund |
|--|--|---|---------------------------------------|
| REVENUES | | | |
| Taxes | \$ — | \$ — | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | — | — | — |
| Investment earnings | 42,885 | 120,505 | 1,397,657 |
| Other | — | 344,043 | 424,374 |
| Total Revenues | 42,885 | 464,548 | 1,822,031 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | — |
| Proceeds from sale of bonds | — | — | 22,000,000 |
| Other | — | — | 378,518 |
| Total Other Increases | — | — | 22,378,518 |
| Total Revenues and Other Increases | 42,885 | 464,548 | 24,200,549 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Physical and mental health | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | 95,432 | 30,001 | 5,106,133 |
| Economic planning, development and security | — | — | — |
| Transportation programs | — | — | — |
| Government direction, management and control | — | — | — |
| Special government services | — | — | — |
| Total Expenditures | 95,432 | 30,001 | 5,106,133 |
| OTHER DECREASES | | | |
| Transfers to other funds | 42,885 | 464,547 | 39,666,546 |
| Other | — | — | — |
| Total Other Decreases | 42,885 | 464,547 | 39,666,546 |
| Total Expenditures and Other Decreases | 138,317 | 494,548 | 44,772,679 |
| Net Increase (Decrease) in Fund Balances for the Year | (95,432) | (30,000) | (20,572,130) |
| FUND BALANCES—JULY 1, 1986 | 719,700 | 16,053,698 | 26,992,512 |
| FUND BALANCES—JUNE 30, 1987 | \$624,268 | \$16,023,698 | \$ 6,420,382 |

| New Jersey Local Development Financing Fund | New Jersey Spill Compensation Fund | New Jersey Uncompensated Care Trust Fund | 1983 New Jersey Green Acres Fund | Office Of Attorney Ethics |
|--|---|---|---|--|
| \$ — | \$13,544,666 | \$ — | \$ — | \$ — |
| — | 37,700 | — | 475,357 | — |
| — | 628,056 | — | — | 1,518,806 |
| — | — | — | — | — |
| 333,447 | 2,392,396 | 181,849 | 793,602 | 76,471 |
| 324,559 | — | 40,780,700 | 35,510 | — |
| <u>658,006</u> | <u>16,602,818</u> | <u>40,962,549</u> | <u>1,304,469</u> | <u>1,595,277</u> |
| 10,093,894 | — | — | — | — |
| — | — | — | 5,000,000 | — |
| 10,511,350 | — | — | — | — |
| <u>20,605,244</u> | <u>—</u> | <u>—</u> | <u>5,000,000</u> | <u>—</u> |
| 21,263,250 | 16,602,818 | 40,962,549 | 6,304,469 | 1,595,277 |
| — | — | — | — | 1,512,248 |
| — | — | 36,768,000 | — | — |
| — | — | — | — | — |
| 10,493,087 | 8,812,457 | — | 2,664,883 | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| <u>10,493,087</u> | <u>8,812,457</u> | <u>36,768,000</u> | <u>2,664,883</u> | <u>1,512,248</u> |
| 302,090 | 2,024,175 | 18,758 | 1,748,015 | — |
| — | 2,820,453 | — | — | — |
| <u>302,090</u> | <u>4,844,628</u> | <u>18,758</u> | <u>1,748,015</u> | <u>—</u> |
| 10,795,177 | 13,657,085 | 36,786,758 | 4,412,898 | 1,512,248 |
| 10,468,073 | 2,945,733 | 4,175,791 | 1,891,571 | 83,029 |
| 11,324,888 | 34,297,362 | — | 12,269,751 | 87,409 |
| <u>\$21,792,961</u> | <u>\$37,243,095</u> | <u>\$ 4,175,791</u> | <u>\$14,161,322</u> | <u>\$ 170,438</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Property Tax Relief Fund | Resource Recovery and Solid Waste Disposal Facility Fund | Safe Drinking Water Fund |
|--|---|---|---|
| REVENUES | | | |
| Taxes | \$2,605,521,438 | \$ — | \$2,637,262 |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | 1,086 |
| Service and assessments | — | — | — |
| Investment earnings | — | 618,665 | 217,564 |
| Other | — | — | — |
| Total Revenues | <u>2,605,521,438</u> | <u>618,665</u> | <u>2,855,912</u> |
| OTHER INCREASES | | | |
| Transfers from other funds | 385,600 | 70,500,000 | — |
| Proceeds from sale of bonds | — | — | — |
| Other | — | — | — |
| Total Other Increases | <u>385,600</u> | <u>70,500,000</u> | <u>—</u> |
| Total Revenues and Other Increases | <u>2,605,907,038</u> | <u>71,118,665</u> | <u>2,855,912</u> |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Physical and mental health | — | — | — |
| Educational, cultural and intellectual development | 1,813,296,070 | — | — |
| Community development and environmental management | — | — | 1,635,482 |
| Economic planning, development and security | — | — | — |
| Transportation programs | — | — | — |
| Government direction, management and control | 421,894,438 | — | — |
| Special government services | — | — | — |
| Total Expenditures | <u>2,235,190,508</u> | <u>—</u> | <u>1,635,482</u> |
| OTHER DECREASES | | | |
| Transfers to other funds | — | — | — |
| Other | — | — | — |
| Total Other Decreases | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Expenditures and Other Decreases | <u>2,235,190,508</u> | <u>—</u> | <u>1,635,482</u> |
| Net Increase (Decrease) in Fund Balances for the Year | 370,716,530 | 71,118,665 | 1,220,430 |
| FUND BALANCES—JULY 1, 1986 | <u>82,502,635</u> | <u>—</u> | <u>2,619,728</u> |
| FUND BALANCES—JUNE 30, 1987 | <u>\$ 453,219,165</u> | <u>\$71,118,665</u> | <u>\$3,840,158</u> |

| Salem Municipal Port Authority Assistance Fund | Sanitary Landfill Facility Contingency Fund | Shore Protection Fund | State Land Acquisition And Development Fund | State Lottery Fund |
|---|--|--------------------------------------|--|-----------------------------------|
| \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | 587,437 | — |
| — | — | — | — | — |
| — | 4,850,068 | — | — | — |
| — | 1,650,970 | 895,548 | 556,524 | 2,215,385 |
| — | 166 | 1,214,104 | 239,547 | 1,127,122,386 |
| — | 6,501,204 | 2,109,652 | 1,383,508 | 1,129,337,771 |
| 1,700,000 | — | — | — | — |
| — | — | 20,000,000 | 25,000,000 | — |
| — | — | — | — | — |
| 1,700,000 | — | 20,000,000 | 25,000,000 | — |
| 1,700,000 | 6,501,204 | 22,109,652 | 26,383,508 | 1,129,337,771 |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | 2,641,967 | 4,345,869 | 20,593,086 | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | 656,686,141 |
| — | 2,641,967 | 4,345,869 | 20,593,086 | 656,686,141 |
| — | 161,606 | 1,499,026 | 1,761,757 | 472,217,797 |
| — | — | — | — | — |
| — | 161,606 | 1,499,026 | 1,761,757 | 472,217,797 |
| — | 2,803,573 | 5,844,895 | 22,354,843 | 1,128,903,938 |
| 1,700,000 | 3,697,631 | 16,264,757 | 4,028,665 | 433,833 |
| — | 25,975,481 | 8,949,509 | 10,312,958 | 1,331,948 |
| \$1,700,000 | \$29,673,112 | \$25,214,266 | \$14,341,623 | \$ 1,765,781 |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>State Recreation And Conservation Land Acquisition Fund 1971</u> | <u>State Recreation And Conservation Land Acquisition And Development Fund 1974</u> | <u>State Recycling Fund</u> |
|--|---|---|-------------------------------------|
| REVENUES | | | |
| Taxes | \$ — | \$ — | \$ — |
| Federal and other grants | 9,000 | 430 | — |
| Licenses and fees | — | — | — |
| Services and assessments | — | — | 3,873,616 |
| Investment earnings | 139,233 | 790,128 | 566,421 |
| Other | — | — | 119,716 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 148,233 | 790,558 | 4,559,753 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | — |
| Proceeds from sale of bonds | — | — | — |
| Other | — | — | — |
| | <hr/> | <hr/> | <hr/> |
| Total Other Increases | — | — | — |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues and Other Increases | 148,233 | 790,558 | 4,559,753 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Physical and mental health | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | 562,329 | 1,176,869 | 10,972,191 |
| Economic planning, development and security | — | — | — |
| Transportation programs | — | — | — |
| Government direction, management and control | — | — | — |
| Special government services | — | — | 91,524 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 562,329 | 1,176,869 | 11,063,715 |
| OTHER DECREASES | | | |
| Transfers to other funds | 625,466 | 911,602 | 500,141 |
| Other | — | — | — |
| | <hr/> | <hr/> | <hr/> |
| Total Other Decreases | 625,466 | 911,602 | 500,141 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures and Other Decreases | 1,187,795 | 2,088,471 | 11,563,856 |
| | <hr/> | <hr/> | <hr/> |
| Net Increase (Decrease) in Fund Balances for the Year | (1,039,562) | (1,297,913) | (7,004,103) |
| FUND BALANCES—JULY 1, 1986 | 2,310,742 | 12,475,536 | 10,751,753 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCES—JUNE 30, 1987 | \$1,271,180 | \$11,177,623 | \$ 3,747,650 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

| <u>State Water Development Fund</u> | <u>Superior Court Of New Jersey Trust Fund</u> | <u>Transportation Fund</u> | <u>Trial Attorney Certification Program</u> |
|---|--|--------------------------------|---|
| \$ — | \$ — | \$856,890 | \$ — |
| — | — | — | — |
| — | — | — | 80,725 |
| — | — | — | — |
| 19,217 | 8,622,894 | 43,989 | 9,313 |
| — | — | — | — |
| <u>19,217</u> | <u>8,622,894</u> | <u>900,879</u> | <u>90,038</u> |
| — | — | — | — |
| — | — | — | — |
| 2,134 | — | — | — |
| <u>2,134</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| — | — | — | — |
| <u>21,351</u> | <u>8,622,894</u> | <u>900,879</u> | <u>90,038</u> |
| — | 8,140,015 | — | 3,764 |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| <u>—</u> | <u>8,140,015</u> | <u>—</u> | <u>3,764</u> |
| 19,217 | 356,356 | 900,879 | 66,861 |
| — | — | — | — |
| <u>19,217</u> | <u>356,356</u> | <u>900,879</u> | <u>66,861</u> |
| 19,217 | 8,496,371 | 900,879 | 70,625 |
| <u>19,217</u> | <u>8,496,371</u> | <u>900,879</u> | <u>70,625</u> |
| 2,134 | 126,523 | — | 19,413 |
| 306,131 | 14,131,407 | — | 167,280 |
| <u>\$308,265</u> | <u>\$14,257,930</u> | <u>\$ —</u> | <u>\$186,693</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Unemployment Compensation Auxiliary Fund | Wastewater Treatment Fund | Wastewater Treatment Trust Fund |
|--|--|---------------------------------|---------------------------------------|
| REVENUES | | | |
| Taxes | \$ — | \$ — | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | 17,168,175 | — | — |
| Investment earnings | 1,129,004 | 417,071 | 1,179,955 |
| Other | — | 311,613 | 132,739 |
| Total Revenues | <u>18,297,179</u> | <u>728,684</u> | <u>1,312,694</u> |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | — |
| Proceeds from sale of bonds | — | 50,000,000 | 33,000,000 |
| Other | — | — | — |
| Total Other Increases | <u>—</u> | <u>50,000,000</u> | <u>33,000,000</u> |
| Total Revenues and Other Increases | <u>18,297,179</u> | <u>50,728,684</u> | <u>34,312,694</u> |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Physical and mental health | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | — | — | 34,136,008 |
| Economic planning, development and security | — | — | — |
| Transportation programs | — | — | — |
| Government direction, management and control | — | — | — |
| Special government services | — | — | — |
| Total Expenditures | <u>—</u> | <u>—</u> | <u>34,136,008</u> |
| OTHER DECREASES | | | |
| Transfers to other funds | 19,428,228 | — | — |
| Other | — | — | — |
| Total Other Decreases | <u>19,428,228</u> | <u>—</u> | <u>—</u> |
| Total Expenditures and Other Decreases | <u>19,428,228</u> | <u>—</u> | <u>34,136,008</u> |
| Net Increase (Decrease) in Fund Balances for the Year | (1,131,049) | 50,728,684 | 176,686 |
| FUND BALANCES—JULY 1, 1986 | <u>8,602,486</u> | <u>—</u> | <u>—</u> |
| FUND BALANCES—JUNE 30, 1987 | <u>\$ 7,471,437</u> | <u>\$50,728,684</u> | <u>\$ 176,686</u> |

| Water Conservation Fund | Water Supply Fund | Worker And Community Right To Know Fund | Total Special Revenue Funds |
|--|----------------------------------|--|--|
| \$ — | \$ — | \$ — | \$2,830,808,309 |
| — | — | — | 1,109,924 |
| — | — | — | 51,057,639 |
| 316,639 | 1,777,435 | 3,679,372 | 33,830,637 |
| 375,222 | 4,719,280 | 203,539 | 43,287,055 |
| <u>691,861</u> | <u>6,496,715</u> | <u>3,882,911</u> | <u>1,187,905,405</u> |
| — | — | — | 91,458,494 |
| 3,000,000 | 87,000,000 | — | 282,000,000 |
| 6,358 | 3,016,303 | — | 18,321,003 |
| <u>3,006,358</u> | <u>90,016,303</u> | <u>—</u> | <u>391,779,497</u> |
| <u>3,698,219</u> | <u>96,513,018</u> | <u>3,882,911</u> | <u>4,539,778,466</u> |
| — | — | — | 39,564,898 |
| — | — | 1,839,595 | 104,333,179 |
| — | — | — | 1,818,049,835 |
| 979,052 | 5,489,739 | — | 126,972,554 |
| — | — | — | 66,718,311 |
| — | — | — | 9,331,938 |
| — | — | — | 459,399,797 |
| — | — | — | 656,777,665 |
| <u>979,052</u> | <u>5,489,739</u> | <u>1,839,595</u> | <u>3,281,148,177</u> |
| 1,575,697 | 6,928,388 | 114,938 | 564,203,338 |
| — | — | — | 3,075,135 |
| <u>1,575,697</u> | <u>6,928,388</u> | <u>114,938</u> | <u>567,278,473</u> |
| <u>2,554,749</u> | <u>12,418,127</u> | <u>1,954,533</u> | <u>3,848,426,650</u> |
| 1,143,470 | 84,094,891 | 1,928,378 | 691,351,816 |
| 8,560,026 | 51,773,842 | 1,711,989 | 581,823,428 |
| <u>\$9,703,496</u> | <u>\$135,868,733</u> | <u>\$3,640,367</u> | <u>\$1,273,175,244</u> |

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
DESCRIPTION OF FUNDS**

Alcohol Education, Rehabilitation And Enforcement Fund (N.J.S.A. 54:32C)

This Fund accounts for 10.75% of the tax revenues from the Alcohol Education, Rehabilitation and Enforcement Act. Such tax is 7.3% of the receipts from every sale of alcoholic beverages, except draught beer sold by the barrel, by any wholesaler to any retail licensee. Interest received on moneys in the Fund shall be credited to the Fund.

Of the moneys deposited in the first year into the Fund, \$2,000,000 has been allocated for the establishment of Intoxicated Driver Resource Centers. An additional \$20,000 has been allocated for the establishment of a pilot project of portable roadside breath analyzers. The moneys remaining in the Fund in the first year have been dedicated as follows: 70% for rehabilitation; 20% for enforcement; and 10% for education.

The moneys collected in each subsequent year shall be annually dedicated as follows: 75% to rehabilitation; 15% to enforcement; and 10% to education.

Beaches And Harbor Fund (P.L. 1977, c.208)

An amount of \$30,000,000 was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Boarding House Rental Assistance Fund (N.J.S.A. 55:14J)

The purpose of this Fund is to finance life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

Casino Control Fund (N.J.S.A. 5:12-143)

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

Casino Revenue Fund (N.J.S.A. 5:12-145)

The Casino Revenue Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables. Appropriations from this Fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior citizens.

Clean Communities Account Fund (P.L. 1985, c.533)

Revenues are generated from taxes levied on manufacturers, wholesalers, distributors and retailers of litter generating products. Interest earnings are credited to the Fund. Moneys shall be used to provide grants to eligible municipalities and counties for litter pickup and trash removal programs.

Clean Waters Fund (P.L. 1976, c.92)

An amount of \$120,000,000 was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

Clients' Security Fund (R. 1:28-7)

This Fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this Fund by each member of the Bar of the State of New Jersey.

Emergency Flood Control Fund (P.L. 1978, c.78)

An amount of \$25,000,000 was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

Enterprise Zone Assistance Fund (P.L. 1983, c.303)

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment. No more than 10 enterprise zones may be in existence at any one time. No more than two may be designated in any one year.

Farmland Preservation Fund (P.L. 1981, c.276)

An amount of \$50,000,000 was authorized for the purpose of the retention and development of farmland for agricultural use and production.

Green Trust Fund (P.L. 1983, c.354)

See 1983 New Jersey Green Acres Fund.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)

The Gubernatorial Elections Fund accounts for receipts from the one dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and

credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)

The Fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. Moneys are appropriated from the Hazardous Discharge Fund.

Housing Assistance Fund (P.L. 1968, c.127)

An amount of \$12,500,000 was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing; also, to provide financial assistance to qualified housing developments, constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Jobs, Science And Technology Fund (P.L. 1984, c.99)

An amount of \$90,000,000 was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and re-training programs at public and private institutions of higher education. Net earnings received from the investment or deposit of this Fund are to be paid into the General Fund.

Medical Education Facilities Fund (P.L. 1977, c.235)

An amount of \$120,000,000 was authorized to re-finance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, so as to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. Such authorization also provided substantial savings (\$25 million) which are available for the construction of other medical facilities.

Mortgage Assistance Fund (P.L. 1976, c.94)

An amount of \$25,000,000 was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

Natural Resources Fund (P.L. 1980, c.70)

An amount of \$145,000,000 was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

An amount of \$45,000,000 is allocated from the Community Development Bond Fund to capitalize the New Jersey Local Development Financing Fund. The Fund will provide financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

New Jersey Uncompensated Care Trust Fund (P.L. 1986, c.204)

The purpose of this Fund is to ensure that persons who cannot pay for needed hospital care have equal access to hospital care and to serve as a mechanism which will ensure payment of uncompensated hospital care to protect the fiscal solvency of the State's general hospitals. The Fund shall be comprised of moneys collected from hospitals plus any interest earnings. Moneys shall be used to pay for uncompensated care.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)

An amount of \$135,000,000 was authorized for public acquisition and development of lands for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount \$52,000,000 is allocated for the acquisition and development of lands by the State. \$83,000,000 is to be transferred to the Green Trust Fund and is allocated for grants or loans to local government units for acquisition or development of land.

Office Of Attorney Ethics (R. 1:20-2)

The Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey ("Court"). The rules and regulations by which the Fund

is administered have been approved by the Supreme Court of the State of New Jersey.

**Pinelands Infrastructure Trust Fund
(P.L. 1985, c.302)**

An amount of \$30,000,000 was authorized for the purpose of providing grants and loans to local units of government for transportation, wastewater treatment, water supply and other infrastructure capital projects necessary to accommodate development in the pinelands area.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the Fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

Resource Recovery And Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

An amount of \$85,000,000 has been authorized to provide funds for loans to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

This Fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Moneys in this Fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

**Salem Municipal Port Authority Assistance Fund
(P.L. 1987, c.51)**

An appropriated amount of \$1,700,000 has been established for the purpose of making a loan to the City of Salem Municipal Port Authority to be used for the payment of the principal on a bond issued by the Authority on December 31, 1985, which is entitled "City of Salem Municipal Port Authority Port Development Bond Series of 1985."

**Sanitary Landfill Facility Contingency Fund
(N.J.S.A. 13:1E-100)**

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The Fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

Shore Protection Fund (P.L. 1983, c.356)

An amount of \$50,000,000 was authorized for the purpose of state projects and the making of state grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing and maintaining shore protection projects. Of the total available, \$40,000,000 has been allocated for state shore protection projects and for state grants to counties and municipalities. The remaining \$10,000,000 has been allocated for state loans to counties and municipalities. Net earnings received from the investment or deposit of this Fund are to be paid into the General Fund.

**State Land Acquisition And Development Fund
(P.L. 1978, c.118)**

An amount of \$200,000,000 was authorized for state and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)

This Fund includes the moneys from the sale of state lottery tickets. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets or shares and for administrative expenses of the Division of State Lottery. The balance of funds are paid over to the General Fund in support of the amounts annually appropriated for state institutions and for education.

State Recreation And Conservation Land Acquisition Fund (P.L. 1971, c.165)

An amount of \$80,000,000 was authorized to enable the State to acquire lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire lands for recreation and conservation purposes.

State Recreation And Conservation Land Acquisition And Development Fund (P.L. 1974, c.102)

An amount of \$200,000,000 was authorized to enable the State to acquire and develop lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire and develop lands for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)

Receipts from taxes and penalties levied upon each owner or operator of a sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of all solid waste accepted for disposal at the facility. Grants are made to seek solutions to energy, environmental and economic problems.

State Water Development Fund (P.L. 1958, c.35)

An amount of \$45,850,000 was authorized to conduct

research, acquire, construct, and develop water supplies for potable, industrial, irrigational, and other purposes.

**Superior Court Of New Jersey Trust Fund
(R. 4:57-2 to 5)**

This Fund accounts for moneys representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships and interpleaders.

Transportation Fund (N.J.S.A. 54:18A-20)

Receipts of taxes from the Emergency Transportation Tax Act are credited to this Fund. Such tax is on the income of New Jersey residents derived from sources within a "critical area state" other than New Jersey, and on the income of residents of another "critical area state" derived from sources within New Jersey. The critical area state was determined by the Commissioner of Transportation to be New York. Each taxpayer subject to the Emergency Transportation Tax Act is required to compute the tax due the State for both the Emergency Transportation Tax and the New Jersey Gross Income Tax, and to pay the greater tax due, which is credited hereto. The amount applicable to the tax, as calculated for the New Jersey Gross Income Tax, is first allocated and transferred to the Property Tax Relief Fund and reported by the State under the revenues of the Gross Income Tax in the Property Tax Relief Fund of the General Treasury. The funds are used to improve transportation and transportation facilities in the critical areas covered by the Act.

Trial Attorney Certification Program (R. 1:39-1(h))

The Fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered have been approved by the Supreme Court of New Jersey.

**Unemployment Compensation Auxiliary Fund
(N.J.S.A. 43:21-14g)**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of pro-

grams which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

Wastewater Treatment Fund (P.L. 1985, c.329)

An amount of \$190,000,000 was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$150,000,000 is allocated for the purpose of making grants and low- or zero-interest loans to local government units for financing the cost of the construction of wastewater treatment systems. This allocated portion will be known as the Wastewater Treatment Fund.

Wastewater Treatment Trust Fund (P.L. 1985, c.329)

This program was enacted under the Wastewater Treatment Bond Act which authorized the sale of \$190,000,000 in State bonds to provide financial assistance to local government units for the construction of wastewater treatment systems. Of the total amount authorized, \$40,000,000 is to be deposited in the Wastewater Treatment Trust Fund and paid to the Wastewater Treatment Trust, an authority established pursuant to law. The Trust authorizes the use of these bond moneys to secure local debt and to secure revenue bonds or other debt issued by the Trust, the proceeds of which will be used to make loans or provide loan guarantees to local government units for the construction of wastewater treatment systems.

Water Conservation Fund (P.L. 1969, c.127)

An amount of \$271,000,000 was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

Water Supply Fund (P.L. 1981, c.261)

An amount of \$350,000,000 was authorized to provide loans for state or local projects for the rehabilitation, repair or consolidation of antiquated, damaged or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan. Earnings from the investments shall be paid into the General Fund.

**Worker And Community Right To Know Fund
(N.J.S.A. 34:5A-1)**

This Fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Moneys in the Fund are to be allocated on a percentage basis for expenses incurred in connection with the Act's provisions by the Department of Health, Department of Environmental Protection, Department of Labor and the Department of the Treasury.

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CAPITAL PROJECTS FUNDS

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987**

| | <u>Correctional Facilities Construction Fund</u> | <u>Energy Conservation Fund</u> | <u>Higher Education Buildings Construction Fund</u> |
|--|--|---|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 57,645 | \$ — | \$ 8,453 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Other | — | — | — |
| OTHER ASSETS | | | |
| Due from other funds | 21,979,584 | 7,884,821 | 839,512 |
| Total Assets | <u>\$22,037,229</u> | <u>\$ 7,884,821</u> | <u>\$847,965</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 957,548 | \$ 140,683 | \$ 7,900 |
| Due to other funds | 1,263,039 | 424,186 | 54,897 |
| Total Liabilities | <u>2,220,587</u> | <u>564,869</u> | <u>62,797</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | 7,060,844 | 1,357,080 | 68,370 |
| Unreserved: | | | |
| Designated for continuing appropriations | 12,755,798 | 10,279,341 | 716,798 |
| Undesignated | — | (4,316,469) | — |
| Total Fund Balances | <u>19,816,642</u> | <u>7,319,952</u> | <u>785,168</u> |
| Total Liabilities and Fund Balances | <u>\$22,037,229</u> | <u>\$ 7,884,821</u> | <u>\$847,965</u> |

| Human Services Facilities Construction Fund | Institutional Construction Fund | Institutions Construction Fund | New Jersey Bridge Rehabilitation and Improvement Fund |
|--|--|---|--|
| \$ — | \$ — | \$ — | \$ — |
| — | — | — | 3,723,274 |
| — | — | — | — |
| — | — | — | 6,023,096 |
| <u>16,226,512</u> | <u>1,256,720</u> | <u>1,043,959</u> | <u>50,008,267</u> |
| <u><u>\$16,226,512</u></u> | <u><u>\$1,256,720</u></u> | <u><u>\$1,043,959</u></u> | <u><u>\$59,754,637</u></u> |
| | | | |
| \$ 297,928 | \$ 5,995 | \$ 9,931 | \$14,224,451 |
| 1,062,591 | 90,716 | 72,910 | 8,652,944 |
| <u>1,360,519</u> | <u>96,711</u> | <u>82,841</u> | <u>22,877,395</u> |
| | | | |
| 3,384,562 | 512,106 | 184,973 | 37,368,322 |
| | | | |
| 50,018,800 | 647,903 | 776,145 | 39,508,920 |
| (38,537,369) | — | — | (40,000,000) |
| <u>14,865,993</u> | <u>1,160,009</u> | <u>961,118</u> | <u>36,877,242</u> |
| | | | |
| <u><u>\$16,226,512</u></u> | <u><u>\$1,256,720</u></u> | <u><u>\$1,043,959</u></u> | <u><u>\$59,754,637</u></u> |

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Public Buildings Construction Fund</u> | <u>Public Purpose Buildings Construction Fund</u> | <u>Special Transportation Fund</u> |
|--|---|---|--|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 1,092 | \$ 313,916 | \$ — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | 38,558,440 |
| Departmental accounts | — | — | 21,500,351 |
| Other | — | — | — |
| OTHER ASSETS | | | |
| Due from other funds | 248,889 | 26,152,003 | — |
| Total Assets | <u>\$249,981</u> | <u>\$26,465,919</u> | <u>\$60,058,791</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 3,721 | \$ 1,125,413 | \$38,387,482 |
| Due to other funds | 17,577 | 2,012,002 | 21,671,309 |
| Total Liabilities | <u>21,298</u> | <u>3,137,415</u> | <u>60,058,791</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | 113,763 | 15,269,714 | — |
| Unreserved: | | | |
| Designated for continuing appropriations | 114,920 | 12,564,937 | — |
| Undesignated | — | (4,506,147) | — |
| Total Fund Balances | <u>228,683</u> | <u>23,328,504</u> | <u>—</u> |
| Total Liabilities and Fund Balances | <u>\$249,981</u> | <u>\$26,465,919</u> | <u>\$60,058,791</u> |

| <u>State Facilities For Handicapped Fund</u> | <u>State Transportation Fund</u> | <u>Transportation Rehabilitation and Improvement Fund</u> | <u>Total Capital Projects Funds</u> |
|--|--|---|---|
| \$ 385 | \$ 2,182 | \$ — | \$ 383,673 |
| — | — | 5,952,792 | 48,234,506 |
| — | — | — | 21,500,351 |
| — | — | 1,232,814 | 7,255,910 |
| <u>2,978,483</u> | <u>6,532,351</u> | <u>60,024,050</u> | <u>195,175,151</u> |
| <u><u>\$2,978,868</u></u> | <u><u>\$6,534,533</u></u> | <u><u>\$67,209,656</u></u> | <u><u>\$272,549,591</u></u> |
| | | | |
| \$ 3,054 | \$ 182,296 | \$ 3,920,059 | \$ 59,266,461 |
| — | 3,268,885 | 33,523,161 | 72,114,217 |
| <u>3,054</u> | <u>3,451,181</u> | <u>37,443,220</u> | <u>131,380,678</u> |
| | | | |
| 170,847 | 1,061,902 | 33,890,584 | 100,443,067 |
| 2,804,967 | 2,021,450 | 15,875,852 | 148,085,831 |
| — | — | (20,000,000) | (107,359,985) |
| <u>2,975,814</u> | <u>3,083,352</u> | <u>29,766,436</u> | <u>141,168,913</u> |
| <u><u>\$2,978,868</u></u> | <u><u>\$6,534,533</u></u> | <u><u>\$67,209,656</u></u> | <u><u>\$272,549,591</u></u> |

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Correctional Facilities Construction Fund</u> | <u>Energy Conservation Fund</u> | <u>Higher Education Buildings Construction Fund</u> |
|--|--|---|---|
| REVENUES | | | |
| Federal and other grants | \$ — | \$ — | \$ — |
| Services and assessments | — | — | — |
| Investment earnings | 1,111,622 | 404,438 | 54,898 |
| Other | 117,425 | — | — |
| Total Revenues | <u>1,229,047</u> | <u>404,438</u> | <u>54,898</u> |
| OTHER INCREASES | | | |
| Proceeds from sale of bonds | 25,000,000 | 3,000,000 | — |
| Other | — | 18,697 | — |
| Total Other Increases | <u>25,000,000</u> | <u>3,018,697</u> | <u>—</u> |
| Total Revenues and Other Increases | <u>26,229,047</u> | <u>3,423,135</u> | <u>54,898</u> |
| EXPENDITURES | | | |
| Public safety and criminal justice | 24,298,166 | — | — |
| Educational, cultural and intellectual development | — | — | 152,270 |
| Community development and environmental management | — | 2,911,719 | — |
| Transportation programs | — | — | — |
| Total Expenditures | <u>24,298,166</u> | <u>2,911,719</u> | <u>152,270</u> |
| OTHER DECREASES | | | |
| Transfers to other funds | 1,229,047 | 423,135 | 54,898 |
| Other | — | 1,051 | — |
| Total Other Decreases | <u>1,229,047</u> | <u>424,186</u> | <u>54,898</u> |
| Total Expenditures and Other Decreases | <u>25,527,213</u> | <u>3,335,905</u> | <u>207,168</u> |
| Net Increase (Decrease) in Fund Balances for the Year | 701,834 | 87,230 | (152,270) |
| FUND BALANCES—JULY 1, 1986 | <u>19,114,808</u> | <u>7,232,722</u> | <u>937,438</u> |
| FUND BALANCES—JUNE 30, 1987 | <u>\$19,816,642</u> | <u>\$7,319,952</u> | <u>\$785,168</u> |

| <u>Human Services Facilities Construction Fund</u> | <u>Institutional Construction Fund</u> | <u>Institutions Construction Fund</u> | <u>New Jersey Bridge Rehabilitation And Improvement Fund</u> |
|--|--|---|--|
| \$ — | \$ — | \$ — | \$ 36,492,279 |
| — | — | — | — |
| 1,062,591 | 86,585 | 70,156 | 855,019 |
| — | — | — | 359,514 |
| <u>1,062,591</u> | <u>86,585</u> | <u>70,156</u> | <u>37,706,812</u> |
| — | — | — | 70,000,000 |
| — | — | — | — |
| — | — | — | 70,000,000 |
| <u>1,062,591</u> | <u>86,585</u> | <u>70,156</u> | <u>107,706,812</u> |
| — | — | — | — |
| — | — | — | — |
| 2,298,462 | 281,869 | 208,164 | — |
| — | — | — | 75,051,934 |
| <u>2,298,462</u> | <u>281,869</u> | <u>208,164</u> | <u>75,051,934</u> |
| 1,062,591 | 86,585 | 70,156 | 1,214,533 |
| — | — | — | — |
| <u>1,062,591</u> | <u>86,585</u> | <u>70,156</u> | <u>1,214,533</u> |
| 3,361,053 | 368,454 | 278,320 | 76,266,467 |
| (2,298,462) | (281,869) | (208,164) | 31,440,345 |
| 17,164,455 | 1,441,878 | 1,169,282 | 5,436,897 |
| <u>\$14,865,993</u> | <u>\$1,160,009</u> | <u>\$ 961,118</u> | <u>\$ 36,877,242</u> |

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Public Buildings Construction Fund</u> | <u>Public Purpose Buildings Construction Fund</u> | <u>Special Transportation Fund</u> |
|--|---|---|--|
| REVENUES | | | |
| Federal and other grants | \$ — | \$ — | \$243,691,944 |
| Services and assessments | — | — | 209,032,000 |
| Investment earnings | 17,577 | 2,002,364 | — |
| Other | — | — | — |
| Total Revenues | <u>17,577</u> | <u>2,002,364</u> | <u>452,723,944</u> |
| OTHER INCREASES | | | |
| Proceeds from sale of bonds | — | — | — |
| Other | — | — | — |
| Total Other Increases | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Revenues and Other Increases | <u>17,577</u> | <u>2,002,364</u> | <u>452,723,944</u> |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | 70,294 | 13,144,455 | — |
| Transportation programs | — | — | 452,723,944 |
| Total Expenditures | <u>70,294</u> | <u>13,144,455</u> | <u>452,723,944</u> |
| OTHER DECREASES | | | |
| Transfers to other funds | 17,577 | 2,002,364 | — |
| Other | — | — | — |
| Total Other Decreases | <u>17,577</u> | <u>2,002,364</u> | <u>—</u> |
| Total Expenditures and Other Decreases | <u>87,871</u> | <u>15,146,819</u> | <u>452,723,944</u> |
| Net Increase (Decrease) in Fund Balances for the Year | (70,294) | (13,144,455) | — |
| FUND BALANCES—JULY 1, 1986 | <u>298,977</u> | <u>36,472,959</u> | <u>—</u> |
| FUND BALANCES—JUNE 30, 1987 | <u>\$228,683</u> | <u>\$23,328,504</u> | <u>\$ —</u> |

| State Facilities For Handicapped Fund | State Transportation Fund | Transportation Rehabilitation And Improvement Fund | Total Capital Projects Funds |
|---|---------------------------------|--|------------------------------------|
| \$ — | \$1,441,105 | \$27,620,483 | \$309,245,811 |
| — | — | — | 209,032,000 |
| 188,549 | 530,885 | 3,608,832 | 9,993,516 |
| — | — | 130,207 | 607,146 |
| <u>188,549</u> | <u>1,971,990</u> | <u>31,359,522</u> | <u>528,878,473</u> |
| — | — | 25,500,000 | 123,500,000 |
| — | — | — | 18,697 |
| — | — | 25,500,000 | 123,518,697 |
| <u>188,549</u> | <u>1,971,990</u> | <u>56,859,522</u> | <u>652,397,170</u> |
| — | — | — | 24,298,166 |
| 569,466 | — | — | 721,736 |
| — | — | — | 18,914,963 |
| — | 3,650,526 | 57,694,201 | 589,120,605 |
| <u>569,466</u> | <u>3,650,526</u> | <u>57,694,201</u> | <u>633,055,470</u> |
| — | 530,885 | 3,739,038 | 10,430,809 |
| — | — | — | 1,051 |
| — | 530,885 | 3,739,038 | 10,431,860 |
| <u>569,466</u> | <u>4,181,411</u> | <u>61,433,239</u> | <u>643,487,330</u> |
| (380,917) | (2,209,421) | (4,573,717) | 8,909,840 |
| <u>3,356,731</u> | <u>5,292,773</u> | <u>34,340,153</u> | <u>132,259,073</u> |
| <u>\$2,975,814</u> | <u>\$3,083,352</u> | <u>\$29,766,436</u> | <u>\$141,168,913</u> |

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
DESCRIPTION OF FUNDS**

**Correctional Facilities Construction Fund
(P.L. 1982, c.120)**

An amount of \$170,000,000 was authorized for construction of new medium security prisons, a program of county assistance and renovations and modifications to existing state facilities.

Energy Conservation Fund (P.L. 1980, c.68)

An amount of \$50,000,000 was authorized, of which \$3,000,000 is for energy audits and \$47,000,000 is for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

**Higher Education Buildings Construction Fund
(P.L. 1971, c.164)**

An amount of \$155,000,000 was authorized for the acquisition, construction, reconstruction, development, improvement, and equipment for state institutions of higher education and for county colleges.

**Human Services Facilities Construction Fund
(P.L. 1984, c.157)**

An amount of \$60,000,000 was authorized for the planning, construction, reconstruction development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Institutional Construction Fund (P.L. 1978, c.79)

An amount of \$100,000,000 was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds were used for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

Institutions Construction Fund (P.L. 1976, c.93)

An amount of \$80,000,000 was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

New Jersey Bridge Rehabilitation And Improvement Fund (P.L. 1983, c.363)

An amount of \$135,000,000 was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97,500,000 was reserved for the cost of rehabilitation and improvement of bridges carrying state highways, and

\$37,500,000 was reserved for the state share of the cost of rehabilitation and improvement of bridges carrying county and municipal roads.

**Public Buildings Construction Fund
(P.L. 1968, c.128)**

An amount of \$337,500,000 was authorized for construction, reconstruction, development, extension, and equipping of public buildings for state institutions, higher education, including state and county colleges, vocational education, and for a statewide television and radio network.

**Public Purpose Buildings Construction Fund
(P.L. 1980, c.119)**

An amount of \$159,000,000 was authorized for construction of public purpose buildings, including \$50,000,000 for facilities for the mentally retarded, \$67,000,000 for correctional facilities, \$7,000,000 for a veterans' long-term care facility, \$3,500,000 for facilities for children in need of supervision, and \$21,500,000 for facilities for the mentally ill.

\$10,000,000 of the proceeds from the sale of bonds was authorized to be segregated and held aside for guarantees providing that the moneys shall be pledged as security for the obligation.

Special Transportation Fund (N.J.S.A. 27:1B-21)

This Fund was established in accordance with the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984. The Fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department pursuant to appropriations or authorizations made by the Legislature for the purpose of the Transportation Trust Fund Authority Act.

**State Facilities For Handicapped Fund
(P.L. 1973, c.149)**

An amount of \$25,000,000 was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Transportation Fund (P.L. 1968, c.126)

An amount of \$640,000,000 was authorized to improve the state public transportation system. Of this

amount, \$200,000,000 was reserved for mass transportation facilities; the balance was reserved for the improvement of state highways.

Transportation Rehabilitation And Improvement Fund (P.L. 1979, c.165)

An amount of \$475,000,000 was authorized to

provide an improved transportation system for the State. Of this amount, \$150,000,000 was reserved for the improvement of public transportation facilities; \$80,000,000 was reserved for the improvement of county and municipal roads; and \$245,000,000 was reserved for the improvement of state highways.

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TRUST AND AGENCY FUNDS

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987**

| | <u>Alternate Benefit Long-Term Disability Fund</u> | <u>Community Development Bond Fund</u> | <u>Dental Expense Program Fund</u> |
|--|--|--|--|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ — | \$ 624 | \$ 378,892 |
| INVESTMENTS | — | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | 525,000 | — | 166,779 |
| OTHER ASSETS | | | |
| Due from other funds | 256,090 | 4,861,567 | 9,302,342 |
| Total Assets | <u>\$781,090</u> | <u>\$4,862,191</u> | <u>\$9,848,013</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ — | \$ — | \$1,814,102 |
| Deferred revenue | — | — | — |
| Due to other funds | — | 487,823 | — |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>—</u> | <u>487,823</u> | <u>1,814,102</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | — | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Undesignated | 781,090 | 4,374,368 | 8,033,911 |
| Total Fund Balances | <u>781,090</u> | <u>4,374,368</u> | <u>8,033,911</u> |
| Total Liabilities and Fund Balances | <u>\$781,090</u> | <u>\$4,862,191</u> | <u>\$9,848,013</u> |

EXPENDABLE TRUST FUNDS

| <u>Emergency Services Fund</u> | <u>Fund For Support Of Free Public Schools</u> | <u>Health Benefits Program Fund</u> | <u>Higher Education Assistance Fund</u> |
|--------------------------------|--|-------------------------------------|---|
| \$ 728 | \$ 20,707 | \$ 2,005,471 | \$ — |
| — | 45,685,436 | — | — |
| — | — | — | 10,032,087 |
| — | — | — | — |
| — | — | — | 7,324,435 |
| — | 776,827 | 3,358,196 | — |
| <u>3,252,786</u> | <u>4,523,768</u> | <u>169,414,493</u> | <u>17,477,446</u> |
| <u>\$3,253,514</u> | <u>\$51,006,738</u> | <u>\$174,778,160</u> | <u>\$34,833,968</u> |
| \$ — | \$ 5,319 | \$117,136,331 | \$ 3,473,093 |
| — | — | 7,710,176 | — |
| — | 3,903,672 | — | 2,518,693 |
| — | — | — | — |
| — | 128,953 | — | 1,498,206 |
| — | — | — | — |
| <u>—</u> | <u>4,037,944</u> | <u>124,846,507</u> | <u>7,489,992</u> |
| — | — | — | 646,586 |
| — | — | — | — |
| — | 18,722,176 | — | 7,324,435 |
| <u>3,253,514</u> | <u>28,246,618</u> | <u>49,931,653</u> | <u>19,372,955</u> |
| <u>3,253,514</u> | <u>46,968,794</u> | <u>49,931,653</u> | <u>27,343,976</u> |
| <u>\$3,253,514</u> | <u>\$51,006,738</u> | <u>\$174,778,160</u> | <u>\$34,833,968</u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Motor Vehicle Liability Security Fund</u> | <u>Motor Vehicle Security Responsibility Fund</u> | <u>Mutual Workers' Compensation Security Fund</u> |
|--|--|---|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 409 | \$ 16,371 | \$ — |
| INVESTMENTS | 373,613 | — | 4,135,627 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | 617,199 |
| Loans | — | — | — |
| Other | 149,954 | — | 731,447 |
| OTHER ASSETS | | | |
| Due from other funds | 12,658,640 | 177,939 | 235,195 |
| Total Assets | <u>\$13,182,616</u> | <u>\$194,310</u> | <u>\$5,719,468</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 25,237 | \$181,927 | \$ 476,868 |
| Deferred revenue | — | — | — |
| Due to other funds | — | 12,383 | — |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>25,237</u> | <u>194,310</u> | <u>476,868</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | — | — | — |
| Other | 13,157,379 | — | — |
| Unreserved: | | | |
| Undesignated | — | — | 5,242,600 |
| Total Fund Balances | <u>13,157,379</u> | <u>—</u> | <u>5,242,600</u> |
| Total Liabilities and Fund Balances | <u>\$13,182,616</u> | <u>\$194,310</u> | <u>\$5,719,468</u> |

EXPENDABLE TRUST FUNDS

| New Home Warranty Security Fund | NJ Federal-State Rural Rehabilitation Fund | New Jersey Insurance Development Fund | Prescription Drug Program Fund | Real Estate Guaranty Fund |
|--|---|--|---|--------------------------------------|
| \$ — | \$ — | \$ 1,314 | \$ — | \$ 1,530 |
| — | — | — | — | — |
| — | — | — | — | — |
| — | 15,000 | — | — | — |
| — | — | 13,000,000 | 4,850 | — |
| <u>31,314,273</u> | <u>565,856</u> | <u>69,261,298</u> | <u>4,073,825</u> | <u>1,088,311</u> |
| <u><u>\$31,314,273</u></u> | <u><u>\$580,856</u></u> | <u><u>\$82,262,612</u></u> | <u><u>\$4,078,675</u></u> | <u><u>\$1,089,841</u></u> |
| | | | | |
| \$ 140,106 | \$ 14,787 | \$ 3,532,362 | \$1,673,267 | \$ — |
| — | — | — | — | — |
| 1,558,638 | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| <u>1,698,744</u> | <u>14,787</u> | <u>3,532,362</u> | <u>1,673,267</u> | <u>—</u> |
| | | | | |
| — | 2,765 | — | — | 2,153 |
| — | — | — | — | — |
| — | 15,000 | — | — | — |
| <u>29,615,529</u> | <u>548,304</u> | <u>78,730,250</u> | <u>2,405,408</u> | <u>1,087,688</u> |
| <u>29,615,529</u> | <u>566,069</u> | <u>78,730,250</u> | <u>2,405,408</u> | <u>1,089,841</u> |
| <u><u>\$31,314,273</u></u> | <u><u>\$580,856</u></u> | <u><u>\$82,262,612</u></u> | <u><u>\$4,078,675</u></u> | <u><u>\$1,089,841</u></u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>State Disability Benefit Fund</u> | <u>Stock Workers' Compensation Security Fund</u> | <u>Unclaimed Bank Deposits Escheat Reserve Fund</u> |
|--|--|--|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 81,886 | \$ — | \$ — |
| INVESTMENTS | 53,431,538 | 19,111,492 | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | 35,735,285 | 2,508,483 | — |
| Loans | — | — | — |
| Other | 1,817,993 | 327,402 | — |
| OTHER ASSETS | | | |
| Due from other funds | 111,589,135 | 23,778,139 | 10,959,775 |
| Total Assets | <u>\$202,655,837</u> | <u>\$45,725,516</u> | <u>\$10,959,775</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 16,818,964 | \$ 291,190 | \$ 10,947 |
| Deferred revenue | — | — | — |
| Due to other funds | 5,259,786 | — | 1,867,965 |
| Advances from other funds | — | — | — |
| Other | 911,949 | — | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>22,990,699</u> | <u>291,190</u> | <u>1,878,912</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | — | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Undesignated | 179,665,138 | 45,434,326 | 9,080,863 |
| Total Fund Balances | <u>179,665,138</u> | <u>45,434,326</u> | <u>9,080,863</u> |
| Total Liabilities and Fund Balances | <u>\$202,655,837</u> | <u>\$45,725,516</u> | <u>\$10,959,775</u> |

EXPENDABLE TRUST FUNDS

| Unclaimed Domestic Life Insurance Escheat Reserve Fund | Unclaimed Personal Property Trust Fund | Unemployment Compensation Fund | University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund | Unsatisfied Claim and Judgment Fund |
|---|---|---|---|--|
| \$ 44,830 | \$ 16,185 | \$ 20,619,920 | \$ — | \$ 612,597 |
| — | — | — | 5,922,243 | 9,586,206 |
| — | — | 1,541,701,259 | — | — |
| — | — | 62,032,384 | — | — |
| — | — | — | — | — |
| — | — | 8,136,927 | 2,628,704 | 4,044,528 |
| <u>2,263,804</u> | <u>20,819,288</u> | <u>—</u> | <u>4,403,206</u> | <u>97,683,891</u> |
| <u>\$2,308,634</u> | <u>\$20,835,473</u> | <u>\$1,632,490,490</u> | <u>\$12,954,153</u> | <u>\$111,927,222</u> |
| \$ — | \$ — | \$ 53,151,519 | \$ 428,106 | \$ 139,879 |
| — | — | — | — | — |
| 834,157 | 11,652,556 | 10,732,437 | — | 990,171 |
| — | — | — | — | — |
| — | — | 434,094 | — | — |
| — | — | — | — | — |
| <u>834,157</u> | <u>11,652,556</u> | <u>64,318,050</u> | <u>428,106</u> | <u>1,130,050</u> |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | 3,866,635 |
| <u>1,474,477</u> | <u>9,182,917</u> | <u>1,568,172,440</u> | <u>12,526,047</u> | <u>106,930,537</u> |
| <u>1,474,477</u> | <u>9,182,917</u> | <u>1,568,172,440</u> | <u>12,526,047</u> | <u>110,797,172</u> |
| <u>\$2,308,634</u> | <u>\$20,835,473</u> | <u>\$1,632,490,490</u> | <u>\$12,954,153</u> | <u>\$111,927,222</u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Veterans' Guaranteed Loan Fund</u> | <u>Wage and Hour Trust Fund</u> | <u>Sub-Total Expendable Trust Funds</u> |
|--|---|-------------------------------------|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 5,809 | \$148,169 | \$ 23,955,442 |
| INVESTMENTS | — | 626,073 | 138,872,228 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | 1,551,733,346 |
| Departmental accounts | — | 166,799 | 101,060,150 |
| Loans | — | — | 7,339,435 |
| Other | — | — | 35,668,607 |
| OTHER ASSETS | | | |
| Due from other funds | 5,443 | — | 599,966,510 |
| Total Assets | <u>\$11,252</u> | <u>\$941,041</u> | <u>\$2,458,595,718</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ — | \$829,523 | \$ 200,143,527 |
| Deferred revenue | — | — | 7,710,176 |
| Due to other funds | — | — | 39,818,281 |
| Advances from other funds | — | — | — |
| Other | — | — | 2,973,202 |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>—</u> | <u>829,523</u> | <u>250,645,186</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | 651,504 |
| Pension benefits | — | — | — |
| Other | — | — | 43,085,625 |
| Unreserved: | | | |
| Undesignated | 11,252 | 111,518 | 2,164,213,403 |
| Total Fund Balances | <u>11,252</u> | <u>111,518</u> | <u>2,207,950,532</u> |
| Total Liabilities and Fund Balances | <u>\$11,252</u> | <u>\$941,041</u> | <u>\$2,458,595,718</u> |

PENSION TRUST FUNDS

| Central Pension Fund | Consolidated Police & Firemen's Pension Fund | Judicial Retirement System | Police & Firemen's Retirement System |
|-------------------------------------|---|---|---|
| \$ — | \$ 66,358 | \$ 36,796 | \$ — |
| — | 91,320,305 | 1,768,283 | 624,179,744 |
| — | — | — | — |
| — | — | — | — |
| — | — | 28,592 | 98,277,940 |
| — | 1,487,487 | 165,257 | 165,940,056 |
| 34,513 | 12,547,933 | 54,263,435 | 2,508,061,628 |
| <u>\$34,513</u> | <u>\$105,422,083</u> | <u>\$56,262,363</u> | <u>\$3,396,459,368</u> |
| \$34,513 | \$ 3,113,856 | \$ 848,253 | \$ 14,458,196 |
| — | — | — | — |
| — | — | — | 1,785,033 |
| — | — | — | — |
| — | — | — | — |
| 34,513 | 3,113,856 | 848,253 | 16,243,229 |
| — | — | — | — |
| — | 102,308,227 | 55,414,110 | 3,380,216,139 |
| — | — | — | — |
| — | — | — | — |
| — | 102,308,227 | 55,414,110 | 3,380,216,139 |
| <u>\$34,513</u> | <u>\$105,422,083</u> | <u>\$56,262,363</u> | <u>\$3,396,459,368</u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | PENSION TRUST | | |
|--|--|--|---|
| | Prison Officers' Pension Fund | Public Employees' Retirement System | State Police Retirement System |
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 160,104 | \$ 9,799,771 | \$ 21,388 |
| INVESTMENTS | — | 896,894,690 | 37,414,965 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | 99,594,006 | 8,469,521 |
| Other | 34,587 | 152,643,739 | 544,917 |
| OTHER ASSETS | | | |
| Due from other funds | 1,033,751 | 4,702,091,129 | 300,198,448 |
| Total Assets | <u>\$1,228,442</u> | <u>\$5,861,023,335</u> | <u>\$346,649,239</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 316,428 | \$ 28,950,773 | \$ 1,475,895 |
| Deferred revenue | — | — | — |
| Due to other funds | — | 8,826,782 | — |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>316,428</u> | <u>37,777,555</u> | <u>1,475,895</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | 912,014 | 5,787,449,773 | 345,173,344 |
| Other | — | 35,796,007 | — |
| Unreserved: | | | |
| Undesignated | — | — | — |
| Total Fund Balances | <u>912,014</u> | <u>5,823,245,780</u> | <u>345,173,344</u> |
| Total Liabilities and Fund Balances | <u>\$1,228,442</u> | <u>\$5,861,023,335</u> | <u>\$346,649,239</u> |

| FUNDS | | | | NON-EXPENDABLE TRUST FUNDS |
|-------|--|--|-------------------------------------|--|
| | Supplemental Annuity Collective Trust | Teachers' Pension and Annuity Fund | Sub-Total Pension Trust Funds | State of New Jersey-Tischler Memorial Fund |
| | \$ — | \$ — | \$ 10,084,417 | \$ 1,263 |
| | 143,590,406 | 1,234,309,026 | 3,029,477,419 | 345,278 |
| | — | — | — | — |
| | — | 115,183,148 | 321,553,207 | — |
| | 667,182 | 61,514,845 | 382,998,070 | 9,236 |
| | 4,372,766 | 5,410,850,641 | 12,993,454,244 | 60,296 |
| | <u>\$148,630,354</u> | <u>\$6,821,857,660</u> | <u>\$16,737,567,357</u> | <u>\$416,073</u> |
| | \$ 1,315,835 | \$ 34,296,619 | \$ 84,810,368 | \$ — |
| | — | — | — | — |
| | — | — | 10,611,815 | — |
| | — | — | — | — |
| | — | — | — | — |
| | <u>1,315,835</u> | <u>34,296,619</u> | <u>95,422,183</u> | <u>—</u> |
| | — | — | — | — |
| | 147,314,519 | 6,741,442,211 | 16,560,230,337 | — |
| | — | 46,118,830 | 81,914,837 | 416,073 |
| | — | — | — | — |
| | <u>147,314,519</u> | <u>6,787,561,041</u> | <u>16,642,145,174</u> | <u>416,073</u> |
| | <u>\$148,630,354</u> | <u>\$6,821,857,660</u> | <u>\$16,737,567,357</u> | <u>\$416,073</u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Alternate Benefit Program Fund</u> | <u>Common Pension Fund "A"</u> | <u>Common Pension Fund "B"</u> |
|--|---|------------------------------------|------------------------------------|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$2,296,584 | \$ 312,377 | \$ 5,872 |
| INVESTMENTS | — | 6,186,513,856 | 6,020,974,245 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | 241,648 | 21,836,094 | 149,303,223 |
| OTHER ASSETS | | | |
| Due from other funds | 1,620,885 | 65,200,558 | 52,688,744 |
| Total Assets | <u>\$4,159,117</u> | <u>\$6,273,862,885</u> | <u>\$6,222,972,084</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$4,159,117 | \$ 509,457 | \$ — |
| Deferred revenue | — | — | — |
| Due to other funds | — | 6,273,353,428 | 6,222,972,084 |
| Advances from other funds | — | — | — |
| Other | — | — | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>4,159,117</u> | <u>6,273,862,885</u> | <u>6,222,972,084</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | — | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Undesignated | — | — | — |
| Total Fund Balances | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Liabilities and Fund Balances | <u>\$4,159,117</u> | <u>\$6,273,862,885</u> | <u>\$6,222,972,084</u> |

AGENCY FUNDS

| <u>General Trust Fund</u> | <u>Luxury Tax Development Fund</u> | <u>Luxury Tax Fund</u> | <u>New Jersey State Employees' Deferred Compensation Plan</u> |
|-------------------------------|--|----------------------------|---|
| \$ 2,059 | \$ 103,141 | \$ 17,599 | \$ 14,680 |
| — | — | — | 34,492,392 |
| — | — | — | — |
| — | — | 1,430,310 | — |
| — | — | 10,840,015 | — |
| — | — | — | 1,420,440 |
| 15,615 | 11,510,777 | 2,173,739 | 30,262,528 |
| <u>\$17,674</u> | <u>\$11,613,918</u> | <u>\$14,461,663</u> | <u>\$66,190,040</u> |
| \$16,759 | \$11,613,918 | \$14,461,663 | \$ 466,344 |
| — | — | — | — |
| 915 | — | — | 57,096 |
| — | — | — | 799,187 |
| — | — | — | — |
| — | — | — | 64,867,413 |
| 17,674 | 11,613,918 | 14,461,663 | 66,190,040 |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| <u>\$17,674</u> | <u>\$11,613,918</u> | <u>\$14,461,663</u> | <u>\$66,190,040</u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>Outstanding Checks Account</u> | <u>Pension Adjustment Fund</u> | <u>Resource Recovery Investment Tax Fund</u> |
|--|---------------------------------------|------------------------------------|--|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ — | \$ 9,771,134 | \$ 1,245 |
| INVESTMENTS | — | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | 385 |
| Loans | — | — | — |
| Other | 1,218 | 1,750,128 | — |
| OTHER ASSETS | | | |
| Due from other funds | 9,328,077 | 38,890,901 | 29,902,494 |
| Total Assets | <u>\$9,329,295</u> | <u>\$50,412,163</u> | <u>\$29,904,124</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$8,861,517 | \$ — | \$29,904,124 |
| Deferred revenue | — | — | — |
| Due to other funds | 467,778 | 17,631,650 | — |
| Advances from other funds | — | — | — |
| Other | — | 32,780,513 | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | <u>9,329,295</u> | <u>50,412,163</u> | <u>29,904,124</u> |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | — | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Undesignated | — | — | — |
| Total Fund Balances | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Liabilities and Fund Balances | <u>\$9,329,295</u> | <u>\$50,412,163</u> | <u>\$29,904,124</u> |

AGENCY FUNDS

| <u>Rutgers Medical School— Restricted Fund</u> | <u>School Building Aid Capital Reserve Fund</u> | <u>Solid Waste Service Tax Fund</u> | <u>State Lottery Agency Fund</u> |
|--|---|---|--------------------------------------|
| \$ 1,697 | \$ 25,574 | \$ 34,565 | \$ — |
| 1,043,255 | — | — | 273,703,075 |
| — | — | — | — |
| — | — | 375 | — |
| — | — | — | — |
| 32,951 | — | — | — |
| 7,913,809 | 838,516 | 11,642,923 | — |
| <u>\$8,991,712</u> | <u>\$864,090</u> | <u>\$11,677,863</u> | <u>\$273,703,075</u> |
| \$8,991,712 | \$864,090 | \$11,677,863 | \$273,703,075 |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| <u>8,991,712</u> | <u>864,090</u> | <u>11,677,863</u> | <u>273,703,075</u> |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| <u>\$8,991,712</u> | <u>\$864,090</u> | <u>\$11,677,863</u> | <u>\$273,703,075</u> |

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | AGENCY | | |
|--|---|---|--|
| | State of New Jersey Cash Management Fund | University Of Medicine and Dentistry of New Jersey Construction Grant Fund | University Of Medicine and Dentistry of New Jersey Endowment Fund |
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 26,359,701 | \$ 4,360 | \$ 3,664 |
| INVESTMENTS | 4,793,089,051 | — | 102,353 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Federal government | — | — | — |
| Departmental accounts | — | — | — |
| Loans | — | — | — |
| Other | 14,315,121 | — | 5,171 |
| OTHER ASSETS | | | |
| Due from other funds | — | 10,639,171 | 251,575 |
| Total Assets | \$4,833,763,873 | \$10,643,531 | \$362,763 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 26,384,666 | \$10,643,531 | \$362,763 |
| Deferred revenue | — | — | — |
| Due to other funds | 3,805,667,319 | — | — |
| Advances from other funds | — | — | — |
| Other | 1,001,711,888 | — | — |
| Deferred compensation payable | — | — | — |
| Total Liabilities | 4,833,763,873 | 10,643,531 | 362,763 |
| FUND BALANCES | | | |
| Reserved for: | | | |
| Encumbrances | — | — | — |
| Pension benefits | — | — | — |
| Other | — | — | — |
| Unreserved: | | | |
| Undesignated | — | — | — |
| Total Fund Balances | — | — | — |
| Total Liabilities and Fund Balances | \$4,833,763,873 | \$10,643,531 | \$362,763 |

FUNDS

| University Of Medicine and Dentistry of New Jersey Endowment Fund "B" | University Of Medicine and Dentistry of New Jersey Grant Fund | University Of Medicine and Dentistry of New Jersey Grant Fund "B" | Sub-Total Agency Funds | Total Trust and Agency Funds |
|--|--|--|-----------------------------------|---|
| \$ 8,146 | \$ 14,079 | \$ 2,991 | \$ 38,979,468 | \$ 73,020,590 |
| 4,261,907 | 296,530 | — | 17,314,476,664 | 20,483,171,589 |
| — | — | — | — | 1,551,733,346 |
| — | — | — | 1,431,070 | 102,491,220 |
| — | — | — | 10,840,015 | 339,732,657 |
| 62,241 | 3,788 | — | 188,972,023 | 607,647,936 |
| 1,660,908 | 65,481 | 4,010,313 | 278,617,014 | 13,872,098,064 |
| <u>\$5,993,202</u> | <u>\$379,878</u> | <u>\$4,013,304</u> | <u>\$17,833,316,254</u> | <u>\$37,029,895,402</u> |
| \$5,993,202 | \$379,878 | \$4,013,304 | \$ 413,006,983 | \$ 697,960,878 |
| — | — | — | — | 7,710,176 |
| — | — | — | 16,320,150,270 | 16,370,580,366 |
| — | — | — | 799,187 | 799,187 |
| — | — | — | 1,034,492,401 | 1,037,465,603 |
| — | — | — | 64,867,413 | 64,867,413 |
| <u>5,993,202</u> | <u>379,878</u> | <u>4,013,304</u> | <u>17,833,316,254</u> | <u>18,179,383,623</u> |
| — | — | — | — | 651,504 |
| — | — | — | — | 16,560,230,337 |
| — | — | — | — | 125,416,535 |
| — | — | — | — | 2,164,213,403 |
| — | — | — | — | 18,850,511,779 |
| <u>\$5,993,202</u> | <u>\$379,878</u> | <u>\$4,013,304</u> | <u>\$17,833,316,254</u> | <u>\$37,029,895,402</u> |

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Alternate Benefit Long-Term Disability Fund | Community Development Bond Fund | Dental Expense Program Fund |
|--|--|--|--|
| REVENUES | | | |
| Taxes | \$ — | \$ — | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | — | — | — |
| Investment earnings | 3,450 | 447,447 | 443,579 |
| Contributions | 252,640 | — | 7,962,062 |
| Other | — | 34,030 | — |
| Total Revenues | 256,090 | 481,477 | 8,405,641 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | 8,550,399 |
| Proceeds from sale of bonds | — | 7,000,000 | — |
| Other | 525,000 | — | — |
| Total Other Increases | 525,000 | 7,000,000 | 8,550,399 |
| Total Revenues and Other Increases | 781,090 | 7,481,477 | 16,956,040 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | — | 6,346 | — |
| Economic planning, development and security | — | — | — |
| Government direction, management and control | — | — | 16,509,386 |
| Total Expenditures | — | 6,346 | 16,509,386 |
| OTHER DECREASES | | | |
| Transfers to other funds | — | 10,575,371 | — |
| Other | — | 3,630 | — |
| Total Other Decreases | — | 10,579,001 | — |
| Total Expenditures and Other Decreases | — | 10,585,347 | 16,509,386 |
| Net Increases (Decreases) in Fund Balances for the Year | 781,090 | (3,103,870) | 446,654 |
| FUND BALANCES—JULY 1, 1986 | — | 7,478,238 | 7,587,257 |
| FUND BALANCES—JUNE 30, 1987 | \$781,090 | \$ 4,374,368 | \$ 8,033,911 |

| Emergency Services Fund | Fund For Support Of Free Public Schools | Health Benefits Program Fund | Higher Education Assistance Fund |
|------------------------------------|--|---|---|
| \$ — | \$ — | \$ — | \$ — |
| — | 2,434,424 | — | 29,412,162 |
| — | 601,615 | — | 1,985,282 |
| — | — | — | — |
| 189,635 | 3,903,672 | 9,741,700 | 827,444 |
| — | — | 244,657,446 | — |
| — | 737,227 | — | 3,793,718 |
| <u>189,635</u> | <u>7,676,938</u> | <u>254,399,146</u> | <u>36,018,606</u> |
| — | — | 139,246,844 | 1,110,101 |
| — | — | — | — |
| — | — | — | — |
| — | — | 139,246,844 | 1,110,101 |
| <u>189,635</u> | <u>7,676,938</u> | <u>393,645,990</u> | <u>37,128,707</u> |
| — | — | — | — |
| — | — | — | 28,436,101 |
| 22,197 | — | — | — |
| — | — | — | — |
| — | — | 425,876,935 | — |
| <u>22,197</u> | <u>—</u> | <u>425,876,935</u> | <u>28,436,101</u> |
| — | 6,013,615 | — | 5,016,600 |
| — | — | — | 1,199,090 |
| — | 6,013,615 | — | 6,215,690 |
| <u>22,197</u> | <u>6,013,615</u> | <u>425,876,935</u> | <u>34,651,791</u> |
| 167,438 | 1,663,323 | (32,230,945) | 2,476,916 |
| <u>3,086,076</u> | <u>45,305,471</u> | <u>82,162,598</u> | <u>24,867,060</u> |
| <u>\$3,253,514</u> | <u>\$46,968,794</u> | <u>\$ 49,931,653</u> | <u>\$27,343,976</u> |

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Motor Vehicle Liability Security Fund | Motor Vehicle Security Responsibility Fund | Mutual Workers' Compensation Security Fund |
|--|---|---|--|
| REVENUES | | | |
| Taxes | \$ — | \$ — | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | — | — | 617,199 |
| Investment earnings | 757,288 | 12,383 | 481,181 |
| Contributions | — | — | — |
| Other | — | — | — |
| Total Revenues | 757,288 | 12,383 | 1,098,380 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | — |
| Proceeds from sale of bonds | — | — | — |
| Other | — | — | 669,340 |
| Total Other Increases | — | — | 669,340 |
| Total Revenues and Other Increases | 757,288 | 12,383 | 1,767,720 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | — | — | — |
| Economic planning, development and security | — | — | 866,217 |
| Government direction, management and control | — | — | — |
| Total Expenditures | — | — | 866,217 |
| OTHER DECREASES | | | |
| Transfers to other funds | — | 12,383 | — |
| Other | — | — | 669,340 |
| Total Other Decreases | — | 12,383 | 669,340 |
| Total Expenditures and Other Decreases | — | 12,383 | 1,535,557 |
| Net Increases (Decreases) in Fund Balances for the Year | 757,288 | — | 232,163 |
| FUND BALANCES—JULY 1, 1986 | 12,400,091 | — | 5,010,437 |
| FUND BALANCES—JUNE 30, 1987 | \$13,157,379 | \$ — | \$5,242,600 |

| New Home Warranty Security Fund | NJ Federal-State Rural Rehabilitation Fund | New Jersey Insurance Development Fund | Prescription Drug Program Fund | Real Estate Guaranty Fund |
|--|---|--|---|--------------------------------------|
| \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — |
| 867,025 | — | — | — | — |
| 8,080,968 | — | 27,499,998 | — | 136,018 |
| 1,586,849 | 33,337 | 3,463,894 | 166,964 | 58,903 |
| — | — | — | 6,444 | — |
| 180,754 | 680 | — | — | — |
| <u>10,715,596</u> | <u>34,017</u> | <u>30,963,892</u> | <u>173,408</u> | <u>194,921</u> |
| — | — | — | 15,828,430 | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | 15,828,430 | — |
| <u>10,715,596</u> | <u>34,017</u> | <u>30,963,892</u> | <u>16,001,838</u> | <u>194,921</u> |
| — | — | 2,404,188 | — | — |
| — | — | — | — | — |
| — | 29,141 | — | — | — |
| 600,210 | — | — | — | 103,429 |
| — | — | — | 15,083,919 | — |
| <u>600,210</u> | <u>29,141</u> | <u>2,404,188</u> | <u>15,083,919</u> | <u>103,429</u> |
| 1,558,638 | — | — | — | — |
| — | — | — | — | — |
| <u>1,558,638</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| <u>2,158,848</u> | <u>29,141</u> | <u>2,404,188</u> | <u>15,083,919</u> | <u>103,429</u> |
| 8,556,748 | 4,876 | 28,559,704 | 917,919 | 91,492 |
| <u>21,058,781</u> | <u>561,193</u> | <u>50,170,546</u> | <u>1,487,489</u> | <u>998,349</u> |
| <u>\$29,615,529</u> | <u>\$566,069</u> | <u>\$78,730,250</u> | <u>\$ 2,405,408</u> | <u>\$1,089,841</u> |

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>State Disability Benefit Fund</u> | <u>Stock Workers' Compensation Security Fund</u> | <u>Unclaimed Bank Deposits Escheat Reserve Fund</u> |
|--|--|--|---|
| REVENUES | | | |
| Taxes | \$242,083,743 | \$ — | \$ — |
| Federal and other grants | — | — | — |
| Licenses and fees | — | — | — |
| Services and assessments | — | 2,508,483 | — |
| Investment earnings | 9,646,515 | 3,425,516 | 561,496 |
| Contributions | — | — | — |
| Other | — | — | 2,490,620 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 251,730,258 | 5,933,999 | 3,052,116 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | — |
| Proceeds from sale of bonds | — | — | — |
| Other | — | 3,102 | — |
| | <hr/> | <hr/> | <hr/> |
| Total Other Increases | — | 3,102 | — |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues and Other Increases | 251,730,258 | 5,937,101 | 3,052,116 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | — |
| Educational, cultural and intellectual development | — | — | — |
| Community development and environmental management | — | — | — |
| Economic planning, development and security | 215,872,585 | 2,657,384 | — |
| Government direction, management and control | — | — | 347,674 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 215,872,585 | 2,657,384 | 347,674 |
| OTHER DECREASES | | | |
| Transfers to other funds | 17,364,311 | — | 1,867,965 |
| Other | 14,000 | — | — |
| | <hr/> | <hr/> | <hr/> |
| Total Other Decreases | 17,378,311 | — | 1,867,965 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures and Other Decreases | 233,250,896 | 2,657,384 | 2,215,639 |
| | <hr/> | <hr/> | <hr/> |
| Net Increases (Decreases) in Fund Balances for the Year | 18,479,362 | 3,279,717 | 836,477 |
| FUND BALANCES—JULY 1, 1986 | 161,185,776 | 42,154,609 | 8,244,386 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCES—JUNE 30, 1987 | \$179,665,138 | \$45,434,326 | \$9,080,863 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

| Unclaimed Domestic Life Insurance Escheat Reserve Fund | Unclaimed Personal Property Trust Fund | Unemployment Compensation Fund | University Of Medicine And Dentistry Of New Jersey Self Insurance Reserve Fund | Unsatisfied Claim And Judgment Fund |
|---|--|--------------------------------------|---|---|
| \$ — | \$ — | \$1,019,485,802 | \$ — | \$ — |
| — | — | 10,105,457 | 5,645,586 | — |
| — | — | — | — | 3,655 |
| — | — | — | — | 54,564,390 |
| 116,304 | 875,612 | 117,793,353 | 1,037,603 | 5,676,738 |
| — | — | — | — | — |
| 957,137 | 14,243,115 | 761,403 | — | 421,304 |
| <u>1,073,441</u> | <u>15,118,727</u> | <u>1,148,146,015</u> | <u>6,683,189</u> | <u>60,666,087</u> |
| — | — | — | — | 417,645 |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | 417,645 |
| <u>1,073,441</u> | <u>15,118,727</u> | <u>1,148,146,015</u> | <u>6,683,189</u> | <u>61,083,732</u> |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | — | — | — |
| — | — | 622,693,757 | 5,455,337 | 42,353,686 |
| 28,172 | 2,889,746 | — | — | — |
| <u>28,172</u> | <u>2,889,746</u> | <u>622,693,757</u> | <u>5,455,337</u> | <u>42,353,686</u> |
| 834,157 | 11,652,556 | — | — | 990,171 |
| — | 696,039 | 6,927,011 | — | 2,500,000 |
| <u>834,157</u> | <u>12,348,595</u> | <u>6,927,011</u> | <u>—</u> | <u>3,490,171</u> |
| <u>862,329</u> | <u>15,238,341</u> | <u>629,620,768</u> | <u>5,455,337</u> | <u>45,843,857</u> |
| 211,112 | (119,614) | 518,525,247 | 1,227,852 | 15,239,875 |
| 1,263,365 | 9,302,531 | 1,049,647,193 | 11,298,195 | 95,557,297 |
| <u>\$1,474,477</u> | <u>\$ 9,182,917</u> | <u>\$1,568,172,440</u> | <u>\$12,526,047</u> | <u>\$110,797,172</u> |

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Veterans' Guaranteed Loan Fund | Wage and Hour Trust Fund | Total Expendable Trust Funds |
|--|--------------------------------------|-----------------------------|------------------------------------|
| REVENUES | | | |
| Taxes | \$ — | \$ — | \$1,261,569,545 |
| Federal and other grants | — | — | 47,597,629 |
| Licenses and fees | — | — | 3,457,577 |
| Services and assessments | — | — | 93,407,056 |
| Investment earnings | 314 | 30,665 | 161,281,842 |
| Contributions | — | — | 252,878,592 |
| Other | 392 | 1,302,064 | 24,922,444 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 706 | 1,332,729 | 1,845,114,685 |
| OTHER INCREASES | | | |
| Transfers from other funds | — | — | 165,153,419 |
| Proceeds from sale of bonds | — | — | 7,000,000 |
| Other | — | — | 1,197,442 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Increases | — | — | 173,350,861 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues and Other Increases | 706 | 1,332,729 | 2,018,465,546 |
| EXPENDITURES | | | |
| Public safety and criminal justice | — | — | 2,404,188 |
| Educational, cultural and intellectual development | — | — | 28,436,101 |
| Community development and environmental management | — | — | 57,684 |
| Economic planning, development and security | — | — | 890,602,605 |
| Government direction, management and control | — | 1,302,064 | 462,037,896 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | — | 1,302,064 | 1,383,538,474 |
| OTHER DECREASES | | | |
| Transfers to other funds | — | — | 55,885,767 |
| Other | — | — | 12,009,110 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Decreases | — | — | 67,894,877 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures and Other Decreases | — | 1,302,064 | 1,451,433,351 |
| | <hr/> | <hr/> | <hr/> |
| Net Increases (Decreases) in Fund Balances for the Year | 706 | 30,665 | 567,032,195 |
| FUND BALANCES—JULY 1, 1986 | 10,546 | 80,853 | 1,640,918,337 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCES—JUNE 30, 1987 | \$11,252 | \$ 111,518 | \$2,207,950,532 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Central Pension Fund | Consolidated Police & Firemen's Pension Fund | Judicial Retirement System |
|--|-------------------------------------|---|---|
| REVENUES | | | |
| Contributions | \$415,222 | \$ 21,221,790 | \$10,390,712 |
| Investment income | — | 8,208,540 | 6,670,862 |
| Other | — | 214,030 | — |
| Total Revenues | <u>415,222</u> | <u>29,644,360</u> | <u>17,061,574</u> |
| EXPENSES | | | |
| Benefit payments | 415,222 | 35,904,419 | 8,565,121 |
| Other | — | 75,690 | 6,862 |
| Total Expenses | <u>415,222</u> | <u>35,980,109</u> | <u>8,571,983</u> |
| Excess of Revenues Over Expenses | — | (6,335,749) | 8,489,591 |
| FUND BALANCES—Beginning of Year | — | 108,643,976 | 46,924,519 |
| FUND BALANCES—End of Year | <u>\$ —</u> | <u>\$102,308,227</u> | <u>\$55,414,110</u> |

| Police & Firemen's Retirement System | Prison Officers' Pension Fund | Public Employees' Retirement System | State Police Retirement System |
|---|--|--|---|
| \$ 288,375,878 | \$3,681,509 | \$ 553,288,956 | \$ 32,663,861 |
| 336,752,053 | 45,406 | 622,060,529 | 37,502,946 |
| 65,885 | 10,552 | 388,534 | 18,186 |
| <u>625,193,816</u> | <u>3,737,467</u> | <u>1,175,738,019</u> | <u>70,184,993</u> |
| 151,318,349 | 3,596,317 | 295,210,940 | 17,463,315 |
| 10,454,320 | 1,953 | 87,532,942 | 113,476 |
| <u>161,772,669</u> | <u>3,598,270</u> | <u>382,743,882</u> | <u>17,576,791</u> |
| <u>463,421,147</u> | <u>139,197</u> | <u>792,994,137</u> | <u>52,608,202</u> |
| <u>2,916,794,992</u> | <u>772,817</u> | <u>5,030,251,643</u> | <u>292,565,142</u> |
| <u><u>\$3,380,216,139</u></u> | <u><u>\$ 912,014</u></u> | <u><u>\$5,823,245,780</u></u> | <u><u>\$345,173,344</u></u> |

**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Supplemental Annuity Collective Trust | Teachers' Pension and Annuity Fund | Total Pension Trust Funds |
|--|--|---|--|
| REVENUES | | | |
| Contributions | \$ 4,974,500 | \$ 544,569,960 | \$ 1,459,582,388 |
| Investment income | 26,579,223 | 721,155,281 | 1,758,974,840 |
| Other | — | 460,477 | 1,157,664 |
| Total Revenues | 31,553,723 | 1,266,185,718 | 3,219,714,892 |
| EXPENSES | | | |
| Benefit payments | 14,223,262 | 334,789,301 | 861,486,246 |
| Other | — | 29,564,425 | 127,749,668 |
| Total Expenses | 14,223,262 | 364,353,726 | 989,235,914 |
| Excess of Revenues Over Expenses | 17,330,461 | 901,831,992 | 2,230,478,978 |
| FUND BALANCES—Beginning of Year | 129,984,058 | 5,885,729,049 | 14,411,666,196 |
| FUND BALANCES—End of Year | \$147,314,519 | \$6,787,561,041 | \$16,642,145,174 |

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**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Central Pension Fund</u> | <u>Consolidated Police & Firemen's Pension Fund</u> | <u>Judicial Retirement System</u> |
|--|-------------------------------------|---|---|
| SOURCES OF FINANCIAL RESOURCES | | | |
| Operations: | | | |
| Excess (deficit) of revenues over expenses | \$ — | \$(6,335,749) | \$ 8,489,591 |
| Expenses not requiring current outlay of financial resources: | | | |
| Accretion and amortization | — | 92,459 | (12,923) |
| Total Sources of Financial Resources from Operations | — | (6,243,290) | 8,476,668 |
| Decrease in investments | — | — | 4,809,661 |
| Increase in accounts payable and accrued expenses | 272 | 46,170 | 185,916 |
| Increase in due to other funds | — | (235,807) | (6,341) |
| Total Sources of Financial Resources | 272 | (6,432,927) | 13,465,904 |
| USES OF FINANCIAL RESOURCES | | | |
| Increase in investments | — | 2,376,820 | — |
| Increase in due from other funds | 272 | (8,561,156) | 13,463,468 |
| Increase in receivables | — | (419,320) | (13,636) |
| Decrease in accounts payable and accrued expenses | — | 154,756 | — |
| Total Uses of Financial Resources | 272 | (6,448,900) | 13,449,832 |
| Net Increase (Decrease) in Cash and Cash Equivalents | — | 15,973 | 16,072 |
| CASH AND CASH EQUIVALENTS Beginning of Year | — | 50,385 | 20,724 |
| CASH AND CASH EQUIVALENTS End of Year | <u>\$ —</u> | <u>\$ 66,358</u> | <u>\$ 36,796</u> |

| Police & Firemen's Retirement System | Prison Officers' Pension Fund | Public Employees' Retirement System | State Police Retirement System |
|---|--|--|---|
| \$463,421,147 | \$139,197 | \$792,994,137 | \$52,608,202 |
| (1,491,380) | — | (2,901,543) | (96,320) |
| 461,929,767 | 139,197 | 790,092,594 | 52,511,882 |
| — | — | — | 302,931 |
| 1,414,146 | 18,590 | 1,967,035 | 164,989 |
| 432,006 | (10,997) | 592,378 | (17,968) |
| 463,775,919 | 146,790 | 792,652,007 | 52,961,834 |
| 94,709,775 | — | 33,497,579 | — |
| 331,533,022 | 66,460 | 759,420,517 | 52,843,890 |
| 34,855,422 | (17,417) | (14,243,314) | (119,803) |
| 2,677,700 | — | 4,177,454 | 216,359 |
| 463,775,919 | 49,043 | 782,852,236 | 52,940,446 |
| — | 97,747 | 9,799,771 | 21,388 |
| — | 62,357 | — | — |
| \$ — | \$160,104 | \$ 9,799,771 | \$ 21,388 |

**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Supplemental Annuity Collective Trust | Teachers' Pension Annuity Fund | Total Pension Trust Funds |
|--|--|---|--|
| SOURCES OF FINANCIAL RESOURCES | | | |
| Operations: | | | |
| Excess (deficit) of revenues over expenses | \$17,330,461 | \$901,831,992 | \$2,230,478,978 |
| Expenses not requiring current outlay of financial resources: | | | |
| Accretion and amortization | — | (3,229,916) | (7,639,623) |
| Total Sources of Financial Resources from Operations | 17,330,461 | 898,602,076 | 2,222,839,355 |
| Decrease in investments | — | — | 5,112,592 |
| Increase in accounts payable and accrued expenses | 999,746 | 1,735,394 | 6,532,258 |
| Increase in due to other funds | — | (769,815) | (16,544) |
| Total Sources of Financial Resources | 18,330,207 | 899,567,655 | 2,234,467,661 |
| USES OF FINANCIAL RESOURCES | | | |
| Increase in investments | 15,682,856 | 76,373,976 | 222,641,006 |
| Increase in due from other funds | 2,495,120 | 821,216,284 | 1,972,477,877 |
| Increase in receivables | 182,884 | (1,855,940) | 18,368,876 |
| Decrease in accounts payable and accrued expenses | — | 3,833,335 | 11,059,604 |
| Total Uses of Financial Resources | 18,360,860 | 899,567,655 | 2,224,547,363 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (30,653) | — | 9,920,298 |
| CASH AND CASH EQUIVALENTS Beginning of Year | 30,653 | — | 164,119 |
| CASH AND CASH EQUIVALENTS End of Year | \$ — | \$ — | \$ 10,084,417 |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|---------------------------------------|---------------------------------|-------------------------|------------------------|----------------------------------|
| ALTERNATE BENEFIT PROGRAM FUND | | | | |
| Assets | | | | |
| Cash | \$ 1,887,875 | \$ 63,765,947 | \$ 63,357,238 | \$ 2,296,584 |
| Receivables—Other | 501,045 | 241,648 | 501,045 | 241,648 |
| Due from other funds | 2,874,214 | 64,023,736 | 65,277,065 | 1,620,885 |
| Total Assets | \$ 5,263,134 | \$ 128,031,331 | \$ 129,135,348 | \$ 4,159,117 |
| Liabilities | | | | |
| Accounts payable | \$ 2,955,119 | \$ 79,205,076 | \$ 78,001,078 | \$ 4,159,117 |
| Due to other funds | 2,308,015 | 1,171,408 | 3,479,423 | — |
| Total Liabilities | \$ 5,263,134 | \$ 80,376,484 | \$ 81,480,501 | \$ 4,159,117 |
| COMMON PENSION FUND "A" | | | | |
| Assets | | | | |
| Cash | \$ — | \$ 5,063,155,471 | \$5,062,843,094 | \$ 312,377 |
| Investments | 4,947,540,771 | 2,378,343,874 | 1,139,370,788 | 6,186,513,857 |
| Receivables—Other | 18,082,943 | 213,500,687 | 209,747,537 | 21,836,093 |
| Due from other funds | 140,494,192 | 2,503,776,737 | 2,579,070,371 | 65,200,558 |
| Total Assets | \$5,106,117,906 | \$10,158,776,769 | \$8,991,031,790 | \$6,273,862,885 |
| Liabilities | | | | |
| Accounts payable | \$ — | \$ 509,457 | \$ — | \$ 509,457 |
| Due to other funds | 5,098,160,418 | 1,395,976,642 | 220,783,632 | 6,273,353,428 |
| Other | 7,957,488 | — | 7,957,488 | — |
| Total Liabilities | \$5,106,117,906 | \$ 1,396,486,099 | \$ 228,741,120 | \$6,273,862,885 |
| COMMON PENSION FUND "B" | | | | |
| Assets | | | | |
| Cash | \$ 4,817 | \$ 3,414,931,819 | \$3,414,930,764 | \$ 5,872 |
| Investments | 5,215,626,599 | 1,470,241,365 | 664,893,719 | 6,020,974,245 |
| Receivables—Other | 144,026,226 | 583,825,172 | 578,548,175 | 149,303,223 |
| Due from other funds | 100,824,971 | 1,411,434,322 | 1,459,570,549 | 52,688,744 |
| Total Assets | \$5,460,482,613 | \$ 6,880,432,678 | \$6,117,943,207 | \$6,222,972,084 |
| Liabilities | | | | |
| Due to other funds | \$5,460,482,613 | \$ 1,339,778,119 | \$ 577,288,648 | \$6,222,972,084 |
| Total Liabilities | \$5,460,482,613 | \$ 1,339,778,119 | \$ 577,288,648 | \$6,222,972,084 |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|--|---------------------------------|---------------------|---------------------|----------------------------------|
| DISABILITY BENEFIT LIABILITY FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 127,140 | \$15,849,685 | \$15,976,825 | \$ — |
| Receivables—Other | 275,773 | 76,029 | 351,802 | — |
| Due from other funds | 2,383,360 | 7,430,176 | 9,813,536 | — |
| Total Assets | \$ 2,786,273 | \$23,355,890 | \$26,142,163 | \$ — |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 36,647 | \$ — | \$ 36,647 | \$ — |
| Due to other funds | 2,749,626 | 5,942,067 | 8,691,693 | — |
| Total Liabilities | \$ 2,786,273 | \$ 5,942,067 | \$ 8,728,340 | \$ — |
| GENERAL TRUST FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 59 | \$ 2,427 | \$ 427 | \$ 2,059 |
| Due from other funds | 15,127 | 915 | 427 | 15,615 |
| Total Assets | \$ 15,186 | \$ 3,342 | \$ 854 | \$ 17,674 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 14,759 | \$ 2,000 | \$ — | \$ 16,759 |
| Due to other funds | 427 | 915 | 427 | 915 |
| Total Liabilities | \$ 15,186 | \$ 2,915 | \$ 427 | \$ 17,674 |
| LUXURY TAX DEVELOPMENT FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ — | \$12,557,914 | \$12,454,773 | \$ 103,141 |
| Due from other funds | 14,722,936 | 5,527,166 | 8,739,325 | 11,510,777 |
| Total Assets | \$14,722,936 | \$18,085,080 | \$21,194,098 | \$11,613,918 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$14,722,936 | \$ 4,635,232 | \$ 7,744,250 | \$11,613,918 |
| Total Liabilities | \$14,722,936 | \$ 4,635,232 | \$ 7,744,250 | \$11,613,918 |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|---|---------------------------------|---------------------|---------------------|----------------------------------|
| LUXURY TAX FUND | | | | |
| Assets | | | | |
| Cash | \$ 12,287 | \$30,091,527 | \$30,086,215 | \$ 17,599 |
| Receivables—Other | 12,637,518 | 1,430,310 | 1,797,503 | 12,270,325 |
| Due from other funds | 1,449,697 | 12,988,549 | 12,264,507 | 2,173,739 |
| Total Assets | <u>\$14,099,502</u> | <u>\$44,510,386</u> | <u>\$44,148,225</u> | <u>\$14,461,663</u> |
| Liabilities | | | | |
| Accounts payable | \$13,980,700 | \$17,962,932 | \$17,481,969 | \$14,461,663 |
| Due to other funds | 118,802 | — | 118,802 | — |
| Total Liabilities | <u>\$14,099,502</u> | <u>\$17,962,932</u> | <u>\$17,600,771</u> | <u>\$14,461,663</u> |
| NEW JERSEY STATE EMPLOYEES' DEFERRED COMPENSATION PLAN | | | | |
| Assets | | | | |
| Cash | \$ 26,909 | \$16,889,304 | \$16,901,533 | \$ 14,680 |
| Investments | 19,722,606 | 18,764,363 | 3,994,577 | 34,492,392 |
| Receivables—Other | 1,335,597 | 17,690,885 | 17,606,042 | 1,420,440 |
| Due from other funds | 26,255,582 | 17,876,255 | 13,869,309 | 30,262,528 |
| Total Assets | <u>\$47,340,694</u> | <u>\$71,220,807</u> | <u>\$52,371,461</u> | <u>\$66,190,040</u> |
| Liabilities | | | | |
| Accounts payable | \$ 452,970 | \$ 2,628,092 | \$ 2,614,718 | \$ 466,344 |
| Due to other funds | — | 57,096 | — | 57,096 |
| Advances from other funds | 856,283 | — | 57,096 | 799,187 |
| Deferred compensation payable | 46,031,441 | 21,454,146 | 2,618,174 | 64,867,413 |
| Total Liabilities | <u>\$47,340,694</u> | <u>\$24,139,334</u> | <u>\$ 5,289,988</u> | <u>\$66,190,040</u> |
| OUTSTANDING CHECKS ACCOUNT | | | | |
| Assets | | | | |
| Cash | \$ — | \$ 4,934,326 | \$ 4,934,326 | \$ — |
| Receivables—Other | — | 1,218 | — | 1,218 |
| Due from other funds | 6,724,545 | 3,982,778 | 1,379,246 | 9,328,077 |
| Total Assets | <u>\$ 6,724,545</u> | <u>\$ 8,918,322</u> | <u>\$ 6,313,572</u> | <u>\$ 9,329,295</u> |
| Liabilities | | | | |
| Accounts payable | \$ 6,187,299 | \$ 3,556,299 | \$ 882,081 | \$ 8,861,517 |
| Due to other funds | 537,246 | 467,778 | 537,246 | 467,778 |
| Total Liabilities | <u>\$ 6,724,545</u> | <u>\$ 4,024,077</u> | <u>\$ 1,419,327</u> | <u>\$ 9,329,295</u> |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|---|---------------------------------|----------------------|----------------------|----------------------------------|
| PENSION ADJUSTMENT FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 9,073,843 | \$181,982,512 | \$181,285,221 | \$ 9,771,134 |
| Receivable—Other | 1,013,860 | 74,592,671 | 73,856,403 | 1,750,128 |
| Due from other funds | 40,490,106 | 297,046,858 | 298,646,063 | 38,890,901 |
| Total Assets | \$50,577,809 | \$553,622,041 | \$553,787,687 | \$50,412,163 |
| <u>Liabilities</u> | | | | |
| Due to other funds | \$16,019,426 | \$182,786,381 | \$181,174,157 | \$17,631,650 |
| Other | 34,558,383 | 193,838,032 | 195,615,902 | 32,780,513 |
| Total Liabilities | \$50,577,809 | \$376,624,413 | \$376,790,059 | \$50,412,163 |
| RESOURCE RECOVERY INVESTMENT TAX FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 50,148 | \$ 43,288,330 | \$ 43,337,233 | \$ 1,245 |
| Receivable—Other | — | 385 | — | 385 |
| Due from other funds | 19,260,844 | 26,906,231 | 16,264,581 | 29,902,494 |
| Total Assets | \$19,310,992 | \$ 70,194,946 | \$ 59,601,814 | \$29,904,124 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$19,310,992 | \$ 28,573,783 | \$ 17,980,651 | \$29,904,124 |
| Due to other funds | — | 1,549,650 | 1,549,650 | — |
| Total Liabilities | \$19,310,992 | \$ 30,123,433 | \$ 19,530,301 | \$29,904,124 |
| RUTGERS MEDICAL SCHOOL—RESTRICTED FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ — | \$ 2,688,254 | \$ 2,686,557 | \$ 1,697 |
| Investments | 1,007,624 | 536,105 | 500,474 | 1,043,255 |
| Receivables—Other | 29,882 | 106,510 | 103,441 | 32,951 |
| Due from other funds | 7,657,063 | 1,944,620 | 1,687,874 | 7,913,809 |
| Total Assets | \$ 8,694,569 | \$ 5,275,489 | \$ 4,978,346 | \$ 8,991,712 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 8,694,569 | \$ 1,002,832 | \$ 705,689 | \$ 8,991,712 |
| Total Liabilities | \$ 8,694,569 | \$ 1,002,832 | \$ 705,689 | \$ 8,991,712 |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|---|---------------------------------|----------------------|---------------------|----------------------------------|
| SCHOOL BUILDING AID CAPITAL RESERVE FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 83 | \$ 837,753 | \$ 812,262 | \$ 25,574 |
| Due from other funds | 1,471,546 | 204,722 | 837,752 | 838,516 |
| Total Assets | \$ 1,471,629 | \$ 1,042,475 | \$ 1,650,014 | \$ 864,090 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 1,471,629 | \$ 88,970 | \$ 696,509 | \$ 864,090 |
| Total Liabilities | \$ 1,471,629 | \$ 88,970 | \$ 696,509 | \$ 864,090 |
| SOLID WASTE SERVICE TAX FUND | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 15,360 | \$ 5,743,740 | \$ 5,724,535 | \$ 34,565 |
| Receivables—Other | — | 375 | — | 375 |
| Due from other funds | 5,657,821 | 6,217,923 | 232,821 | 11,642,923 |
| Total Assets | \$ 5,673,181 | \$ 11,962,038 | \$ 5,957,356 | \$ 11,677,863 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 5,673,181 | \$ 6,017,396 | \$ 12,714 | \$ 11,677,863 |
| Due to other funds | — | 506,102 | 506,102 | — |
| Total Liabilities | \$ 5,673,181 | \$ 6,523,498 | \$ 518,816 | \$ 11,677,863 |
| STATE LOTTERY AGENCY FUND | | | | |
| <u>Assets</u> | | | | |
| Investments | \$199,992,209 | \$101,326,422 | \$27,615,556 | \$273,703,075 |
| Total Assets | \$199,992,209 | \$101,326,422 | \$27,615,556 | \$273,703,075 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$199,992,209 | \$101,326,422 | \$27,615,556 | \$273,703,075 |
| Total Liabilities | \$199,992,209 | \$101,326,422 | \$27,615,556 | \$273,703,075 |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|---|---------------------------------|--------------------------|--------------------------|----------------------------------|
| STATE OF NEW JERSEY CASH MANAGEMENT FUND | | | | |
| Assets | | | | |
| Cash | \$ 19,065,000 | \$ 75,906,371,658 | \$ 75,899,076,957 | \$ 26,359,701 |
| Investments | 4,420,240,612 | 58,724,069,864 | 58,351,221,425 | 4,793,089,051 |
| Receivables—Other | 29,973,871 | 293,877,015 | 309,535,765 | 14,315,121 |
| Total Assets | <u>\$4,469,279,483</u> | <u>\$134,924,318,537</u> | <u>\$134,559,834,147</u> | <u>\$4,833,763,873</u> |
| Liabilities | | | | |
| Accounts payable | \$ 19,065,000 | \$ 26,384,666 | \$ 19,065,000 | \$ 26,384,666 |
| Due to other funds | 3,394,069,027 | 15,581,510,405 | 15,169,912,113 | 3,805,667,319 |
| Other | 1,056,145,456 | 2,312,376,714 | 2,366,810,282 | 1,001,711,888 |
| Total Liabilities | <u>\$4,469,279,483</u> | <u>\$ 17,920,271,785</u> | <u>\$ 17,555,787,395</u> | <u>\$4,833,763,873</u> |
| UNEMPLOYMENT BENEFITS LIABILITY FUND | | | | |
| Assets | | | | |
| Cash | \$ 129,248 | \$ 11,564,834 | \$ 11,694,082 | \$ — |
| Receivables—Other | 275,773 | — | 275,773 | — |
| Due from other funds | 1,344,838 | 5,131,763 | 6,476,601 | — |
| Total Assets | <u>\$ 1,749,859</u> | <u>\$ 16,696,597</u> | <u>\$ 18,446,456</u> | <u>\$ —</u> |
| Liabilities | | | | |
| Accounts payable | \$ 503,218 | \$ — | \$ 503,218 | \$ — |
| Due to other funds | 1,246,641 | 6,227,310 | 7,473,951 | — |
| Total Liabilities | <u>\$ 1,749,859</u> | <u>\$ 6,227,310</u> | <u>\$ 7,977,169</u> | <u>\$ —</u> |
| UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY CONSTRUCTION GRANT FUND | | | | |
| Assets | | | | |
| Cash | \$ 3,384 | \$ 5,054,338 | \$ 5,053,362 | \$ 4,360 |
| Due from other funds | 6,330,196 | 5,151,220 | 842,245 | 10,639,171 |
| Total Assets | <u>\$ 6,333,580</u> | <u>\$ 10,205,558</u> | <u>\$ 5,895,607</u> | <u>\$ 10,643,531</u> |
| Liabilities | | | | |
| Accounts payable | \$ 6,333,580 | \$ 4,716,068 | \$ 406,117 | \$ 10,643,531 |
| Total Liabilities | <u>\$ 6,333,580</u> | <u>\$ 4,716,068</u> | <u>\$ 406,117</u> | <u>\$ 10,643,531</u> |

STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987

| | Balance July 1, 1986 | Additions | Deductions | Balance June 30, 1987 |
|--|-------------------------|-------------------|-------------------|--------------------------|
| UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY ENDOWMENT FUND | | | | |
| Assets | | | | |
| Cash | \$ 612 | \$ 202,759 | \$ 199,707 | \$ 3,664 |
| Investments | 202,269 | 84 | 100,000 | 102,353 |
| Receivables—Other | 9,441 | 13,182 | 17,452 | 5,171 |
| Due from other funds | 104,567 | 180,336 | 33,328 | 251,575 |
| Total Assets | \$ 316,889 | \$ 396,361 | \$ 350,487 | \$ 362,763 |
| Liabilities | | | | |
| Accounts payable | \$ 316,889 | \$ 79,253 | \$ 33,379 | \$ 362,763 |
| Total Liabilities | \$ 316,889 | \$ 79,253 | \$ 33,379 | \$ 362,763 |

**UNIVERSITY OF MEDICINE AND DENTISTRY
OF NEW JERSEY ENDOWMENT FUND "B"**

| | Balance July 1, 1986 | Additions | Deductions | Balance June 30, 1987 |
|--------------------------|-------------------------|--------------------|--------------------|--------------------------|
| Assets | | | | |
| Cash | \$ 61,663 | \$2,215,637 | \$2,269,154 | \$ 8,146 |
| Investments | 5,265,297 | 725 | 1,004,115 | 4,261,907 |
| Receivables—Other | 91,502 | 353,750 | 383,011 | 62,241 |
| Due from other funds | 722,279 | 1,674,281 | 735,652 | 1,660,908 |
| Total Assets | \$6,140,741 | \$4,244,393 | \$4,391,932 | \$5,993,202 |
| Liabilities | | | | |
| Accounts payable | \$6,140,741 | \$ 492,181 | \$ 639,720 | \$5,993,202 |
| Total Liabilities | \$6,140,741 | \$ 492,181 | \$ 639,720 | \$5,993,202 |

**UNIVERSITY OF MEDICINE AND DENTISTRY
OF NEW JERSEY GRANT FUND**

| | Balance July 1, 1986 | Additions | Deductions | Balance June 30, 1987 |
|--------------------------|-------------------------|------------------|------------------|--------------------------|
| Assets | | | | |
| Cash | \$ 9,327 | \$ 27,349 | \$ 22,597 | \$ 14,079 |
| Investments | 296,444 | 86 | — | 296,530 |
| Receivables—Other | 3,788 | 22,425 | 22,425 | 3,788 |
| Due from other funds | 61,687 | 8,718 | 4,924 | 65,481 |
| Total Assets | \$ 371,246 | \$ 58,578 | \$ 49,946 | \$ 379,878 |
| Liabilities | | | | |
| Accounts payable | \$ 371,246 | \$ 26,343 | \$ 17,711 | \$ 379,878 |
| Total Liabilities | \$ 371,246 | \$ 26,343 | \$ 17,711 | \$ 379,878 |

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>Balance July 1, 1986</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 1987</u> |
|--|---------------------------------|--------------------------|--------------------------|----------------------------------|
| UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY GRANT FUND "B" | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 5,278 | \$ 7,175,013 | \$ 7,177,300 | \$ 2,991 |
| Due from other funds | 6,324,212 | 2,746,552 | 5,060,451 | 4,010,313 |
| Total Assets | \$ 6,329,490 | \$ 9,921,565 | \$ 12,237,751 | \$ 4,013,304 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 6,329,490 | \$ 2,309,318 | \$ 4,625,504 | \$ 4,013,304 |
| Total Liabilities | \$ 6,329,490 | \$ 2,309,318 | \$ 4,625,504 | \$ 4,013,304 |
| TOTAL—ALL AGENCY FUNDS | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 30,473,033 | \$ 84,789,330,597 | \$ 84,780,824,162 | \$ 38,979,468 |
| Investments | 14,809,894,431 | 62,693,282,888 | 60,188,700,654 | 17,314,476,665 |
| Receivables—Other | 208,257,219 | 1,185,732,262 | 1,192,746,374 | 201,243,107 |
| Due from other funds | 385,169,783 | 4,374,253,858 | 4,480,806,627 | 278,617,014 |
| Total Assets | \$15,433,794,466 | \$153,042,599,605 | \$150,643,077,817 | \$17,833,316,254 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 312,553,174 | \$ 279,516,320 | \$ 179,062,511 | \$ 413,006,983 |
| Due to other funds | 13,975,692,241 | 18,515,973,873 | 16,171,515,844 | 16,320,150,270 |
| Advances from other funds | 856,283 | — | 57,096 | 799,187 |
| Other | 1,098,661,327 | 2,506,214,746 | 2,570,383,673 | 1,034,492,401 |
| Deferred compensation payable | 46,031,441 | 21,454,146 | 2,618,174 | 64,867,413 |
| Total Liabilities | \$15,433,794,466 | \$ 21,323,159,085 | \$ 18,923,637,297 | \$17,833,316,254 |

**STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
DESCRIPTION OF FUNDS**

EXPENDABLE TRUST FUNDS

Alternate Benefit Long-Term Disability Fund

This Fund was established on October 1, 1986. It is an employer-funded, expendable trust fund for long-term disability. Benefits will be paid to those members of the Alternate Benefit Programs Fund who have been disabled for two years or more since October 1, 1986.

Community Development Bond Fund

(P.L. 1981, c.486)

An amount of \$85,000,000 was authorized to capitalize the New Jersey Local Development Financing Fund and to provide support for the revitalization, development and creation of urban industrial parks in the communities. \$45,000,000 is allocated to capitalize the New Jersey Local Development Financing Fund, \$30,000,000 is allocated for low-interest loans and grants to counties, municipalities, and other entities for assisting capital construction projects which will aid in the revitalization of distressed urban areas and in the promotion of the economic and social development of older central commercial districts of rural and developing communities. The remaining \$10,000,000 is allocated to provide financial assistance for the creation and development of urban industrial parks.

Dental Expense Program Fund

(N.J.S.A. 52:14-17.29)

This program is available to most State employees who are eligible to participate in the State health benefits program for themselves and their dependents. The cost is borne jointly by the State and the employee. The employee may select either the traditional insurance coverage with an insurance carrier or enrollment in one of the participating dental plan organizations. Under the traditional insurance coverage, each year the covered employee and dependents must satisfy the specified deductible, after which the insurance will pay 80% of the additional eligible charges incurred during that particular year. The dental plan organizations provide prepaid plans where the payroll deductions cover all eligible services except for specified co-payments.

Emergency Services Fund (N.J.S.A. 52:14E-5)

This Fund was established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

**Fund For Support Of Free Public Schools
(N.J.S.A. 18A:56-1)**

This Fund was formerly known as "The School Fund." The constitution of 1844 provided that such funds for the support of free schools remain a perpetual fund (Article VII, Section IV, Paragraph 2). The accounting for the moneys deposited and expended is recorded by the use of two funds: i.e., School Fund—Income Account, and School Fund—Investment Account.

The School Fund—Income Account consists of rents received on leased riparian lands of the State, licenses, and fees related to such lands, and the income from earnings on investment. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

The School Fund—Investment Account is utilized for the proceeds of the sale of riparian lands of the State which are held and reserved as a perpetual fund. Moneys reserved may be used to purchase bonds of a school district, issued for school purposes after December 4, 1958, from the bondholders or to pay to such bondholders the interest due thereon when such school district has certified to the Commissioner of Education and the Director of Local Government Services its inability to meet the payments.

P.L. 1980, c.72 enacted on July 16, 1980, known as the "New Jersey School Bond Reserve Act," provides for the establishment of a School Bond Reserve within the School Fund, in an amount equal to at least 1½% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of bonds the debt service for which is provided by state appropriations.

Health Benefits Program Fund

(N.J.S.A. 52:14-17.25 et seq.)

This program provides basic health services for employees of State and local governments. Employees may enroll in either a traditional plan with the insurance carrier or a health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, basic and extended medical-surgical benefits, major medical benefits, and for employees between the ages of 65 and 69, the option to select from the traditional program for coverage or the Federal Medicare Program. An HMO provides employees with a wider range of preventive health care.

It contemplates less hospitalization and greater use of outpatient facilities. In addition to a prepaid fixed monthly premium, the employee or dependent may be required to pay a small charge when visiting the HMO facility. This plan also provides for hospital services, skilled nursing and home health care treatment.

**Higher Education Assistance Fund
(N.J.S.A. 18A:72-8)**

This Fund accounts for the guaranteed loans made by financial institutions to assist qualified persons in meeting the costs of higher education in certain educational institutions. Defaulted loans are purchased from the financial institutions. A direct loan program was subsequently added to the Fund activities.

**Motor Vehicle Liability Security Fund
(N.J.S.A. 39:6-94)**

Moneys credited from receipts of insurers authorized to deal in vehicle liability insurance for New Jersey motor vehicles is deposited in this Fund. The Act provides for the payment of remaining benefits payable in the event of insolvency of the insurer.

**Motor Vehicle Security-Responsibility Fund
(N.J.S.A. 39:6-30.1)**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered and/or the return to motorist of such unused portion upon release of liability.

**Mutual Workers' Compensation Security Fund
(N.J.S.A. 34:15-112)**

Moneys received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual or Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

**New Home Warranty Security Fund
(N.J.S.A. 46:3B-7)**

Moneys received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

**New Jersey Federal-State Rural Rehabilitation Fund
(N.J.S.A. 52:18A-1 et seq.)**

This Fund was established to receive moneys from the Federal Government previously accounted for by the Department of Agriculture. The moneys are available for loans to farmers in New Jersey.

**New Jersey Insurance Development Fund
(N.J.S.A. 17:37A-18)**

Receipts derived from a surcharge on all basic property insurance premiums paid for insurance policies written in the State, collected by the insurer, and remitted to the State are deposited in this Fund. Payments from the Fund reimburse any insurer or the New Jersey Insurance Underwriting Association for losses sustained. The reimbursement in any given calendar year shall not, however, exceed 5 percent of the insurance premiums written on essential property insurance in the State in the most recent full calendar year.

**Prescription Drug Program Fund
(N.J.S.A. 52:14-17.29)**

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes or other institutions. Included are those drugs which, as required by Federal law, can be dispensed only upon a written prescription order by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. All full-time State employees are eligible to enroll for coverage in the program without cost to the employee.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Moneys received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State; and from special assessments, fines, penalties, and investment earnings are recorded in the Fund. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions and for administrative expenses.

**Stock Workers' Compensation Security Fund
(N.J.S.A. 34:15-105)**

See Mutual Workers' Compensation Security Fund.

**Unclaimed Bank Deposits Escheat Reserve Fund
(N.J.S.A. 17:9-25b)**

This Fund accounts for moneys received from banks located within the State, representing unclaimed bal-

ances of depositors' deposits which, after ten years, are escheatable to the State. Seventy-five percent of the receipts are escheated to the General Fund of the State. The remaining twenty-five percent is retained in the Fund. Earnings on the investment of the moneys of the Fund inure to the credit of the Fund.

Payments from the Fund are authorized for (a) payment of the seventy-five percent that escheats to the General Fund of the State; (b) payments of claims submitted and approved of the principal amounts escheated; and (c) payment of expenses and costs incurred by the State Treasurer and the Attorney General for administrative purposes.

Unclaimed Domestic Life Insurance Escheat Reserve Fund (N.J.S.A. 17B:31-7)

This Fund accounts for any unclaimed moneys received from the insurance companies authorized to write life insurance in the State, due and payable to any person entitled and which has remained unclaimed after a five-year period. Seventy-five percent of the receipts are escheated to the General Fund. The remaining twenty-five percent, if still unclaimed, escheats to the General Fund after five additional years.

Payments from the Fund are authorized to transfer those amounts escheatable to the General Fund and for the payment of any approved claim to or in behalf of any person entitled to receive the same. Earnings on any funds invested are also authorized to be transferred to the General Fund.

Unclaimed Personal Property Trust Fund (N.J.S.A. 2A:37-41)

Amounts received by the State from holders of personal property, presumed abandoned, due and payable to owners of last known address but unclaimed for various past successive years, are received into this Fund. Seventy-five percent of such amounts are escheated to the General Fund when received. The remaining twenty-five percent is retained in the Fund for five years. Payments from the Fund are authorized for loans by legislation as enacted by the Legislature and approved by the Governor. Payments of claims presented by the owner are made after approval by the State Treasurer. The balance of the twenty-five percent retained for the five-year period which has not been claimed by the owners is then escheatable to the General Fund. Amounts representing unclaimed pensions do not escheat to the State. Such amounts escheat back to the respective pension fund from where payable. Should any claim approved for payment exceed the balance of moneys available herein, the difference is payable out of unappropriated funds of the General Fund.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

This Fund accounts for moneys deposited from contributions of employers and employees for unemploy-

ment compensation, amounts credited or advances made by the Federal government and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-need basis, which amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

University Of Medicine And Dentistry Of New Jersey—Self-Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)

This Fund is established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Unsatisfied Claim And Judgment Fund (N.J.S.A. 39:6-61)

Receipts from insurance companies, as assessed by the Director of the Division of Motor Vehicles, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this Fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Auto-

mobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

**Veterans' Guaranteed Loan Fund
(N.J.S.A. 38:23B-5)**

This Fund accounts for funds that guarantee bank loans to certain war veterans. Upon request by the lending bank, a loan to a veteran on which principal is unpaid thirty days after date of maturity or on which installments are more than three months in arrears, together with any unpaid accrued interest, may be purchased by the Fund upon approval of the Veterans' Loan Authority. The Authority thereupon assumes the responsibility for the collection of the defaulted loan and any accrued interest thereon that has been purchased from the bank by the Fund. Receipts are applied against the principal and/or interest of the defaulted loan. Payments from the Fund are also authorized for all administrative expenses.

Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

The purpose of this Fund is to account for the receipt of moneys from employers due to employees who have been awarded a wage or salary adjustment under one of the four wage and hour laws. Once a case against the employer has been completed, payment is then made to the respective payee.

PENSION TRUST FUNDS

Central Pension Fund

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission. The unfunded actuarial liability has not been determined.

**Consolidated Police and Firemen's Pension Fund
(N.J.S.A. 43:16)**

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating counties and municipalities and one-third by the State.

Judicial Retirement System (N.J.S.A. 43:6A)

This system provides pension benefits to members of the State judiciary. The system is maintained on an actuarial reserve basis.

**Police and Firemen's Retirement System
(N.J.S.A. 43:16A)**

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become

members of this system. Certain state and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

Prison Officers' Pension Fund (N.J.S.A. 43:7)

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

**Public Employees' Retirement System
(N.J.S.A. 43:15A)**

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

State Police Retirement System (N.J.S.A. 53:5A)

This system was created in July 1965 as successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

**Supplemental Annuity Collective Trust
(N.J.S.A. 52:18A-110)**

Any active, contributing member of the several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

**Teachers' Pension and Annuity Fund
(N.J.S.A. 18A:66)**

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this Fund. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

NON-EXPENDABLE TRUST FUND

**State Of New Jersey—Tischler Memorial Fund
(N.J.S.A. 52:18A-1 et seq.)**

This Fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey; the principal amount of the Fund is to be invested in a prudent manner and the income from such investment is to be used for library materials.

AGENCY FUNDS

Alternate Benefit Programs Fund (N.J.S.A. 18A:66-167 et seq.)

The Alternate Benefit Programs were established for full-time faculty members of public institutions of higher education. All eligible faculty members were permitted to transfer their interests in State retirement systems to these programs. Participants have the option to provide for their pensions through fixed annuities underwritten by the Teachers Insurance and Annuity Association (TIAA) or variable annuities purchased through the College Retirement Equities Fund (CREF). The minimum contribution by employees is 5% of their base salary, and the State will contribute a flat rate of 8% of base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Programs.

Common Pension Fund "A" (N.J.S.A. 52:18A-90.1) Common Pension Fund "B" (N.J.S.A. 52:18A-90.1)

The Division of Investment is authorized to establish, maintain and operate common trust funds. Pension deposits from various funds are transferred for investment purposes to these common pension funds. Funds representing original sums plus accumulated earnings are then returned to the Division of Pensions and credited to the respective pension funds.

Disability Benefit Liability Fund (N.J.S.A. 43:21-27)

This Fund includes the amounts withheld from state employees' salaries for state employees' disability benefits and for the State's share of funds appropriated by the Annual Appropriations Act, which in total are transferred to the State Disability Benefit Fund.

General Trust Fund (N.J.S.A. 52:18-25.2b)

The principal amount of bonds and coupons unredeemed over two years are withdrawn from bank accounts and deposited in this Fund for investment. When presented for payment, these overdue bonds and coupons are redeemed from this Fund.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a(B))

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for construction of Convention Hall facilities, debt service on bonds issued for low and moderate income housing, subsidization of Convention Center operating budget deficits and providing housing opportunities for low and moderate income families.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a(B))

The Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those moneys.

Outstanding Checks Account (N.J.S.A. 52:18-25.1)

Amounts withdrawn from state demand bank accounts, over which the State Treasurer has custody and control, which represent outstanding and unpaid checks over one year old are deposited in this Fund. These amounts are held until (a) the outstanding check is presented for payment, or (b) the check is outstanding for a period of six years, in which case the amount is transferred to the General Fund.

Pension Adjustment Fund (N.J.S.A. 43:3B)

This Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the Legislature. This Fund is funded on a pay-as-you-go basis.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

Rutgers Medical School—Restricted Fund (N.J.S.A. 52:18A-1 et seq.)

The Division of Investment is permitted to establish, maintain, and operate one or more common trust funds. Moneys in the above Fund, formerly held and maintained by Rutgers University, were turned over to the State for investment management purposes and are returnable, together with the investment earnings, to the University.

School Building Aid—Capital Reserve Fund (N.J.S.A. 18:10-29.54)

This is a building aid reserve fund for each school district having funds on deposit as of September 1975. Deposits as of that date, together with amounts credited from investment earnings to each school district, may be disbursed for: (1) principal and interest payments to holders of bonds issued by the school district after the effective date of the act, when such school district has certified to the Commissioner of Education and the Director of the Division of Local Government Services its inability to meet the payments thereof; (2) payments to the school district up to the balance of the

credit of such school district, to the extent that such withdrawal is anticipated as revenue in the school district budget for the current year, or withdrawn for capital purposes authorized by ordinance or by vote of the electors of the school district.

Solid Waste Services Tax Fund (P.L. 1985, c.38)

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

State Lottery Agency Fund (N.J.S.A. 5:9-21)

The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

State Of New Jersey Cash Management Fund (N.J.S.A. 52:18A-90.4)

This is a common trust fund to consolidate moneys for investments. Various bond funds, trust funds, and agency funds are used to purchase units of value in the State of New Jersey Cash Management Fund. The law also permits participation in the Fund by municipalities, counties, school districts, or any other public body corporate and politic.

Unemployment Benefits Liability Fund (N.J.S.A. 43:21-7.3f)

This Fund accounts for receipts of wage earners' contributions withheld on wages subject to the Unemployment Compensation Law, paid to persons employed by the State, and the receipt of amounts appropriated to the General Fund by the Legislature and transferred hereinto as the employer's share of contributions. Payments are made directly to the Unemployment Compensation Fund of the State as reimbursements to that Fund for unemployment benefits paid to persons formerly employed by the State and eligible to receive such benefits.

University Of Medicine And Dentistry Of New Jersey Construction Grant Fund (N.J.S.A. 52:18A-1 et seq.)

University Of Medicine And Dentistry Of New Jersey Endowment Fund (N.J.S.A. 52:18A-1 et seq.)

University Of Medicine And Dentistry Of New Jersey Endowment Fund "B" (N.J.S.A. 52:18A-1 et seq.)

University Of Medicine And Dentistry Of New Jersey Grant Fund (N.J.S.A. 52:18A-1 et seq.)

University Of Medicine And Dentistry Of New Jersey Grant Fund "B" (N.J.S.A. 52:18A-1 et seq.)

Moneys in these funds formerly managed by the University of Medicine and Dentistry were turned over to the State for investment management purposes. The funds plus earnings are returnable to the University.

GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP

**STATE OF NEW JERSEY
STATEMENT OF OUTSTANDING BONDS
JUNE 30, 1987**

| | <u>ACT OF</u> | <u>AUTHORIZED</u> |
|---|---------------|------------------------|
| Beaches and Harbors | 1977 | \$ 30,000,000 |
| Clean Waters | 1976 | 120,000,000 |
| Community Development | 1982 | 85,000,000 |
| Correctional Facilities Construction | 1982 | 170,000,000 |
| Emergency Flood Control | 1978 | 25,000,000 |
| Energy Conservation | 1980 | 50,000,000 |
| Farmland Preservation | 1981 | 50,000,000 |
| Hazardous Discharge | 1981 | 100,000,000 |
| Hazardous Discharge | 1986 | 200,000,000 |
| Higher Education Construction | 1971 | 155,000,000 |
| Highway Improvement | 1930 | 58,000,000 |
| Human Services Facilities Construction | 1984 | 60,000,000 |
| Institutional Construction | 1978 | 100,000,000 |
| Institutions Construction | 1976 | 80,000,000 |
| Jobs, Science and Technology | 1984 | 90,000,000 |
| Medical Education Facilities | 1977 | 120,000,000 |
| Natural Resources | 1980 | 145,000,000 |
| New Jersey Bridge Rehabilitation and Improvement | 1983 | 135,000,000 |
| New Jersey Green Acres | 1983 | 135,000,000 |
| New Jersey Institutions Construction | 1964 | 50,000,000 |
| Pinelands Infrastructure Trust | 1985 | 30,000,000 |
| Public Building Construction | 1968 | 337,500,000 |
| Public Purpose Buildings Construction | 1980 | 159,000,000 |
| Refunding Bonds | 1985 | 505,630,000 |
| Resource Recovery and Solid Waste Facility | 1985 | 85,000,000 |
| Shore Protection | 1983 | 50,000,000 |
| State Facilities for Handicapped | 1973 | 25,000,000 |
| State Higher Education Construction | 1964 | 40,100,000 |
| State Housing Assistance | 1968 | 12,500,000 |
| State Institution Construction | 1960 | 40,000,000 |
| State Land Acquisition and Development | 1978 | 200,000,000 |
| State Mortgage Assistance | 1976 | 25,000,000 |
| State Recreation and Conservation Land Acquisition | 1961 | 60,000,000 |
| State Recreation and Conservation Land Acquisition | 1971 | 80,000,000 |
| State Recreation and Conservation Land Acquisition and Development | 1974 | 200,000,000 |
| State Transportation | 1968 | 640,000,000 |
| Transportation Rehabilitation and Improvement | 1979 | 475,000,000 |
| Wastewater Treatment | 1985 | 190,000,000 |
| Water Conservation | 1969 | 271,000,000 |
| Water Development | 1958 | 45,850,000 |
| Water Supply | 1981 | 350,000,000 |
| TOTAL | | \$5,779,580,000 |

| UNISSUED | RETIRED | OUTSTANDING |
|------------------------|------------------------|------------------------|
| \$ — | \$ 11,510,000 | \$ 18,490,000 |
| 9,000,000 | 32,070,000 | 78,930,000 |
| 59,600,000 | 3,430,000 | 21,970,000 |
| — | 28,570,000 | 141,430,000 |
| 11,000,000 | 5,200,000 | 8,800,000 |
| 27,000,000 | 4,175,000 | 18,825,000 |
| 40,000,000 | 1,350,000 | 8,650,000 |
| 100,000,000 | — | — |
| 200,000,000 | — | — |
| — | 75,100,000 | 79,900,000 |
| — | 57,200,000 | 800,000 |
| 42,000,000 | 340,000 | 17,660,000 |
| — | 67,925,000 | 32,075,000 |
| — | 34,620,000 | 45,380,000 |
| 41,000,000 | 1,015,000 | 47,985,000 |
| — | 28,000,000 | 92,000,000 |
| 53,000,000 | 27,105,000 | 64,895,000 |
| 40,000,000 | 6,225,000 | 88,775,000 |
| 82,000,000 | 9,355,000 | 43,645,000 |
| — | 44,600,000 | 5,400,000 |
| 30,000,000 | — | — |
| — | 170,700,000 | 166,800,000 |
| 14,395,000 | 45,430,000 | 99,175,000 |
| — | 26,755,000 | 478,875,000 |
| 85,000,000 | — | — |
| 12,000,000 | 2,945,000 | 35,055,000 |
| — | 19,600,000 | 5,400,000 |
| — | 36,800,000 | 3,300,000 |
| — | 7,500,000 | 5,000,000 |
| — | 37,500,000 | 2,500,000 |
| 45,000,000 | 89,000,000 | 66,000,000 |
| — | 9,990,000 | 15,010,000 |
| — | 55,000,000 | 5,000,000 |
| — | 33,770,000 | 46,230,000 |
| 5,000,000 | 104,780,000 | 90,220,000 |
| — | 319,090,000 | 320,910,000 |
| 20,000,000 | 164,205,000 | 290,795,000 |
| 107,000,000 | — | 83,000,000 |
| 40,000,000 | 118,195,000 | 112,805,000 |
| — | 44,850,000 | 1,000,000 |
| 204,400,000 | 13,845,000 | 131,755,000 |
| <u>\$1,267,395,000</u> | <u>\$1,737,745,000</u> | <u>\$2,774,440,000</u> |

**STATE OF NEW JERSEY
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | ACT OF | OUTSTANDING JULY 1, 1986 |
|---|---------------|-------------------------------------|
| Beaches and Harbors | 1977 | \$ 26,900,000 |
| Clean Waters | 1976 | 86,030,000 |
| Community Development | 1982 | 18,020,000 |
| Correctional Facilities Construction | 1982 | 143,105,000 |
| Emergency Flood Control | 1978 | 11,600,000 |
| Energy Conservation | 1980 | 16,680,000 |
| Farmland Preservation | 1981 | 9,100,000 |
| Higher Education Construction | 1971 | 88,800,000 |
| Highway Improvement | 1930 | 1,055,000 |
| Human Services Facilities Construction | 1984 | 17,745,000 |
| Institutional Construction | 1978 | 39,750,000 |
| Institutions Construction | 1976 | 50,800,000 |
| Jobs, Science and Technology | 1984 | 11,240,000 |
| Medical Education Facilities | 1977 | 96,000,000 |
| Natural Resources | 1980 | 62,750,000 |
| New Jersey Bridge Rehabilitation and Improvement | 1983 | 24,680,000 |
| New Jersey Green Acres | 1983 | 47,495,000 |
| New Jersey Institutions Construction | 1964 | 9,400,000 |
| Public Building Construction | 1968 | 178,050,000 |
| Public Purpose Buildings Construction | 1980 | 116,980,000 |
| Refunding Bonds | 1985 | 304,495,000 |
| Shore Protection | 1983 | 17,050,000 |
| State Facilities for Handicapped | 1973 | 8,100,000 |
| State Higher Education Construction | 1964 | 6,300,000 |
| State Housing Assistance | 1968 | 5,600,000 |
| State Institution Construction | 1960 | 3,000,000 |
| State Land Acquisition and Development | 1978 | 63,000,000 |
| State Mortgage Assistance | 1976 | 15,550,000 |
| State Recreation and Conservation Land Acquisition | 1961 | 6,000,000 |
| State Recreation and Conservation Land Acquisition | 1971 | 51,410,000 |
| State Recreation and Conservation Land Acquisition and Development | 1974 | 103,900,000 |
| State Transportation | 1968 | 350,970,000 |
| Transportation Rehabilitation and Improvement | 1979 | 307,710,000 |
| Wastewater Treatment | 1985 | — |
| Water Conservation | 1969 | 123,740,000 |
| Water Development | 1958 | 2,000,000 |
| Water Supply | 1981 | 54,050,000 |
| Capital Leases | — | 492,828,667 |
| TOTAL | | \$2,971,883,667 |

| ADDITIONS | DEDUCTIONS | OUTSTANDING JUNE 30, 1987 |
|----------------------|----------------------|--------------------------------------|
| \$ — | \$ 8,410,000 | \$ 18,490,000 |
| — | 7,100,000 | 78,930,000 |
| 7,000,000 | 3,050,000 | 21,970,000 |
| 25,000,000 | 26,675,000 | 141,430,000 |
| — | 2,800,000 | 8,800,000 |
| 3,000,000 | 855,000 | 18,825,000 |
| — | 450,000 | 8,650,000 |
| — | 8,900,000 | 79,900,000 |
| — | 255,000 | 800,000 |
| — | 85,000 | 17,660,000 |
| — | 7,675,000 | 32,075,000 |
| — | 5,420,000 | 45,380,000 |
| 37,000,000 | 255,000 | 47,985,000 |
| — | 4,000,000 | 92,000,000 |
| 22,000,000 | 19,855,000 | 64,895,000 |
| 70,000,000 | 5,905,000 | 88,775,000 |
| 5,000,000 | 8,850,000 | 43,645,000 |
| — | 4,000,000 | 5,400,000 |
| — | 11,250,000 | 166,800,000 |
| — | 17,805,000 | 99,175,000 |
| 198,235,000 | 23,855,000 | 478,875,000 |
| 20,000,000 | 1,995,000 | 35,055,000 |
| — | 2,700,000 | 5,400,000 |
| — | 3,000,000 | 3,300,000 |
| — | 600,000 | 5,000,000 |
| — | 500,000 | 2,500,000 |
| 25,000,000 | 22,000,000 | 66,000,000 |
| — | 540,000 | 15,010,000 |
| — | 1,000,000 | 5,000,000 |
| — | 5,180,000 | 46,230,000 |
| — | 13,680,000 | 90,220,000 |
| — | 30,060,000 | 320,910,000 |
| 25,500,000 | 42,415,000 | 290,795,000 |
| 83,000,000 | — | 83,000,000 |
| 3,000,000 | 13,935,000 | 112,805,000 |
| — | 1,000,000 | 1,000,000 |
| 87,000,000 | 9,295,000 | 131,755,000 |
| 175,335,565 | 26,234,366 | 641,929,866 |
| <u>\$786,070,565</u> | <u>\$341,584,366</u> | <u>\$3,416,369,866</u> |

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ENTERPRISE FUNDS

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1987**

| | <u>Hackensack Meadowlands Development Commission</u> | <u>New Jersey Building Authority</u> | <u>New Jersey Casino Reinvestment Development Authority</u> |
|--|--|--|---|
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 24,239,608 | \$ 237,333 | \$ 8,394 |
| INVESTMENTS | 41,753,218 | 46,904,321 | 90,531,929 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Mortgages | — | — | — |
| Other | 11,787,072 | 12,427,674 | 46,357,257 |
| FIXED ASSETS, Net | 12,389,275 | 107,439,136 | — |
| OTHER ASSETS | | | |
| Due from intergovernmental agencies | 14,700,761 | — | 324,918 |
| Deferred charges | — | 2,575,501 | — |
| Amount to be provided for: | | | |
| Retirement of bonds | — | — | — |
| Other | 2,692,317 | — | — |
| Total Assets | <u>\$107,562,251</u> | <u>\$169,583,965</u> | <u>\$137,222,498</u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 2,728,111 | \$ 13,841,310 | \$ 715,776 |
| Deferred revenue | 3,123,059 | 8,326,945 | 39,144,642 |
| Due to intergovernmental agencies | 12,375,761 | — | 324,918 |
| Advances from other funds | 13,771,286 | — | — |
| Other | 17,569,533 | — | 2,442 |
| Revenue bonds payable | — | 133,522,429 | 68,008 |
| Notes payable | 8,034,673 | — | — |
| Total Liabilities | <u>57,602,423</u> | <u>155,690,684</u> | <u>40,255,786</u> |
| FUND BALANCES | | | |
| Cost of investment in facilities | 2,445,921 | — | — |
| Reserved—Other | 22,976,380 | 9,119,450 | 95,775,162 |
| Unreserved—Undesignated | 24,537,527 | 4,773,831 | 1,191,550 |
| Total Fund Balances | <u>49,959,828</u> | <u>13,893,281</u> | <u>96,966,712</u> |
| Total Liabilities and Fund Balances | <u>\$107,562,251</u> | <u>\$169,583,965</u> | <u>\$137,222,498</u> |

| New Jersey Economic Development Authority | New Jersey Education Facilities Authority | New Jersey Expressway Authority | New Jersey Health Care Facilities Financing Authority |
|--|--|--|--|
| \$55,313,083 | \$ 6,142,077 | \$ 2,574,600 | \$ 23,874,000 |
| — | 165,132,348 | 30,768,862 | 1,358,210,000 |
| — | 403,312,000 | — | 1,220,072,000 |
| 31,897,170 | 7,063,116 | 73,879 | 1,499,614,000 |
| 420,362 | 112,611 | 75,436,215 | 371,000 |
| — | 473,914 | — | — |
| — | — | — | — |
| — | — | — | — |
| 4,137,841 | 6,416,590 | 169,560 | 46,000 |
| <u>\$91,768,456</u> | <u>\$588,652,656</u> | <u>\$109,023,116</u> | <u>\$4,102,187,000</u> |
| | | | |
| \$ 940,479 | \$ 3,919,912 | \$ 1,821,666 | \$ 92,112,000 |
| 179,306 | — | — | — |
| 1,294,700 | 279,809 | — | — |
| — | — | — | — |
| 184,927 | — | 1,555,123 | — |
| — | 485,900,000 | 44,855,000 | 2,811,319,000 |
| — | 4,500,000 | — | 30,839,000 |
| <u>2,599,412</u> | <u>494,599,721</u> | <u>48,231,789</u> | <u>2,934,270,000</u> |
| | | | |
| — | — | — | — |
| — | — | 38,112,135 | 1,161,913,000 |
| 89,169,044 | 94,052,935 | 22,679,192 | 6,004,000 |
| <u>89,169,044</u> | <u>94,052,935</u> | <u>60,791,327</u> | <u>1,167,917,000</u> |
| <u>\$91,768,456</u> | <u>\$588,652,656</u> | <u>\$109,023,116</u> | <u>\$4,102,187,000</u> |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | New Jersey Highway Authority | New Jersey Housing and Mortgage Finance Agency | New Jersey Sports and Exposition Authority |
|--|---|---|---|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 8,432,066 | \$ 12,369,000 | \$ 9,577,000 |
| INVESTMENTS | 238,499,552 | 918,946,000 | 85,240,000 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Mortgages | — | 1,993,607,000 | — |
| Other | 4,154,115 | 78,465,000 | 12,772,000 |
| FIXED ASSETS, Net | 909,356,825 | 457,000 | 402,945,000 |
| OTHER ASSETS | | | |
| Due from intergovernmental agencies | 1,593,988 | 2,396,000 | — |
| Deferred charges | — | 12,127,000 | — |
| Amount to be provided for: | | | |
| Retirement of bonds | — | — | — |
| Other | 1,569,130 | 33,261,000 | 7,209,000 |
| Total Assets | \$1,163,605,676 | \$3,051,628,000 | \$517,743,000 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 35,519,982 | \$ 41,232,000 | \$ 29,770,000 |
| Deferred revenue | — | 1,012,000 | — |
| Due to intergovernmental agencies | 1,532,397 | 35,495,000 | — |
| Advances from other funds | — | — | — |
| Other | 24,779,732 | 161,366,000 | 8,102,000 |
| Revenue bonds payable | 419,175,000 | 2,514,731,000 | 395,735,000 |
| Notes payable | — | 17,975,000 | 16,083,000 |
| Total Liabilities | 481,007,111 | 2,771,811,000 | 449,690,000 |
| FUND BALANCES | | | |
| Cost of investment in facilities | — | — | — |
| Reserved—Other | 673,796,789 | 236,240,000 | — |
| Unreserved—Undesignated | 8,801,776 | 43,577,000 | 68,053,000 |
| Total Fund Balances | 682,598,565 | 279,817,000 | 68,053,000 |
| Total Liabilities and Fund Balances | \$1,163,605,676 | \$3,051,628,000 | \$517,743,000 |

| <u>New Jersey Transit Corporation</u> | <u>New Jersey Transportation Trust Fund Authority</u> | <u>New Jersey Turnpike Authority</u> | <u>New Jersey Wastewater Treatment Trust</u> |
|---|---|--|--|
| \$ 2,479,000 | \$ 3,250 | \$ 17,815,785 | \$174,521 |
| — | 379,590,308 | 2,094,469,596 | — |
| — | — | — | — |
| — | 2,684,590 | 4,846,452 | — |
| 1,465,781,000 | — | 1,433,313,199 | — |
| 33,838,000 | 23,583,334 | — | — |
| — | — | — | — |
| — | 251,780,000 | — | — |
| 88,101,000 | — | 11,220,054 | — |
| <u>\$1,590,199,000</u> | <u>\$657,641,482</u> | <u>\$3,561,665,086</u> | <u>\$174,521</u> |
| | | | |
| \$ 102,804,000 | \$ 711,010 | \$ 23,330,150 | \$105,328 |
| — | — | 287,731 | — |
| — | — | — | — |
| — | — | — | — |
| 131,462,000 | — | 14,242,873 | — |
| — | 251,780,000 | 2,502,825,000 | — |
| — | — | — | — |
| <u>234,266,000</u> | <u>252,491,010</u> | <u>2,540,685,754</u> | <u>105,328</u> |
| | | | |
| — | — | — | — |
| 1,336,369,000 | 404,877,959 | 894,240,488 | — |
| 19,564,000 | 272,513 | 126,738,844 | 69,193 |
| <u>1,355,933,000</u> | <u>405,150,472</u> | <u>1,020,979,332</u> | <u>69,193</u> |
| <u>\$1,590,199,000</u> | <u>\$657,641,482</u> | <u>\$3,561,665,086</u> | <u>\$174,521</u> |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1987**

| | <u>New Jersey Water Supply Authority</u> | <u>South Jersey Port Corporation</u> | <u>Total Enterprise Funds</u> |
|--|--|--|---------------------------------------|
| <u>ASSETS</u> | | | |
| CASH AND CASH EQUIVALENTS | \$ 40,215 | \$ 1,014,383 | \$ 164,294,315 |
| INVESTMENTS | 66,391,663 | 6,750,779 | 5,523,188,576 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | | |
| Mortgages | — | — | 3,616,991,000 |
| Other | 1,218,747 | 2,284,800 | 1,715,645,872 |
| FIXED ASSETS, Net | 77,167,401 | 47,974,743 | 4,533,163,767 |
| OTHER ASSETS | | | |
| Due from intergovernmental agencies | 2,588,159 | 542,097 | 80,041,171 |
| Deferred charges | — | — | 14,702,501 |
| Amount to be provided for: | | | |
| Retirement of bonds | — | — | 251,780,000 |
| Other | 945,771 | 137,397 | 155,905,660 |
| Total Assets | <u>\$148,351,956</u> | <u>\$58,704,199</u> | <u>\$16,055,712,862</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 1,835,410 | \$ 3,071,791 | \$ 354,458,925 |
| Deferred revenue | — | 148,589 | 52,222,272 |
| Due to intergovernmental agencies | 91,593,494 | 542,097 | 143,438,176 |
| Advances from other funds | — | — | 13,771,286 |
| Other | 241,132 | 19,510,203 | 379,015,965 |
| Revenue bonds payable | — | 28,595,000 | 9,588,505,437 |
| Notes payable | — | — | 77,431,673 |
| Total Liabilities | <u>93,670,036</u> | <u>51,867,680</u> | <u>10,608,843,734</u> |
| FUND BALANCES | | | |
| Cost of investment in facilities | — | — | 2,445,921 |
| Reserved—Other | 6,735,104 | 4,789,983 | 4,884,945,450 |
| Unreserved—Undesignated | 47,946,816 | 2,046,536 | 559,477,757 |
| Total Fund Balances | <u>54,681,920</u> | <u>6,836,519</u> | <u>5,446,869,128</u> |
| Total Liabilities and Fund Balances | <u>\$148,351,956</u> | <u>\$58,704,199</u> | <u>\$16,055,712,862</u> |

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**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Hackensack Meadowlands Development Commission | New Jersey Building Authority | New Jersey Casino Reinvestment Development Authority |
|---------------------------------------|--|--|---|
| REVENUES | | | |
| Charges for services and sales | \$34,645,838 | \$11,991,773 | \$ 10,288 |
| Mortgage interest | — | — | — |
| Investment income | 283,053 | 4,842,228 | 4,115,926 |
| Governmental subsidies and grants | 10,829,619 | — | — |
| Other | 2,050,320 | — | 48,471,395 |
| Total Revenues | 47,808,830 | 16,834,001 | 52,597,609 |
| EXPENSES | | | |
| Operations | 31,653,122 | 65,667 | 8,700,660 |
| Interest | 147,828 | 12,236,008 | 2,716,898 |
| Depreciation and amortization | 790,158 | — | — |
| Other | 677,813 | — | — |
| Total Expenses | 33,268,921 | 12,301,675 | 11,417,558 |
| Excess of Revenues Over Expenses | 14,539,909 | 4,532,326 | 41,180,051 |
| FUND BALANCE—Beginning of Year | 36,312,722 | 1,401,950 | 55,786,661 |
| Other fund balances changes | (892,803) | 7,959,005 | — |
| FUND BALANCE—End of Year | \$49,959,828 | \$13,893,281 | \$96,966,712 |

| New Jersey Economic Development Authority | New Jersey Education Facilities Authority | New Jersey Expressway Authority | New Jersey Health Care Facilities Financing Authority |
|--|--|--|--|
| \$ 3,040,253 | \$ 32,800,703 | \$21,831,615 | \$ 1,338,000 |
| — | — | — | — |
| 5,061,852 | 12,382,178 | 1,250,408 | 449,000 |
| 2,325,253 | 1,600,557 | — | — |
| 6,174,702 | 513,572 | 63,962 | 2,000 |
| <u>16,602,060</u> | <u>47,297,010</u> | <u>23,145,985</u> | <u>1,789,000</u> |
| 4,867,866 | 42,346,778 | 11,813,049 | 1,793,000 |
| 51,656 | 31,213,467 | 3,943,574 | — |
| 91,000 | — | — | 93,000 |
| 5,393,211 | — | 1,374,687 | 22,000 |
| <u>10,403,733</u> | <u>73,560,245</u> | <u>17,131,310</u> | <u>1,908,000</u> |
| <u>6,198,327</u> | <u>(26,263,235)</u> | <u>6,014,675</u> | <u>(119,000)</u> |
| <u>82,970,717</u> | <u>126,952,425</u> | <u>57,748,025</u> | <u>1,263,074,000</u> |
| <u>—</u> | <u>(6,636,255)</u> | <u>(2,971,373)</u> | <u>(95,038,000)</u> |
| <u><u>\$89,169,044</u></u> | <u><u>\$ 94,052,935</u></u> | <u><u>\$60,791,327</u></u> | <u><u>\$1,167,917,000</u></u> |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Highway Authority | New Jersey Housing and Mortgage Finance Agency | New Jersey Sports and Exposition Authority |
|---------------------------------------|---|---|---|
| REVENUES | | | |
| Charges for services and sales | \$116,285,781 | \$ 9,631,000 | \$160,058,000 |
| Mortgage interest | — | 189,201,000 | — |
| Investment income | 20,534,399 | 82,341,000 | 7,235,000 |
| Governmental subsidies and grants | — | — | — |
| Other | 824,930 | 1,068,000 | — |
| Total Revenues | 137,645,110 | 282,241,000 | 167,293,000 |
| EXPENSES | | | |
| Operations | 70,528,020 | 12,812,000 | 129,365,000 |
| Interest | 22,141,191 | 235,422,000 | 31,057,000 |
| Depreciation and amortization | — | 192,000 | 13,208,000 |
| Other | — | 1,903,000 | 1,947,000 |
| Total Expenses | 92,669,211 | 250,329,000 | 175,577,000 |
| Excess of Revenues Over Expenses | 44,975,899 | 31,912,000 | (8,284,000) |
| FUND BALANCE—Beginning of Year | 711,340,691 | 253,052,000 | 73,337,000 |
| Other fund balances changes | (73,718,025) | (5,147,000) | 3,000,000 |
| FUND BALANCE—End of Year | \$682,598,565 | \$279,817,000 | \$ 68,053,000 |

| New Jersey Transit Corporation | New Jersey Transportation Trust Fund Authority | New Jersey Turnpike Authority | New Jersey Wastewater Treatment Trust |
|---|---|--|--|
| \$ 288,524,000 | \$ 55,000,000 | \$ 182,167,000 | \$ — |
| — | — | — | — |
| — | 19,787,118 | 7,205,150 | 8,143 |
| 226,043,000 | 88,000,000 | — | — |
| 26,128,000 | 198,540,000 | 3,933,476 | 148 |
| <u>540,695,000</u> | <u>361,327,118</u> | <u>193,305,626</u> | <u>8,291</u> |
| 512,285,000 | 215,044,356 | 102,092,873 | 189,098 |
| — | 9,377,608 | 46,771,412 | — |
| 74,942,000 | — | — | — |
| 27,675,000 | 5,107,911 | 24,550,708 | — |
| <u>614,902,000</u> | <u>229,529,875</u> | <u>173,414,993</u> | <u>189,098</u> |
| <u>(74,207,000)</u> | <u>131,797,243</u> | <u>19,890,633</u> | <u>(180,807)</u> |
| 1,200,381,000 | 273,353,229 | 1,009,726,175 | — |
| <u>229,759,000</u> | — | <u>(8,637,476)</u> | <u>250,000</u> |
| <u>\$1,355,933,000</u> | <u>\$405,150,472</u> | <u>\$1,020,979,332</u> | <u>\$ 69,193</u> |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Water Supply Authority | South Jersey Port Corporation | Total Enterprise Funds |
|---------------------------------------|--|--|---------------------------------------|
| REVENUES | | | |
| Charges for services and sales | \$ 8,703,542 | \$11,126,304 | \$ 937,154,097 |
| Mortgage interest | — | — | 189,201,000 |
| Investment income | 366,878 | 5,303 | 165,867,636 |
| Governmental subsidies and grants | — | 1,647,216 | 330,445,645 |
| Other | 567,328 | 678,368 | 289,016,201 |
| Total Revenues | 9,637,748 | 13,457,191 | 1,911,684,579 |
| EXPENSES | | | |
| Operations | 4,513,277 | 11,592,144 | 1,159,661,910 |
| Interest | 1,496,571 | 2,549,019 | 399,124,232 |
| Depreciation and amortization | 2,560,021 | — | 91,876,179 |
| Other | 361,116 | — | 69,012,446 |
| Total Expenses | 8,930,985 | 14,141,163 | 1,719,674,767 |
| Excess of Revenues Over Expenses | 706,763 | (683,972) | 192,009,812 |
| FUND BALANCE—Beginning of Year | 53,989,422 | 7,520,491 | 5,206,946,508 |
| Other fund balances changes | (14,265) | — | 47,912,808 |
| FUND BALANCE—End of Year | \$54,681,920 | \$ 6,836,519 | \$5,446,869,128 |

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**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | Hackensack Meadowlands Development Commission | New Jersey Building Authority | New Jersey Casino Reinvestment Development Authority |
|--|--|--|---|
| SOURCES OF FINANCIAL RESOURCES | | | |
| Operations: | | | |
| Excess of revenues over expenses | \$14,539,909 | \$ 4,532,326 | \$ 41,180,051 |
| Expenses not requiring current outlay of financial resources: | | | |
| Depreciation and amortization | 1,589,768 | — | — |
| Other | — | — | — |
| Total Sources of Financial Resources from Operations | 16,129,677 | 4,532,326 | 41,180,051 |
| Decrease in investments | — | 35,563,897 | — |
| Issuance of notes payable | — | — | — |
| Issuance of revenue bonds | — | — | 68,008 |
| Increase in deferred revenue | 1,257,895 | (353,825) | (21,334,386) |
| Increase in accounts payable and accrued expenses | — | 7,113,764 | — |
| Increase in other liabilities | 16,937,498 | — | 27,360 |
| Other, net | (892,803) | 7,959,005 | — |
| Total Sources of Financial Resources | 33,432,267 | 54,815,167 | 19,941,033 |
| USES OF FINANCIAL RESOURCES | | | |
| Increase in deferred charges | — | (134,735) | — |
| Increase in investments | 8,283,813 | — | 38,573,030 |
| Increase in receivables | 1,790,253 | (1,679,658) | (19,594,348) |
| Increase in other assets | 5,664,342 | — | 324,918 |
| Acquisition of fixed assets | 66,539 | 47,866,382 | — |
| Decrease in accounts payable and accrued expenses | 676,051 | — | 629,039 |
| Retirement of notes payable | 4,495,508 | — | — |
| Retirement of bonds | — | 8,569,264 | — |
| Total Uses of Financial Resources | 20,976,506 | 54,621,253 | 19,932,639 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 12,455,761 | 193,914 | 8,394 |
| CASH AND CASH EQUIVALENTS Beginning of Year | 11,783,847 | 43,419 | — |
| CASH AND CASH EQUIVALENTS End of Year | \$24,239,608 | \$ 237,333 | \$ 8,394 |

| New Jersey Economic Development Authority | New Jersey Educational Facilities Authority | New Jersey Expressway Authority | New Jersey Health Care Facilities Financing Authority |
|--|--|--|--|
| \$ 6,198,327 | \$(26,263,235) | \$ 6,014,675 | \$ (119,000) |
| 91,000 | — | — | 93,000 |
| 344,110 | — | — | 20,000 |
| 6,633,437 | (26,263,235) | 6,014,675 | (6,000) |
| — | 10,712,459 | 14,308,389 | 128,467,000 |
| — | — | — | — |
| — | 111,028,589 | — | 79,848,000 |
| 3,911 | — | — | — |
| 129,065 | — | 374,418 | — |
| (1,991,956) | 229,838 | 412,747 | — |
| — | (6,636,255) | (2,971,373) | (95,038,000) |
| 4,774,457 | 89,071,396 | 18,138,856 | 113,271,000 |
| — | — | — | — |
| — | — | — | — |
| 2,166,765 | 376,627 | (209,684) | 34,446,000 |
| (3,415,157) | 1,354,893 | 9,618 | 37,000 |
| 23,613 | 90,564 | 18,084,425 | 304,000 |
| — | 2,389,822 | — | 20,917,000 |
| 1,212,580 | — | — | 9,941,000 |
| — | 83,608,589 | 375,000 | 51,735,000 |
| (12,199) | 87,820,495 | 18,259,359 | 117,380,000 |
| 4,786,656 | 1,250,901 | (120,503) | (4,109,000) |
| 50,526,427 | 4,891,176 | 2,695,103 | 27,983,000 |
| \$55,313,083 | \$ 6,142,077 | \$ 2,574,600 | \$ 23,874,000 |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>New Jersey Highway Authority</u> | <u>New Jersey Housing and Mortgage Finance Agency</u> | <u>New Jersey Sports and Exposition Authority</u> |
|--|---|---|---|
| SOURCES OF FINANCIAL RESOURCES | | | |
| Operations: | | | |
| Excess of revenues over expenses | \$ 44,975,899 | \$ 31,912,000 | \$ (8,284,000) |
| Expenses not requiring current outlay of financial resources: | | | |
| Depreciation and amortization | — | 19,846,000 | 13,208,000 |
| Other | — | — | — |
| Total Sources of Financial Resources from Operations | <u>44,975,899</u> | <u>51,758,000</u> | <u>4,924,000</u> |
| Decrease in investments | — | 201,124,000 | — |
| Issuance of notes payable | — | 17,975,000 | 1,000,000 |
| Issuance of revenue bonds | 145,655,000 | 222,940,000 | — |
| Increase in deferred revenue | — | 115,000 | — |
| Increase in accounts payable and accrued expenses | 11,690,430 | — | 7,045,000 |
| Increase in other liabilities | (1,126,434) | 6,724,000 | (3,794,000) |
| Other, net | (73,718,025) | (5,147,000) | 3,000,000 |
| Total Sources of Financial Resources | <u>127,476,870</u> | <u>495,489,000</u> | <u>12,175,000</u> |
| USES OF FINANCIAL RESOURCES | | | |
| Increase in deferred charges | — | (1,957,000) | — |
| Increase in investments | 10,831,510 | — | 5,677,000 |
| Increase in receivables | 627,813 | (51,913,000) | 554,000 |
| Increase in other assets | (1,117,321) | (2,122,000) | (484,000) |
| Acquisition of fixed assets | 111,818,772 | 177,000 | 4,476,000 |
| Decrease in accounts payable and accrued expenses | — | 6,440,000 | — |
| Retirement of notes payable | — | — | 2,000,000 |
| Retirement of bonds | 2,025,000 | 540,580,000 | 595,000 |
| Total Uses of Financial Resources | <u>124,185,774</u> | <u>491,205,000</u> | <u>12,818,000</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,291,096 | 4,284,000 | (643,000) |
| CASH AND CASH EQUIVALENTS Beginning of Year | <u>5,140,970</u> | <u>8,085,000</u> | <u>10,220,000</u> |
| CASH AND CASH EQUIVALENTS End of Year | <u>\$ 8,432,066</u> | <u>\$ 12,369,000</u> | <u>\$ 9,577,000</u> |

| <u>New Jersey Transit Corporation</u> | <u>New Jersey Transportation Trust Fund Authority</u> | <u>New Jersey Turnpike Authority</u> | <u>New Jersey Wastewater Treatment Trust</u> |
|---|---|--|--|
| \$ (74,207,000) | \$131,797,243 | \$19,890,633 | \$(180,807) |
| 74,942,000 | — | — | — |
| — | — | — | — |
| 735,000 | 131,797,243 | 19,890,633 | (180,807) |
| — | — | 3,724,274 | — |
| — | — | — | — |
| — | 200,000,000 | — | — |
| — | — | (1,266) | — |
| 9,244,000 | 525,262 | — | 105,328 |
| 52,416,000 | — | 2,707,812 | — |
| 229,759,000 | — | (8,637,476) | 250,000 |
| 292,154,000 | 332,322,505 | 17,683,977 | 174,521 |
| — | — | — | — |
| — | 137,068,578 | — | — |
| — | (276,994) | 1,870,730 | — |
| (10,775,000) | 190,672,771 | (897,721) | — |
| 305,555,000 | — | 14,513,092 | — |
| — | — | — | — |
| — | — | — | — |
| — | 4,855,000 | — | — |
| 294,780,000 | 332,319,355 | 15,486,101 | — |
| (2,626,000) | 3,150 | 2,197,876 | 174,521 |
| 5,105,000 | 100 | 15,617,909 | — |
| <u>\$ 2,479,000</u> | <u>\$ 3,250</u> | <u>\$17,815,785</u> | <u>\$ 174,521</u> |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Water Supply Authority | South Jersey Port Corporation | Total Enterprise Funds |
|--|--|--|---------------------------------------|
| SOURCES OF FINANCIAL RESOURCES | | | |
| Operations: | | | |
| Excess of revenues over expenses | \$ 706,763 | \$ (683,972) | \$ 192,009,812 |
| Expenses not requiring current outlay of financial resources: | | | |
| Depreciation and amortization | 2,560,021 | — | 112,329,789 |
| Other | 5,505 | — | 369,615 |
| Total Sources of Financial Resources from Operations | 3,272,289 | (683,972) | 304,709,216 |
| Decrease in investments | 6,070,573 | 729,678 | 400,700,270 |
| Issuance of notes payable | — | — | 18,975,000 |
| Issuance of revenue bonds | 745,395,000 | — | 1,504,934,597 |
| Increase in deferred revenue | — | (43,144) | (20,355,815) |
| Increase in accounts payable and accrued expenses | 16,867 | 617,270 | 36,861,404 |
| Increase in other liabilities | 62,137,343 | 996,306 | 135,676,514 |
| Other, net | (14,265) | — | 47,912,808 |
| Total Sources of Financial Resources | 816,877,807 | 1,616,138 | 2,429,413,994 |
| USES OF FINANCIAL RESOURCES | | | |
| Increase in deferred charges | — | — | (2,091,735) |
| Increase in investments | — | — | 200,433,931 |
| Increase in receivables | 498,019 | (11,336) | (31,354,813) |
| Increase in other assets | (1,154,530) | (84,435) | 178,013,378 |
| Acquisition of fixed assets | 5,710,787 | 1,185,808 | 509,871,982 |
| Decrease in accounts payable and accrued expenses | — | — | 31,051,912 |
| Retirement of notes payable | — | — | 17,649,088 |
| Retirement of bonds | 811,822,225 | — | 1,504,165,078 |
| Total Uses of Financial Resources | 816,876,501 | 1,090,037 | 2,407,738,821 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,306 | 526,101 | 21,675,173 |
| CASH AND CASH EQUIVALENTS Beginning of Year | 38,909 | 488,282 | 142,619,142 |
| CASH AND CASH EQUIVALENTS End of Year | \$ 40,215 | \$ 1,014,383 | \$ 164,294,315 |

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
DESCRIPTION OF FUNDS**

**Hackensack Meadowlands Development
Commission (N.J.S.A. 13:17-5)**

The Hackensack Meadowlands Development Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. Pursuant to the Act, the Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development and redevelopment of the 19,730 acre Meadowlands District. The agency also has the responsibility to provide garbage disposal facilities for 118 communities in Bergen, Essex, Hudson and Passaic counties.

The District consists of waterways, tidal flow lands, woodlands, marsh and meadows contained within portions of 14 municipalities and two counties, Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

**New Jersey Building Authority
(N.J.S.A. 52:18A-78.4)**

The New Jersey Building Authority, created in 1981 as a body corporate and politic, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and rehabilitation projects. The debt service on the bonds will be paid through lease agreements with the State.

**New Jersey Casino Reinvestment Development
Authority (N.J.S.A. 5:12-153)**

The Authority was created in 1984 to maintain public confidence in the casino gaming industry as a tool of urban redevelopment for the City of Atlantic City and to directly facilitate the redevelopment of blighted areas by providing eligible projects in which licensees (Casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

**New Jersey Economic Development Authority
(N.J.S.A. 34:1B-4)**

The New Jersey Economic Development Authority, created in 1974 as a public body corporate and politic, is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expand-

ing employment opportunities and enlarging the tax base of state and local governments in the State of New Jersey.

**New Jersey Educational Facilities Authority
(N.J.S.A. 18A:72A-4)**

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell tax-exempt notes and bonds. The Authority finances only revenue-producing facilities on public college campuses; but it is not so restricted for the independent institutions, and may finance academic buildings as well.

**New Jersey Expressway Authority
(N.J.S.A. 27:12C-5)**

The New Jersey Expressway Authority, created in 1962 as a body corporate and politic, is authorized and empowered to acquire, construct, maintain, repair and operate Atlantic City Expressway projects at lawfully established locations and, with the prior approval of the Governor, and of either or both the State Treasurer and the Comptroller of the Treasury, to issue its bonds or notes for such purposes. The existing roadway serves as a link between the Philadelphia metropolitan area and the seashore counties bordering the Atlantic Ocean. The principal source of revenues for the Authority is the money received from expressway tolls.

**New Jersey Health Care Facilities Financing
Authority (N.J.S.A. 26:21-4)**

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private not-for-profit health care institutions of the State.

New Jersey Highway Authority (N.J.S.A. 27:12B-4)

The New Jersey Highway Authority, created in 1952 as a body corporate and politic, is authorized to acquire, construct, operate, and maintain highway projects (specifically the toll portions of the Garden State Parkway) with the provision that the Governor shall have the right to veto any action, except collective bargaining; and that the approval of the Governor and State Treasurer or Comptroller shall be required prior to adoption of any bond resolution or revision of tolls. The Authority has also been responsible for construction and maintenance of the Garden State Arts Center.

**New Jersey Housing and Mortgage Finance Agency
(N.J.S.A. 55:14K-4)**

The Housing and Mortgage Finance Agency (HMFA) makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. HMFA mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provided low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

**New Jersey Sports and Exposition Authority
(N.J.S.A. 5:10-4)**

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Brendan Byrne Arena which opened in July, 1981. The Authority is charged with the responsibility for providing facilities in the Hackensack Meadowlands for athletic and entertainment events, trade shows and other expositions, and is authorized to issue bonds and notes and provides the terms and security thereof.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)

New Jersey Transit Corporation (NJ TRANSIT) was created by the New Jersey Public Transportation Act of 1979 and is empowered to acquire, own, operate and contract for the operation of public transportation services.

NJ TRANSIT receives operating subsidies principally from the State of New Jersey by legislative appropriation and the Federal Government by defined formula grants under the Urban Mass Transportation Administration (UMTA). These government grants are used to support the operation of public transportation services.

NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the maintenance of certain NJ TRANSIT rolling stock and the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.

**New Jersey Transportation Trust Fund Authority
(N.J.S.A. 27:1B-4)**

The New Jersey Transportation Trust Fund Authority was created under the New Jersey Transportation Trust Fund Authority Act of 1984 to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system.

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority.

**New Jersey Wastewater Treatment Trust
(N.J.S.A. 58:11B-4)**

The New Jersey Wastewater Treatment Trust, established in, but not of, the Department of Environmental Protection in 1985, is a body corporate and politic, with corporate succession. The purpose of the Trust is to make loans to and guarantee debt incurred by local government units to finance the cost of wastewater treatment system projects. The Trust may from time to time issue bonds, notes or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of \$600 million, in order to provide sufficient funds to carry out its purpose.

**New Jersey Water Supply Authority
(N.J.S.A. 58:1B-4)**

The New Jersey Water Supply Authority, created in 1981 as a public body corporate and politic, is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system.

The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

South Jersey Port Corporation (N.J.S.A. 12:11A-1)

The South Jersey Port Corporation, an entity of the State's Department of Commerce and Economic Development, was created in 1968 by the South Jersey Port Corporation Act. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including

Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which mandates the distribution of funds to various Port Corporation funds.

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UNIVERSITY FUNDS

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
CURRENT FUNDS-UNRESTRICTED
JUNE 30, 1987**

| | <u>New Jersey Institute of Technology</u> | <u>Rutgers University</u> |
|--|---|-------------------------------|
| <u>ASSETS</u> | | |
| CASH AND CASH EQUIVALENTS | \$ 8,747,000 | \$34,198,668 |
| INVESTMENTS | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | |
| Departmental | 1,503,000 | 2,833,999 |
| FIXED ASSETS, Net | — | — |
| OTHER ASSETS | | |
| Due from other funds | — | — |
| Other | 1,062,000 | 6,800,063 |
| Total Assets | \$11,312,000 | \$43,832,730 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 7,317,000 | \$24,950,779 |
| Deferred revenue | 1,114,000 | 7,265,906 |
| Due to other funds | — | — |
| Other | — | 3,166,251 |
| Deferred compensation payable | — | — |
| Revenue bonds payable | — | — |
| Notes payable | — | — |
| Capital leases payable | — | — |
| Total Liabilities | 8,431,000 | 35,382,936 |
| FUND BALANCES | | |
| Cost of investment in facilities | — | — |
| Reserved for: | | |
| Auxiliary enterprises | — | 1,859,496 |
| General university | — | 6,448,325 |
| Endowment and similar funds | — | — |
| Retirement of indebtedness | — | — |
| Unreserved—Undesignated | 2,881,000 | 141,973 |
| Total Fund Balances | 2,881,000 | 8,449,794 |
| Total Liabilities and Fund Balances | \$11,312,000 | \$43,832,730 |

| <u>University of Medicine and Dentistry</u> | <u>Total</u> |
|---|----------------------|
| \$ 530,784 | \$ 43,476,452 |
| — | — |
| 73,070,577 | 77,407,576 |
| — | — |
| 934,856 | 934,856 |
| 2,325,012 | 10,187,075 |
| <u>\$76,861,229</u> | <u>\$132,005,959</u> |
| | |
| \$46,794,443 | \$ 79,062,222 |
| 12,522,108 | 20,902,014 |
| 11,424,584 | 11,424,584 |
| 4,530,571 | 7,696,822 |
| 365,000 | 365,000 |
| — | — |
| — | — |
| — | — |
| <u>75,636,706</u> | <u>119,450,642</u> |
| — | — |
| — | 1,859,496 |
| — | 6,448,325 |
| — | — |
| — | — |
| 1,224,523 | 4,247,496 |
| <u>1,224,523</u> | <u>12,555,317</u> |
| <u>\$76,861,229</u> | <u>\$132,005,959</u> |

STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
CURRENT FUNDS-RESTRICTED
JUNE 30, 1987

| | <u>New Jersey Institute of Technology</u> | <u>Rutgers University</u> |
|--|---|-------------------------------|
| ASSETS | | |
| CASH AND CASH EQUIVALENTS | \$ 750,000 | \$15,379,779 |
| INVESTMENTS | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | |
| Departmental | 959,000 | 9,104,338 |
| FIXED ASSETS, Net | — | — |
| OTHER ASSETS | | |
| Due from other funds | — | — |
| Other | — | — |
| Total Assets | \$1,709,000 | \$24,484,117 |
| LIABILITIES AND FUND BALANCES | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 10,000 | \$ 3,158,121 |
| Deferred revenue | — | — |
| Due to other funds | — | — |
| Other | — | — |
| Deferred compensation payable | — | — |
| Revenue bonds payable | — | — |
| Notes payable | — | — |
| Capital leases payable | — | — |
| Total Liabilities | 10,000 | 3,158,121 |
| FUND BALANCES | | |
| Cost of investment in facilities | — | — |
| Reserved for: | | |
| Auxiliary enterprises | — | — |
| General university | — | — |
| Endowment and similar funds | — | — |
| Retirement of indebtedness | — | — |
| Unreserved, undesignated (deficit) | 1,699,000 | 21,325,996 |
| Total Fund Balances | 1,699,000 | 21,325,996 |
| Total Liabilities and Fund Balances | \$1,709,000 | \$24,484,117 |

| University of Medicine and Dentistry | Total |
|---|---------------------|
| \$ 820,131 | \$16,949,910 |
| 12,151,468 | 12,151,468 |
| 17,401,609 | 27,464,947 |
| — | — |
| 11,523,136 | 11,523,136 |
| 115,261 | 115,261 |
| <u>\$42,011,605</u> | <u>\$68,204,722</u> |
| | |
| \$ 6,748,279 | \$ 9,916,400 |
| 6,280 | 6,280 |
| — | — |
| 1,873,417 | 1,873,417 |
| — | — |
| — | — |
| 50,000 | 50,000 |
| — | — |
| <u>8,677,976</u> | <u>11,846,097</u> |
| | |
| — | — |
| — | — |
| — | — |
| — | — |
| <u>33,333,629</u> | <u>56,358,625</u> |
| <u>33,333,629</u> | <u>56,358,625</u> |
| <u>\$42,011,605</u> | <u>\$68,204,722</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
LOAN FUNDS
JUNE 30, 1987**

| | <u>New Jersey Institute of Technology</u> | <u>Rutgers University</u> |
|--|---|-------------------------------|
| ASSETS | | |
| CASH AND CASH EQUIVALENTS | \$ 80,000 | \$ 1,738,446 |
| INVESTMENTS | — | — |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | |
| Departmental | 458,000 | 25,702,882 |
| FIXED ASSETS, Net | — | — |
| OTHER ASSETS | | |
| Due from other funds | — | — |
| Other | 90,000 | — |
| Total Assets | \$628,000 | \$27,441,328 |
| LIABILITIES AND FUND BALANCES | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ — | \$ — |
| Deferred revenue | — | — |
| Due to other funds | — | — |
| Other | — | — |
| Deferred compensation payable | — | — |
| Revenue bonds payable | — | — |
| Notes payable | — | — |
| Capital leases payable | — | — |
| Total Liabilities | — | — |
| FUND BALANCES | | |
| Cost of investment in facilities | — | — |
| Reserved for: | | |
| Auxiliary enterprises | — | — |
| General university | 369,000 | 22,229,988 |
| Endowment and similar funds | 240,000 | 4,558,499 |
| Retirement of indebtedness | — | — |
| Unreserved—Undesignated | 19,000 | 652,841 |
| Total Fund Balances | 628,000 | 27,441,328 |
| Total Liabilities and Fund Balances | \$628,000 | \$27,441,328 |

| <u>University of Medicine and Dentistry</u> | <u>Total</u> |
|---|---------------------|
| \$ 710,659 | \$ 2,529,105 |
| 139,000 | 139,000 |
| 10,631,524 | 36,792,406 |
| — | — |
| 4,333 | 4,333 |
| — | 90,000 |
| <u>\$11,485,516</u> | <u>\$39,554,844</u> |
| \$ — | \$ — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| 9,814,964 | 32,413,952 |
| 389,700 | 5,188,199 |
| — | — |
| 1,280,852 | 1,952,693 |
| <u>11,485,516</u> | <u>39,554,844</u> |
| <u>\$11,485,516</u> | <u>\$39,554,844</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
PLANT FUNDS
JUNE 30, 1987**

| | <u>New Jersey Institute of Technology</u> | <u>Rutgers University</u> |
|--|---|-------------------------------|
| <u>ASSETS</u> | | |
| CASH AND CASH EQUIVALENTS | \$ 5,617,000 | \$ 72,374,673 |
| INVESTMENTS | 23,928,000 | 128,599,438 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | |
| Departmental | — | — |
| FIXED ASSETS, Net | 81,064,000 | 675,146,991 |
| OTHER ASSETS | | |
| Due from other funds | — | — |
| Other | 1,273,000 | 3,872,478 |
| Total Assets | \$111,882,000 | \$879,993,580 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ — | \$ — |
| Deferred revenue | — | — |
| Due to other funds | — | — |
| Other | — | 4,932,617 |
| Deferred compensation payable | — | — |
| Revenue bonds payable | 33,490,000 | 204,065,000 |
| Notes payable | 218,000 | 11,024,382 |
| Capital leases payable | — | 6,919,598 |
| Total Liabilities | 33,708,000 | 226,941,597 |
| FUND BALANCES | | |
| Cost of investment in facilities | 74,081,000 | 552,198,209 |
| Reserved for: | | |
| Auxiliary enterprises | — | — |
| General university | — | — |
| Endowment and similar funds | — | 8,430,461 |
| Retirement of indebtedness | 1,658,000 | 6,922,021 |
| Unreserved—Undesignated | 2,435,000 | 85,501,292 |
| Total Fund Balances | 78,174,000 | 653,051,983 |
| Total Liabilities and Fund Balances | \$111,882,000 | \$879,993,580 |

| <u>University of Medicine and Dentistry</u> | <u>Total</u> |
|---|------------------------|
| \$ 14,132,054 | \$ 92,123,727 |
| 58,240,844 | 210,768,282 |
| 23,270,541 | 23,270,541 |
| 414,483,046 | 1,170,694,037 |
| 1,289,991 | 1,289,991 |
| 4,459,723 | 9,605,201 |
| <u>\$515,876,199</u> | <u>\$1,507,751,779</u> |
| | |
| \$ 1,445,422 | \$ 1,445,422 |
| — | — |
| 1,887,514 | 1,887,514 |
| — | 4,932,617 |
| — | — |
| 68,177,387 | 305,732,387 |
| 248,766 | 11,491,148 |
| 936,768 | 7,856,366 |
| <u>72,695,857</u> | <u>333,345,454</u> |
| | |
| 403,360,969 | 1,029,640,178 |
| — | — |
| 39,819,373 | 39,819,373 |
| — | 8,430,461 |
| — | 8,580,021 |
| — | 87,936,292 |
| <u>443,180,342</u> | <u>1,174,406,325</u> |
| <u>\$515,876,199</u> | <u>\$1,507,751,779</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
ENDOWMENT AND SIMILAR FUNDS
JUNE 30, 1987**

| | <u>New Jersey Institute of Technology</u> | <u>Rutgers University</u> |
|--|---|-------------------------------|
| <u>ASSETS</u> | | |
| CASH AND CASH EQUIVALENTS | \$ 676,000 | \$ 647,594 |
| INVESTMENTS | 534,000 | 92,592,595 |
| RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES | | |
| Departmental | — | — |
| FIXED ASSETS, Net | — | — |
| OTHER ASSETS | | |
| Due from other funds | — | — |
| Other | 6,000 | — |
| Total Assets | \$1,216,000 | \$93,240,189 |
| <u>LIABILITIES AND FUND BALANCES</u> | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ — | \$ — |
| Deferred revenue | — | — |
| Due to other funds | — | — |
| Other | 390,000 | — |
| Deferred compensation payable | — | — |
| Revenue bonds payable | — | — |
| Notes payable | — | — |
| Capital leases payable | — | — |
| Total Liabilities | 390,000 | — |
| FUND BALANCES | | |
| Cost of investment in facilities | — | — |
| Reserved for: | | |
| Auxiliary enterprises | — | — |
| General university | — | — |
| Endowment and similar funds | 826,000 | 93,240,189 |
| Retirement of indebtedness | — | — |
| Unreserved—Undesignated | — | — |
| Total Fund Balances | 826,000 | 93,240,189 |
| Total Liabilities and Fund Balances | \$1,216,000 | \$93,240,189 |

| <u>University of Medicine and Dentistry</u> | <u>Total</u> |
|---|----------------------|
| \$ 313,403 | \$ 1,636,997 |
| 6,588,731 | 99,715,326 |
| 136,438 | 136,438 |
| — | — |
| — | — |
| — | 6,000 |
| <u>\$7,038,572</u> | <u>\$101,494,761</u> |
| \$ — | \$ — |
| — | — |
| 440,218 | 440,218 |
| 133,342 | 523,342 |
| — | — |
| — | — |
| — | — |
| — | — |
| <u>573,560</u> | <u>963,560</u> |
| — | — |
| — | — |
| — | — |
| 6,465,012 | 100,531,201 |
| — | — |
| — | — |
| <u>6,465,012</u> | <u>100,531,201</u> |
| <u>\$7,038,572</u> | <u>\$101,494,761</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
CURRENT FUNDS-UNRESTRICTED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Institute of Technology | Rutgers University |
|--|---|-------------------------------|
| REVENUES AND OTHER ADDITIONS | | |
| Student tuition and fees | \$16,049,000 | \$102,172,461 |
| State appropriations | 33,441,000 | 217,931,391 |
| Auxiliary enterprises | 4,048,000 | 63,784,633 |
| Patient service revenue | — | — |
| Governmental grants and contracts | — | 4,701,667 |
| Fringe benefits paid directly by the State of New Jersey | 3,351,000 | 43,307,160 |
| Private gifts, grants and contracts | — | 314,975 |
| Investment income | — | — |
| Realized gains on endowment investments | — | 2,046,927 |
| Interest on loans receivable | — | — |
| Expended for plant facilities | — | — |
| Retirement of indebtedness | — | — |
| Other | 1,705,000 | 15,516,099 |
| | 58,594,000 | 449,775,313 |
| EXPENDITURES AND OTHER DEDUCTIONS | | |
| Educational and general: | | |
| Instruction | 25,139,000 | 173,166,440 |
| Research | 863,000 | 25,380,475 |
| Public service | 571,000 | 19,387,988 |
| Academic support | 7,915,000 | 18,774,401 |
| Student services | 2,924,000 | 27,077,164 |
| Institutional support | 8,829,000 | 35,858,609 |
| Scholarships and fellowships | 1,363,000 | — |
| Operation and maintenance plant | 5,393,000 | 54,232,417 |
| Auxiliary enterprises | 3,533,000 | 50,946,212 |
| Expenditures for plant facilities | — | — |
| Loan cancellations, write-offs and refunds | — | — |
| Disposal of property, plant and equipment | — | — |
| Interest on indebtedness | — | — |
| Retirement of indebtedness | — | — |
| Other | — | — |
| | 56,530,000 | 404,823,706 |
| Net Revenues | 2,064,000 | 44,951,607 |
| HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT) | | |
| Mandatory: | | |
| Principal and interest | (880,000) | (8,774,660) |
| Loan funds matching grants | — | 3,334 |
| Other | — | — |
| Non-mandatory: | | |
| Plant funds | — | (36,586,573) |
| Other | — | 1,227,035 |
| | (880,000) | (44,130,864) |
| Net Increase (Decrease) in Fund Balances | 1,184,000 | 820,743 |
| FUND BALANCES—JULY 1, 1986 | 1,697,000 | 7,629,051 |
| FUND BALANCES—JUNE 30, 1987 | \$ 2,881,000 | \$ 8,449,794 |

| University of Medicine and Dentistry | Total |
|---|----------------------|
| \$ 15,090,955 | \$133,312,416 |
| 152,680,692 | 404,053,083 |
| 2,072,629 | 69,905,262 |
| 91,747,473 | 91,747,473 |
| — | 4,701,667 |
| 35,935,810 | 82,593,970 |
| — | 314,975 |
| — | — |
| — | 2,046,927 |
| — | — |
| — | — |
| — | — |
| 4,714,460 | 21,935,559 |
| <u>302,242,019</u> | <u>810,611,332</u> |
| 77,799,706 | 276,105,146 |
| — | 26,243,475 |
| — | 19,958,988 |
| 2,367,335 | 29,056,736 |
| 1,698,172 | 31,699,336 |
| 22,791,177 | 67,478,786 |
| 1,044,421 | 2,407,421 |
| 21,230,360 | 80,855,777 |
| 2,014,000 | 56,493,212 |
| — | — |
| — | — |
| — | — |
| — | — |
| 151,194,299 | 151,194,299 |
| <u>280,139,470</u> | <u>741,493,176</u> |
| 22,102,549 | 69,118,156 |
| (1,593,000) | (11,247,660) |
| (82,362) | (79,028) |
| — | — |
| (17,585,713) | (54,172,286) |
| (2,055) | 1,224,980 |
| <u>(19,263,130)</u> | <u>(64,273,994)</u> |
| 2,839,419 | 4,844,162 |
| (1,614,896) | 7,711,155 |
| <u>\$ 1,224,523</u> | <u>\$ 12,555,317</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
CURRENT FUNDS-RESTRICTED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Institute of Technology | Rutgers University |
|--|---|-------------------------------|
| REVENUES AND OTHER ADDITIONS | | |
| Student tuition and fees | \$ 617,000 | \$ — |
| State appropriations | — | — |
| Auxiliary enterprises | — | — |
| Patient service revenue | — | — |
| Governmental grants and contracts | 2,059,000 | 48,783,136 |
| Fringe benefits paid directly by the State of New Jersey | — | — |
| Private gifts, grants and contracts | 474,000 | 16,831,398 |
| Investment income | 72,000 | 5,666,855 |
| Realized gains on endowment investments | — | — |
| Interest on loans receivable | — | — |
| Expended for plant facilities | — | — |
| Retirement of indebtedness | — | — |
| Other | 6,000 | 2,557,421 |
| | 3,228,000 | 73,838,810 |
| EXPENDITURES AND OTHER DEDUCTIONS | | |
| Educational and general: | | |
| Instruction | 334,000 | 3,761,487 |
| Research | — | 50,528,423 |
| Public service | — | 991,848 |
| Academic support | 422,000 | 351,456 |
| Student services | 1,025,000 | 5,303,443 |
| Institutional support | 31,000 | 1,236,988 |
| Scholarships and fellowships | 1,504,000 | — |
| Operation and maintenance plant | 2,000 | — |
| Auxiliary enterprises | — | — |
| Expenditures for plant facilities | — | — |
| Loan cancellations, write-offs and refunds | — | — |
| Disposal of property, plant and equipment | — | — |
| Interest on indebtedness | — | — |
| Retirement of indebtedness | — | — |
| Other | — | 7,512,273 |
| | 3,318,000 | 69,685,918 |
| Net Revenues | (90,000) | 4,152,892 |
| HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT) | | |
| Mandatory: | | |
| Principal and interest | — | — |
| Loans funds matching grants | — | — |
| Other | — | — |
| Non-mandatory: | | |
| Plant funds | — | — |
| Other | — | (2,596,429) |
| | — | (2,596,429) |
| Net Increase (Decrease) in Fund Balances | (90,000) | 1,556,463 |
| FUND BALANCES-JULY 1, 1986 | 1,789,000 | 19,769,533 |
| FUND BALANCES-JUNE 30, 1987 | \$1,699,000 | \$21,325,996 |

| University of Medicine and Dentistry | Total |
|---|----------------------|
| \$ — | \$ 617,000 |
| — | — |
| — | — |
| 32,291,929 | 32,291,929 |
| 29,549,814 | 80,391,950 |
| — | — |
| 16,806,734 | 34,112,132 |
| 1,549,391 | 7,288,246 |
| — | — |
| — | — |
| — | — |
| 4,386,453 | 6,949,874 |
| <u>84,584,321</u> | <u>161,651,131</u> |
| 3,264,100 | 7,359,587 |
| 23,920,149 | 74,448,572 |
| 25,557,591 | 26,549,439 |
| 1,058,354 | 1,831,810 |
| 62,566 | 6,391,009 |
| 5,173,206 | 6,441,194 |
| 1,927,464 | 3,431,464 |
| — | 2,000 |
| — | — |
| — | — |
| 431,953 | 431,953 |
| — | — |
| — | — |
| — | — |
| 11,165,463 | 18,677,736 |
| <u>72,560,846</u> | <u>145,564,764</u> |
| <u>12,023,475</u> | <u>16,086,367</u> |
| — | — |
| — | — |
| — | — |
| (6,048,855) | (6,048,855) |
| 2,055 | (2,594,374) |
| <u>(6,046,800)</u> | <u>(8,643,229)</u> |
| 5,976,675 | 7,443,138 |
| 27,356,954 | 48,915,487 |
| <u>\$33,333,629</u> | <u>\$ 56,358,625</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
LOAN FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Institute of Technology | Rutgers University |
|--|---|-------------------------------|
| REVENUES AND OTHER ADDITIONS | | |
| Student tuition and fees | \$ — | \$ — |
| State appropriations | — | — |
| Auxiliary enterprises | — | — |
| Patient service revenue | — | — |
| Governmental grants and contracts | 90,000 | 1,074 |
| Fringe benefits paid directly by the State of New Jersey | — | — |
| Private gifts, grants and contracts | — | 11,300 |
| Investment income | 36,000 | 607,570 |
| Realized gains on endowment investments | — | — |
| Interest on loans receivable | — | — |
| Expended for plant facilities | — | — |
| Retirement of indebtedness | — | — |
| Other | — | 104,872 |
| | 126,000 | 724,816 |
| EXPENDITURES AND OTHER DEDUCTIONS | | |
| Educational and general: | | |
| Instruction | — | — |
| Research | — | — |
| Public service | — | — |
| Academic support | — | — |
| Student services | — | — |
| Institutional support | 60,000 | — |
| Scholarships and fellowships | — | — |
| Operation and maintenance plant | — | — |
| Auxiliary enterprises | — | — |
| Expenditures for plant facilities | — | — |
| Loan cancellations, write-offs and refunds | — | 287,769 |
| Disposal of property, plant and equipment | — | — |
| Interest on indebtedness | — | — |
| Retirement of indebtedness | — | — |
| Other | — | 492,854 |
| | 60,000 | 780,623 |
| Net Revenues | 66,000 | (55,807) |
| HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT) | | |
| Mandatory: | | |
| Principal and interest | — | — |
| Loans funds matching grants | — | (3,334) |
| Other | — | — |
| Non-mandatory: | | |
| Plant funds | — | — |
| Other | — | — |
| | — | (3,334) |
| Net Increase (Decrease) in Fund Balances | 66,000 | (59,141) |
| FUND BALANCES—JULY 1, 1986 | 562,000 | 27,500,469 |
| FUND BALANCES—JUNE 30, 1987 | \$628,000 | \$27,441,328 |

**University
of Medicine
and Dentistry**

Total

| | |
|---------------------|---------------------|
| \$ — | \$ — |
| — | — |
| — | — |
| — | — |
| 741,261 | 832,335 |
| — | — |
| 65,244 | 76,544 |
| 22,585 | 666,155 |
| — | — |
| 212,594 | 212,594 |
| — | — |
| — | — |
| — | 104,872 |
| <u>1,041,684</u> | <u>1,892,500</u> |
| — | — |
| — | — |
| — | — |
| — | — |
| — | 60,000 |
| — | — |
| — | — |
| — | — |
| — | — |
| 47,332 | 335,101 |
| — | — |
| — | — |
| — | — |
| 91,355 | 584,209 |
| <u>138,687</u> | <u>979,310</u> |
| <u>902,997</u> | <u>913,190</u> |
| — | — |
| 82,362 | 79,028 |
| — | — |
| — | — |
| — | — |
| <u>82,362</u> | <u>79,028</u> |
| 985,359 | 992,218 |
| 10,500,157 | 38,562,626 |
| <u>\$11,485,516</u> | <u>\$39,554,844</u> |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
PLANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | New Jersey Institute of Technology | Rutgers University |
|--|---|-------------------------------|
| REVENUES AND OTHER ADDITIONS | | |
| Student tuition and fees | \$ 1,717,000 | \$ 1,635,695 |
| State appropriations | — | 10,741,395 |
| Auxiliary enterprises | — | — |
| Patient service revenue | — | — |
| Governmental grants and contracts | 1,000,000 | — |
| Fringe benefits paid directly by the State of New Jersey | — | — |
| Private gifts, grants and contracts | 6,308,000 | 4,323,324 |
| Investment income | 1,219,000 | 7,685,996 |
| Realized gains on endowment investments | — | — |
| Interest on loans receivable | — | — |
| Expended for plant facilities | 4,033,000 | 52,488,353 |
| Retirement of indebtedness | — | 2,324,362 |
| Other | — | 1,164,842 |
| | 14,277,000 | 80,363,967 |
| EXPENDITURES AND OTHER DEDUCTIONS | | |
| Educational and general: | | |
| Instruction | — | — |
| Research | — | — |
| Public service | — | — |
| Academic support | — | — |
| Student services | — | — |
| Institutional support | — | — |
| Scholarships and fellowships | — | — |
| Operation and maintenance plant | — | — |
| Auxiliary enterprises | — | — |
| Expenditures for plant facilities | — | 45,506,961 |
| Loan cancellations, write-offs and refunds | — | — |
| Disposal of property, plant and equipment | — | 2,780,634 |
| Interest on indebtedness | 1,852,000 | 7,145,047 |
| Retirement of indebtedness | — | 2,324,362 |
| Other | 887,000 | 7,213,782 |
| | 2,739,000 | 64,970,786 |
| Net Revenues | 11,538,000 | 15,393,181 |
| HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT) | | |
| Mandatory: | | |
| Principal and interest | 880,000 | 8,774,660 |
| Loans funds matching grants | — | — |
| Other | — | — |
| Non-mandatory: | | |
| Plant funds | — | 36,586,573 |
| Other | — | (240,856) |
| | 880,000 | 45,120,377 |
| Net Increase (Decrease) in Fund Balances | 12,418,000 | 60,513,558 |
| FUND BALANCES—JULY 1, 1986 | 65,756,000 | 592,538,425 |
| FUND BALANCES—JUNE 30, 1987 | \$78,174,000 | \$653,051,983 |

| <u>University of Medicine and Dentistry</u> | <u>Total</u> |
|---|-----------------|
| \$ — | \$ 3,352,695 |
| 2,018,867 | 12,760,262 |
| — | — |
| — | — |
| — | 1,000,000 |
| — | — |
| 1,025,406 | 11,656,730 |
| 4,192,050 | 13,097,046 |
| — | — |
| — | — |
| 22,050,380 | 78,571,733 |
| — | 2,324,362 |
| 6,187,779 | 7,352,621 |
| 35,474,482 | 130,115,449 |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| — | — |
| 24,516,747 | 70,023,708 |
| — | — |
| 622,222 | 3,402,856 |
| 3,947,593 | 12,944,640 |
| — | 2,324,362 |
| 255,441 | 8,356,223 |
| 29,342,003 | 97,051,789 |
| 6,132,479 | 33,063,660 |
| 1,593,000 | 11,247,660 |
| — | — |
| — | — |
| 23,634,568 | 60,221,141 |
| — | (240,856) |
| 25,227,568 | 71,227,945 |
| 31,360,047 | 104,291,605 |
| 411,820,295 | 1,070,114,720 |
| \$443,180,342 | \$1,174,406,325 |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
ENDOWMENT AND SIMILAR FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

| | <u>New Jersey Institute of Technology</u> | <u>Rutgers University</u> |
|--|---|-------------------------------|
| REVENUES AND OTHER ADDITIONS | | |
| Student tuition and fees | \$ — | \$ — |
| State appropriations | — | — |
| Auxiliary enterprises | — | — |
| Patient service revenue | — | — |
| Governmental grants and contracts | — | — |
| Fringe benefits paid directly by the State of New Jersey | — | — |
| Private gifts, grants and contracts | 99,000 | 2,327,451 |
| Investment income | — | 502,806 |
| Realized gains on endowment investments | — | 5,384,903 |
| Interest on loans receivable | — | — |
| Expended for plant facilities | — | — |
| Retirement of indebtedness | — | — |
| Other | — | 82,164 |
| Total Revenues and Other Additions | 99,000 | 8,297,324 |
| EXPENDITURES AND OTHER DEDUCTIONS | | |
| Educational and general: | | |
| Instruction | — | — |
| Research | — | — |
| Public service | — | — |
| Academic support | — | — |
| Student services | — | — |
| Institutional support | — | — |
| Scholarships and fellowships | — | — |
| Operation and maintenance plant | — | — |
| Auxiliary enterprises | — | — |
| Expenditures for plant facilities | — | — |
| Loan cancellations, write-offs and refunds | — | — |
| Disposal of property, plant and equipment | — | — |
| Interest on indebtedness | — | — |
| Retirement of indebtedness | — | — |
| Other | — | 29,593 |
| Total Expenditures and Other Deductions | — | 29,593 |
| Net Revenues | 99,000 | 8,267,731 |
| HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT) | | |
| Mandatory: | | |
| Principal and interest | — | — |
| Loans funds matching grants | — | — |
| Other | — | — |
| Non-mandatory: | | |
| Plant funds | — | — |
| Other | — | 1,610,250 |
| Total Higher Education and University Hospital Interfund Transfers | — | 1,610,250 |
| Net Increase (Decrease) in Fund Balances | 99,000 | 9,877,981 |
| FUND BALANCES—JULY 1, 1986 | 727,000 | 83,362,208 |
| FUND BALANCES—JUNE 30, 1987 | \$826,000 | \$93,240,189 |

**University
of Medicine
and Dentistry**

Total

| | | | |
|----|-------------|----|---------------|
| \$ | — | \$ | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | 52,026 | | 2,478,477 |
| | 538,660 | | 1,041,466 |
| | — | | 5,384,903 |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | 82,164 |
| | 590,686 | | 8,987,010 |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | — |
| | 538,660 | | 568,253 |
| | 538,660 | | 568,253 |
| | 52,026 | | 8,418,757 |
| | — | | — |
| | — | | — |
| | — | | — |
| | — | | 1,610,250 |
| | — | | 1,610,250 |
| | 52,026 | | 10,029,007 |
| | 6,412,986 | | 90,502,194 |
| | \$6,465,012 | | \$100,531,201 |

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
DESCRIPTION OF FUNDS**

**New Jersey Institute Of Technology
(N.J.S.A. 18A:64E-4)**

The Institute is recognized as a public institution of higher education by the State of New Jersey. The recognition is supported by an annual contract between the Institute and the State whereby the Institute agrees to render services of public higher education for the State of New Jersey. In return, the State appropriates funds to support the Institute.

The Institute was founded in 1881 (N.J.S.A. 18A:64E-1 et seq.). For more than three decades, the State Board of Education contracted annually with the New Jersey Institute of Technology, formerly Newark College of Engineering, for services in public higher education. Effective July 1, 1967, the contractual relationship is with the State Board of Higher Education (N.J.S.A. 18A:3-14).

The physical plant is located in Newark on 34 acres and is comprised of 16 buildings, including classroom-laboratory buildings, gymnasium, library, theatre, residence hall, maintenance building, parking lots and playing fields.

Rutgers, The State University (N.J.S.A. 18A:65-12)

Founded in 1766 as one of the colonial colleges, Rutgers became The State University in 1956 (N.J.S.A. 18A:65-1 et seq. as amended) with a reorganized Board of Trustees and a newly created Board of Governors. The membership of the Board of Governors consists of ex-officio members, the Chancellor of the Department of Higher Education of New Jersey, the President of the Corporation and 11 voting members, six of whom are appointed by the Governor of the State, with the advice and consent of the Senate and five of whom are appointed by the Board of Trustees from among its members. The Board of Governors has general supervision over the University's operations. The Board of Trustees acts in overall advisory capacity and controls certain properties, funds and trusts. The Board of Higher Education (N.J.S.A. 18A:62-1 et seq.) is responsible for the coordination and general financial oversight of Rutgers as a part of the State's system of higher education.

The University provides instruction to approximately 90,000 full and part-time students enrolled in instructional programs in its graduate and undergraduate colleges, schools, summer session, and continuing education programs.

Research, the second major area of University responsibility, has earned the support of commerce, industry, State and Federal governments, societies, and philanthropic organizations, as well as financing from the University's funds.

Extension services, designed to take the University's teaching function directly to the people of the State, is a major responsibility. Such services range from the work of the county agricultural, home economics and 4-H Club agents to non-credit courses, including post-graduate work in technical and professional fields.

**University Of Medicine And Dentistry Of New Jersey
(N.J.S.A. 18A:64G-4)**

The University of Medicine and Dentistry of New Jersey is governed and managed by a Board of Trustees appointed by the Governor with Senate confirmation and administered by a President as the Chief Executive Officer. The primary purposes of the institution are the education of health care personnel including physicians, dentists and allied health professionals, medical and dental research, and the provision of health care to the people of New Jersey.

The University is composed of three medical schools (two Allopathic and one Osteopathic), a dental school, a graduate school of biomedical sciences and a school of allied health professions. Its medical programs are centered in Newark, Piscataway and Camden. It operates a hospital and two community mental health care centers which serve as both health care and teaching facilities.

In addition to its wholly owned facilities, the University is affiliated for teaching purposes at either, or both, the undergraduate and graduate level with 54 community hospitals and health care agencies, five community colleges, five State colleges, Rutgers University, New Jersey Institute of Technology and three independent universities.

STATISTICAL SECTION

**STATE OF NEW JERSEY
TEN-YEAR FINANCIAL SUMMARY
FOR FISCAL YEARS ENDED JUNE 30
(\$ Millions)**

| REVENUES | 1987 | 1986 | 1985 | 1984 |
|--|-------------------|-------------------|-------------------|-------------------|
| Anticipated Revenues | | | | |
| Sales Tax | \$ 2,910.7 | \$ 2,614.4 | \$ 2,341.8 | \$ 2,054.1 |
| Income Tax | 2,605.9 | 2,052.6 | 1,935.5 | 1,732.2 |
| Corporation Tax | 1,129.2 | 996.1 | 976.3 | 934.4 |
| Motor Fuels Tax | 321.1 | 318.2 | 296.2 | 294.1 |
| Motor Vehicle Fees | 350.0 | 333.3 | 317.9 | 288.8 |
| Cigarette Tax | 211.0 | 214.2 | 216.6 | 217.2 |
| Inheritance Tax | 190.4 | 188.6 | 194.4 | 171.4 |
| Lottery | 472.2 | 419.4 | 390.6 | 359.7 |
| General Revenue Sharing | — | — | — | — |
| Casino Taxes | 246.8 | 220.4 | 215.0 | 193.3 |
| All Other | 1,390.1 | 1,276.2 | 1,146.6 | 1,035.0 |
| Total Anticipated Revenues | 9,827.4 | 8,633.4 | 8,030.9 | 7,280.2 |
| Appropriated Revenues | | | | |
| Federal Programs | 2,080.5 | 2,142.1 | 1,975.4 | 1,946.6 |
| All Other | 1,333.1 | 1,204.9 | 1,081.3 | 1,031.8 |
| Total Appropriated Revenues | 3,413.6 | 3,347.0 | 3,056.7 | 2,978.4 |
| Total All Revenues | \$13,241.0 | \$11,980.4 | \$11,087.6 | \$10,258.6 |
| EXPENDITURES (Budgetary Basis) | | | | |
| Budgeted Expenditures | | | | |
| State Aid | \$ 4,838.1 | \$ 4,512.7 | \$ 4,076.7 | \$ 3,747.8 |
| Direct State Services | 4,061.9 | 3,629.5 | 3,209.2 | 2,804.6 |
| Capital Construction | 270.8 | 273.2 | 240.8 | 45.6 |
| Debt Service | 315.2 | 295.8 | 295.3 | 266.5 |
| Total Budgeted Expenditures | 9,486.0 | 8,711.2 | 7,822.0 | 6,864.5 |
| Appropriated Expenditures | | | | |
| Federal Programs | 2,093.4 | 2,084.0 | 2,023.9 | 1,926.7 |
| All Other | 1,166.9 | 1,113.9 | 1,035.5 | 949.4 |
| Total Appropriated Expenditures | 3,260.3 | 3,197.9 | 3,059.4 | 2,876.1 |
| Total All Expenditures | \$12,746.3 | \$11,909.1 | \$10,881.4 | \$ 9,740.6 |
| UNDESIGNATED FUND BALANCES | | | | |
| General Fund | \$ 565.0 | \$ 444.5 | \$ 716.8 | \$ 485.3 |
| Property Tax Relief Fund | 157.0 | 76.5 | 94.8 | 92.2 |
| Casino Revenue Fund | 163.7 | 125.0 | 73.5 | 67.6 |
| Casino Control Fund | (2.2) | (2.0) | 7.7 | — |
| Gubernatorial Elections Fund | (.9) | (3.0) | (1.7) | .6 |

| 1983 | 1982 | 1981 | 1980 | 1979 | 1978 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$1,660.3 | \$1,379.9 | \$1,263.5 | \$1,179.9 | \$1,097.7 | \$1,003.0 |
| 1,391.6 | 1,259.0 | 1,106.2 | 968.8 | 838.5 | 748.9 |
| 791.0 | 868.8 | 775.7 | 644.8 | 556.3 | 515.2 |
| 282.3 | 280.8 | 278.0 | 280.9 | 297.8 | 295.7 |
| 280.3 | 265.5 | 266.3 | 267.5 | 250.8 | 233.5 |
| 214.5 | 177.4 | 176.2 | 170.6 | 169.9 | 170.1 |
| 146.2 | 126.8 | 123.3 | 111.0 | 100.4 | 96.3 |
| 295.0 | 220.3 | 176.0 | 145.9 | 122.0 | 96.0 |
| — | — | 18.8 | 75.4 | 74.8 | 71.3 |
| 165.5 | 129.2 | 102.6 | 71.0 | 26.0 | 2.5 |
| 1,016.3 | 848.2 | 776.0 | 751.5 | 781.5 | 687.2 |
| <u>6,243.0</u> | <u>5,555.9</u> | <u>5,062.6</u> | <u>4,667.3</u> | <u>4,315.7</u> | <u>3,919.7</u> |
| 1,769.6 | 1,614.8 | 1,615.5 | 1,588.1 | 1,396.2 | 1,238.2 |
| 929.1 | 857.3 | 766.6 | 395.7 | 201.0 | 207.3 |
| <u>2,698.7</u> | <u>2,472.1</u> | <u>2,382.1</u> | <u>1,983.8</u> | <u>1,597.2</u> | <u>1,445.5</u> |
| <u>\$8,941.7</u> | <u>\$8,028.0</u> | <u>\$7,447.7</u> | <u>\$6,651.1</u> | <u>\$5,912.9</u> | <u>\$5,365.2</u> |
| \$3,504.9 | \$3,308.8 | \$2,674.2 | \$2,502.2 | \$2,385.4 | \$2,089.3 |
| 2,491.9 | 2,200.1 | 2,328.9 | 2,055.1 | 1,834.1 | 1,661.2 |
| 40.7 | 60.7 | 58.9 | 165.2 | 192.3 | 180.0 |
| 238.9 | 185.6 | 173.2 | 164.5 | 162.0 | 144.4 |
| <u>6,276.4</u> | <u>5,755.2</u> | <u>5,235.2</u> | <u>4,887.0</u> | <u>4,573.8</u> | <u>4,074.9</u> |
| 1,717.2 | 1,638.3 | 1,661.4 | 1,542.5 | 1,353.8 | 1,198.1 |
| 874.7 | 820.0 | 709.3 | 308.5 | 174.3 | 165.4 |
| <u>2,591.9</u> | <u>2,458.3</u> | <u>2,370.7</u> | <u>1,851.0</u> | <u>1,528.1</u> | <u>1,363.5</u> |
| <u>\$8,868.3</u> | <u>\$8,213.5</u> | <u>\$7,605.9</u> | <u>\$6,738.0</u> | <u>\$6,101.9</u> | <u>\$5,438.4</u> |
| \$ 96.2 | \$ 78.7 | \$ 188.1 | \$ 228.7 | \$ 217.2 | \$ 164.1 |
| — | 28.6 | 58.5 | 28.8 | 1.0 | 117.4 |
| 47.3 | 32.0 | 58.5 | 28.9 | 8.9 | 1.5 |
| (3.5) | (5.1) | (.1) | (8.0) | (4.0) | — |
| (.8) | (2.4) | (4.2) | 2.8 | 1.4 | .2 |

**STATE OF NEW JERSEY
FIFTY LARGEST EMPLOYERS**

| <u>Rank</u> | <u>Name</u> | <u>New Jersey Employment 1986</u> |
|-------------|--|---------------------------------------|
| 1 | American Telephone & Telegraph Co. | 50,000 |
| 2 | Shop Rite Supermarkets | 30,000 |
| 3 | New Jersey Bell Telephone Co. | 19,600 |
| 4 | Supermarkets General Corp. | 18,392 |
| 5 | The Prudential Insurance Co. | 18,043 |
| 6 | General Electric/RCA | 16,000 |
| 7 | Sears, Roebuck and Co. | 15,368 |
| 8 | Public Service Enterprise Group, Inc. | 13,600 |
| 9 | Johnson & Jonhson | 12,974 |
| 10 | R. H. Macy's | 12,000 |
| 11 | First Fidelity Bancorporation | 9,958 |
| 12 | Marriott Corporation | 9,913 |
| 13 | Great Atlantic and Pacific Tea Company | 9,850 |
| 14 | Allied-Signal, Inc. | 8,000 |
| 15 | U.P.S. | 7,876 |
| 16 | General Motors Corp. | 7,648 |
| 17 | Hoffmann-La Roche, Inc. | 7,500 |
| 18 | Acme Markets, Inc. | 7,200 |
| 19 | Midlantic Corporation | 7,110 |
| 20 | Bell Communications Research | 6,848 |
| 21 | IBM | 6,800 |
| 22 | K-Mart | 6,530 |
| 23 | Exxon Corp. | 6,500 |
| 24 | ITT | 6,000 |
| 25 | J.C. Penny Co., Inc. | 5,600 |
| 26 | E. I. duPont de Nemours & Co., Inc. | 5,486 |
| 27 | United Jersey Banks | 5,436 |
| 28 | GPU Service Corp. | 5,249 |
| 29 | The Singer Company | 5,000 |
| 30 | Merrill Lynch | 5,000 |
| 31 | North American Philips Corp. | 5,000 |
| 32 | R.J. Reynolds/Nabisco | 4,860 |
| 33 | Squibb Corporation | 4,500 |
| 34 | American Cyanamid | 4,484 |
| 35 | Merck & Co., Inc. | 4,450 |
| 36 | Stop & Shop | 4,300 |
| 37 | Schering-Plough Corporation | 4,168 |
| 38 | Mobil Corporation | 3,944 |
| 39 | Trump Plaza Hotel/Casino | 3,883 |
| 40 | Resorts International Hotel/Casino | 3,814 |
| 41 | Harrah's Marino Hotel/Casino | 3,700 |
| 42 | Automatic Data Processing, Inc. | 3,511 |
| 43 | Village Supermarkets, Inc. | 3,500 |
| 44 | First Jersey National Corp. | 3,456 |
| 45 | Ceasars Boardwalk Regency Hotel/Casino | 3,452 |
| 46 | Trump Castle | 3,400 |
| 47 | Bally's Park Place Casino/Hotel | 3,349 |
| 48 | Campbell Soup Company | 3,300 |
| 49 | Warner-Lambert Co. | 3,281 |
| 50 | CPC International, Inc. | 3,254 |

Source: *New Jersey Business*, New Jersey Business & Industry Association, "Top 100 Corporate Employers, May 1987." Data reprinted with the permission of the New Jersey Business & Industry Association.

**STATE OF NEW JERSEY
FUTURE DEBT SERVICE ON OUTSTANDING BONDS**

| <u>Fiscal Year</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest and Principal</u> |
|--------------------|------------------------|------------------------|-------------------------------|
| 1988 | \$ 181,758,575 | \$ 166,615,000 | \$ 348,373,575 |
| 1989 | 171,025,666 | 185,051,000 | 356,076,666 |
| 1990 | 159,202,866 | 183,106,000 | 342,308,866 |
| 1991 | 147,263,823 | 179,750,000 | 327,013,823 |
| 1992 | 135,165,262 | 171,517,000 | 306,682,262 |
| 1993 | 123,807,913 | 171,533,000 | 295,340,913 |
| 1994 | 112,316,559 | 174,259,000 | 286,575,559 |
| 1995 | 101,061,188 | 175,125,000 | 276,186,188 |
| 1996 | 90,182,131 | 161,741,000 | 251,923,131 |
| 1997 | 79,670,081 | 161,821,000 | 241,491,081 |
| 1998 | 69,412,317 | 146,594,000 | 216,006,317 |
| 1999 | 59,710,141 | 143,817,000 | 203,527,141 |
| 2000 | 50,040,980 | 141,544,000 | 191,584,980 |
| 2001 | 40,477,281 | 141,494,000 | 181,971,281 |
| 2002 | 31,232,638 | 123,057,000 | 154,289,638 |
| 2003 | 22,942,010 | 105,470,000 | 128,412,010 |
| 2004 | 16,262,428 | 81,802,000 | 98,064,428 |
| 2005 | 10,435,601 | 60,656,000 | 71,091,601 |
| 2006 | 6,517,358 | 39,487,000 | 46,004,358 |
| 2007 | 3,745,740 | 34,846,000 | 38,591,740 |
| 2008 | 1,608,796 | 25,155,000 | 26,763,796 |
| | <u>\$1,613,839,354</u> | <u>\$2,774,440,000</u> | <u>\$4,388,279,354</u> |

Source: New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
RATIO OF GENERAL LONG-TERM DEBT TO
ASSESSED VALUE AND DEBT PER CAPITA
(Expressed in thousands except as indicated)**

| <u>Fiscal Year</u> | <u>Population</u> | <u>Assessed Value (1)</u> | <u>General Long- Term Debt Outstanding</u> | <u>General Long-Term Debt</u> | |
|--------------------|-------------------|-------------------------------|--|------------------------------------|-------------------|
| | | | | <u>Ratio to Assessed Value</u> | <u>Per Capita</u> |
| 1978 | 7,342 | \$ 89,766,686 | \$1,589,105 | 1.77% | \$216.44 |
| 1979 | 7,356 | 97,007,989 | 1,712,725 | 1.77 | 232.83 |
| 1980 | 7,373 | 103,510,954 | 1,755,530 | 1.70 | 238.10 |
| 1981 | 7,377 | 111,037,882 | 1,827,320 | 1.65 | 247.71 |
| 1982 | 7,421 | 120,514,694 | 2,034,445 | 1.69 | 274.15 |
| 1983 | 7,438 | 134,575,206 | 2,226,855 | 1.65 | 299.39 |
| 1984 | 7,468 | 152,159,611 | 2,236,620 | 1.47 | 299.45 |
| 1985 | 7,517 | 163,500,088 | 2,435,760 | 1.49 | 324.12 |
| 1986 (R) | 7,561 | 188,024,618 | 2,479,055 | 1.32 | 327.87 |
| 1987 | 7,620 | 220,189,877 | 2,774,440 | 1.26 | 364.10 |

Sources: New Jersey Department of the Treasury, **Annual Report of the Division of Taxation**.
New Jersey Department of the Treasury, Division of Budget and Accounting.

(1) Includes Real and Personal Property.

(R) Revised

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL AND PER CAPITA INCOME
(Expressed in thousands except as indicated)

| <u>Year</u> | <u>Population</u> | <u>Assessed Valuation of Real Property</u> | <u>True Valuation of Real Property</u> | <u>Personal Income (millions) (R)</u> | <u>Per Capita Income (R)</u> |
|-------------|-------------------|--|--|---|----------------------------------|
| 1977 | 7,342 | \$ 81,947,717 | \$101,661,442 | \$ 61,290 | \$ 8,348 |
| 1978 | 7,356 | 88,096,325 | 107,801,263 | 68,047 | 9,250 |
| 1979 | 7,373 | 95,245,570 | 116,502,954 | 75,769 | 10,277 |
| 1980 | 7,377 | 101,750,296 | 131,459,546 | 85,414 | 11,579 |
| 1981 | 7,421 | 109,247,254 | 149,657,502 | 95,189 | 12,853 |
| 1982 | 7,438 | 118,602,475 | 168,413,583 | 102,666 | 13,823 |
| 1983 | 7,468 | 132,414,236 | 182,865,529 | 111,163 | 14,894 |
| 1984 | 7,517 | 149,748,875 | 195,130,647 | 122,190 | 16,268 |
| 1985 | 7,561 (R) | 164,130,499 | 216,199,233 | 131,542 | 17,398 |
| 1986 | 7,620 | 185,793,541 | 246,142,876 | 141,919 | 18,626 |

Sources: Department of the Treasury, **Annual Report of the Division of Taxation.**
N.J. Department of Labor, Office of Demographic & Economic Analysis.
(R) Revised

STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)

| <u>Year</u> | <u>Population</u> | <u>Civilian Labor Force</u> | <u>Resident Employment</u> | <u>Unemployment</u> | <u>New Jersey Unemployment Rate</u> | <u>U.S. Unemployment Rate</u> |
|-------------|-------------------|---------------------------------|--------------------------------|---------------------|---|---------------------------------------|
| 1977 | 7,342 | 3,383 | 3,065 | 317 | 9.4% | 7.1% |
| 1978 | 7,356 | 3,457 | 3,209 | 248 | 7.2 | 6.1 |
| 1979 | 7,373 | 3,570 | 3,323 | 247 | 6.9 | 5.8 |
| 1980 | 7,377 | 3,594 | 3,334 | 260 | 7.2 | 7.1 |
| 1981 | 7,421 | 3,593 | 3,330 | 263 | 7.3 | 7.6 |
| 1982 | 7,438 | 3,632 | 3,306 | 326 | 9.0 | 9.7 |
| 1983 | 7,468 | 3,673 | 3,385 | 288 | 7.8 | 9.6 |
| 1984 | 7,517 | 3,825 | 3,589 | 236 | 6.2 | 7.5 |
| 1985 | 7,561 (R) | 3,853 | 3,617 | 218 | 5.7 | 7.2 |
| 1986 | 7,620 | 3,892 | 3,696 | 196 | 5.0 | 7.0 |

Sources: New Jersey Department of Labor, "New Jersey Economic Indicators."
New Jersey Department of Labor, Division of Planning and Research.
(R) Revised

STATE OF NEW JERSEY
MANUFACTURING AND NON-MANUFACTURING EMPLOYMENT
(Expressed in Thousands)

| | 1976 | 1981 | 1986 | Percentage Change from 1976-1986 | Percentage of Total Employment 1986 |
|---|----------------|----------------|----------------|-------------------------------------|--|
| Manufacturing | | | | | |
| Durable Goods | | | | | |
| Electrical Machinery | 86.8 | 91.6 | 89.8 | 3.5% | 2.6% |
| Non-Electric Machinery | 67.5 | 72.5 | 55.9 | (17.2) | 1.6 |
| Fabricated Metals | 59.4 | 58.8 | 49.2 | (17.2) | 1.4 |
| Stone, Clay and Glass | 36.1 | 30.9 | 24.5 | (32.1) | .7 |
| Instruments | 31.3 | 37.1 | 32.8 | 4.8 | .9 |
| Other | 81.9 | 83.8 | 72.0 | (12.1) | 2.1 |
| Total Durable | 363.0 | 374.7 | 324.2 | (10.7) | 9.3 |
| Non-Durable Goods | | | | | |
| Chemicals | 122.4 | 128.9 | 117.5 | (4.0) | 3.4 |
| Apparel | 61.1 | 56.1 | 45.1 | (26.2) | 1.3 |
| Food | 52.7 | 48.1 | 49.5 | (6.1) | 1.4 |
| Rubber and Plastics | 32.0 | 37.3 | 36.2 | 13.1 | 1.0 |
| Paper | 33.2 | 31.3 | 29.1 | (12.3) | .9 |
| Other | 91.8 | 94.7 | 91.2 | (.7) | 2.6 |
| Total Non-Durable | 393.2 | 396.4 | 368.6 | (6.3) | 10.6 |
| Total Manufacturing | 756.2 | 771.1 | 692.8 | (8.4) | 19.9 |
| Non-Manufacturing | | | | | |
| Trade | 618.5 | 690.6 | 832.8 | 34.6 | 23.9 |
| Services | 488.0 | 638.9 | 831.2 | 70.3 | 23.8 |
| Government | 480.5 | 529.0 | 535.7 | 11.5 | 15.4 |
| Transportation, Communication and Public Utility | 176.0 | 196.5 | 229.8 | 30.6 | 6.5 |
| Finance, Insurance, and Real Estate | 138.0 | 161.8 | 208.9 | 51.4 | 6.0 |
| Contract Construction | 93.9 | 108.7 | 153.5 | 63.5 | 4.4 |
| Other | 2.7 | 2.3 | 2.2 | (18.5) | .1 |
| Total Non-Manufacturing | 1,997.6 | 2,327.8 | 2,794.1 | 40.0 | 80.1 |
| Grand Total | 2,753.8 | 3,098.9 | 3,486.9 | 27.9% | 100.0% |

Source: New Jersey Department of Labor "New Jersey Economic Indicators" September 1987, Number 275.

STATE OF NEW JERSEY
AVERAGE HOURLY GROSS DOLLAR EARNINGS OF PRODUCTION WORKERS
ANNUAL AVERAGES

| | <u>1977</u> | <u>1978</u> | <u>1979</u> | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| TOTAL MANUFACTURING | \$5.82 | \$6.28 | \$6.71 | \$ 7.31 | \$ 8.02 | \$ 8.60 | \$ 9.11 | \$ 9.50 | \$ 9.86 | \$10.13 |
| Durable Goods | 5.96 | 6.41 | 6.81 | 7.49 | 8.23 | 8.77 | 9.16 | 9.58 | 9.87 | 10.09 |
| Lumber | 4.53 | 4.50 | 4.95 | 5.40 | 6.01 | 6.49 | 6.08 | 6.29 | 7.12 | 7.71 |
| Furniture | 4.60 | 5.08 | 5.08 | 5.74 | 6.15 | 6.63 | 7.43 | 7.62 | 7.49 | 8.05 |
| Stone, Clay, and Glass | 5.84 | 6.34 | 6.64 | 7.52 | 8.35 | 8.77 | 9.26 | 9.67 | 9.92 | 10.19 |
| Primary Metals | 6.10 | 6.48 | 7.06 | 7.55 | 8.34 | 8.99 | 9.23 | 9.50 | 9.45 | 9.82 |
| Fabricated Metals | 6.02 | 6.49 | 6.92 | 7.48 | 8.32 | 8.81 | 9.25 | 9.42 | 9.94 | 10.16 |
| Non-Electrical Mach. | 6.38 | 6.87 | 7.40 | 8.10 | 9.06 | 9.82 | 9.71 | 10.07 | 10.35 | 10.54 |
| Electrical Mach. | 5.71 | 6.01 | 6.49 | 6.93 | 7.77 | 8.37 | 9.03 | 9.53 | 9.92 | 10.27 |
| Transportation Equip. | 7.88 | 8.24 | 8.83 | 10.00 | 11.12 | 11.84 | 12.09 | 13.32 | 13.31 | 13.10 |
| Misc. Manufacturing | 4.37 | 4.75 | 5.07 | 5.64 | 6.06 | 6.51 | 7.23 | 7.18 | 7.94 | 8.26 |
| Non-Durable Goods | 5.71 | 6.14 | 6.61 | 7.18 | 7.81 | 8.45 | 9.06 | 9.43 | 9.84 | 10.16 |
| Food | 6.00 | 6.44 | 7.05 | 7.72 | 8.61 | 9.46 | 9.75 | 10.10 | 10.42 | 10.42 |
| Textiles | 4.74 | 5.17 | 5.53 | 6.00 | 6.59 | 7.13 | 7.35 | 7.68 | 7.96 | 8.17 |
| Apparel | 4.39 | 4.40 | 4.70 | 5.04 | 5.37 | 5.60 | 6.08 | 6.23 | 6.43 | 6.68 |
| Paper | 5.41 | 5.90 | 6.45 | 6.88 | 7.54 | 8.00 | 9.30 | 9.74 | 10.04 | 10.30 |
| Printing and Publishing | 5.85 | 6.58 | 6.96 | 7.61 | 8.08 | 8.79 | 9.16 | 9.83 | 9.99 | 10.00 |
| Chemicals | 6.83 | 7.34 | 7.91 | 8.43 | 9.36 | 10.15 | 10.66 | 11.20 | 11.81 | 12.45 |
| Petroleum | 7.96 | 8.58 | 9.24 | 11.01 | 11.78 | 13.06 | 14.84 | 14.60 | 14.91 | 16.21 |
| Rubber and Plastics | 4.75 | 6.03 | 5.43 | 5.89 | 6.42 | 6.78 | 7.54 | 7.59 | 8.05 | 8.41 |
| Leather | 3.82 | 4.08 | 4.40 | 4.75 | 4.94 | 5.12 | 5.48 | 5.73 | 6.13 | 6.44 |

Source: New Jersey Department of Labor, Division of Planning and Research.

STATE OF NEW JERSEY
RETAIL SALES, PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS

| <u>Year</u> | <u>Retail Sales</u> <u>(\$ Millions)</u> | <u>Personal Income</u> <u>(\$ Millions) (R)</u> | <u>Per Capita</u> <u>Income (R)</u> | <u>Value of New</u> <u>Dwelling Units</u> <u>Authorized</u> <u>(\$ Thousands)</u> |
|-------------|---|--|--|--|
| 1977 | \$24,076 | \$ 61,290 | \$ 8,348 | \$ 998,931 |
| 1978 | 29,003 | 68,047 | 9,250 | 1,262,831 |
| 1979 | 31,997 | 75,769 | 10,277 | 1,274,353 |
| 1980 | 34,274 | 85,414 | 11,579 | 1,010,084 |
| 1981 | 35,976 | 95,189 | 12,853 | 1,022,130 |
| 1982 | 37,584 | 102,666 | 13,823 | 1,003,694 |
| 1983 | 40,543 | 111,163 | 14,894 | 1,837,655 |
| 1984 | 44,840 | 122,190 | 16,268 | 2,678,872 |
| 1985 | 44,860 | 131,542 | 17,398 | 3,659,843 |
| 1986 | 50,808 | 141,919 | 18,626 | 4,243,707 |

Sources: New Jersey Department of Labor and New Jersey Economic Policy Council.

(R) Revised

**STATE OF NEW JERSEY
CASH RECEIPTS FROM FARM MARKETINGS
(\$ Millions)**

| <u>Year</u> | <u>Livestock and Products</u> | <u>Crops</u> | <u>Total</u> |
|-------------|-------------------------------|--------------|--------------|
| 1977 | \$ 98.2 | \$250.6 | \$348.8 |
| 1978 | 121.7 | 277.2 | 398.9 |
| 1979 | 127.7 | 287.5 | 415.2 |
| 1980 | 123.4 | 319.4 | 442.8 |
| 1981 | 134.9 | 359.6 | 494.5 |
| 1982 | 132.1 | 379.4 | 511.5 |
| 1983 | 136.8 | 384.7 | 521.5 |
| 1984 | 134.7 | 403.9 | 538.6 |
| 1985 | 144.5 | 442.7 | 587.2 |
| 1986 | 150.2 | 432.7 | 582.9 |

Source: New Jersey and U.S. Departments of Agriculture.

**STATE OF NEW JERSEY
PUBLIC SCHOOL ENROLLMENTS**

| <u>Year</u> | <u>K-6</u> | <u>7-8</u> | <u>9-12</u> | <u>Total K-12</u> | <u>Pre-K</u> | <u>Non- Graded</u> | <u>Special Ed.</u> | <u>Post- Graduate</u> | <u>Total Other Grades</u> | <u>Total All Grades</u> |
|-------------|------------|------------|-------------|-----------------------|--------------|------------------------|------------------------|---------------------------|-----------------------------------|-----------------------------|
| 1977 | 667,578 | 221,033 | 447,500 | 1,336,111 | 3,801 | 9,611 | 30,638 | 1,367 | 45,417 | 1,381,528 |
| 1978 | 638,676 | 210,104 | 442,561 | 1,291,341 | 3,726 | 9,337 | 32,493 | 430 | 45,986 | 1,337,327 |
| 1979 | 612,361 | 198,802 | 428,741 | 1,239,904 | 4,941 | 8,239 | 34,528 | 647 | 48,355 | 1,288,259 |
| 1980 | 590,535 | 190,369 | 413,884 | 1,194,788 | 5,537 | 7,611 | 37,361 | 711 | 51,220 | 1,246,008 |
| 1981 | 567,662 | 186,973 | 397,700 | 1,152,335 | 5,638 | 6,246 | 39,540 | 959 | 52,383 | 1,204,718 |
| 1982 | 548,280 | 189,097 | 380,932 | 1,118,309 | 5,243 | 5,904 | 42,321 | 743 | 54,211 | 1,172,520 |
| 1983 | 534,478 | 186,013 | 371,113 | 1,091,604 | 5,345 | 4,766 | 45,324 | 802 | 56,237 | 1,147,841 |
| 1984 | 532,633 | 172,588 | 364,741 | 1,069,962 | 5,739 | 4,540 | 47,838 | 1,144 | 59,261 | 1,129,223 |
| 1985 | 536,199 | 159,580 | 358,855 | 1,054,634 | 6,029 | 4,477 | 49,728 | 1,326 | 61,560 | 1,116,194 |
| 1986 | 543,327 | 153,059 | 346,996 | 1,043,382 | 6,054 | 3,952 | 52,837 | 1,242 | 64,085 | 1,107,467 |

Source: New Jersey Department of Education, Office of Management Information.
(Enrollments—September 30 of year indicated)

**STATE OF NEW JERSEY
SECTOR SUMMARY OF FALL ENROLLMENT
NEW JERSEY COLLEGES AND UNIVERSITIES, 1985 and 1986**

| Full and Part-Time Sector | Undergraduate | | Post-Baccalaureate | | Total Enrollments | |
|--------------------------------------|----------------------|----------------|---------------------------|---------------|--------------------------|----------------|
| | 1985 (R) | 1986 | 1985 (R) | 1986 | 1985 (R) | 1986 |
| Full-Time Enrollment | | | | | | |
| Community Colleges | 38,446 | 37,692 | — | — | 38,446 | 37,692 |
| State Colleges | 37,242 | 36,165 | 482 | 451 | 37,724 | 36,616 |
| Rutgers University | 27,950 | 28,543 | 3,955 | 4,012 | 31,905 | 32,555 |
| N.J. Inst. of Technology | 3,239 | 3,192 | 721 | 923 | 3,960 | 4,115 |
| Univ. of Medicine & Dent. | 60 | 179 | 1,885 | 1,700 | 1,945 | 1,879 |
| Independent Colleges | 29,926 | 29,121 | 6,365 | 6,044 | 36,291 | 35,165 |
| Total Full-Time | 136,863 | 134,892 | 13,408 | 13,130 | 150,271 | 148,022 |
| Part-Time Enrollment | | | | | | |
| Community Colleges | 67,926 | 69,664 | — | — | 67,926 | 69,664 |
| State Colleges | 21,337 | 21,346 | 9,575 | 9,605 | 30,911 | 30,951 |
| Rutgers University | 7,458 | 7,520 | 8,283 | 8,464 | 15,741 | 15,984 |
| N.J. Inst. of Technology | 2,136 | 1,999 | 1,399 | 1,477 | 3,535 | 3,476 |
| T. Edison State College | 5,034 | 5,320 | — | — | 5,034 | 5,320 |
| Univ. of Medicine & Dent. | 30 | 105 | 139 | 149 | 169 | 254 |
| Independent Colleges | 12,568 | 12,518 | 11,499 | 11,210 | 24,067 | 23,728 |
| Total Part-Time | 116,489 | 118,472 | 30,895 | 30,905 | 147,384 | 149,377 |
| Full and Part-Time | | | | | | |
| Community Colleges | 106,372 | 107,356 | — | — | 106,372 | 107,356 |
| State Colleges | 58,579 | 57,511 | 10,057 | 10,056 | 68,636 | 67,567 |
| Rutgers University | 35,408 | 36,063 | 12,238 | 12,476 | 47,646 | 48,539 |
| N.J. Inst. of Technology | 5,375 | 5,191 | 2,120 | 2,400 | 7,495 | 7,591 |
| T. Edison State College | 5,034 | 5,320 | — | — | 5,034 | 5,320 |
| Univ. of Medicine & Dent. | 90 | 284 | 2,024 | 1,849 | 2,114 | 2,133 |
| Independent Colleges | 42,494 | 41,639 | 17,864 | 17,254 | 60,358 | 58,893 |
| Total Full and Part-Time | 253,352 | 253,364 | 44,303 | 44,035 | 297,655 | 297,399 |

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."
(R) 1985 figures revised.

**STATE OF NEW JERSEY
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

FULL-TIME UNDERGRADUATE ENROLLMENT

| Year | Community Colleges | State Colleges | Other Public 4-Year (1) | Independent Colleges | Total |
|-------------|---------------------------|-----------------------|--------------------------------|-----------------------------|--------------|
| 1977 | 41,372 | 44,700 | 30,696 | 34,310 | 151,078 |
| 1978 | 39,885 | 44,138 | 31,457 | 34,263 | 149,743 |
| 1979 | 43,011 | 43,508 | 31,693 | 35,058 | 153,270 |
| 1980 | 44,597 | 43,750 | 31,144 | 35,249 | 154,740 |
| 1981 | 44,766 | 43,009 | 31,503 | 34,092 | 153,370 |
| 1982 | 45,693 | 42,419 | 31,196 | 33,969 | 153,277 |
| 1983 | 45,344 | 40,720 | 30,858 | 32,548 | 149,470 |
| 1984 | 41,171 | 38,744 | 30,835 | 31,242 | 141,992 |
| 1985 (R) | 38,446 | 37,242 | 31,249 | 29,926 | 136,863 |
| 1986 | 37,692 | 36,165 | 31,914 | 29,121 | 134,892 |

PART-TIME UNDERGRADUATE ENROLLMENT

| | | | | | |
|----------|--------|--------|--------|--------|---------|
| 1977 | 53,743 | 21,447 | 12,903 | 13,175 | 101,268 |
| 1978 | 58,836 | 23,285 | 14,353 | 13,164 | 109,638 |
| 1979 | 61,246 | 23,804 | 13,992 | 12,836 | 111,878 |
| 1980 | 66,540 | 23,668 | 13,418 | 13,097 | 116,723 |
| 1981 | 69,114 | 24,055 | 13,452 | 13,723 | 120,344 |
| 1982 | 72,638 | 24,144 | 13,148 | 13,400 | 123,330 |
| 1983 | 71,868 | 23,108 | 13,775 | 12,947 | 121,698 |
| 1984 | 68,802 | 22,599 | 14,603 | 13,028 | 118,492 |
| 1985 (R) | 67,926 | 21,337 | 14,658 | 12,568 | 116,489 |
| 1986 | 69,664 | 21,346 | 14,944 | 12,518 | 118,472 |

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

(1) Includes Rutgers University, New Jersey Institute of Technology, the University of Medicine and Dentistry's School of Allied Health Professions, and Thomas A. Edison State College.

(R) 1985 figures revised.

**STATE OF NEW JERSEY
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> | <u>State Expenditures</u> | <u>Ratio of Debt Service to Total State Expenditures</u> |
|--------------------|------------------|-----------------|-------------------------------|-------------------------------|--|
| 1978 | \$ 64,115,000 | \$ 80,307,235 | \$144,422,253 | \$4,074,953,540 | 3.54 |
| 1979 | 76,380,000 | 85,626,426 | 162,006,426 | 4,573,809,761 | 3.54 |
| 1980 | 77,195,000 | 87,278,221 | 164,473,221 | 4,887,021,448 | 3.37 |
| 1981 | 85,210,000 | 87,978,743 | 173,188,743 | 5,235,128,551 | 3.31 |
| 1982 | 85,875,000 | 99,753,106 | 185,628,106 | 5,755,234,238 | 3.23 |
| 1983 | 107,590,000 | 131,332,870 | 238,922,870 | 6,276,348,823 | 3.81 |
| 1984 | 115,595,000 | 150,930,350 | 266,525,350 | 6,864,530,156 | 3.88 |
| 1985 | 138,000,000 | 159,201,696 | 297,201,696 | 7,822,039,674 | 3.80 |
| 1986 | 136,705,000 | 159,127,584 | 295,832,584 | 8,711,173,294 | 3.40 |
| 1987 | 150,750,000 | 165,576,977 | 316,326,977 | 9,485,990,227 | 3.33 |

STATEMENT OF CHANGES IN BONDED DEBT

| <u>Fiscal Year</u> | <u>Outstanding</u> | <u>Issued</u> | <u>Retired</u> | <u>Outstanding</u> |
|--------------------|--------------------|---------------|----------------|--------------------|
| 1978 | \$1,533,220,000 | \$120,000,000 | \$ 64,115,000 | \$1,589,105,000 |
| 1979 | 1,589,105,000 | 200,000,000 | 76,380,000 | 1,712,725,000 |
| 1980 | 1,712,725,000 | 120,000,000 | 77,195,000 | 1,755,530,000 |
| 1981 | 1,755,530,000 | 150,000,000 | 78,210,000 | 1,827,320,000 |
| 1982 | 1,827,320,000 | 300,000,000 | 92,875,000 | 2,034,445,000 |
| 1983 | 2,034,445,000 | 300,000,000 | 107,590,000 | 2,226,855,000 |
| 1984 | 2,226,855,000 | 125,000,000 | 115,595,000 | 2,236,260,000 |
| 1985 | 2,236,260,000 | 600,000,000 | 400,500,000 | 2,435,760,000 |
| 1986 | 2,435,760,000 | 180,000,000 | 136,705,000 | 2,479,055,000 |
| 1987 | 2,479,055,000 | 610,735,000 | 315,350,000 | 2,774,440,000 |

Source: Department of the Treasury, Division of Budget and Accounting.

REVENUE STATEMENTS
BUDGETARY BASIS

**STATE OF NEW JERSEY
SUPPLEMENTARY REVENUE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

The revenues collected are applied principally to one of five funds—the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund, or the Gubernatorial Elections Fund. Revenues are recorded as either anticipated revenue or appropriated revenue. Anticipated revenue is utilized to support the appropriations in the annual Appropriations Act. Such revenues are not available for expenditure unless specifically appropriated by the Legislature. Appropriated revenues are such monies not previously anticipated or budgeted, which upon receipt, increase appropriation balances as authorized in the Appropriations Act, and from which expenditures may be made. Most federal aid, except Indirect Cost Recovery, is recorded as appropriated revenue and represents 61.0 per cent of all appropriated revenue. Total revenue from all sources for fiscal year 1987 amounted to \$12,746 million, an increase of \$767 million, or 6.4 per cent over fiscal year 1986.

ANTICIPATED (BUDGETED) REVENUE

Anticipated revenues support what is normally referred to as the Governor's Budget. For fiscal year 1987, these revenues totaled \$9,827 million. This compares to \$8,633 million reported in 1986, and shows an increase of \$1,195 million, or 13.8 per cent. \$553 million (a 27.0 per cent increase) of the increase relates to proceeds from the Income Tax, which is dedicated by constitutional amendment for property tax relief, and \$296 million (an 11.3 per cent increase) relates to proceeds from the Sales Tax.

A description of the major categories of revenue sources within the five funds and a description of the principal taxes are discussed in the following.

GENERAL FUND

Major Taxes

The major taxes category is composed of seventeen taxes or fees which are levied within the State. The majority of the revenue is generated from the sale and use of goods and services; general business taxes, which are received from various corporations; motor vehicle fees; a public utility excise tax; and other excise taxes. These taxes amounted to \$5,648 million, an increase of 9.9 per cent or \$509 million over fiscal year 1986. A description of the five largest sources, all raising in excess of \$200 million, follows.

- **The Sales Tax Act** imposes a tax at the rate of 6 per cent on receipts from (a) retail sale, rental, or use of tangible personal property; (b) retail sale

of producing, fabricating, processing, installing, maintaining, repairing, storage, and certain advertising services; (c) sales of restaurant meals; (d) rental of hotel and motel rooms; and (e) certain admission charges. Sales of food, clothing, and other specified items are exempt from collection of the tax.

- **The Cigarette Tax** is imposed at the rate of \$.24 per package of twenty cigarettes. The tax is collected primarily from licensed distributors who receive the cigarettes directly from out-of-state manufacturers. P.L. 1982, c.40, approved June 17, 1982, added a \$.05 per package surtax.
- **The Motor Fuels Tax** applies to sales of gasoline, diesel fuel, or liquified petroleum gas and compressed natural gas used in motor vehicles on public highways. The tax is \$.08 per gallon for gasoline and diesel fuel, and half the rate for the other gases.
- **The Motor Vehicle Fees** include automobile and truck registrations, drivers' licenses, and miscellaneous fees collected by the Division of Motor Vehicles.
- **The Corporation Business Tax** imposes a franchise tax for the privilege of having or exercising a corporate charter or doing business, employing or owning capital or property, or maintaining an office in New Jersey. The tax is applicable to every corporation not expressly exempted. The effective rate is 9 per cent of net income. In addition, a net worth tax is levied on business at various rates ranging from 2/10 of a mill to 2 mills per dollar. P.L. 1982, c.54, approved June 30, 1982, begins a phase-out of the net worth tax over a period of 4 years.

Miscellaneous Taxes, Licenses, and other Departmental Fees

This category includes revenues received by the various state agencies. Typical items include tuition from students at the state colleges, recreation and boating fees, institutional and patient fees, investment earnings, and the like. Between fiscal years 1986 and 1987 these revenues increased from \$723 million to \$777 million.

Interfund Transfers

The Interfund Transfers category includes monies which were received into various bond and trust funds because of legal or statutory requirements, and then subsequently transferred into the General Fund as an-

anticipated revenue for expenditure purposes. Included in these types of revenue are the monies received by the State Lottery, interest earned on investments of bond funds, and the monies received from taxes levied on New York residents working in New Jersey. The latter tax is commonly referred to as "Commuter Tax." These revenues totaled \$550 million, an increase of \$55 million over that realized in fiscal year 1986.

PROPERTY TAX RELIEF FUND

The Gross Income Tax

This tax is calculated at 2 per cent on the first \$20,000 of taxable income, 2.5 per cent on amounts to \$50,000, and 3.5 per cent on amounts in excess of \$50,000. For fiscal year 1987, this tax yielded \$2,605.9 million for property tax relief—an increase of \$553.3 million over the prior year. All monies in the fund must be appropriated exclusively for reducing or offsetting property taxes.

GUBERNATORIAL ELECTIONS FUND

A taxpayer can voluntarily indicate that \$1 of his income tax can be set aside into this special fund. Such monies are used to finance a portion of the expenses of gubernatorial primary and general elections. Total payments to this fund were \$1.6 million in fiscal year 1987.

CASINO CONTROL FUND

License fees for the issuance and annual renewal of casino licenses, slot machines, non-refundable deposits for each application for a license, and fees for the issuance of various work permits are deposited into the Casino Control Fund. Such revenues are used to support the operation of the Casino Control Commission and the Division of Gaming Enforcement. The total revenue collected was \$47.3 million, a decrease of \$12.6 million from fiscal year 1986.

CASINO REVENUE FUND

A tax of 8 per cent on the gross revenue of all casinos is deposited into the Casino Revenue Fund. All monies in this fund must be used for reduction in property taxes or utility and rental charges of eligible disabled residents and senior citizens. The total tax collected was \$199.5 million, an increase of \$13.9 million over fiscal year 1986.

APPROPRIATED REVENUE

All appropriated revenue is deposited into the General Fund. These revenues include most of the federal aid received by the State, except for General Revenue Sharing, and certain revenues collected by the State and directly utilized by either a state agency or disbursed to a local government for a specific purpose enacted by statute. Federal aid totaled \$2,080 million in fiscal year 1987, which is a decrease of \$62.0 million from the amount received in fiscal year 1986. Of the \$2,080 million, the Department of Human Services received \$1,361 million, or 65.4 per cent, for such programs as Aid for Dependent Children, social services, and low-income energy assistance. The Department of Education received \$255 million or 12.3 per cent of the total for such programs as child nutrition, disadvantaged and handicapped children, and vocational education. The Department of Labor received \$185 million, or 8.9 per cent of the total, for various work programs, employment services, and vocational rehabilitation services. The Department of Transportation received \$43 million, or 2.1 per cent of the total for various highway construction, airport, electrical, and traffic control projects.

Some of the kinds of state appropriated revenue received by departments and agencies for specific purposes include: Second Injury Workers' Compensation Insurance Tax, certain corporation taxes from banks (which are disbursed to local governments), and auxiliary services and extension program income at the state colleges.

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1987**

| | <u>Anticipated To June 30, 1987</u> | <u>Realized To June 30, 1987 Amount</u> | <u>Per Cent</u> | <u>Realization Over (Under) Anticipation</u> |
|--|---|---|-----------------|--|
| MAJOR TAXES | | | | |
| Sales | \$2,767,000,000 | \$2,822,234,295 | 102 | \$ 55,234,295 |
| Corporation business | 1,080,000,000 | 1,129,229,561 | 105 | 49,229,561 |
| Motor fuels | 319,000,000 | 321,103,155 | 101 | 2,103,155 |
| Motor vehicle fees | 337,500,000 | 349,977,762 | 104 | 12,477,762 |
| Cigarette | 217,000,000 | 210,954,509 | 97 | (6,045,491) |
| Transfer inheritance | 165,000,000 | 190,368,352 | 115 | 25,368,352 |
| Public utility excise | 117,000,000 | 121,692,770 | 104 | 4,692,770 |
| Insurance premiums | 126,000,000 | 142,536,429 | 113 | 16,536,429 |
| Alcoholic beverage wholesale sales | 85,000,000 | 88,462,098 | 104 | 3,462,098 |
| Alcoholic beverage excise | 59,000,000 | 57,886,041 | 98 | (1,113,959) |
| Corporation business—Banks and financial institutions | 62,000,000 | 59,840,620 | 97 | (2,159,380) |
| Business personal property | 26,000,000 | 29,786,820 | 115 | 3,786,820 |
| Realty transfer | 50,000,000 | 66,943,567 | 134 | 16,943,567 |
| Motor fuel use | 24,500,000 | 22,438,865 | 92 | (2,061,135) |
| Pari-mutuel | 6,000,000 | 7,378,960 | 123 | 1,378,960 |
| Savings Institutions | 12,000,000 | 25,563,861 | 213 | 13,563,861 |
| TOTAL MAJOR TAXES | <u>5,453,000,000</u> | <u>5,646,397,665</u> | 104 | <u>193,397,665</u> |
| MISCELLANEOUS TAXES, FEES, REVENUES | | | | |
| Executive Branch: | | | | |
| Department of Agriculture: | | | | |
| Animal health—laboratory test fees | 50,000 | 50,017 | 100 | 17 |
| Fertilizer inspection and other fees | 150,000 | 150,414 | 100 | 414 |
| Milk control licenses and fees | 390,000 | 372,409 | 95 | (17,591) |
| Other animal plant disease and pest control fees | 15,000 | 7,650 | 51 | (7,350) |
| Seed certification programs | 5,000 | 5,000 | 100 | — |
| Total Department of Agriculture | <u>610,000</u> | <u>585,490</u> | 96 | <u>(24,510)</u> |
| Department of Banking: | | | | |
| Bank assessments | 1,618,000 | 1,640,129 | 101 | 22,129 |
| Examination fees | 1,700,000 | 1,696,641 | 100 | (3,359) |
| Licenses and other fees | 877,000 | 1,210,896 | 138 | 333,896 |
| New Jersey Cemetery Board | 86,000 | 91,449 | 106 | 5,449 |
| Total Department of Banking | <u>4,281,000</u> | <u>4,639,115</u> | 108 | <u>358,115</u> |
| Department of Community Affairs: | | | | |
| Boarding home fees | 415,000 | 614,102 | 148 | 199,102 |
| Construction fees | 1,250,000 | 1,308,879 | 105 | 58,879 |
| Housing inspection fees | 2,350,000 | 2,350,000 | 100 | — |
| Planned real estate development fees | 450,000 | 450,000 | 100 | — |
| Total Department of Community Affairs | <u>4,465,000</u> | <u>4,722,981</u> | 106 | <u>257,981</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|--|------------------------------------|------------------------------|------------|---|
| | | Amount | Per Cent | |
| Department of Education: | | | | |
| Katzenbach School for the Deaf—Tuition | 2,648,000 | 2,467,001 | 93 | (180,999) |
| Licensing fees—Miscellaneous | 195,000 | 491,982 | 252 | 296,982 |
| Non-public schools | 625,000 | 155,692 | 25 | (469,308) |
| Total Department of Education | 3,468,000 | 3,114,675 | 90 | (353,325) |
| Department of Energy: | | | | |
| Assessments—Cable TV | 1,310,000 | 1,307,299 | 100 | (2,701) |
| Assessments—Public Utility | 17,350,000 | 16,923,073 | 98 | (426,927) |
| Fees, fines and penalties | 125,000 | 128,512 | 103 | 3,512 |
| Total Department of Energy | 18,785,000 | 18,358,884 | 98 | (426,116) |
| Department of Environmental Protection: | | | | |
| Air pollution fees | 425,000 | 421,513 | 99 | (3,487) |
| Examination licensing fees | 17,000 | 17,340 | 102 | 340 |
| Forest management sales | 43,000 | 29,670 | 69 | (13,330) |
| Hunters' and Anglers' License Fund | 7,100,000 | 7,223,110 | 102 | 123,110 |
| Marina rentals | 819,000 | 819,000 | 100 | — |
| Marine Lands Management—Delineation and title determination—School fund | 900,000 | 900,000 | 100 | — |
| Marine Lands Management— Miscellaneous | 25,000 | 55,285 | 221 | 30,285 |
| Morris Canal Fund | 60,000 | 69,731 | 116 | 9,731 |
| New Jersey Pilot Commissioners | 73,000 | 73,000 | 100 | — |
| New Jersey Water Supply Authority Debt Service Repayment | 1,291,000 | 1,291,000 | 100 | — |
| Parks management | 2,867,000 | 3,057,110 | 107 | 190,110 |
| Pesticide control | — | 111,070 | — | 111,070 |
| Radiation protection | 433,000 | 363,952 | 84 | (69,048) |
| Shell fisheries leases | 310,000 | 245,224 | 79 | (64,776) |
| Solid waste management fees | 882,000 | 820,846 | 93 | (61,154) |
| Water monitoring and planning | 148,000 | 148,000 | 100 | — |
| Water pollution fees | 110,000 | 1,773,401 | 1,612 | 1,663,401 |
| Total Department of Environmental Protection | 15,503,000 | 17,419,252 | 112 | 1,916,252 |
| Department of Health: | | | | |
| Licenses, permits and fees | 1,000,000 | 987,979 | 99 | (12,021) |
| Total Department of Health | 1,000,000 | 987,979 | 99 | (12,021) |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|---|------------------------------------|------------------------------|------------|---|
| | | Amount | Per Cent | |
| Department of Higher Education: | | | | |
| Bond interest recoveries | 358,000 | 358,478 | 100 | 478 |
| School of Conservation | 475,000 | 475,408 | 100 | 408 |
| Thomas A. Edison College | | | | |
| Tuition—Regular | 544,000 | 742,414 | 136 | 198,414 |
| Glassboro State College | | | | |
| Miscellaneous institutional support | 35,000 | 47,044 | 134 | 12,044 |
| Other student fees | 68,000 | 78,883 | 116 | 10,883 |
| Tuition—Regular | 6,560,000 | 6,560,000 | 100 | — |
| Jersey City State College | | | | |
| Miscellaneous institutional support | 26,000 | 46,135 | 177 | 20,135 |
| Other student fees | 44,000 | 41,615 | 95 | (2,385) |
| Tuition—Regular | 5,434,000 | 5,212,459 | 96 | (221,541) |
| Kean College of New Jersey | | | | |
| Miscellaneous institutional support | 104,000 | 135,217 | 130 | 31,217 |
| Other student fees | 96,000 | 104,732 | 109 | 8,732 |
| Tuition—Regular | 8,942,000 | 8,942,000 | 100 | — |
| William Paterson College | | | | |
| Miscellaneous institutional support | 107,000 | 115,896 | 108 | 8,896 |
| Other student fees | 82,000 | 71,657 | 87 | (10,343) |
| Tuition—Regular | 6,787,000 | 6,787,000 | 100 | — |
| Montclair State College | | | | |
| Miscellaneous institutional support | 65,000 | 74,740 | 115 | 9,740 |
| Other student fees | 118,000 | 131,236 | 111 | 13,236 |
| Tuition—Regular | 10,309,000 | 10,265,316 | 100 | (43,684) |
| Trenton State College | | | | |
| Miscellaneous institutional support | 5,000 | 6,909 | 138 | 1,909 |
| Other student fees | 85,000 | 86,564 | 102 | 1,564 |
| Tuition—Regular | 6,347,000 | 6,346,700 | 100 | (300) |
| Ramapo College of New Jersey | | | | |
| Miscellaneous institutional support | 23,000 | 19,410 | 84 | (3,590) |
| Other student fees | 25,000 | 24,186 | 97 | (814) |
| Tuition—Regular | 2,899,000 | 2,899,000 | 100 | — |
| Richard Stockton State College | | | | |
| Miscellaneous institutional support | 30,000 | 39,131 | 130 | 9,131 |
| Other student fees | 38,000 | 51,860 | 136 | 13,860 |
| Tuition—Regular | 4,218,000 | 4,218,000 | 100 | — |
| Total Department of Higher Education | 53,824,000 | 53,881,990 | 100 | 57,990 |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|---|------------------------------------|------------------------------|------------|---|
| | | Amount | Per Cent | |
| Department of Human Services: | | | | |
| Adoption law fees | 150,000 | 127,655 | 85 | (22,345) |
| Recoveries—wage reporting | — | 1,859,301 | — | 1,859,301 |
| Patients and residents recoveries: | | | | |
| Developmental Centers: | | | | |
| Edward R. Johnstone Training and Research Center | 2,200,000 | 2,845,601 | 129 | 645,601 |
| Green Brook Regional Center | 1,400,000 | 1,645,015 | 118 | 245,015 |
| Hunterdon Development Center | 8,700,000 | 8,485,672 | 98 | (214,328) |
| North Princeton Development Center | 8,000,000 | 7,219,677 | 90 | (780,323) |
| New Lisbon Development Center | 7,700,000 | 9,269,274 | 120 | 1,569,274 |
| North Jersey Development Center | 6,600,000 | 7,114,878 | 108 | 514,878 |
| Vineland Development Center | 15,900,000 | 17,886,924 | 112 | 1,986,924 |
| Woodbine Development Center | 8,300,000 | 9,310,728 | 112 | 1,010,728 |
| Woodbridge Development Center | 8,200,000 | 8,857,040 | 108 | 657,040 |
| Psychiatric hospitals: | | | | |
| Ancora Psychiatric Hospital | 13,000,000 | 14,516,690 | 112 | 1,516,690 |
| Arthur Brisbane Child Center at Allaire | 1,000,000 | 2,193,815 | 219 | 1,193,815 |
| Forensic Psychiatric Hospital | 2,500,000 | 2,168,074 | 87 | (331,926) |
| Hagedorn Center for Geriatrics | 3,200,000 | 3,111,171 | 97 | (88,829) |
| Greystone Park Psychiatric Hospital | 19,500,000 | 18,967,218 | 97 | (532,782) |
| Marlboro Psychiatric Hospital | 15,400,000 | 17,600,761 | 114 | 2,200,761 |
| Trenton Psychiatric Hospital | 13,400,000 | 11,552,854 | 86 | (1,847,146) |
| Soldiers homes: | | | | |
| Menlo Park | 3,400,000 | 3,232,789 | 95 | (167,211) |
| Vineland | 2,600,000 | 2,467,864 | 95 | (132,136) |
| Paramus | — | 313,042 | — | 313,042 |
| Special residential services | 15,000,000 | 15,967,710 | 106 | 967,710 |
| Total Department of Human Services | 156,150,000 | 166,713,753 | 107 | 10,563,753 |
| Department of Insurance: | | | | |
| Actuarial Services | 900,000 | 901,707 | 100 | 1,707 |
| Licensing and enforcement | 4,315,000 | 4,384,647 | 102 | 69,647 |
| Real Estate Commission | 2,475,000 | 2,662,393 | 108 | 187,393 |
| Total Department of Insurance | 7,690,000 | 7,948,747 | 103 | 258,747 |
| Department of Labor: | | | | |
| Licenses, permits and fines | 760,000 | 821,874 | 108 | 61,874 |
| Special Compensation Fund | 998,000 | 998,000 | 100 | — |
| Total Department of Labor | 1,758,000 | 1,819,874 | 104 | 61,874 |

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|--|------------------------------------|------------------------------|-----------|---|
| | | Amount | Per Cent | |
| Department of Law and Public Safety: | | | | |
| Amusement Games Control fees | 200,000 | 278,386 | 139 | 78,386 |
| Beverage licenses | 4,150,000 | 3,696,942 | 89 | (453,058) |
| Bus Excise Tax | 325,000 | 57,624 | 18 | (267,376) |
| Division of Consumer Affairs: | | | | |
| General revenues: | | | | |
| Bureau of Securities | 1,778,000 | 172,655 | 10 | (1,605,345) |
| Consumer fines | 60,000 | 125,717 | 210 | 65,717 |
| Kosher Food Inspection | 20,000 | 10,625 | 53 | (9,375) |
| Legalized Games of Chance Control | 410,000 | 400,730 | 98 | (9,270) |
| Private Employment Agencies | 285,000 | 364,409 | 128 | 79,409 |
| Weights and Measures—General | 140,000 | 181,365 | 130 | 41,365 |
| Professional examining board fees: | | | | |
| State Board of Architects | 284,000 | 284,000 | 100 | — |
| State Board of Audiology and Speech— Language Pathology Advisory | 70,000 | 62,000 | 89 | (8,000) |
| State Board of Barber Examiners | 168,000 | 168,000 | 100 | — |
| State Board of Beauty Culture | 647,000 | 647,000 | 100 | — |
| State Board of Certified Public Accountants | 482,000 | 482,000 | 100 | — |
| State Board of Dentistry | 286,000 | 286,000 | 100 | — |
| State Board of Electrical Contractors | 215,000 | 215,000 | 100 | — |
| State Board of Examiners of Master Plumbers | 206,000 | 147,000 | 71 | (59,000) |
| State Board of Examiners of Ophthalmic Dispensers and Ophthalmic Technicians | 102,000 | 102,000 | 100 | — |
| State Board of Marriage Counselor Examiners | 43,000 | 43,000 | 100 | — |
| State Board of Medical Examiners | 1,290,000 | 1,335,733 | 104 | 45,733 |
| State Board of Mortuary Science | 139,000 | 139,000 | 100 | — |
| State Board of Nursing | 1,018,000 | 1,018,000 | 100 | — |
| State Board of Optometrists | 100,000 | 100,000 | 100 | — |
| State Board of Pharmacy | 678,000 | 678,000 | 100 | — |
| State Board of Physical Therapy | 103,000 | 103,000 | 100 | — |
| State Board of Professional Engineers and Land Surveyors | 258,000 | 258,000 | 100 | — |
| State Board of Professional Planners | 87,000 | 87,000 | 100 | — |
| State Board of Psychological Examiners | 80,000 | 80,000 | 100 | — |
| State Board of Public Movers and Warehousemen | 135,000 | 135,000 | 100 | — |
| State Board of Shorthand Reporting | 19,000 | 19,000 | 100 | — |
| State Board of Veterinary Medical Examiners | 89,000 | 89,000 | 100 | — |
| Division of State Police: | | | | |
| Private Detective Licenses | 550,000 | 515,305 | 94 | (34,695) |
| Other Licenses | 250,000 | 302,683 | 121 | 52,683 |
| Auto body repair shop licensing | — | 519,259 | — | 519,259 |
| Motor Vehicle Security Responsibility Law Administration | 5,355,000 | 5,355,000 | 100 | — |
| Motor vehicle surcharge program | 7,800,000 | 7,345,092 | 94 | (454,908) |
| Pleasure boat licenses | 1,400,000 | 1,400,000 | 100 | — |
| Other boating fees | 75,000 | 58,123 | 77 | (16,877) |
| Total Department of Law and Public Safety | 29,297,000 | 27,261,648 | 93 | (2,035,352) |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|---|------------------------------------|------------------------------|------------|---|
| | | Amount | Per Cent | |
| Department of State: | | | | |
| Administrative Laws—Fees | 1,717,000 | 1,348,095 | 79 | (368,905) |
| Commissions | 900,000 | 679,373 | 75 | (220,627) |
| General revenues—Fees | 9,307,000 | 8,535,874 | 92 | (771,126) |
| Uniform Commercial Code—Fees | 2,236,000 | 1,919,091 | 86 | (316,909) |
| Total Department of State | 14,160,000 | 12,482,433 | 88 | (1,677,567) |
| Department of Transportation: | | | | |
| Applications and highway permits | 603,000 | 673,463 | 112 | 70,463 |
| Autonomous transportation authorities | 25,000,000 | 24,750,000 | 99 | (250,000) |
| Outdoor advertising | 245,000 | 239,595 | 98 | (5,405) |
| Total Department of Transportation | 25,848,000 | 25,663,058 | 99 | (184,942) |
| Department of the Treasury | | | | |
| Coin operated telephones | 60,000 | 83,825 | 140 | 23,825 |
| Escheats, Personal Property (14 year law) | 200,000 | 441,520 | 221 | 241,520 |
| Interest on deposits | 2,000,000 | 1,008,932 | 50 | (991,068) |
| Investment earnings | 15,000,000 | 56,491,569 | 377 | 41,491,569 |
| Municipal purposes tax assistance fund | 73,000,000 | 77,259,762 | 106 | 4,259,762 |
| New Jersey Sports and Exposition Authority | 1,000,000 | — | — | (1,000,000) |
| Public Utility Taxes—Administration | 250,000 | 260,371 | 104 | 10,371 |
| Public Utility Gross Receipts and Franchise Taxes | 119,000,000 | 134,400,337 | 113 | 15,400,337 |
| Railroad Tax: | | | | |
| Class II | 45,000 | 40,368 | 90 | (4,632) |
| Franchise | 35,000 | 2,506,864 | 7,162 | 2,471,864 |
| Vending machine commission | 150,000 | 36,311 | 24 | (113,689) |
| Total Department of the Treasury | 210,740,000 | 272,529,859 | 129 | 61,789,859 |
| Miscellaneous Executive Commissions: | | | | |
| Delaware River Joint Toll Bridge Commission Pennsylvania share | 1,101,000 | 1,179,458 | 107 | 78,458 |
| Total Miscellaneous Executive Commissions | 1,101,000 | 1,179,458 | 107 | 78,458 |
| Other Sources: | | | | |
| Miscellaneous revenue | 1,500,000 | 2,205,196 | 147 | 705,196 |
| Total Other Sources | 1,500,000 | 2,205,196 | 147 | 705,196 |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987**

| | <u>Anticipated To June 30, 1987</u> | <u>Realized To June 30, 1987 Amount</u> | <u>Per Cent</u> | <u>Realization Over (Under) Anticipation</u> |
|---|---|---|-----------------|--|
| Inter-Departmental Accounts: | | | | |
| Administration and investment of pension and social security funds | 17,500,000 | 20,293,596 | 116 | 2,793,596 |
| Employee maintenance deduction | 1,650,000 | 1,303,020 | 79 | (346,980) |
| Health benefits contribution reimbursement from special funds | 20,000,000 | 25,430,528 | 127 | 5,430,528 |
| Indirect cost recovery—Federal | 8,000,000 | 8,500,000 | 106 | 500,000 |
| Other fringe benefit reimbursement from special funds | 2,000,000 | 1,439,680 | 72 | (560,320) |
| Pension contribution reimbursement from special funds | 30,000,000 | 36,190,922 | 121 | 6,190,922 |
| Public employer's contribution reimbursement | 10,000,000 | 15,829,018 | 158 | 5,829,018 |
| Reimbursement from Rutgers—Employer's share of employees' benefits | 3,500,000 | 4,021,409 | 115 | 521,409 |
| Rent of State building space | 2,000,000 | 1,330,362 | 67 | (669,638) |
| Social security contribution reimbursement from special funds | 22,000,000 | 25,017,978 | 114 | 3,017,978 |
| Total Inter-Departmental Accounts | 116,650,000 | 139,356,513 | 119 | 22,706,513 |
| Judicial Branch: | | | | |
| Court fees | 14,000,000 | 18,249,506 | 130 | 4,249,506 |
| Violent Crimes Compensation Act | 3,000,000 | — | — | (3,000,000) |
| Total Judicial Branch | 17,000,000 | 18,249,506 | 107 | 1,249,506 |
| TOTAL MISCELLANEOUS TAXES, FEES, REVENUES | 683,830,000 | 779,120,411 | 114 | 95,290,411 |
| INTERFUND TRANSFERS | | | | |
| Beaches and Harbor Fund | 600,000 | 422,098 | 70 | (177,902) |
| Clean Communities Account Fund | — | 225,000 | — | 225,000 |
| Clean Water Fund | 1,400,000 | 2,378,649 | 170 | 978,649 |
| Community Development Bond Fund | 500,000 | 481,477 | 96 | (18,523) |
| Correctional Facilities Construction Fund | 3,000,000 | 1,229,047 | 41 | (1,770,953) |
| Disability Benefits Liability Fund | 85,000 | 54,388 | 64 | (30,612) |
| Emergency Flood Control Fund | 300,000 | 295,409 | 98 | (4,591) |
| Energy Conservation Fund | 700,000 | 423,135 | 60 | (276,865) |
| Farmland Preservation Fund | 400,000 | 538,169 | 135 | 138,169 |
| Fund for Support of Free Public Schools— Investment earnings | 4,000,000 | 3,903,672 | 98 | (96,328) |
| General Trust Fund | — | 915 | — | 915 |
| Higher Education Assistance Fund | 2,000,000 | — | — | (2,000,000) |
| Higher Education Buildings Construction Fund (Act of 1971) | 50,000 | 54,898 | 110 | 4,898 |
| Housing Assistance Fund | 25,000 | 123,503 | 494 | 98,503 |
| Human Services Facilities Construction Fund | 300,000 | 1,062,591 | 354 | 762,591 |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|---|------------------------------------|------------------------------|------------|---|
| | | Amount | Per Cent | |
| Institutional Construction Fund 1978 | 100,000 | 86,585 | 87 | (13,415) |
| Institutions Construction Fund | 50,000 | 70,156 | 140 | 20,156 |
| Jobs, Science and Technology Fund | 712,000 | 1,015,869 | 143 | 303,869 |
| Medical Education Facilities Fund | 50,000 | 42,885 | 86 | (7,115) |
| Mortgage Assistance Fund | 100,000 | 464,547 | 465 | 364,547 |
| Motor Vehicle Security—Responsibility Fund | 18,000 | 12,383 | 69 | (5,617) |
| Natural Resources Fund | 1,700,000 | 1,941,538 | 114 | 241,538 |
| New Jersey Bridge Rehabilitation and Improvement Fund | 1,500,000 | 1,214,533 | 81 | (285,467) |
| 1983 New Jersey Green Acres Fund | 500,000 | 829,112 | 166 | 329,112 |
| Outstanding Checks 6 years & over Escheated | 800,000 | 391,523 | 49 | (408,477) |
| Outstanding Checks Account | 565,000 | 467,778 | 83 | (97,222) |
| Pension Contributions | — | 23,817 | — | 23,817 |
| Public Building Construction Fund | 50,000 | 17,577 | 35 | (32,423) |
| Public Purpose Buildings Construction Fund | 2,500,000 | 2,002,363 | 80 | (497,637) |
| School Building Aid-Capital Reserve Fund | — | 671,206 | — | 671,206 |
| Shore Protection Fund | 500,000 | 1,001,001 | 200 | 501,001 |
| State Disability Benefits Fund | 13,559,000 | 13,559,000 | 100 | — |
| State Land Acquisition and Development Fund | 1,500,000 | 796,072 | 53 | (703,928) |
| State Lottery Fund | 425,000,000 | 472,217,797 | 111 | 47,217,797 |
| State of New Jersey Cash Management Fund | 250,000 | 632,445 | 253 | 382,445 |
| State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974) | 1,000,000 | 790,128 | 79 | (209,872) |
| State Recreation and Conservation Land Acquisition and Development Fund (Act of 1971) | 200,000 | 139,233 | 70 | (60,767) |
| State Transportation Fund | 400,000 | 530,885 | 133 | 130,885 |
| State Water Development Fund | 20,000 | 19,217 | 96 | (783) |
| Transportation Fund | — | 515,278 | — | 515,278 |
| Transportation Rehabilitation and Improvement Fund of 1979 | 5,500,000 | 3,739,038 | 68 | (1,760,962) |
| Unclaimed Bank Deposits Escheat Reserve Fund | 1,875,000 | 1,867,965 | 100 | (7,035) |
| Unclaimed Domestic Life Insurance Escheat Reserve Fund | 770,000 | 834,157 | 108 | 64,157 |
| Unclaimed Personal Property Trust Fund | 4,705,000 | 11,652,556 | 248 | 6,947,556 |
| Unemployment Benefit Liability Fund | 85,000 | 96,054 | 113 | 11,054 |
| Unemployment Compensation Auxiliary Fund | 15,792,000 | 14,913,209 | 94 | (878,791) |
| Unsatisfied Claim and Judgement Fund | 755,000 | 752,664 | 100 | (2,336) |
| Water Conservation Fund | 1,110,000 | 843,355 | 76 | (266,645) |
| Water Supply Fund | 1,625,000 | 4,437,314 | 273 | 2,812,314 |
| Worker and Community Right to Know Fund | 145,000 | 70,722 | 49 | (74,278) |
| TOTAL INTERFUND TRANSFERS | 496,796,000 | 549,852,913 | 111 | 53,056,913 |
| TOTAL REVENUES, GENERAL FUND | \$6,633,626,000 | \$6,975,370,989 | 105 | \$341,744,989 |

**STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|---|------------------------------------|------------------------------|----------|---|
| | | Amount | Per Cent | |
| Gross Income Tax | \$2,217,000,000 | \$2,605,907,038 | 118 | \$388,907,038 |
| TOTAL PROPERTY TAX RELIEF FUND | <u>\$2,217,000,000</u> | <u>\$2,605,907,038</u> | 118 | <u>\$388,907,038</u> |

**STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|---|------------------------------------|------------------------------|----------|---|
| | | Amount | Per Cent | |
| Taxpayers' Designations | \$1,600,000 | \$1,618,051 | 101 | \$18,051 |
| TOTAL GUBERNATORIAL ELECTIONS FUND | <u>\$1,600,000</u> | <u>\$1,618,051</u> | 101 | <u>\$18,051</u> |

**STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|----------------------------------|------------------------------------|------------------------------|----------|---|
| | | Amount | Per Cent | |
| Licenses and Fees | \$51,017,000 | \$47,345,518 | 93 | \$(3,671,482) |
| TOTAL CASINO CONTROL FUND | \$51,017,000 | \$47,345,518 | 93 | \$(3,671,482) |

**STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1987**

| | Anticipated To June 30, 1987 | Realized To June 30, 1987 | | Realization Over (Under) Anticipation |
|----------------------------------|------------------------------------|------------------------------|----------|---|
| | | Amount | Per Cent | |
| Gross Revenue Tax | \$183,000,000 | \$188,996,098 | 103 | \$ 5,996,098 |
| Investment Income | 2,000,000 | 10,498,785 | 525 | 8,498,785 |
| TOTAL CASINO REVENUE FUND | \$185,000,000 | \$199,494,883 | 108 | \$14,494,883 |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATED REVENUE
YEAR ENDED JUNE 30, 1987**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> |
|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| EXECUTIVE BRANCH: | | | | |
| Chief Executive | \$ — | \$ 38,458 | \$ 1,165,000 | \$ 1,203,458 |
| Agriculture | 44,647 | 883,054 | 10,723,216 | 11,650,917 |
| Banking | 93,289 | — | — | 93,289 |
| Commerce and Economic Development | — | 5,128,471 | 377,534 | 5,506,005 |
| Community Affairs | 3,175,222 | 84,097,342 | 44,081,540 | 131,354,104 |
| Corrections | — | 580,924 | 22,506,235 | 23,087,159 |
| Defense | 282,252 | 4,634,304 | 21,825 | 4,938,381 |
| Education | 1,328,910 | 255,406,553 | 5,543,910 | 262,279,373 |
| Energy | 646,101 | 1,068,620 | 3,812,852 | 5,527,573 |
| Environmental Protection | 8,577,785 | 28,025,476 | 28,358,467 | 64,961,728 |
| Health | 4,781,675 | 73,085,093 | 7,391,526 | 85,258,294 |
| Higher Education | 5,714,827 | 26,055,930 | 43,303,904 | 75,074,661 |
| Human Services | 10,394,153 | 1,361,047,295 | 64,906,762 | 1,436,348,210 |
| Insurance | 2,066,009 | — | 646,190 | 2,712,199 |
| Labor | 8,459,784 | 185,359,541 | 71,479,720 | 265,299,045 |
| Law and Public Safety | 29,904,805 | 10,865,045 | 33,459,766 | 74,229,616 |
| Personnel | 331,083 | — | — | 331,083 |
| Public Advocate | 478,108 | 648,633 | 4,582,865 | 5,709,606 |
| State | 1,103,001 | 614,589 | 2,202,765 | 3,920,355 |
| Transportation | 1,286,604 | 42,867,760 | 12,753,577 | 56,907,941 |
| Treasury | 1,770,974 | — | 893,319,100 | 895,090,074 |
| TOTAL EXECUTIVE BRANCH | <u>80,439,229</u> | <u>2,080,407,088</u> | <u>1,250,636,754</u> | <u>3,411,483,071</u> |
| JUDICIAL BRANCH | <u>5,124</u> | <u>85,293</u> | <u>2,020,634</u> | <u>2,111,051</u> |
| TOTAL APPROPRIATED REVENUE | <u><u>\$80,444,353</u></u> | <u><u>\$2,080,492,381</u></u> | <u><u>\$1,252,657,388</u></u> | <u><u>\$3,413,594,122</u></u> |

**EXPENDITURE STATEMENTS
BUDGETARY BASIS**

**STATE OF NEW JERSEY
SUPPLEMENTARY EXPENDITURE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1987**

Expenditures are made against authorized appropriations specifically identified in the annual Appropriations Act or subsequent supplemental appropriations. The term, "expenditures" is commonly referred to as "budgetary expenditures" and includes not only actual disbursements, but also encumbrances. These expenditures are associated with the annual State Budget. The State, however, also makes expenditures against "other authorized appropriations." These appropriations include federal aid and certain receipts known as appropriated revenue. In addition, provisions in the Appropriations Act permit the carrying forward of unexpended balances of prior appropriations.

Total expenditures in the General Fund in fiscal year 1987 were \$10,289.0 million, an increase of \$664.3 million over fiscal year 1986. General Fund expenditures associated with the 1987 Appropriations Act amounted to \$7,028.7 million, an increase of \$601.9 million or 9.4 per cent over fiscal year 1986. In addition, expenditures from the Property Tax Relief Fund amounted to \$2,240.6 million, and expenditures from the Casino Revenue Fund amounted to \$168.4 million. The grand total of expenditures in fiscal year 1987 amounted to \$12.7 billion, an increase of \$.8 billion or 6.7 per cent over fiscal year 1986.

STATE AID TO LOCAL GOVERNMENTS

State aid was the largest expenditure of the state budget. State aid pertains to those expenditures paid by the State to a local government or non-profit agency to help finance activities which are the responsibility of the local unit. Most state aid expenditures are based upon statutory formula. In fiscal year 1987, 51.0 per cent of the State's expenditures consisted of funds which were distributed to homeowners, municipalities, counties, school districts, and for the non-federal share of the Medicaid program. The total amount expended for state aid was \$4,838.1 million.

The largest state aid expenditure, \$2,910.3 million, was provided for local elementary and secondary education programs. Of this amount, \$1,430.8 million was provided as equalization aid to each school district by formula based upon the number of students and the ability of the school district to raise taxes from its own base. In addition, the State provided \$277.5 million for special education programs for mentally retarded, visually handicapped, and other children with special needs.

A compensatory education program (\$109.4 million) was also funded for those children needing to improve basic skills such as mathematics, reading, etc. The

State also expended \$613.8 million on behalf of local governments as the employer's share of the Teachers' Pension and Benefits programs, and \$157.3 million to pay 90 percent of all approved pupil transportation costs. Additional state aid provided for a portion of the cost of building construction, school lunches, vocational education, adult and continuing education, and local library aid.

State aid expenditures by the Treasury Department totaled \$633.4 million in fiscal year 1987. The principal programs funded were homestead rebates to homeowners to provide property tax relief (\$298.7 million), the cost of senior citizens' and veterans' property tax deductions (\$47.4 million), revenue sharing to municipalities to reduce property taxes (\$50.0 million), payment of a portion of the public utilities taxes to qualifying municipalities (\$17.9 million), taxes previously paid on business personal property (\$159.1 million), and in lieu of tax payments (\$14.2 million).

A total of \$961.7 million was expended for state aid programs administered by the Department of Human Services. Of that amount, \$605.7 million was expended as the State's share of Medicaid, which provides hospital, nursing home, medical, and pharmacist services for those people eligible for a variety of welfare programs. In addition, \$257.9 million was expended for welfare programs, \$28.1 million for community mental health services, and \$52.7 million for youth and family child care services.

Other expenditures of state aid in fiscal year 1987 included aid to county colleges (\$92.7 million), municipal aid to eligible urban communities to maintain and upgrade municipal services (\$40.1 million), and county welfare equalization aid (\$15.0 million).

DIRECT STATE SERVICES

The second largest portion of expenditures in fiscal year 1987 was applied to direct state services programs, under the direct responsibility of the State government's twenty departments, the Executive Office, several commissions, the Legislature, and the Judiciary. In fiscal year 1987, expenditures for direct state services totaled \$4,061.9 million and represented 42.8 per cent of expenditures. Some of the major expenditures for direct state services during fiscal year 1987 are described as follows.

A total of \$745.8 million was expended by the Department of Higher Education for the support of the state colleges; Rutgers, the State University; the New Jersey Institute of Technology; and the University of Medicine and Dentistry of New Jersey.

A total of \$858.0 million was expended for programs administered by the Department of Human Services. Expenditures were made to provide support for day care centers, homemaker services, child abuse prevention, juvenile reform programs, and mental health and mental retardation programs, including the operation of seven psychiatric institutions and seven schools for the retarded. \$96.0 million was expended on the Pharmaceutical Assistance to the Aged/Disabled Program.

A total of \$643.6 million was expended by the Departments of Law and Public Safety, and Corrections. Among the programs supported by this expenditure were the administration of the State's fourteen correctional facilities and parole activities, the registration and regulation of motor vehicles and licensed drivers, and the investigative and enforcement activities of the State Police.

A total of \$313.7 million was expended by the Department of Transportation for the various programs it administers, such as the maintenance and improvement of the State's highway system of 10,519 lane miles, and operating subsidies for railroads and bus companies.

A total of \$138.1 million was expended for community development and environmental protection programs, principally for the protection of air, land, forest, wild life, shellfish resources, and for the provision of outdoor recreational facilities.

DEBT SERVICE

The primary method of state financing of capital projects is through the sale of general obligation bonds of the State of New Jersey. These bonds are backed by the full faith and credit of the State. State tax revenues are pledged to meet the principal and interest payments required to fully pay the debt. When the State sells bonds, it commits itself to repay the borrowed amount in full and with interest. Debt service refers to

these annual principal and interest payments. The total of principal and interest paid in fiscal year 1987 was \$315.2 million, as compared to \$295.8 million in fiscal year 1986. Debt service represents 3.3 per cent of the total state expenditures.

CAPITAL CONSTRUCTION

In 1987, \$270.8 million, or 2.9 per cent of the state budget, was expended for capital construction. This compares to \$273.2 million expended in 1986. Monies expended for capital construction represent the State's effort on a pay-as-you-go basis as contrasted to issuing bonds.

The largest pay-as-you-go capital expenditure was in the area of highway construction (\$150.3 million). These monies include federal funds which were matched by state funds for highway construction under one of several federal programs, namely, Interstate Highway Projects, Urban Highway Projects, Rural Highway Projects, and Highway Safety Projects. Other capital monies were used to finance highway projects which were not eligible for federal highway aid. Most of the remaining capital expenditures were for renovations and improvements at state institutions, state colleges and universities.

Capital expenditures are subject to the review and recommendation of the New Jersey Commission on Capital Budgeting and Planning. This permanent Commission was established in November, 1975, and is charged with the preparation of the State Capital Improvement Plan, which contains proposals for state spending for capital projects. The Capital Improvement Plan must be submitted to the Governor and the Legislature by December 1 of each year. The recommendations for capital expenditures from both the General Fund and the bond fund accounts made by the Commission to the Governor and Legislature are recognized in the annual state Budget.

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--|---|--|-------------------------------|
| <u>DIRECT STATE SERVICES</u> | | | |
| LEGISLATIVE BRANCH | \$ 37,731,000 | \$ 13,476,092 | \$ 35,798,255 |
| EXECUTIVE BRANCH | | | |
| Chief Executive's Office | 4,166,000 | 650,573 | 4,532,848 |
| Agriculture | 9,229,000 | 804,452 | 8,123,870 |
| Banking | 5,305,000 | 5,418,248 | 5,124,212 |
| Commerce and Economic Development | 38,502,000 | 1,035,144 | 34,025,485 |
| Community Affairs | 24,130,000 | 6,368,486 | 26,094,250 |
| Corrections | 310,466,000 | 29,690,308 | 307,409,375 |
| Defense | 11,437,000 | 923,222 | 11,014,410 |
| Education | 36,550,000 | 4,426,906 | 37,844,851 |
| Energy | 19,527,000 | 3,382,388 | 21,680,491 |
| Environmental Protection | 87,311,000 | 18,826,435 | 88,846,698 |
| Health | 72,710,500 | 9,895,077 | 69,258,151 |
| Higher Education | 710,206,000 | 77,859,069 | 740,681,647 |
| Human Services | 699,596,000 | 55,993,108 | 703,320,241 |
| Insurance | 10,447,000 | 3,785,379 | 11,044,757 |
| Labor | 50,256,000 | 17,198,851 | 61,429,548 |
| Law and Public Safety | 255,961,000 | 52,462,320 | 251,905,915 |
| Personnel | 17,075,000 | 3,346,071 | 18,587,869 |
| Public Advocate | 34,306,000 | 3,337,152 | 37,159,354 |
| State | 29,443,000 | 3,069,926 | 25,987,189 |
| Transportation | 308,217,000 | 27,226,805 | 300,960,768 |
| Treasury | 134,367,596 | 17,930,745 | 119,045,126 |
| Miscellaneous Executive Commissions | 4,544,000 | 701,650 | 4,134,795 |
| Inter-Departmental Accounts | 824,110,000 | (129,960,106) | 658,280,713 |
| TOTAL EXECUTIVE BRANCH | <u>3,697,862,096</u> | <u>214,372,209</u> | <u>3,546,492,563</u> |
| JUDICIAL BRANCH | <u>73,150,000</u> | <u>4,826,960</u> | <u>72,954,498</u> |
| TOTAL DIRECT STATE SERVICES | <u><u>\$3,808,743,096</u></u> | <u><u>\$232,675,261</u></u> | <u><u>\$3,655,245,316</u></u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|---------------------|----------------------|--------------------------------------|
| \$ 179,312 | \$ 4,055,071 | \$ 11,174,454 |
| — | 151,674 | 132,051 |
| 40,355 | 1,259,147 | 610,080 |
| 203,949 | 173,526 | 5,221,561 |
| 64,034 | 4,274,552 | 1,173,073 |
| 65,246 | 3,062,598 | 1,276,392 |
| 817,763 | 22,332,577 | 9,596,593 |
| 411,585 | 734,003 | 200,224 |
| 198,553 | 2,510,923 | 422,579 |
| 3,971 | 629,832 | 595,094 |
| 91,289 | 12,158,356 | 5,041,092 |
| 2,276,688 | 8,384,318 | 2,686,420 |
| 376 | 5,105,801 | 42,277,245 |
| 8,575,878 | 36,508,235 | 7,184,754 |
| 2,335 | 2,153,883 | 1,031,404 |
| 393,451 | 5,432,727 | 199,125 |
| 2,872,999 | 33,785,774 | 19,858,632 |
| — | 1,092,476 | 740,726 |
| 10,104 | 418,879 | 54,815 |
| 332,248 | 5,079,689 | 1,113,800 |
| 102,669 | 12,732,684 | 21,647,684 |
| 649,693 | 20,277,412 | 12,326,110 |
| 362,728 | 289,124 | 459,003 |
| 5,433,630 | 18,414,863 | 12,020,688 |
| <u>22,909,544</u> | <u>196,963,053</u> | <u>145,869,145</u> |
| — | 4,049,085 | 973,377 |
| <u>\$23,088,856</u> | <u>\$205,067,209</u> | <u>\$158,016,976</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--------------------------------------|---|--|---------------------|
| STATE AID | | | |
| EXECUTIVE BRANCH | | | |
| Commerce and Economic Development | \$ 1,647,216 | \$ 1 | \$ 1,647,216 |
| Community Affairs | 162,240,647 | 20,884,712 | 132,113,878 |
| Education | 1,100,151,000 | 10,690,419 | 1,076,774,131 |
| Environmental Protection | 9,388,000 | 54,286,484 | 38,349,052 |
| Health | 6,239,000 | 600 | 5,515,000 |
| Higher Education | 96,576,000 | 1,998,774 | 92,275,856 |
| Human Services | 964,527,000 | (5,128,123) | 870,244,164 |
| State | 5,506,000 | — | 5,506,000 |
| Transportation | 1,700,000 | 5,424,930 | 2,654,221 |
| Treasury | 224,721,000 | 649,544 | 218,471,023 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL EXECUTIVE BRANCH | 2,572,695,863 | 88,807,341 | 2,443,550,541 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL STATE AID | \$2,572,695,863 | \$88,807,341 | \$2,443,550,541 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|---------------------|----------------------|--------------------------------------|
| \$ 1 | \$ — | \$ — |
| 3,519,628 | 35,289,578 | 12,202,275 |
| 10,366,844 | 16,351,016 | 7,349,428 |
| 50,252 | 3,761,243 | 21,513,937 |
| 36 | 724,564 | — |
| — | 418,256 | 5,880,662 |
| 7,902,047 | 81,252,666 | — |
| — | — | — |
| — | 196,472 | 4,274,237 |
| 1,043,252 | 856,269 | 5,000,000 |
| <hr/> | <hr/> | <hr/> |
| 22,882,060 | 138,850,064 | 56,220,539 |
| <hr/> | <hr/> | <hr/> |
| <u>\$22,882,060</u> | <u>\$138,850,064</u> | <u>\$56,220,539</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--|---|--|----------------------|
| <u>CAPITAL CONSTRUCTION</u> | | | |
| LEGISLATIVE BRANCH | \$ — | \$ 5,952,767 | \$ 351,625 |
| EXECUTIVE BRANCH | | | |
| Agriculture | 500,000 | 308,298 | 5,968 |
| Commerce and Economic Development | — | 5,000,000 | 5,000,000 |
| Corrections | 6,250,000 | 67,984,952 | 9,917,512 |
| Defense | 2,014,000 | 2,500,525 | 788,130 |
| Education | 1,989,000 | 3,847,649 | 365,206 |
| Energy | 1,030,000 | 29,227 | 1,036,870 |
| Environmental Protection | 17,955,000 | 134,982,996 | 14,431,728 |
| Health | 1,000,000 | 310,960 | 137,156 |
| Higher Education | 12,650,000 | 43,155,523 | 9,715,735 |
| Human Services | — | 26,185,696 | 6,433,195 |
| Law and Public Safety | 8,331,000 | 15,262,661 | 2,845,380 |
| State | 620,000 | 2,477,222 | 211,175 |
| Transportation | 143,000,000 | 22,837,382 | 146,510,175 |
| Treasury | 21,705,000 | 45,604,387 | 9,697,689 |
| Miscellaneous Executive Commissions | 2,000 | 50,176 | 36,797 |
| TOTAL EXECUTIVE BRANCH | <u>217,046,000</u> | <u>370,537,654</u> | <u>207,132,716</u> |
| TOTAL CAPITAL CONSTRUCTION | <u>\$217,046,000</u> | <u>\$376,490,421</u> | <u>\$207,484,341</u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|---------------|---------------------|--------------------------------------|
| <u>\$ —</u> | <u>\$ 1,029,587</u> | <u>\$ 4,571,555</u> |
| — | 11,913 | 790,417 |
| — | — | — |
| — | 17,503,581 | 46,813,859 |
| — | 949,605 | 2,776,790 |
| — | 392,583 | 5,078,860 |
| — | 11,914 | 10,443 |
| — | 18,687,144 | 119,819,124 |
| — | 685,877 | 487,927 |
| — | 2,362,083 | 43,727,705 |
| — | 2,679,395 | 17,073,106 |
| — | 4,111,674 | 16,636,607 |
| — | 456,150 | 2,429,897 |
| — | 3,742,544 | 15,584,663 |
| — | 10,672,606 | 46,939,092 |
| — | — | 15,379 |
| <u>—</u> | <u>62,267,069</u> | <u>318,183,869</u> |
| <u>\$ —</u> | <u>\$63,296,656</u> | <u>\$322,755,424</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--------------------------------------|---|--|----------------------|
| <u>DEBT SERVICE</u> | | | |
| EXECUTIVE BRANCH | | | |
| Agriculture | \$ 1,154,000 | \$ — | \$ 1,153,500 |
| Commerce and Economic Development | 4,331,000 | — | 4,303,419 |
| Community Affairs | 3,034,000 | — | 3,033,640 |
| Corrections | 32,724,000 | — | 31,525,462 |
| Education | 5,569,000 | — | 5,568,100 |
| Energy | 443,000 | — | 443,000 |
| Environmental Protection | 102,012,000 | (548,401) | 97,680,816 |
| Health | 78,000 | — | 78,000 |
| Higher Education | 38,670,000 | 325,376 | 38,987,220 |
| Human Services | 30,870,000 | (1,101,000) | 28,397,007 |
| Law and Public Safety | 571,000 | — | 571,000 |
| Transportation | 101,233,000 | 3,324,025 | 104,554,974 |
| Treasury | 2,000,000 | (1,997,584) | (1,074,557) |
| | <hr/> | <hr/> | <hr/> |
| TOTAL EXECUTIVE BRANCH | 322,689,000 | 2,416 | 315,221,581 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL DEBT SERVICE | <u>\$322,689,000</u> | <u>\$ 2,416</u> | <u>\$315,221,581</u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|--------------------------|---------------------|--------------------------------------|
| \$ 500 | \$ — | \$ — |
| 27,581 | — | — |
| 360 | — | — |
| 1,198,538 | — | — |
| 900 | — | — |
| — | — | — |
| 3,782,783 | — | — |
| — | — | — |
| 8,156 | — | — |
| 1,371,993 | — | — |
| — | — | — |
| 2,051 | — | — |
| 1,076,973 | — | — |
| <hr/> 7,469,835 | <hr/> — | <hr/> — |
| <hr/> <u>\$7,469,835</u> | <hr/> <u>\$ —</u> | <hr/> <u>\$ —</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--------------------------------------|---|--|------------------------|
| <u>FEDERAL</u> | | | |
| EXECUTIVE BRANCH | | | |
| Chief Executive's Office | \$ — | \$ 38,458 | \$ 38,287 |
| Agriculture | — | 1,366,284 | 914,083 |
| Commerce and Economic Development | — | 85,870,349 | 1,955,859 |
| Community Affairs | — | 98,215,658 | 60,616,415 |
| Corrections | — | 2,798,651 | 2,102,440 |
| Defense | — | 4,693,453 | 3,748,605 |
| Education | — | 249,202,621 | 238,054,580 |
| Energy | — | 104,090 | 79,764 |
| Environmental Protection | — | 30,531,675 | 21,484,842 |
| Health | — | 66,181,769 | 56,865,528 |
| Higher Education | — | 33,039,808 | 28,151,236 |
| Human Services | — | 1,393,439,910 | 1,297,709,619 |
| Labor | — | 190,016,545 | 162,235,123 |
| Law and Public Safety | — | 10,345,587 | 8,130,494 |
| Public Advocate | — | 1,084,409 | 984,842 |
| State | — | 662,856 | 515,922 |
| Transportation | — | 75,261,542 | 40,707,659 |
| TOTAL EXECUTIVE BRANCH | — | 2,242,853,665 | 1,924,295,298 |
| JUDICIAL BRANCH | — | 19,577,220 | 13,493,222 |
| TOTAL FEDERAL | \$ — | \$2,262,430,885 | \$1,937,788,520 |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|----------------|----------------------|--------------------------------------|
| \$ 171 | \$ — | \$ — |
| — | 222,577 | 229,624 |
| 1,901 | 334,962 | 83,577,627 |
| — | 30,313,182 | 7,286,061 |
| — | 134,787 | 561,424 |
| — | 388,656 | 556,192 |
| — | 9,383,701 | 1,764,340 |
| — | — | 24,326 |
| — | 6,701,515 | 2,345,318 |
| — | 9,084,699 | 231,542 |
| — | 2,133,381 | 2,755,191 |
| — | 45,910,272 | 49,820,019 |
| — | 24,779,110 | 3,002,312 |
| — | 1,146,909 | 1,068,184 |
| — | 98,832 | 735 |
| — | 85,476 | 61,458 |
| — | 18,819,209 | 15,734,674 |
| <u>2,072</u> | <u>149,537,268</u> | <u>169,019,027</u> |
| — | 6,080,575 | 3,423 |
| <u>\$2,072</u> | <u>\$155,617,843</u> | <u>\$169,022,450</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--------------------------------------|---|--|---------------------|
| <u>ALL OTHER</u> | | | |
| LEGISLATIVE BRANCH | \$ — | \$ 27,500 | \$ — |
| EXECUTIVE BRANCH | | | |
| Chief Executive's Office | — | 1,177,242 | 476,689 |
| Agriculture | — | 12,536,954 | 8,247,907 |
| Commerce and Economic Development | — | 982,457 | 336,129 |
| Community Affairs | — | 60,566,188 | 13,921,904 |
| Corrections | — | 27,094,380 | 20,936,868 |
| Education | — | 7,258,662 | 4,606,274 |
| Energy | — | 3,522,827 | 3,125,014 |
| Environmental Protection | — | 38,102,705 | 19,861,277 |
| Health | — | 12,655,357 | 5,952,253 |
| Higher Education | — | 65,275,219 | 39,150,513 |
| Human Services | — | 72,653,878 | 57,904,373 |
| Insurance | — | 827,150 | 619,248 |
| Labor | — | 72,315,635 | 35,257,446 |
| Law and Public Safety | — | 41,447,898 | 24,286,382 |
| Public Advocate | — | 4,626,516 | 3,463,346 |
| State | — | 3,086,459 | 2,277,892 |
| Transportation | — | 19,951,500 | 5,567,454 |
| Treasury | — | 926,852,995 | 866,831,214 |
| Inter-Departmental Accounts | — | 7,129 | — |
| TOTAL EXECUTIVE BRANCH | — | 1,370,941,151 | 1,112,822,183 |
| JUDICIAL BRANCH | — | 2,079,979 | 2,002,880 |
| TOTAL ALL OTHER | \$ — | \$1,373,048,630 | \$1,114,825,063 |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|--------------------|---------------------|--------------------------------------|
| \$ — | \$ — | \$ 27,500 |
| — | 624,044 | 76,509 |
| — | 1,435,638 | 2,853,409 |
| — | 207,508 | 438,820 |
| — | 8,284,459 | 38,359,825 |
| — | 3,383,334 | 2,774,178 |
| — | 455,584 | 2,196,804 |
| — | 117,487 | 280,326 |
| — | 3,440,710 | 14,800,718 |
| 1,145,260 | 2,402,510 | 3,155,334 |
| — | 911,671 | 25,213,035 |
| — | 5,762,767 | 8,986,738 |
| — | 44,820 | 163,082 |
| — | 524,532 | 36,533,657 |
| — | 1,044,641 | 16,116,875 |
| — | 1,047,465 | 115,705 |
| — | 322,032 | 486,535 |
| — | 3,920,233 | 10,463,813 |
| 1,824,278 | 18,131,664 | 40,065,839 |
| — | — | 7,129 |
| <u>2,969,538</u> | <u>52,061,099</u> | <u>203,088,331</u> |
| — | 52,563 | 24,536 |
| <u>\$2,969,538</u> | <u>\$52,113,662</u> | <u>\$203,140,367</u> |

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|--|---|--|-------------------------------|
| <u>GENERAL FUND SUMMARY</u> | | | |
| LEGISLATIVE BRANCH | \$ 37,731,000 | \$ 19,456,359 | \$ 36,149,880 |
| EXECUTIVE BRANCH | | | |
| Chief Executive's Office | 4,166,000 | 1,866,273 | 5,047,824 |
| Agriculture | 10,883,000 | 15,015,988 | 18,445,328 |
| Banking | 5,305,000 | 5,418,248 | 5,124,212 |
| Commerce and Economic Development | 44,480,216 | 92,887,951 | 47,268,108 |
| Community Affairs | 189,404,647 | 186,035,044 | 235,780,087 |
| Corrections | 349,440,000 | 127,568,291 | 371,891,657 |
| Defense | 13,451,000 | 8,117,200 | 15,551,145 |
| Education | 1,144,259,000 | 275,426,257 | 1,363,213,142 |
| Energy | 21,000,000 | 7,038,532 | 26,365,139 |
| Environmental Protection | 216,666,000 | 276,181,894 | 280,654,413 |
| Health | 80,027,500 | 89,043,763 | 137,806,088 |
| Higher Education | 858,102,000 | 221,653,769 | 948,962,207 |
| Human Services | 1,694,993,000 | 1,542,043,469 | 2,964,008,599 |
| Insurance | 10,447,000 | 4,612,529 | 11,664,005 |
| Labor | 50,256,000 | 279,531,031 | 258,922,117 |
| Law and Public Safety | 264,863,000 | 119,518,466 | 287,739,171 |
| Personnel | 17,075,000 | 3,346,071 | 18,587,869 |
| Public Advocate | 34,306,000 | 9,048,077 | 41,607,542 |
| State | 35,569,000 | 9,296,463 | 34,498,178 |
| Transportation | 554,150,000 | 154,026,184 | 600,955,251 |
| Treasury | 382,793,596 | 989,040,087 | 1,212,970,495 |
| Miscellaneous Executive Commissions | 4,546,000 | 751,826 | 4,171,592 |
| Inter-Departmental Accounts | 824,110,000 | (129,952,977) | 658,280,713 |
| TOTAL EXECUTIVE BRANCH | <u>6,810,292,959</u> | <u>4,287,514,436</u> | <u>9,549,514,882</u> |
| JUDICIAL BRANCH | <u>73,150,000</u> | <u>26,484,159</u> | <u>88,450,600</u> |
| TOTAL GENERAL FUND SUMMARY | <u><u>\$6,921,173,959</u></u> | <u><u>\$4,333,454,954</u></u> | <u><u>\$9,674,115,362</u></u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|---------------------|----------------------|--------------------------------------|
| \$ 179,312 | \$ 5,084,658 | \$ 15,773,509 |
| | | |
| 171 | 775,718 | 208,560 |
| 40,855 | 2,929,275 | 4,483,530 |
| 203,949 | 173,526 | 5,221,561 |
| | | |
| 93,517 | 4,817,022 | 85,189,520 |
| 3,585,234 | 76,949,817 | 59,124,553 |
| 2,016,301 | 43,354,279 | 59,746,054 |
| 411,585 | 2,072,264 | 3,533,206 |
| 10,566,297 | 29,093,807 | 16,812,011 |
| 3,971 | 759,233 | 910,189 |
| 3,924,324 | 44,748,968 | 163,520,189 |
| 3,421,984 | 21,281,968 | 6,561,223 |
| 8,532 | 10,931,192 | 119,853,838 |
| 17,849,918 | 172,113,335 | 83,064,617 |
| 2,335 | 2,198,703 | 1,194,486 |
| 393,451 | 30,736,369 | 39,735,094 |
| 2,872,999 | 40,088,998 | 53,680,298 |
| — | 1,092,476 | 740,726 |
| 10,104 | 1,565,176 | 171,255 |
| 332,248 | 5,943,347 | 4,091,690 |
| 104,720 | 39,411,142 | 67,705,071 |
| 4,594,196 | 49,937,951 | 104,331,041 |
| | | |
| 362,728 | 289,124 | 474,382 |
| 5,433,630 | 18,414,863 | 12,027,817 |
| <u>56,233,049</u> | <u>599,678,553</u> | <u>892,380,911</u> |
| — | 10,182,223 | 1,001,336 |
| <u>\$56,412,361</u> | <u>\$614,945,434</u> | <u>\$909,155,756</u> |

**STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|---|---|--|------------------------|
| DIRECT STATE SERVICES | | | |
| Treasury | \$ 27,980,000 | \$ — | \$ 23,550,031 |
| STATE AID | | | |
| Education | 1,818,000,000 | — | 1,812,815,528 |
| Treasury | 396,600,000 | — | 396,141,231 |
| TOTAL PROPERTY TAX RELIEF FUND | <u>\$2,242,580,000</u> | <u>\$ —</u> | <u>\$2,232,506,790</u> |

**STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|---|---|--|---------------------|
| DIRECT STATE SERVICES | | | |
| Law and Public Safety | \$ — | \$510,039 | \$(23,476) |
| TOTAL GUBERNATORIAL ELECTIONS FUND | <u>\$ —</u> | <u>\$510,039</u> | <u>\$(23,476)</u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|--------------------|---------------------|----------------------------------|
| \$ 719,382 | \$3,710,587 | \$ — |
| 833,619 | 4,350,853 | — |
| 458,769 | — | — |
| <u>\$2,011,770</u> | <u>\$8,061,440</u> | <u>\$ —</u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|------------------|---------------------|----------------------------------|
| \$533,515 | \$ — | \$ — |
| <u>\$533,515</u> | <u>\$ —</u> | <u>\$ —</u> |

**STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|----------------------------------|---|--|---------------------|
| DIRECT STATE SERVICES | | | |
| Law and Public Safety | \$29,966,000 | \$ — | \$27,029,430 |
| Treasury | 21,051,000 | — | 19,065,157 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL CASINO CONTROL FUND | <u>\$51,017,000</u> | <u>\$ —</u> | <u>\$46,094,587</u> |

**STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1987**

| | <u>Original and Supplemental Appropriations</u> | <u>Other Authorized Appropriations</u> | <u>Expenditures</u> |
|----------------------------------|---|--|----------------------|
| DIRECT STATE SERVICES | | | |
| Community Affairs | \$ 8,923,000 | \$ — | \$ 7,521,348 |
| Health | 700,000 | 100,000 | 91,567 |
| Human Services | 117,868,000 | 3,071,112 | 107,989,209 |
| | <hr/> | <hr/> | <hr/> |
| STATE AID | | | |
| Human Services | 35,023,000 | (3,171,112) | 10,239,459 |
| Transportation | 13,500,000 | — | 1,027,360 |
| Treasury | 17,900,000 | — | 17,900,000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL CASINO REVENUE FUND | <u>\$193,914,000</u> | <u>\$ —</u> | <u>\$144,768,943</u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|--------------------|---------------------|----------------------------------|
| \$1,819,785 | \$1,116,785 | \$ — |
| 860,447 | 1,125,396 | — |
| <u>\$2,680,232</u> | <u>\$2,242,181</u> | <u>\$ —</u> |

| <u>Lapsed</u> | <u>Encumbrances</u> | <u>Continuing Appropriations</u> |
|---------------------|---------------------|----------------------------------|
| \$ 12,078 | \$ 389,574 | \$1,000,000 |
| 93,000 | 615,433 | — |
| 2,803,496 | 10,146,407 | — |
| <u>21,612,429</u> | <u>—</u> | <u>—</u> |
| — | 12,472,640 | — |
| — | — | — |
| <u>\$24,521,003</u> | <u>\$23,624,054</u> | <u>\$1,000,000</u> |



NJ & You
Perfect Together