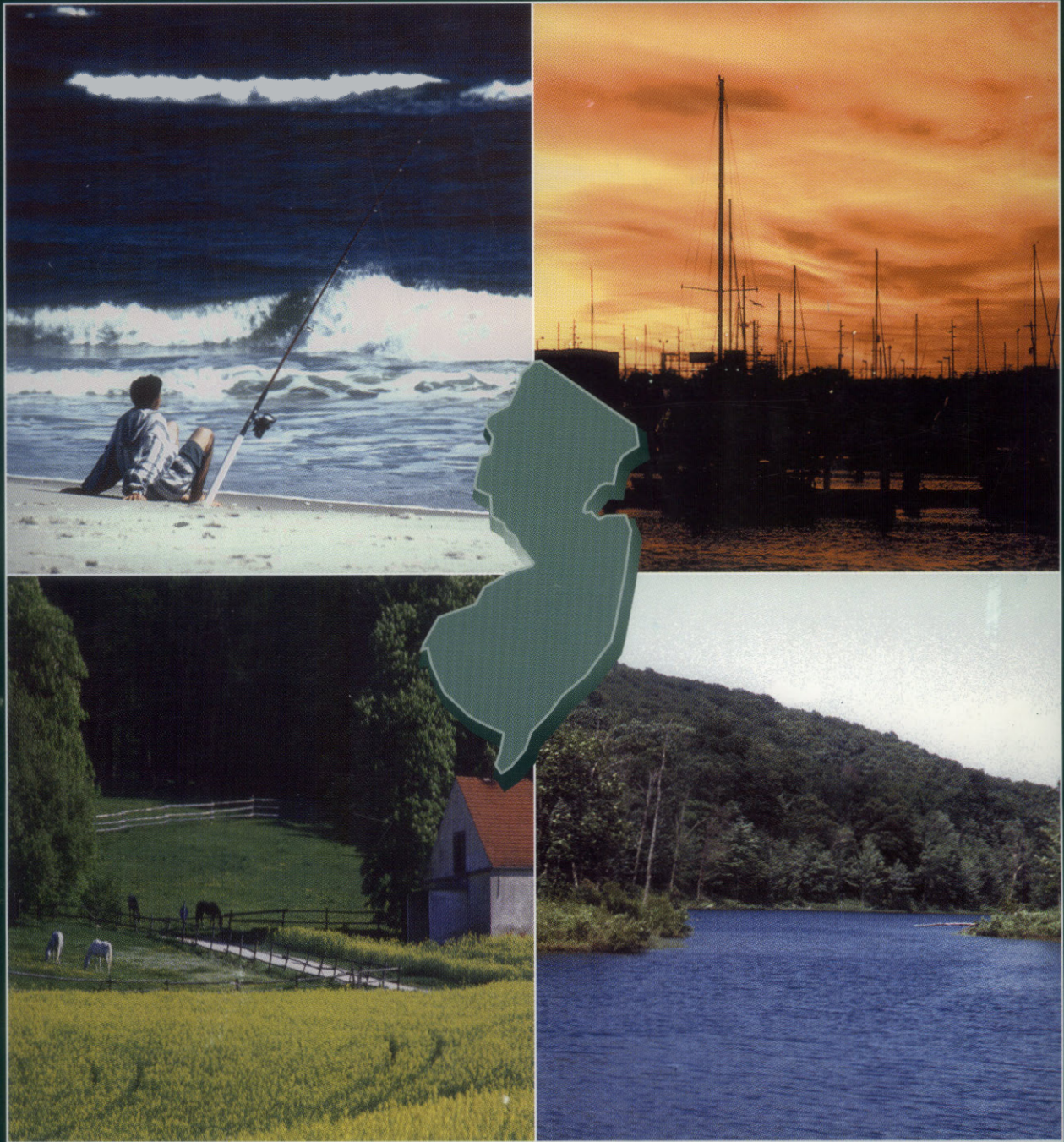


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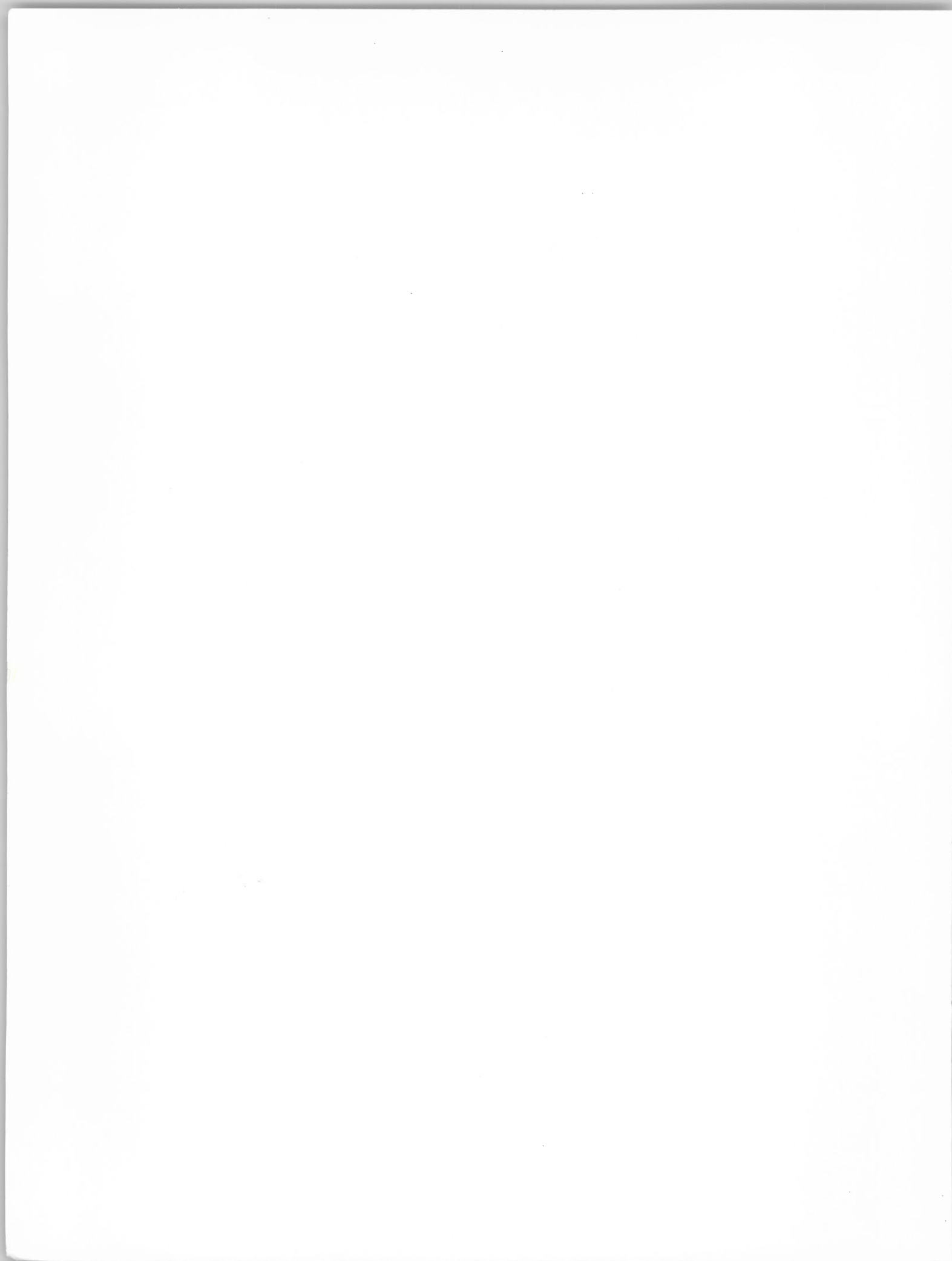
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NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED
JUNE 30, 1997



NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 1997

CHRISTINE TODD WHITMAN
Governor

JAMES A. DIELEUTERIO, JR.
State Treasurer

ELIZABETH L. PUGH
State Comptroller

New Jersey State Library

Kathy A. Steepy
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Manager
Financial Reporting

JAN 26 1998

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**STATE OF NEW JERSEY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDING JUNE 30, 1997
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INTRODUCTION





State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
PO Box 221
TRENTON NJ 08625-0221

CHRISTINE TODD WHITMAN
Governor

November 7, 1997

JAMES A. DI ELEUTERIO, JR.
State Treasurer

Governor Christine Todd Whitman
Members of the State 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 Comprehensive Annual Financial Report of the State of New Jersey for the year ended June 30, 1997. This report is prepared by the Office of Management and Budget, Department of the Treasury, which is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

This Financial Report, which has earned an unqualified audit opinion, presents the financial position and operating results of the State under generally accepted accounting principles as established by the Governmental Accounting Standards Board as well as the traditional budgetary basis presentations. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly 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.

As reflected in this report, the State ended the year in a sound fiscal position, with an Undesignated Fund Balance (surplus) of \$1.1 billion in the major budgeted funds (General Fund, Property Tax Relief Fund, Casino Revenue Fund, and Surplus Revenue Fund).

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter with summary financial data and narrative commentary on matters of interest to the reader, the State organization chart, and the 1996 Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the general purpose financial statements and footnotes, the combining and individual fund and account group financial statements, and the State Auditor's report on the financial statements. The statistical section includes the budgetary basis schedules, as well as selected financial and demographic information.

This report includes all funds, account groups, and component units of the entity called the State, which provides support for a full range of services including education, health and social services, transportation, law and public safety, justice, recreation, public improvements, and general administrative services. The criteria utilized to determine the entity for the State of New Jersey are those prescribed by the Government Accounting Standards Board (see Note 1 to the Financial Statements).

BUDGETARY CONTROLS, ACCOUNTING SYSTEMS, AND INTERNAL CONTROLS

The State's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to state governments as prescribed by the Governmental Accounting Standards Board. The governmental funds, expendable trust funds, and agency funds are presented on the modified accrual basis of accounting whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received and the related liabilities are incurred. The proprietary, nonexpendable trust, and pension trust funds are presented on the accrual basis of accounting whereby all revenues and expenses are recognized when the transactions occur, regardless of when the related cash is received or disbursed. The college and university funds are reported in conformance with GAAP as prescribed by the American Institute of Certified Public Accountants (AICPA) audit guide, "Audits of Colleges and Universities."

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. Any unencumbered and unexpended non-continuing appropriations lapse at the end of the fiscal year.

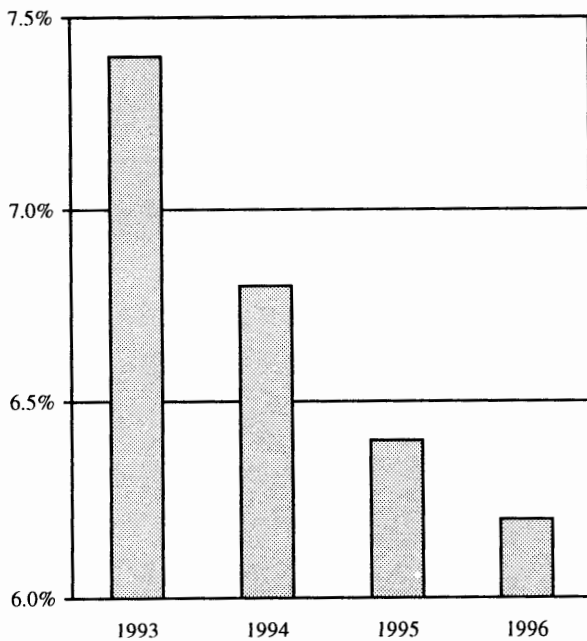
The accounting records of the various State departments are maintained on a central accounting system. The operations of this system are directed and supervised by the Office of Management and Budget. Separate accounting systems are maintained by those component units of government that are included in the State's reporting entity. The State's annual budget is comprised of individual appropriations to departments for specific programs and purposes. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major objects of expenditure.

In developing and maintaining the State's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and that financial records are reliable for preparing 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 from its use, and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework.

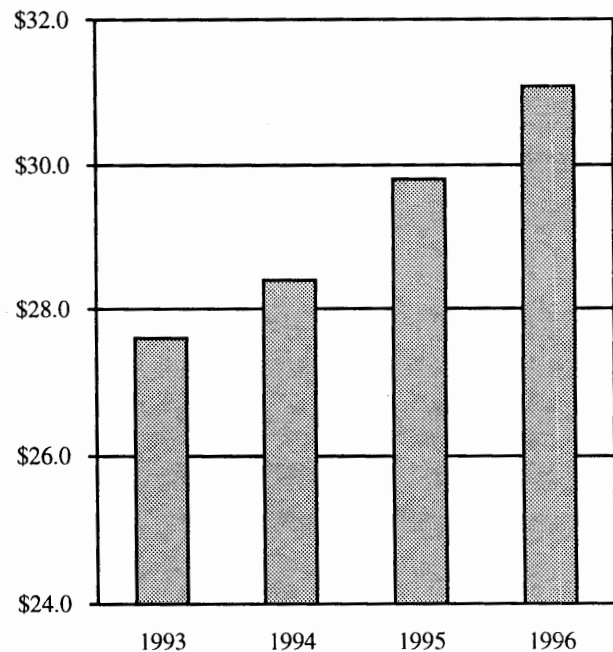
ECONOMIC CONDITION

The New Jersey economy in Calendar Year 1996 continued its positive growth trend. Employment and income growth became stronger as the year progressed. For the year, retail sales grew by 3.9 percent and total employment expanded by 1.7 percent. As demonstrated in the chart below, the State's unemployment rate fell to 6.2 percent, from 6.4 percent for the previous year and total personal income for Calendar Year 1996 grew by 4.7 percent.

New Jersey Unemployment Rate



**New Jersey Personal Income
(In Thousands)**



It is expected that the New Jersey economy in Calendar Years 1997 through 1999 will continue to grow at a moderate pace with little or no inflation. New Jersey's economy, by virtue of its educated, high-technology labor resources, has benefited from newly emerging information-based fields. Meanwhile, corporate restructuring and downsizing in fields such as chemicals, telecommunications, and financial services has abated. Total employment is expected to grow by 1.8 percent for Calendar Year 1997 and continue to grow at an average rate of 0.8 percent through Calendar Year 1999. New Jersey's retail sales are expected to grow at 4.3 percent for Calendar Year 1997, and continue to grow at an average rate of 3.8 percent for Calendar Years 1998 and 1999. New Jersey Gross State Product, the most complete measure of economic activity, is expected to grow by 5.0 percent in Calendar Year 1997 and continue to grow at an average rate of 3.5 percent through 1999.

FISCAL YEAR 1997 REVENUE SUMMARY

The following revenue discussion encompasses the activity of the State's General Fund and four Special Revenue Funds--the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund. The amounts included in this section are the actual anticipated revenues realized in support of the annual appropriations and do not include federal grants.

Fiscal Year 1997 revenue collections totaled \$16.2 billion, \$513.4 million above Fiscal Year 1996 revenue which included \$359.2 million in one-time tax amnesty collections. Revenue growth in the State's three major taxes over Fiscal Year 1996 levels were as follows: the Sales Tax increased by \$97.1 million or 2.2 percent, the Gross Income Tax increased by \$91.6 million or 1.9 percent, and the Corporation Business Tax increased by \$114.9 million or 9.8 percent. Overall, Fiscal Year 1997 revenue growth for the State's three major taxes totaled \$303.6 million. Increased revenue over Fiscal Year 1996 levels reflect enhanced collection efforts implemented by the New Jersey Division of Taxation during its tax amnesty program which enabled the State to continue to collect from delinquent taxpayers without having a State revenue decline in its base in future fiscal years.

Collections for the State's three major taxes, as a percentage of Fiscal Year 1997 total receipts, were as follows: the Gross Income Tax represented 29.9 percent; the Sales Tax equaled 27.3 percent; and the Corporation Business Tax represented 8.0 percent. The State's three major taxes represented 65.2 percent of Fiscal Year 1997 total receipts, as compared to 65.4 percent for Fiscal Year 1996.

Even with major reductions in tax rates, the total revenues have grown over the past four years by \$1.6 billion.

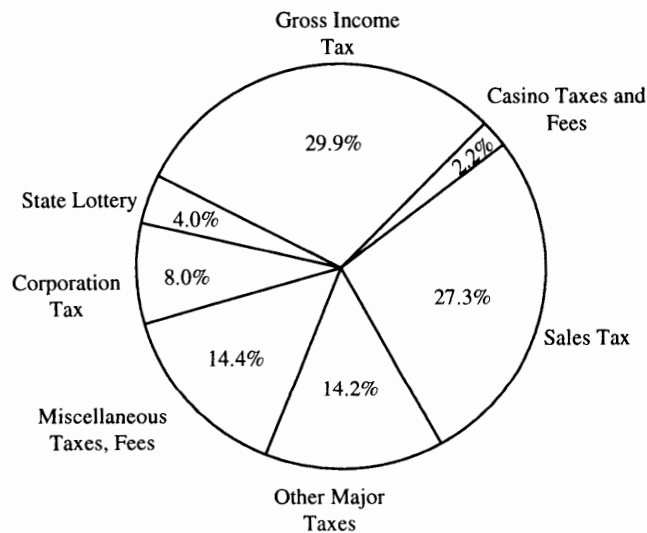
REVENUE SUMMARY BY MAJOR TAX 1993-1997 (Expressed in Millions)

	1997	1996	1995	1994	1993
Gross Income Tax	\$ 4,825.4	\$ 4,733.8	\$ 4,540.0	\$ 4,493.6	\$ 4,350.5
Sales Tax	4,415.4	4,318.3	4,133.3	3,778.5	3,651.1
Other Major Taxes	2,297.2	2,276.1	2,215.4	2,263.8	2,161.4
Miscellaneous Taxes, Fees	2,320.9	2,121.1	2,016.8	2,446.2	2,543.2
Corporation Tax	1,286.4	1,171.5	1,085.5	1,063.1	960.7
State Lottery	650.0	662.1	647.8	602.8	581.7
Casino Taxes and Fees	359.6	358.6	355.4	319.8	315.4
Total	\$ 16,154.9	\$ 15,641.5	\$ 14,994.2	\$ 14,967.8	\$ 14,564.0

REVENUE COMPARISONS

<u>Source of Revenue (\$000)</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Increase/Decrease</u>	
	<u>1997</u>	<u>1996</u>	<u>Amount</u>	<u>Percent</u>
Gross Income Tax	\$ 4,825,411	\$ 4,733,786	\$ 91,625	1.9
Sales Tax	4,415,428	4,318,373	97,055	2.2
Other Major Taxes	2,297,155	2,276,112	21,043	0.9
Miscellaneous Taxes, Fees	2,320,852	2,121,052	199,800	9.4
Corporation Tax	1,286,447	1,171,509	114,938	9.8
State Lottery	650,025	662,120	(12,095)	(1.8)
Casino Taxes and Fees	359,561	358,634	927	0.3
	<u>\$ 16,154,879</u>	<u>\$ 15,641,586</u>	<u>\$ 513,293</u>	<u>3.3</u>

FISCAL YEAR 1997 MAJOR REVENUE CATEGORY COLLECTIONS AS A PERCENT OF TOTAL REVENUE COLLECTIONS



FISCAL YEAR 1997 REVENUE SUMMARY: PERCENT DISTRIBUTION OF REVENUE COLLECTIONS

Gross Income Tax	29.9%
Sales Tax	27.3
Other Major Taxes	14.2
Miscellaneous Taxes, Fees	14.4
Corporation Tax	8.0
State Lottery	4.0
Casino Taxes and Fees	<u>2.2</u>
Total	<u>100.0%</u>

FISCAL YEAR 1997 EXPENDITURE SUMMARY

Expenditure Category Descriptions

The following discussion of expenditures encompasses the activity of the State's General Fund and four Special Revenue Funds--the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund. The amounts listed in this section are on a budgetary basis and do not include federal grants.

State expenditures fall into five major categories. They are State Aid, Direct State Services, Grants-in-Aid, Debt Service, and Capital Construction. Each expenditure category is described below.

State Aid represents funds that are distributed to municipalities, counties, and school districts. Most of the Gross Income Tax revenue is apportioned to State Aid, as is certain other revenue that is collected in the State's General Fund. By far the largest portion of expenditures in this category is for elementary and secondary school aid. This category also provides funding for the various public assistance programs and county psychiatric hospitals, as well as municipal property tax relief programs.

Direct State Services represent those functions operated directly by State government. Funding is largely for the salary and benefits of State employees, as well as faculty and staff at the State colleges and universities. Direct State Services support the operation of the State's departments, the Executive Office, several commissions, the State Legislature, and the Judiciary. Direct State Services partially support the operation of the colleges and universities. Public services offered by State government, such as motor vehicle inspections, testing laboratories, social services, legal services, State Police services, and the operation of prisons, psychiatric hospitals, and developmental disability centers are included in this grouping as well.

Grants-in-Aid represent programs and services provided to the public on behalf of the State by a third party provider. Grants-in-Aid payments are made to individuals and public or private agencies for benefits to which a recipient is entitled by law, or for the provision of services on behalf of the State. These payments include the Homestead Rebate program and the Medicaid program, which reimburses hospitals, nursing homes, and physicians for services rendered to the State's needy population. Community programs for the developmentally disabled, pharmaceutical assistance to the aged and disabled, Lifeline utility credits to senior citizens, financial aid grants to college students, and bus and railroad subsidies to New Jersey Transit are programs which also are included under the Grants-in-Aid umbrella.

Debt Service represents payments of interest and principal on capital projects funded through the sale of State General Obligation Bonds. Projects that have been funded through State General Obligation Bonds include prisons, bridges, roads, human services facilities, and various environmental protection projects.

Capital Construction represents pay-as you-go allocations for various construction projects. Included in this expenditure category is the appropriation to the Transportation Trust Fund Authority.

EXPENDITURE COMPARISONS

<u>Expenditure Category (\$000)</u>	<u>Fiscal Year 1997</u>	<u>Fiscal Year 1996</u>	<u>Increase/Decrease Amount</u>
State Aid	\$ 6,336,564	\$ 6,336,997	\$ (433)
Direct State Services	5,125,821	5,403,975	(278,154)
Grants-in-Aid	4,053,380	3,792,895	260,485
Debt Service	446,901	453,352	(6,451)
Capital Construction	373,318	275,477	97,841
	<u>\$ 16,335,984</u>	<u>\$ 16,262,696</u>	<u>\$ 73,288</u>

Fiscal Year 1997 Expenditures

Fiscal Year 1997 expenditures of \$16.3 billion are \$73.3 million more than the expenditures of the prior fiscal year.

State Aid represented 38.8 percent of total Fiscal Year 1997 expenditures. State Aid includes aid to public schools, teachers' pensions and social security costs, municipal aid for over 14 different programs, reimbursement to counties for welfare programs, and other miscellaneous programs.

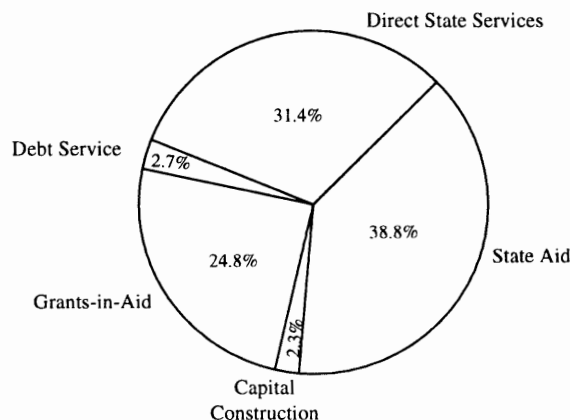
Direct State Services accounted for 31.4 percent of total Fiscal Year 1997 expenditures. Direct State Services expenditures decreased between Fiscal Year 1997 and Fiscal Year 1996 by \$278.2 million. This amount includes a \$138.3 million decrease in expenditures for employee benefits.

Grants-in-Aid accounted for 24.8 percent of total Fiscal Year 1997 expenditures. This is a \$260.5 million increase from the prior fiscal year. The largest increase in Grants-in-Aid expenditures was for the Department of Health and Senior Services which includes medical services provided under the Medicaid program, pharmaceutical assistance to the aged and disabled, and the Lifeline Program for senior citizens previously administered by the Department of Human Services.

Debt Service represented 2.7 percent of total Fiscal Year 1997 expenditures. Debt Service expenditures decreased by \$6.5 million.

Capital Construction represented 2.3 percent of total Fiscal Year 1997 expenditures. Construction for capital projects grew by \$97.8 million as compared to the prior fiscal year. The primary areas of focus for these increases centered on transportation and environmental projects.

PERCENTAGE OF FISCAL YEAR 1997 EXPENDITURES BY MAJOR EXPENDITURE CATEGORY



EXPENDITURE DOLLAR Fiscal Year 1997

State Aid	38.8%
Direct State Services	31.4
Grants-in-Aid	24.8
Debt Service	2.7
Capital Construction	<u>2.3</u>
Total	<u>100.0%</u>

The following table details expenditures by department for Fiscal Year 1997:

**EXPENDITURES BY DEPARTMENT
STATE FUNDS
(Thousands of Dollars)**

Department	State Aid	Direct State Services	Grants In-Aid	Debt Service	Capital Construction	Total
Legislative	\$ --	\$ 55,839	\$ --	\$ --	\$ 1,150	\$ 56,989
Executive	--	5,103	--	--	--	5,103
Judicial	--	357,265	--	--	--	357,265
Agriculture	--	9,064	4,162	--	--	13,226
Banking & Insurance	--	37,638	--	--	--	37,638
Commerce & Economic Dev.	5,507	24,790	16,282	5,796	--	52,375
Community Affairs	841,857	27,196	40,855	--	--	909,908
Corrections	--	627,301	127,903	--	14,672	769,876
Education	4,813,311	32,857	9,696	--	1,489	4,857,353
Environmental Protection	7,794	188,277	624	100,480	19,616	316,791
Health	20,566	48,451	989,322	--	318	1,058,657
Human Services	417,362	585,172	2,047,650	--	4,424	3,054,608
Labor	--	68,636	19,101	--	--	87,737
Law & Public Safety	3,075	399,714	7,182	--	7,333	417,304
Military & Veterans' Affairs	--	54,951	978	--	1,256	57,185
Personnel	--	27,127	--	--	--	27,127
State & Public Defender	13,984	776,525	47,641	--	4,851	843,001
Transportation	21,107	180,967	219,918	--	304,649	726,641
Treasury	192,001	247,841	522,066	340,625	7,295	1,309,828
Miscellaneous	--	2,043	--	--	2	2,045
Inter-Departmental	--	1,369,064	--	--	6,263	1,375,327
Total	\$ 6,336,564	\$ 5,125,821	\$ 4,053,380	\$ 446,901	\$ 373,318	\$ 16,335,984

FUND BALANCES

The State ended Fiscal Year 1997 with an undesignated fund balance of \$1.1 billion for the major governmental funds. The Surplus Revenue Fund is used to account for revenues reserved for appropriation, a) in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act or, b) in the event that the State Legislature finds that an appropriation from this fund is preferable to raising revenue through a modification of the tax structure. The Surplus Revenue Fund was established by P.L. 1990, c. 44. The significant increase in the Surplus Revenue Fund was the result of revenues realized in excess of the Appropriation Act anticipation. The following table presents a comparison of the components of the undesignated fund balances at the end of Fiscal Year 1997 and Fiscal Year 1996:

<u>Fund</u>	<u>Fiscal Year</u> <u>1997</u>	<u>Fiscal Year</u> <u>1996</u>	<u>Increase/Decrease</u>
General Fund	\$ 280,576,653	\$ 441,983,394	\$ (161,406,741)
Surplus Revenue Fund	388,377,360	272,315,911	116,061,449
Property Tax Relief Fund	439,041,694	152,913,044	286,128,650
Casino Revenue Fund	--	12,828,028	(12,828,028)
Total	<u>\$ 1,107,995,707</u>	<u>\$ 880,040,377</u>	<u>\$ 227,955,330</u>

Fiscal Year 1998 Revenue Projections

The Fiscal Year 1998 revenue projections are based on estimates of moderate overall economic growth. Total resources are projected at \$17.3 billion. Included in the Gross Income Tax forecast is a deduction for residential property taxes paid by homeowners and tenants, and a refundable tax credit for property taxpayers. Effective January 1, 1997, 75 percent of a homeowner's, tenant's, or property taxpayer's property taxes, not in excess of \$7,500, can be deducted. The Fiscal Year 1998 Corporation Business Tax forecast provides for changes in the rate for S Corporations to two percent, or one-half percent for S Corporations with \$100,000 or less of annual income. The State's three major taxes are expected to comprise 63.0 percent of the Fiscal Year 1998's total resources and 67.0 percent of total revenue.

Fiscal Year 1998 Appropriations

The total Fiscal Year 1998 appropriation is \$16.8 billion. Of the \$16.8 billion appropriated in Fiscal Year 1998 from the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund and the Gubernatorial Elections Fund, \$6.8 billion (40.5%) is appropriated for State Aid to Local Governments, \$3.9 billion (23.2%) is appropriated for Grants-in-Aid, \$5.1 billion (30.3%) for Direct State Services, \$0.5 billion (3.0%) for Debt Service on State General Obligation Bonds, and \$0.5 billion (3.0%) for Capital Construction.

State Aid represents the largest portion of Fiscal Year 1998 appropriations. In Fiscal Year 1998, \$6.8 billion will be distributed to municipalities, counties, and school districts. Major State Aid programs are: Aid to School Districts (\$5,308.0 million), Unrestricted Aid to Municipalities and Counties (\$819.8 million), Aid to Municipalities and Counties for Human Services programs (\$416.4 million), and Aid to County Colleges (\$140.1 million).

Direct State Services represent the second largest portion of the State's Fiscal Year 1998 appropriation. In Fiscal Year 1998, \$5.1 billion has been appropriated. These funds support the operating costs of the Executive Departments, the Judiciary and the State Legislature. The largest appropriations are for the following departments: State Higher Education Institutions (\$754.5 million), Human Services (\$628.3 million), Corrections (\$651.6 million), and Law and Public Safety (\$339.2 million).

The Grants-in-Aid total Fiscal Year 1998 appropriation is \$3.9 billion. These funds are distributed to individuals, public agencies, or private agencies as direct benefits or to provide services. The largest grants-in-aid programs are: Human Services programs (\$1,939.8 million), Health and Senior Services programs (\$941.9 million), Homestead Rebates (\$325.0 million), Public Transportation (\$165.9 million) and Higher Education (\$271.2 million).

Debt Service for General Obligation Bonds is \$0.5 billion. This amount reflects the cost of financing various infrastructure and environmental projects that have been approved through prior voter referenda.

Capital Construction appropriations for Fiscal Year 1998 total \$0.5 billion. Of this amount, \$380.3 million is the appropriation to the New Jersey Transportation Trust Fund Authority. This amount represents an increase of \$75.8 million over the prior fiscal year. Appropriations totaling \$66.8 million for environmental projects represent the four percent State Constitutional dedication of the Corporation Business Tax.

SERVICE EFFORTS AND ACCOMPLISHMENTS

The following sections highlight various service efforts and accomplishments the State has achieved during Fiscal Year 1997 as well as some of the goals the State hopes to achieve for Fiscal Year 1998.

Fiscal Year 1997

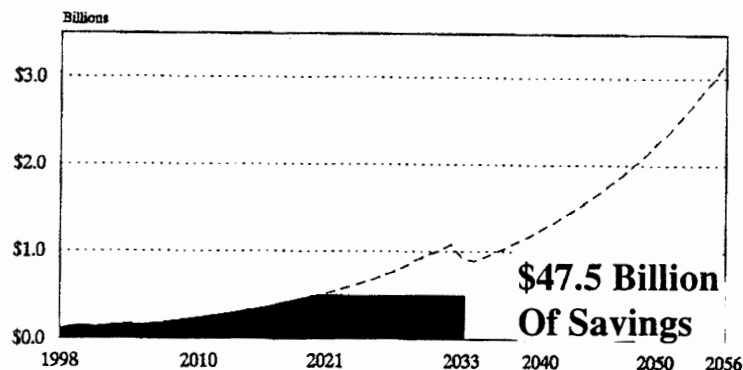
As part of the Fiscal Year 1997 Budget, the State enacted several policies which affected the State's Gross Income Tax and Corporation Business Tax. For the Gross Income Tax, a deduction for residential property taxes paid by homeowners and tenants was enacted. For property taxpayers, a refundable tax credit has been provided. Effective January 1, 1996, 50 percent of a homeowner, tenant, or property taxpayer's property taxes, not in excess of \$5,000, can be deducted. Effective January 1, 1997, 75 percent of a homeowner, tenant or property taxpayer's property taxes, not in excess of \$7,500, can be deducted. A reduction in the Corporation Business Tax rate from 9.0 percent to 7.5 percent became effective for those corporations that have net income of \$100,000 or less. Also effective July 1, 1996, a corporation's sales became double weighted in calculating receipt factors in determining a multi-state corporation's New Jersey State Corporation Business Tax liability.

During June 1997, the Pension Security Plan was passed which enacted various reform measures involving seven of the State's pension fund systems and the Local Government's unfunded pension liability of the Public Employees' and the Police and Firemen's Retirement Systems. A major provision involves fully funding the State's unfunded pension liability of \$3.2 billion and the projected unfunded liability of \$1.0 billion by bringing the assets to full market value, recognizing surplus assets within the normal contribution accounts and issuing \$2.75 billion of pension obligation bonds to refinance the remaining State's liability at interest rates below the pension systems' actuarially assumed rate. Prior pension policy called for the amortization of the State's unfunded liability to occur through Fiscal Year 2056 at a cost of \$57.8 billion. The amortization of the pension obligation bonds occurs through Fiscal Year 2029 at a cost of \$10.3 billion. Therefore, future taxpayers may reap savings of \$47.5 billion from Fiscal Year 2030 through Fiscal Year 2056.

Another measure in the Pension Security Plan involves the reallocation of surplus assets within the pension systems to offset the State's normal contribution for Fiscal Years 1997 and 1998. This cost avoidance enables the State to realize \$601 million in savings and the local governmental entities participating in the Public Employees' and the Police and Firemen's Retirement Systems to reap \$107 million in savings. The Pension Security Plan also allows the State to reap budgetary savings in future years should investment gains exceed actuarial assumptions.

Other Pension Security Plan provisions benefit the members directly. During Calendar Years 1998 and 1999, Public Employees' Retirement System and Teachers' Pension and Annuity Fund members will have their contributions reduced by 1/2 of 1 percent with future reductions possible.

Enhanced Savings Structure



- Adds \$25 million from FY 1999 - FY 2004 which lowers the overall payments
- \$505 million level payments from FY 2021 - FY 2033
- Total Debt Service = \$12.3 billion

Beginning in Fiscal Year 1997, the Governor and the State Legislature have enacted a coherent, comprehensive policy to help the State's 1.4 million senior citizens attain the highest level of dignity and independence by consolidating all programs for older adults into the Department of Health and Senior Services. Services such as housing assistance, Medicaid, and nursing home information were provided for individually, through the Departments of Community Affairs, Human Services, and Health, respectively. Through the new Department of Health and Senior Services, all programs for seniors are coordinated so that more informed choices can be made for long-term care. As part of this program, the State is coordinating its efforts with counties and municipalities to create a new way of delivering these types of services at the local level.

To alleviate overcrowding in State prisons and county jails, the Southwoods Prison Project was initiated in an effort to add 3,000 beds to the State prison system. The Southwoods Prison Project comprises the construction of a 1,355,000 square foot medium security prison, including a poultry processing plant and a central kitchen which will service prison facilities throughout the State. Construction of Phase I, which includes the first 1,000 beds and various administrative buildings, was completed on May 16, 1997 for beneficial use and occupancy. Phase IIA, which includes the second 1,000 beds is expected to be completed during late 1997. The final stage of the project, Phase II, is expected to be completed by March 13, 1998.

On November 5, 1996, the voters of the State, through voter referendum, amended the New Jersey Constitution to provide that an amount equivalent to 4.0 percent of the revenue annually derived from the Corporation Business Tax be deposited in a special account for appropriation for the following purposes and in the following manner: 1) a minimum of 1/2 for funding State costs relating to hazardous discharge remediations; 2) a minimum of 1/3, dedicated until December 31, 2008, for funding loans and grants for underground storage tank upgrades and replacements; and 3) a minimum of 1/6 or \$5.0 million, whichever is less, for funding costs related to water quality monitoring, watershed planning, and nonpoint source water pollution prevention. This resulted in \$31.9 million being dedicated from the Corporation Business Tax revenues for Fiscal Year 1997. The appropriation for the fiscal year 1998 dedication is \$62.4 million.

In an effort to streamline State government services, the Department of Banking has merged with the Department of Insurance. This restructure combines common functions of administration, licensing, examinations, and complaint investigations into a single, integrated department. The new Department of Banking and Insurance reduces the number of State departments to sixteen. The maximum amount of State departments permitted under the New Jersey Constitution is nineteen.

During April 1997, the New Jersey Transit Corporation issued \$347.7 million in Capital Grant Anticipation Notes in order to fund the Phase I construction of a north-south mass transit system along the west side of the Hudson River to be known as the Hudson-Bergen Light Rail Transit System. Under the terms of a design, build, operate and maintain agreement that the New Jersey Transit Corporation entered into, construction on the project is expected to be completed by March 1, 2000. The Notes are expected to be paid through receipts received under a Grant Agreement between the New Jersey Transit Corporation and the Federal Government. The New Jersey Transit Corporation has also entered into a Standby Deficiency Agreement with the New Jersey Transportation Trust Fund Authority in order to provide further security for the noteholders.

In an effort to meet its customers needs, the New Jersey State Lottery implemented an option of either a lump sum award or a 20 year annuity payment plan for winners of large cash prizes. Historically, the State Lottery provided only 20 year annuity payments for its customers. The ability to select a lump sum payment as an award is seen as a customer service initiative that will spur interest from new players for the State Lottery's large cash drawings. Future General Fund revenues are expected to be positively impacted as this measure becomes more widely known.

Fiscal Year 1998

Fiscal Year 1998 will represent the first full fiscal year in which welfare reform measures under the Work First New Jersey Program were enacted. The Work First New Jersey Program consolidated and replaced various Department of Human Services programs such as aid to families with dependent children, emergency assistance, General Assistance, and the Family Development Initiative. Basic eligibility requirements, income and resource eligibility levels, time limits on benefits, and pilot and demonstration projects have been statutorily enacted under the auspices of the Commissioner of Human Services for the Work First New Jersey Program. The current overall gross cost of the programs now under Work First New Jersey Program totals approximately \$1.3 billion. The State expects that the funding level for these programs will remain at \$1.3 billion for the next several fiscal years. The enactment and the funding of the Work First New Jersey Program allows New Jersey to comply with new federal mandates and qualifies the State for the Federal Temporary Assistance to Needy Families Block Grant in the amount of \$404 million annually. This amount is approximately \$50 million to \$60 million more than the State recently received under its existing program.

Under its Fiscal Year 1995 reauthorization, the New Jersey Transportation Trust Fund Authority budgeted debt service on the bonds that it issues at a rate between 7.20 percent and 8.50 percent. Since then, favorable variances have occurred which have resulted in significant debt service savings. Bonds that the New Jersey Transportation Trust Fund Authority issued have a weighted average cost of capital of 5.47 percent. The Department of Transportation, with the consent of the State Legislature, plans to utilize these savings by increasing its Fiscal Year 1998 capital program by \$200 million. This one-time initiative will be achieved without reducing the Transportation Trust Fund Authority's capital program in future years, increasing its statutory debt limit, or requiring any additional State appropriations. The \$200 million increase in its capital program is expected to create 7,600 jobs for the State's economy.

In an effort to curb or actually reduce the rate of growth in automobile insurance rates, several initiatives have been enacted. Strategies to reduce short-term costs involve eliminating unnecessary medical expenses, while strategies to reduce long-term costs involve attacking pervasive fraud, promoting a market fairer to consumers by eliminating automobile insurance surcharges and automatic rate increases, restricting arbitrary nonrenewals of good drivers and promoting market access in underserved urban areas called automobile insurance urban enterprise zones. The Department of Banking and Insurance has added 50 additional insurance fraud investigators. For Fiscal Year 1998, a total of \$2.25 million has been appropriated for these purposes.

As a result of recent regulatory developments at the State and Federal level, legislation has been enacted to begin the transition of utilities into a competitive, free market environment. The manner in which energy producers conduct business in New Jersey and the way consumers buy and consume energy products in the State is expected to be altered dramatically. The legislation addresses the need to restructure energy taxation rates so that the continual erosion of tax revenue for annual distribution to municipalities and the State's General Fund is prevented. In its place, electric, gas and telecommunications utilities will be subject to the State's Corporation Business Tax. The State's existing Sales and Use Tax, with certain exceptions, will be applied to retail sales of electric and natural gas, and a transitional energy facility assessment will be applied for a limited time on electric and gas utilities. The assessment will be phased out over a five year period. Under companion legislation, municipalities will be guaranteed an annual State Aid distribution of at least \$740 million from these replacement revenues. This amount reflects an increase from the \$685 million base under the old legislation, which has been supplemented in recent years by excess revenue.

State School Aid to local districts in Fiscal Year 1997 totaled \$4.870 billion; this included \$4.203 billion in direct aid and an additional \$667 million in aid to local districts for the employers' share of teachers' pensions and social security payments. Fiscal Year 1997 was significant in that it marked the last year in which funding was provided to local districts under the revised version of the Quality Education Act. The key item of funding was Foundation Aid totaling \$2.722 billion which was distributed based on a measure of local districts property wealth and per capita income. Foundation Aid represented approximately 65 percent of the aid amount distributed in Fiscal Year 1997.

Fiscal Year 1998 marks the implementation of a new school funding formula specified by the Comprehensive Education Improvement and Financing Act of 1996. State School Aid will total \$5.308 billion, a net increase of nearly \$438 million. This new funding will be directed toward a new focus in education - the implementation of Core Curriculum Standards, a methodology that will guarantee that all public school students will learn the same basic educational components. Foundation Aid will be replaced by Core Curriculum Standards Aid which will be geared to support the newly adopted core curriculum standards which include seven areas of measurable, grade-appropriate levels of accomplishment: Language Arts/Literacy, Mathematics, Science, Social Studies, Visual and Performing Arts, Physical and Mental Health Education, and World Languages.

The net increase of \$438 million in the State School Aid appropriation for Fiscal Year 1998, includes significant funding for new initiatives including \$288 million for Early Childhood Education, \$175 million for Demonstrably Effective Programs, and \$50 million for the beginning of a statewide Distance Learning Network. On May 14, 1997, the State Supreme Court ruled that the new school funding law did not provide sufficient funding for the plaintiffs in the Abbott v. Burke case. As a result, an additional \$246 million was added to the Budget to provide additional parity aid to these districts.

COMPONENT UNITS

The component units include the accounts of the various public authorities, colleges, and universities. These authorities are legally separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage the component units. Each component unit is established for a specific purpose for the benefit of the State's citizenry, such as economic development, public transportation, subsidized housing, environmental protection, and capital development for health and education purposes.

Authorities

Hackensack Meadowlands Development Commission
New Jersey Development Authority For Small Business, Minorities
And Women's Enterprise
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Higher Education Assistance Authority - NJ Class
New Jersey Highway Authority
New Jersey Housing And Mortgage Finance Agency
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Turnpike Authority
New Jersey Wastewater Treatment Trust
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority

Colleges And Universities

The College of New Jersey
Thomas A. Edison State College
Jersey City State College
Kean College of New Jersey
Montclair State University
New Jersey Institute of Technology
The William Paterson University of New Jersey
Ramapo College of New Jersey
Rowan University
Rutgers, The State University
Richard Stockton College of New Jersey
University of Medicine And Dentistry of New Jersey

Combined operating revenues and expenses for the State's authorities amounted to \$2.5 billion and \$3.0 billion, respectively, for Fiscal Year 1997. Total operations along with other financing sources and uses contributed to a total combined fund balance at fiscal year end of \$2.7 billion.

For Fiscal Year 1997, combined revenues for the state colleges and universities were \$2.4 billion. Combined expenditures totaled \$3.1 billion. Total operations along with other financing sources and uses contributed to a total combined fund balance at fiscal year end of \$3.0 billion.

GENERAL FIXED ASSETS

The general fixed assets of the State are used in the performance of general governmental functions and exclude the fixed assets of the component units. As of June 30, 1997, the general fixed assets of the State amounted to \$2.4 billion. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting primarily of highways, roads, and bridges, are not recorded in the general fixed assets.

DEBT ADMINISTRATION

As of June 30, 1997, outstanding General Obligation Debt totaled \$3.4 billion. General Obligation Debt must be approved by voter referendum and is used primarily to finance various environmental projects, transportation infrastructure, and correctional and institutional construction.

The State's Master Lease Program is used primarily to finance various departmental equipment needs at tax-exempt rates by issuing Certificates of Participation. Beginning in Fiscal Year 1996 the State modified the Master Lease Program and began using a line of credit as the preferred method of financing various departmental equipment needs. As of June 30, 1997, outstanding Certificates of Participation totaled \$16.3 million and the State's outstanding balance on its line of credit totaled \$21.8 million.

The State first began issuing Tax and Revenue Anticipation Notes during Fiscal Year 1992, in order to provide effective cash flow management of imbalances which occur in the timing of collections and disbursements of State revenues and expenditures. The State Treasurer is authorized to issue these types of instruments without constituting a general obligation of the State, or a debt, or a liability within the meaning of the State Constitution. All short-term notes that are issued must be retired within twelve months of their issuance date. The State has issued and retired short-term notes in prior fiscal years that have ranged from a high of \$1.800 billion in Fiscal Year 1992 to a low of \$450 million in Fiscal Year 1996. Beginning in Fiscal Year 1996, the State began issuing commercial paper as the sole instrument for meeting its cash flow needs. During Fiscal Year 1997, the State issued \$600 million in commercial paper. The entire amount was retired on June 13, 1997.

The State funds its capital appropriations by authorizing the issuance of long-term bonds. The following table sets forth the trend of the State's tax-supported long-term indebtedness for the last five years:

LONG TERM DEBT
(Amount in Billions)

<u>Fiscal Year</u>	<u>Authorized- Unissued</u>	<u>Principal Amount of Outstanding Long-Term Debt</u>
1997	\$ 1.9	\$ 3.4
1996	1.6	3.7
1995	1.5	3.6
1994	1.4	3.6
1993	1.4	3.6

As of June 30, 1997, Standard and Poor's Corporation, Moody's Investors Service and Fitch Investors Service rate the State's long-term general obligation debt AA+, Aa1 and AA+, respectively. The State's Certificates of Participation are rated AA- by Standard and Poor's and A1 by Moody's.

CASH MANAGEMENT

The State's Division of Investments was created by law in 1950 in order to centralize all functions relating to the purchases, sales, or exchanges of securities for the State's diverse funds under experienced and professional management. The statute provides investment authority to the State Investment Council and to the Director of the Division. The State Treasurer appoints the Director from a field of candidates selected by the State Investment Council. The role of the State Investment Council is to formulate investment policies and procedures to be followed by the Director. State legislation provides that the State Investment Council may issue regulations which specifically approve and authorize any form of investment. The State Investment Council has taken the position that the Division of Investments is bound by law to make prudent investments for the sole and direct financial benefit of the beneficiaries of the various funds under its supervision, and that the Division of Investments may not make any concession as to the rate, risk or terms which would benefit any other party at the expense of the beneficiaries of the funds.

Unused cash is invested primarily in the New Jersey Cash Management Fund. The fund provides the State, its authorities and agencies, local municipalities, and school districts with a vehicle for short-term investment. For the Fiscal Year ended June 30, 1997, the New Jersey Cash Management Fund's average daily annualized rate of return for participating state accounts was 5.5 percent. For "Other-than-State" participants the average daily annualized rate of return, which includes charges for administrative and operating expenses, was 5.3 percent for the Fiscal Year ended June 30, 1997.

RISK MANAGEMENT

New Jersey's risk management function is performed within the Department of the Treasury and operates to reduce the adverse impact of catastrophic loss on State operations and budgets through a combination of risk management and loss prevention techniques. The Office of Risk Management administers claims against the State and its employees under the Tort Claims Act, Workers Compensation statute, and various Federal laws, as well as claims on behalf of the State against others responsible for damage to the State, its employees, and its property.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the legislative office of the State Auditor. Their examination was conducted in accordance with generally accepted auditing standards and their opinion precedes the General Purpose Financial Statements. Outside public accounting firms have been used for the audits of separately issued component unit and college and university fund financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of the various State agencies. This audit received an unqualified opinion for all funds contained in this Comprehensive Annual Financial Report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the year ended June 30, 1996.

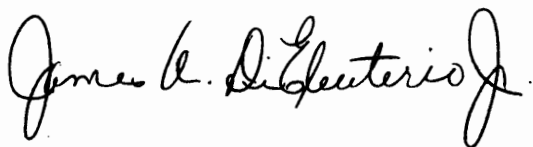
In order to qualify for the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report continues to conform with the Certificate of Achievement Program requirements.

ACKNOWLEDGMENTS

Finally, we would like to express our appreciation to the many people in the Office of Management and Budget and the Office of the State Auditor whose dedicated efforts made possible the preparation of this report. We believe that their combined efforts have produced a report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the State's financial condition.

Sincerely,



James A. DiEleuterio, Jr.
State Treasurer



Elizabeth L. Pugh
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
New Jersey

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1996

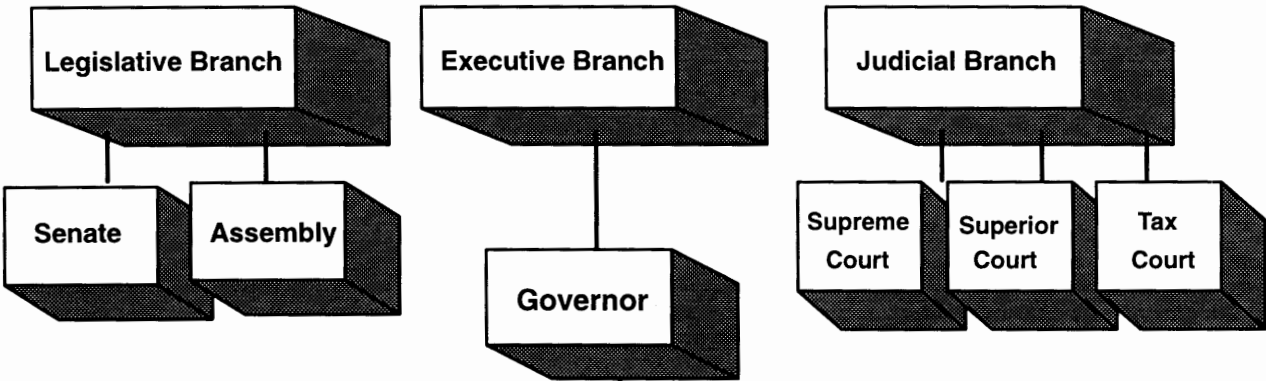
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



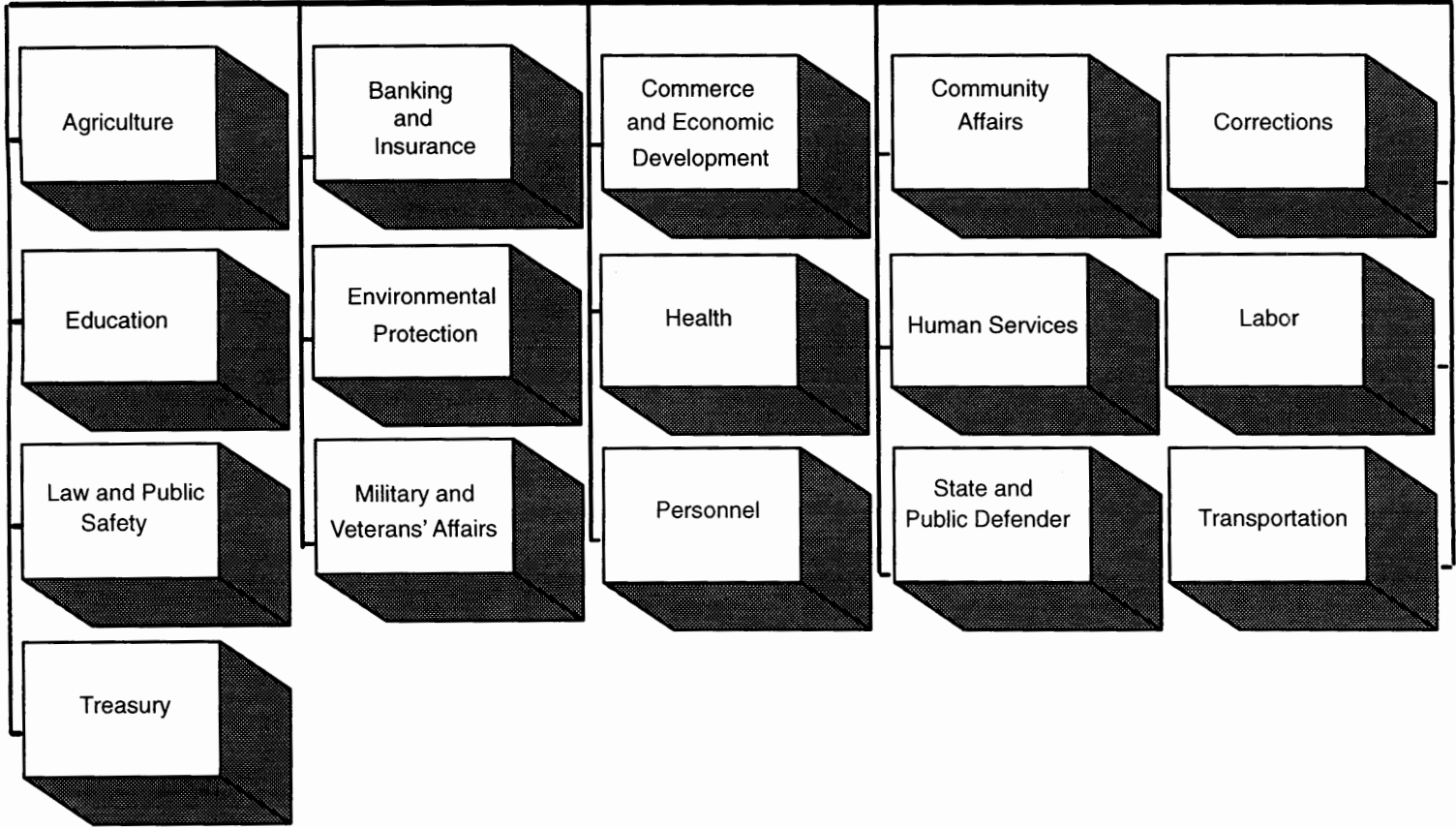
Linda K. Savitsky
President

Jeffrey L. Esser
Executive Director

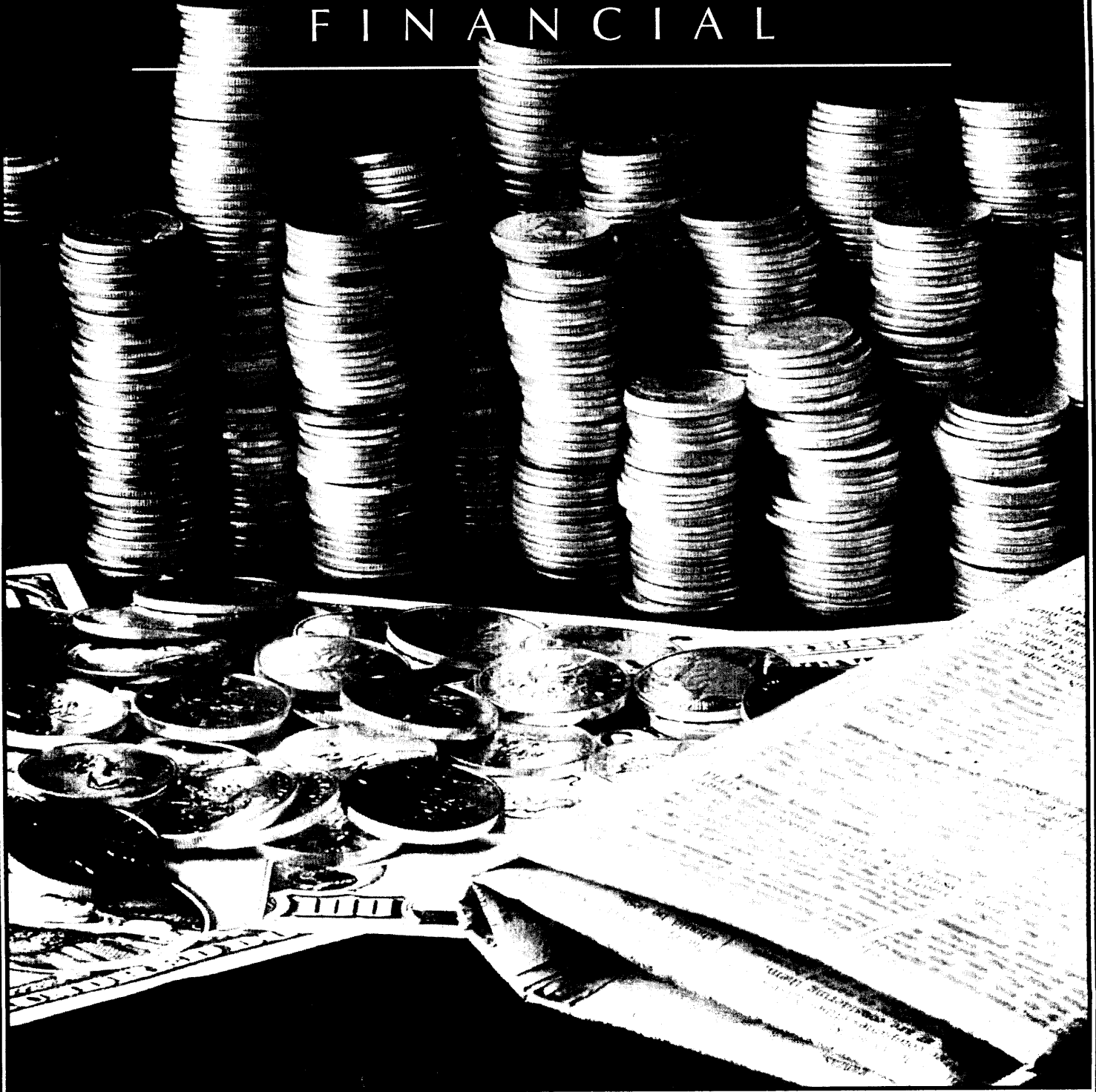
ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



Departments



FINANCIAL



LEGISLATIVE
SERVICES COMMISSION

SENATOR
DONALD T. DiFRANCESCO
Chairman

ASSEMBLYMAN
JACK COLLINS
Vice-Chairman

SENATE

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JOHN O. BENNETT
GERALD CARDINALE
RICHARD J. CODEY
WYNONA M. LIPMAN
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JOHN A. LYNCH

GENERAL ASSEMBLY

CHRISTOPHER "KIP" BATEMAN
JOSEPH CHARLES, JR.
PAUL DIGAETANO
JOSEPH V. DORIA, JR.
NICHOLAS R. FELICE
NIA H. GILL
LORETTA WEINBERG



New Jersey State Legislature

OFFICE OF LEGISLATIVE SERVICES

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ALBERT PORRONI
Executive Director
(609) 292-4625

The Honorable Christine Todd Whitman
Governor of New Jersey

The Honorable Donald T. DiFrancesco
President of the Senate

The Honorable Jack Collins
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the State of New Jersey as of and for the year ended June 30, 1997, as listed in the table of contents - financial section. These general purpose financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Component Units - Authorities and College and University Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Component Units - Authorities and College and University Funds, is based upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material

misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New Jersey as of June 30, 1997, and the results of its operations and cash flows of the nonexpendable trust fund and the proprietary fund type authorities for the year then ended in conformity with generally accepted accounting principles.

As discussed more fully in note 2(a), the State adopted Statement 25 "Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and Statement 27 "Accounting for Pensions by State and Local Government Employers" of the Government Accounting Standards Board during the year ended June 30, 1997. Also, as described in note 1(g), participation in the Cash Management Fund Investment Program and the Common Pension Trust Fund Program is reflected as investments in the balance sheets of participating funds.

In accordance with Government Auditing Standards, we have also issued a report dated November 7, 1997 on our consideration of the State of New Jersey's internal control structure and a report dated November 7, 1997 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group 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. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory section and the statistical section listed in the aforementioned table of contents have not been audited by us and, accordingly, we do not express an opinion on them.



Richard L. Fair
State Auditor

November 7, 1997

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

**STATE OF NEW JERSEY
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 1997**

GOVERNMENTAL FUND TYPES

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
ASSETS AND OTHER DEBITS				
CASH AND CASH EQUIVALENTS	\$ 46,919,739	\$ 15,861,554	\$ --	\$ 248,255
INVESTMENTS	1,547,475,019	1,531,766,391	16,113,023	45,824,442
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES				
Federal government	465,017,284	1,874,103	--	102,827,495
Departmental accounts	957,039,636	397,812,972	--	50,719,634
Loans	2,235,029	852,207,299	--	--
Mortgages	--	--	--	--
Other	198,615,583	49,238,010	--	60,378
FIXED ASSETS, NET	--	--	--	--
OTHER ASSETS				
Due from other funds	403,761,147	618,750,595	40,198,405	6,888,682
Due from intergovernmental agencies	--	--	--	--
Deferred charges	2,940,000	15,722,759	--	--
Other	129,215,935	2,167,122	4,594,777	--
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	--	--	--	--
AMOUNT AVAILABLE IN DEBT SERVICE FUND	--	--	--	--
Total Assets and Other Debits	<u>\$ 3,753,219,372</u>	<u>\$ 3,485,400,805</u>	<u>\$ 60,906,205</u>	<u>\$ 206,568,886</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,093,261,092	\$ 300,655,288	\$ 4,594,777	\$ 93,619,611
Deferred revenue	487,050,862	30,615,388	--	--
Due to other funds	445,061,789	540,434,071	--	85,691,878
Due to intergovernmental agencies	--	--	--	--
Other	74,304,291	52,957,517	--	88,531
Matured interest payable	--	--	5,781,543	--
Deferred compensation payable	--	--	--	--
General obligation bonds payable	--	--	--	--
Revenue bonds payable	--	--	--	--
Notes payable	--	--	--	--
Accumulated sick and vacation payable	--	--	--	--
Capital leases and installment obligations	--	--	--	--
Loans payable	--	--	--	--
Total Liabilities	<u>2,099,678,034</u>	<u>924,662,264</u>	<u>10,376,320</u>	<u>179,400,020</u>
EQUITY AND OTHER CREDITS				
Contributed capital	--	--	--	--
Investment in general fixed assets	--	--	--	--
Cost of investment in facilities	--	--	--	--
Retained earnings:				
Reserved	--	--	--	--
Unreserved	--	--	--	--
Fund balances:				
Reserved-Encumbrances	322,879,548	406,838,268	--	26,252,584
Reserved-Higher educations programs	--	--	--	--
Reserved-Employees' pension benefits	--	--	--	--
Reserved-Surplus revenue	388,377,360	--	--	--
Reserved-Other	71,970,100	1,025,812,538	--	--
Unreserved Designated-Continuing appropriations	589,737,677	398,730,296	--	35,148,458
Unreserved Designated-Debt service	--	--	50,529,885	--
Unreserved Undesignated	280,576,653	729,357,439	--	(34,232,176)
Total Equity and Other Credits	<u>1,653,541,338</u>	<u>2,560,738,541</u>	<u>50,529,885</u>	<u>27,168,866</u>
Total Liabilities, Equity and Other Credits	<u>\$ 3,753,219,372</u>	<u>\$ 3,485,400,805</u>	<u>\$ 60,906,205</u>	<u>\$ 206,568,886</u>

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

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		COMPONENT UNITS	
	Trust And Agency Funds	General Fixed Asset Account Group	General Long-Term Debt Account Group	Authorities
\$ 715,064,083	\$ --	\$ --	\$ 422,639,439	\$ 173,776,837
62,406,488,426	--	--	5,562,492,846	1,132,010,671
2,179,819,791	--	--	--	--
546,579,280	--	--	--	333,502,799
838,115,569	--	--	--	--
--	--	--	6,601,271,067	--
1,813,152,812	--	--	2,662,779,741	--
--	2,444,125,921	--	8,852,208,844	2,909,452,614
99,452,295	--	--	--	9,496,701
--	--	--	3,188,382	--
2,447,515	--	--	52,664,900	--
1,310,490	--	--	417,887,484	54,807,696
--	--	12,965,745,887	5,546,147,712	--
--	--	50,529,885	--	--
<u>\$ 68,602,430,261</u>	<u>\$ 2,444,125,921</u>	<u>\$ 13,016,275,772</u>	<u>\$ 30,121,280,415</u>	<u>\$ 4,613,047,318</u>
\$ 2,046,061,853	\$ --	\$ --	\$ 1,734,986,137	\$ 256,811,767
13,772,133	--	--	233,253,417	135,119,476
97,863,386	--	--	--	9,496,701
--	--	--	3,188,382	--
2,782,966,906	--	--	280,356,766	19,991,629
--	--	--	--	--
585,252,076	--	--	--	1,250,000
--	--	3,437,449,598	--	--
--	--	3,027,114,929	14,078,576,158	936,233,000
--	--	--	451,361,049	2,163,000
--	--	414,210,432	--	--
--	--	5,017,500,813	640,470,771	270,818,942
--	--	1,120,000,000	--	--
<u>5,525,916,354</u>	<u>--</u>	<u>13,016,275,772</u>	<u>17,422,192,680</u>	<u>1,631,884,515</u>
--	--	--	2,966,862,678	--
--	2,444,125,921	--	1,596,826	--
--	--	--	--	1,911,156,464
--	--	--	598,904,972	--
--	--	--	2,679,116,246	--
1,809,338	--	--	--	--
--	--	--	--	592,506,228
59,270,588,986	--	--	--	--
--	--	--	--	--
53,240,556	--	--	4,849,823,625	50,445,433
10,348,214	--	--	--	--
--	--	--	--	--
3,740,526,813	--	--	1,602,783,388	427,054,678
<u>63,076,513,907</u>	<u>2,444,125,921</u>	<u>--</u>	<u>12,699,087,735</u>	<u>2,981,162,803</u>
<u>\$ 68,602,430,261</u>	<u>\$ 2,444,125,921</u>	<u>\$ 13,016,275,772</u>	<u>\$ 30,121,280,415</u>	<u>\$ 4,613,047,318</u>

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	GOVERNMENTAL	
	General Fund	Special Revenue Funds
REVENUES		
Taxes	\$ 7,874,539,897	\$ 5,754,383,421
Federal and other grants	5,093,304,170	46,174,341
Licenses and fees	709,155,069	144,947,559
Services and assessments	1,157,280,964	208,189,845
Investment earnings	45,717,602	95,004,768
Contributions	--	105,912
Other	1,554,436,348	1,681,737,375
Total Revenues	<u>16,434,434,050</u>	<u>7,930,543,221</u>
OTHER FINANCING SOURCES		
Transfers from other funds	1,293,296,499	349,631,191
Proceeds from sale of bonds	--	709,671,841
Pension obligation bonds	2,803,042,499	--
Other	--	160,000,000
Total Other Financing Sources	<u>4,096,338,998</u>	<u>1,219,303,032</u>
Total Revenues and Other Financing Sources	<u>20,530,773,048</u>	<u>9,149,846,253</u>
EXPENDITURES		
Current:		
Public safety and criminal justice	1,777,287,140	64,753,832
Physical and mental health	5,232,911,624	349,368,863
Educational, cultural and intellectual development	3,778,732,495	3,433,368,150
Community development and environmental management	565,496,248	945,444,939
Economic planning, development and security	2,666,251,753	286,848,913
Transportation programs	337,620,226	17,348,131
Government direction, management and control	2,240,554,688	1,619,352,782
Special government services	176,615,078	248,622
Pension obligation refinancing	2,803,042,499	--
Capital Outlay	--	--
Debt Service:		
Principal	--	--
Interest	--	--
Total Expenditures	<u>19,578,511,751</u>	<u>6,716,734,232</u>
OTHER FINANCING USES		
Transfers to other funds	1,325,024,100	2,110,123,057
Total Other Financing Uses	<u>1,325,024,100</u>	<u>2,110,123,057</u>
Total Expenditures and Other Financing Uses	<u>20,903,535,851</u>	<u>8,826,857,289</u>
Net Increase (Decrease) in Fund Balances for the Year	(372,762,803)	322,988,964
FUND BALANCES-JULY 1, 1996	1,757,010,141	2,251,593,577
Residual Equity Transfer In (Out)	269,294,000	(13,844,000)
FUND BALANCES-JUNE 30, 1997	<u>\$ 1,653,541,338</u>	<u>\$ 2,560,738,541</u>

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

FUND TYPES		FIDUCIARY FUND TYPES	COMPONENT UNITS
Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	Authorities
\$ --	\$ --	\$ 1,711,494,627	\$ --
--	571,340,899	83,840,111	25,511,981
--	--	6,174,340	31,892,727
--	--	236,472,567	440,230,306
2,244,688	3,224,443	211,392,935	129,728,089
--	--	704,829,997	--
--	21,217,985	107,722,855	265,381,759
<u>2,244,688</u>	<u>595,783,327</u>	<u>3,061,927,432</u>	<u>892,744,862</u>
601,984,052	785,232,332	539,958,347	--
--	--	--	537,786,406
--	--	--	--
--	--	--	45,778,196
<u>601,984,052</u>	<u>785,232,332</u>	<u>539,958,347</u>	<u>583,564,602</u>
<u>604,228,740</u>	<u>1,381,015,659</u>	<u>3,601,885,779</u>	<u>1,476,309,464</u>
--	--	671,261	--
--	--	--	188,553,000
--	--	62,226,179	329,747,585
--	--	9,686,198	13,387,392
--	--	1,947,737,595	1,727,667
--	--	--	--
--	--	1,178,375,697	--
--	--	--	--
--	--	--	--
--	1,414,905,311	--	--
298,961,000	--	--	213,450,734
332,009,314	--	--	347,665,476
<u>630,970,314</u>	<u>1,414,905,311</u>	<u>3,198,696,930</u>	<u>1,094,531,854</u>
--	3,762,989	131,192,275	--
--	3,762,989	131,192,275	--
<u>630,970,314</u>	<u>1,418,668,300</u>	<u>3,329,889,205</u>	<u>1,094,531,854</u>
(26,741,574)	(37,652,641)	271,996,574	381,777,610
77,271,459	64,821,507	3,788,799,884	6,070,829,403
--	--	(255,450,000)	--
<u>\$ 50,529,885</u>	<u>\$ 27,168,866</u>	<u>\$ 3,805,346,458</u>	<u>\$ 6,452,607,013</u>

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	FIDUCIARY FUND TYPES	COMPONENT UNITS
	Non-expendable Trust	Authorities
OPERATING REVENUES		
Charges for services and sales	\$ --	\$ 1,287,035,756
Interest	--	179,574,000
Investment income	39,218	45,547,000
Other	--	81,468,523
	39,218	1,593,625,279
OPERATING EXPENSES		
Operations	147,366	1,421,136,996
Interest	--	166,444,000
Depreciation and amortization	--	286,056,837
Other	--	17,405,738
	147,366	1,891,043,571
Operating Income(Loss)	(108,148)	(297,418,292)
NONOPERATING REVENUES(EXPENSES)		
Governmental subsidies and grants	--	117,595,479
Capital contributions	--	529,178,295
Interest revenue	--	105,554,030
Interest expense and fiscal charges	--	(322,679,536)
Other	--	13,319,350
	--	442,967,618
Net Income (Loss)	(108,148)	145,549,326
FUND EQUITY - Beginning of Year	686,611	6,099,334,570
FUND EQUITY - End of Year	\$ 578,463	\$ 6,244,883,896

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

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>Central Pension Fund</u>	<u>Consolidated Police And Firemen's Pension Fund</u>	<u>Judicial Retirement System</u>
ADDITIONS			
Contributions:			
Employers	\$ 496,962	\$ 44,133,378	\$ 110,483,753
Members	--	--	1,013,367
Other	25,583	16,857,853	--
Total Contributions	<u>522,545</u>	<u>60,991,231</u>	<u>111,497,120</u>
Investment Income:			
Net appreciation in fair value of investments	--	(156,394)	16,533,260
Interest	5,642	1,389,628	15,491,734
Dividends	--	--	1,620,343
Total Investment Income	<u>5,642</u>	<u>1,233,234</u>	<u>33,645,337</u>
Less: Investment expense	<u>--</u>	<u>15,123</u>	<u>15,557</u>
Net Investment Income	<u>5,642</u>	<u>1,218,111</u>	<u>33,629,780</u>
Total Additions	<u>528,187</u>	<u>62,209,342</u>	<u>145,126,900</u>
DEDUCTIONS			
Benefit payment	472,298	30,221,538	17,496,716
Other	55,889	106,527	1,178,949
Total Deductions	<u>528,187</u>	<u>30,328,065</u>	<u>18,675,665</u>
Net Increase in Plan Assets	<u>--</u>	<u>31,881,277</u>	<u>126,451,235</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - July 1, 1996	<u>--</u>	<u>33,238,657</u>	<u>178,465,374</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - June 30, 1997	<u>\$ --</u>	<u>\$ 65,119,934</u>	<u>\$ 304,916,609</u>

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

Police And Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
\$ 964,953,912	\$ 21,688,219	\$ 315,374,643	\$ 120,308,862
183,222,535	--	412,729,797	10,378,323
--	1,452,073	25,336	37,721
<u>1,148,176,447</u>	<u>23,140,292</u>	<u>728,129,776</u>	<u>130,724,906</u>
907,355,021	--	1,595,109,542	107,049,156
937,493,707	86,160	1,557,835,031	101,778,842
99,555,093	--	166,711,397	10,633,572
<u>1,944,403,821</u>	<u>86,160</u>	<u>3,319,655,970</u>	<u>219,461,570</u>
822,426	1,844	2,959,961	84,309
<u>1,943,581,395</u>	<u>84,316</u>	<u>3,316,696,009</u>	<u>219,377,261</u>
<u>3,091,757,842</u>	<u>23,224,608</u>	<u>4,044,825,785</u>	<u>350,102,167</u>
525,647,989	3,530,615	769,910,698	48,396,302
30,043,819	11,226	218,014,998	1,270,762
<u>555,691,808</u>	<u>3,541,841</u>	<u>987,925,696</u>	<u>49,667,064</u>
2,536,066,034	19,682,767	3,056,900,089	300,435,103
<u>10,564,598,078</u>	<u>1,294,268</u>	<u>16,502,449,118</u>	<u>1,086,497,515</u>
<u>\$ 13,100,664,112</u>	<u>\$ 20,977,035</u>	<u>\$ 19,559,349,207</u>	<u>\$ 1,386,932,618</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS (Continued)
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employers	\$ --	\$ 1,747,001,558	\$ 3,324,441,287
Members	5,873,170	327,980,876	941,198,068
Other	27,722	7,395	18,433,683
Total Contributions	<u>5,900,892</u>	<u>2,074,989,829</u>	<u>4,284,073,038</u>
Investment Income:			
Net appreciation in fair value of investments	38,349,524	1,917,197,676	4,581,437,785
Interest	119,570	1,863,503,238	4,477,703,552
Dividends	3,181,034	197,390,554	479,091,993
Total Investment Income	<u>41,650,128</u>	<u>3,978,091,468</u>	<u>9,538,233,330</u>
Less: Investment expense	<u>--</u>	<u>2,009,347</u>	<u>5,908,567</u>
Net Investment Income	<u>41,650,128</u>	<u>3,976,082,121</u>	<u>9,532,324,763</u>
Total Additions	<u>47,551,020</u>	<u>6,051,071,950</u>	<u>13,816,397,801</u>
DEDUCTIONS			
Benefit payment	18,021,807	881,856,199	2,295,554,162
Other	--	188,467,573	439,149,743
Total Deductions	<u>18,021,807</u>	<u>1,070,323,772</u>	<u>2,734,703,905</u>
Net Increase in Plan Assets	<u>29,529,213</u>	<u>4,980,748,178</u>	<u>11,081,693,896</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - July 1, 1996	<u>147,861,759</u>	<u>19,674,490,321</u>	<u>48,188,895,090</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS - June 30, 1997	<u>\$ 177,390,972</u>	<u>\$ 24,655,238,499</u>	<u>\$ 59,270,588,986</u>

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

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**STATE OF NEW JERSEY
COMBINED STATEMENT OF CASH FLOWS
NON-EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	FIDUCIARY FUND TYPES	COMPONENT UNITS
	Non-expendable Trust	Authorities
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (Loss)	\$ (108,148)	\$ (297,418,292)
Adjustments to reconcile net income (Loss) to net cash provided by operating activities:		
Depreciation and amortization	--	286,056,837
Changes in operating assets:		
Decrease (increase) in mortgage receivables	--	(83,020,000)
Decrease (increase) in other receivables	1,283	(90,217,885)
Decrease (increase) in due from other funds	231,712	--
Decrease (increase) in due from intergovernmental agencies	--	4,743,771
Decrease (increase) in deferred charges	--	(7,769,414)
Decrease (increase) in other assets	--	(2,556,864)
Changes in operating liabilities:		
Increase (decrease) in accounts payable and accrued expenses	--	77,437,812
Increase (decrease) in deferred revenue	--	30,449,192
Increase (decrease) in due to intergovernmental agencies	--	(4,743,771)
Increase (decrease) in other liabilities	--	30,145,167
Other changes	--	13,319,350
Net cash provided by (used in) operating activities	124,847	(43,574,097)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Governmental subsidies and grants	--	117,595,479
Net cash provided by (used in) noncapital financing activities	--	117,595,479
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:		
Capital contributions received	--	529,178,295
Proceeds from issuance of revenue bonds	--	475,763,120
Proceeds from issuance of notes	--	395,741,216
Principal payment of revenue bonds	--	(275,134,219)
Principal payment of capital leases	--	(18,712,159)
Principal payment of notes	--	(2,000,000)
Interest expense paid	--	(322,679,536)
Acquisition/construction of capital assets	--	(493,957,481)
Disposition (acquisition) of fixed assets	--	(47,686,226)
Net cash provided by (used in) capital and related financing activities	--	240,513,010
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	--	708,511,547
Purchase of investments	--	(1,178,558,282)
Interest revenue received	--	105,554,030
Net cash provided by (used in) investing activities	--	(364,492,705)
Increase (Decrease) in cash and Cash Equivalents	124,847	(49,958,313)
CASH AND CASH EQUIVALENTS, At Beginning of Year	366	169,736,980
CASH AND CASH EQUIVALENTS, At End of Year	\$ 125,213	\$ 119,778,667

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

**STATE OF NEW JERSEY
 COMBINED STATEMENT OF CASH FLOWS
 NON-EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

RECONCILIATION TO COMBINED BALANCE SHEET - CASH AND CASH EQUIVALENTS

FIDUCIARY FUND TYPES

Cash per Combined Balance Sheet		\$	715,064,083
Less: Fund types not requiring cash flow statements			
Expendable Trust Funds	\$		3,395,082
Pension Trust Funds			471,474
Agency Funds			<u>711,197,305</u>
Non-cash flow statement cash			<u>715,063,861</u>
Non-expendable Cash and Cash Equivalents		\$	<u>222</u>

COMPONENT UNITS

Cash per Combined Balance Sheet		\$	422,639,439
Less: Component Units not requiring cash flow statements			
Governmental Funds			<u>302,860,772</u>
Proprietary Cash and Cash Equivalents		\$	<u>119,778,667</u>

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

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1997**

	<u>The College Of New Jersey</u>	<u>Thomas A. Edison State College</u>	<u>Jersey City State College</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 467,000	\$ 50,420	\$ 89,889
INVESTMENTS	108,973,000	11,855,859	23,316,310
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Departmental	10,452,000	1,115,362	6,785,025
FIXED ASSETS, NET	242,345,000	28,374,041	95,567,887
OTHER ASSETS			
Due from other funds	2,396,000	84,159	700,000
Other	5,158,000	741,778	854,614
Total Assets	<u>\$ 369,791,000</u>	<u>\$ 42,221,619</u>	<u>\$ 127,313,725</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 16,035,000	\$ 2,011,909	\$ 4,401,547
Deferred revenue	2,375,000	1,883,731	1,387,797
Due to other funds	2,396,000	84,159	700,000
Other	446,000	208,386	--
Deferred compensation payable	--	--	--
Revenue bonds payable	172,341,000	--	--
Notes payable	--	--	--
Capital lease payable	--	--	27,527,827
Total Liabilities	<u>193,593,000</u>	<u>4,188,185</u>	<u>34,017,171</u>
FUND BALANCES			
Cost of investment in facilities	144,446,000	28,165,655	68,040,060
Reserved for:			
Auxiliary enterprises	--	--	--
General university	6,172,000	--	5,655,000
Endowment and similar funds	465,000	823,434	2,222,831
Retirement of indebtedness	20,907,000	--	3,573,930
Unreserved:			
Undesignated	4,208,000	9,044,345	13,804,733
Total Fund Balances	<u>176,198,000</u>	<u>38,033,434</u>	<u>93,296,554</u>
Total Liabilities and Fund Balances	<u>\$ 369,791,000</u>	<u>\$ 42,221,619</u>	<u>\$ 127,313,725</u>

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

<u>Kean College Of New Jersey</u>	<u>Montclair State University</u>	<u>New Jersey Institute Of Technology</u>
\$ 5,194,000	\$ 7,654,824	\$ 14,287,000
25,106,000	31,796,414	45,395,000
7,504,000	6,203,262	24,716,000
94,176,000	142,071,627	254,986,000
846,000	240,251	2,546,000
589,000	3,079,811	3,549,000
<u>\$ 133,415,000</u>	<u>\$ 191,046,189</u>	<u>\$ 345,479,000</u>
\$ 9,387,000	\$ 8,224,706	\$ 14,372,000
1,353,000	3,867,849	11,974,000
846,000	240,251	2,546,000
152,000	306,053	--
--	--	--
--	--	89,992,000
--	--	--
21,315,000	49,535,105	--
<u>33,053,000</u>	<u>62,173,964</u>	<u>118,884,000</u>
72,861,000	93,574,108	185,077,000
5,614,000	--	--
1,047,000	4,997,753	--
3,772,000	--	18,098,000
2,048,000	3,440,624	4,642,000
15,020,000	26,859,740	18,778,000
<u>100,362,000</u>	<u>128,872,225</u>	<u>226,595,000</u>
<u>\$ 133,415,000</u>	<u>\$ 191,046,189</u>	<u>\$ 345,479,000</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1997**

	<u>The William Paterson University Of New Jersey</u>	<u>Ramapo College Of New Jersey</u>	<u>Rowan University</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 4,834,169	\$ 1,577,000	\$ 10,054
INVESTMENTS	30,997,709	19,572,000	58,910,495
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Departmental	3,572,930	2,807,000	5,182,889
FIXED ASSETS, NET	145,787,820	78,041,000	141,151,608
OTHER ASSETS			
Due from other funds	--	1,020,000	406,630
Other	1,115,978	169,000	3,129,148
Total Assets	<u>\$ 186,308,606</u>	<u>\$ 103,186,000</u>	<u>\$ 208,790,824</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 5,629,218	\$ 5,640,000	\$ 11,796,015
Deferred revenue	1,093,084	867,000	1,987,362
Due to other funds	--	1,020,000	406,630
Other	403,150	10,000	3,120,364
Deferred compensation payable	--	--	--
Revenue bonds payable	--	--	83,500,000
Notes payable	--	--	--
Capital lease payable	28,296,183	29,579,000	--
Total Liabilities	<u>35,421,635</u>	<u>37,116,000</u>	<u>100,810,371</u>
FUND BALANCES			
Cost of investment in facilities	121,375,361	53,647,000	63,548,871
Reserved for:			
Auxiliary enterprises	12,535,063	--	828,181
General university	772,490	4,481,000	29,375,441
Endowment and similar funds	7,519,656	--	1,064,699
Retirement of indebtedness	--	2,406,000	--
Unreserved:			
Undesignated	8,684,401	5,536,000	13,163,261
Total Fund Balances	<u>150,886,971</u>	<u>66,070,000</u>	<u>107,980,453</u>
Total Liabilities and Fund Balances	<u>\$ 186,308,606</u>	<u>\$ 103,186,000</u>	<u>\$ 208,790,824</u>

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

<u>Rutgers, The State University</u>	<u>Richard Stockton College Of New Jersey</u>	<u>University Of Medicine And Dentistry Of New Jersey</u>	<u>Total</u>
\$ 99,635,000	\$ 14,247,481	\$ 25,730,000	\$ 173,776,837
435,477,000	53,949,884	286,661,000	1,132,010,671
69,298,000	14,609,331	181,257,000	333,502,799
1,064,708,000	119,536,631	502,707,000	2,909,452,614
--	1,088,661	169,000	9,496,701
16,825,000	640,367	18,956,000	54,807,696
<u>\$ 1,685,943,000</u>	<u>\$ 204,072,355</u>	<u>\$ 1,015,480,000</u>	<u>\$ 4,613,047,318</u>
\$ 53,256,000	\$ 20,257,372	\$ 105,801,000	\$ 256,811,767
19,220,000	11,644,653	77,466,000	135,119,476
--	1,088,661	169,000	9,496,701
13,959,000	506,676	880,000	19,991,629
--	--	1,250,000	1,250,000
382,055,000	--	208,345,000	936,233,000
2,163,000	--	--	2,163,000
66,739,000	47,826,827	--	270,818,942
<u>537,392,000</u>	<u>81,324,189</u>	<u>393,911,000</u>	<u>1,631,884,515</u>
658,145,000	98,111,409	324,165,000	1,911,156,464
--	--	--	18,977,244
83,179,000	9,348,680	126,690,000	271,718,364
249,357,000	1,920,000	16,568,000	301,810,620
8,123,000	5,304,879	--	50,445,433
<u>149,747,000</u>	<u>8,063,198</u>	<u>154,146,000</u>	<u>427,054,678</u>
<u>1,148,551,000</u>	<u>122,748,166</u>	<u>621,569,000</u>	<u>2,981,162,803</u>
<u>\$ 1,685,943,000</u>	<u>\$ 204,072,355</u>	<u>\$ 1,015,480,000</u>	<u>\$ 4,613,047,318</u>

**STATE OF NEW JERSEY
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>The College Of New Jersey</u>	<u>Thomas A. Edison State College</u>	<u>Jersey City State College</u>
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund revenues	\$ 42,173,000	\$ 11,956,581	\$ 37,175,339
Student tuition and fees	--	--	--
Auxiliary enterprises	22,540,000	--	3,742,276
Patient service revenue	--	--	--
Governmental grants and contracts	22,129,000	2,674,627	16,609,374
Fringe benefit paid directly by the State of New Jersey	--	--	--
Private gifts, grants and contracts	117,000	384,526	--
Investment income	5,738,000	391,985	330,962
Realized gains on endowment investments	--	--	--
Interest on loans receivable	--	--	--
Expended for plant facilities	--	593,807	1,959,831
Retirement of indebtedness	--	45,963	648,777
Other	14,000	48,077	433,001
New Jersey State Library	--	20,201,555	--
Total Revenues and Other Additions	<u>92,711,000</u>	<u>36,297,121</u>	<u>60,899,560</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general	92,683,000	13,890,826	71,296,207
Institutional support	86,000	--	--
Operation and maintenance plant	2,564,000	--	--
Auxiliary enterprises	13,026,000	--	2,051,545
Expenditures for plant facilities	--	593,807	740,117
Loan cancellations, write-offs and refunds	--	--	39,756
Disposal of property, plant and equipment	169,000	821,276	471,041
Interest on indebtedness	7,380,000	9,408	1,659,204
Retirement of indebtedness	--	45,963	648,777
Depreciation and amortization	--	--	--
Other	3,705,000	48,077	47,921
Library expenditures	--	17,931,232	--
Total Expenditures and Other Deductions	<u>119,613,000</u>	<u>33,340,589</u>	<u>76,954,568</u>
Net Revenues	<u>(26,902,000)</u>	<u>2,956,532</u>	<u>(16,055,008)</u>
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT)			
Non-mandatory:			
Other	669,000	--	--
Operating Transfers - In	33,064,000	19,764,907	28,012,109
Total Higher Education and University Hospital Interfund Transfers	<u>33,733,000</u>	<u>19,764,907</u>	<u>28,012,109</u>
Net Increase(Decrease) in Fund Balances	6,831,000	22,721,439	11,957,101
FUND BALANCES - JULY 1, 1996	<u>169,367,000</u>	<u>15,311,995</u>	<u>81,339,453</u>
FUND BALANCES - JUNE 30, 1997	<u>\$ 176,198,000</u>	<u>\$ 38,033,434</u>	<u>\$ 93,296,554</u>

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

Kean College Of New Jersey	Montclair State University	New Jersey Institute Of Technology
\$ 57,343,000	\$ 50,927,755	\$ 95,500,000
--	--	--
9,100,000	16,206,097	4,946,000
--	--	--
--	17,451,110	54,000
--	--	--
2,373,000	--	4,346,000
532,000	943,886	1,604,000
--	--	--
--	63,060	--
7,117,000	10,365,134	3,890,000
1,553,000	1,709,831	--
196,000	23,522	2,405,000
--	--	--
<u>78,214,000</u>	<u>97,690,395</u>	<u>112,745,000</u>
88,499,000	102,644,459	137,279,000
--	--	58,000
--	--	629,000
6,101,000	11,357,112	1,327,000
6,661,000	10,453,218	--
159,000	16,146	--
--	--	--
1,291,000	2,853,903	4,545,000
1,553,000	1,709,831	--
--	--	--
796,000	77,754	33,527,000
--	--	--
<u>105,060,000</u>	<u>129,112,423</u>	<u>177,365,000</u>
<u>(26,846,000)</u>	<u>(31,422,028)</u>	<u>(64,620,000)</u>
--	--	--
<u>33,108,000</u>	<u>42,966,576</u>	<u>54,614,000</u>
<u>33,108,000</u>	<u>42,966,576</u>	<u>54,614,000</u>
6,262,000	11,544,548	(10,006,000)
<u>94,100,000</u>	<u>117,327,677</u>	<u>236,601,000</u>
<u>\$ 100,362,000</u>	<u>\$ 128,872,225</u>	<u>\$ 226,595,000</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINED STATEMENT OF CHANGES IN FUND BALANCES (Continued)
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	The William Paterson University Of New Jersey	Ramapo College Of New Jersey	Rowan University
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund revenues	\$ 33,865,921	\$ 24,156,000	\$ 42,772,888
Student tuition and fees	--	--	--
Auxiliary enterprises	11,965,825	9,580,000	18,501,461
Patient service revenue	--	--	--
Governmental grants and contracts	7,672,796	--	11,618,856
Fringe benefit paid directly by the State of New Jersey	--	--	122,369
Private gifts, grants and contracts	--	--	--
Investment income	707,278	333,000	2,751,001
Realized gains on endowment investments	--	30,000	--
Interest on loans receivable	--	--	101,844
Expended for plant facilities	11,948,489	--	6,234,762
Retirement of indebtedness	1,629,963	--	2,545,376
Other	79,794	25,000	221,014
New Jersey State Library	--	--	--
Total Revenues and Other Additions	67,870,066	34,124,000	84,869,571
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general	73,127,266	40,014,000	80,304,247
Institutional support	--	--	--
Operation and maintenance plant	--	--	--
Auxiliary enterprises	6,543,685	5,931,000	13,071,153
Expenditures for plant facilities	12,360,534	--	6,003,334
Loan cancellations, write-offs and refunds	137,064	--	326,464
Disposal of property, plant and equipment	1,474,687	--	--
Interest on indebtedness	1,853,132	1,468,000	5,277,772
Retirement of indebtedness	1,629,963	--	2,545,376
Depreciation and amortization	--	--	--
Other	--	1,456,000	426,173
Library expenditures	--	--	--
Total Expenditures and Other Deductions	97,126,331	48,869,000	107,954,519
Net Revenues	(29,256,265)	(14,745,000)	(23,084,948)
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT)			
Non-mandatory:			
Other	--	--	--
Operating Transfers - In	38,170,067	20,371,000	32,741,346
Total Higher Education and University Hospital Interfund Transfers	38,170,067	20,371,000	32,741,346
Net Increase(Decrease) in Fund Balances	8,913,802	5,626,000	9,656,398
FUND BALANCES - JULY 1, 1996	141,973,169	60,444,000	98,324,055
FUND BALANCES - JUNE 30, 1997	\$ 150,886,971	\$ 66,070,000	\$ 107,980,453

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

	Rutgers, The State University	Richard Stockton College Of New Jersey	University Of Medicine And Dentistry Of New Jersey	Total
\$	378,489,000	\$ 26,039,295	\$ 392,109,000	\$ 1,192,507,779
	4,107,000	--	--	4,107,000
	130,064,000	10,062,112	5,108,000	241,815,771
	--	--	129,880,000	129,880,000
	256,125,000	14,129,581	100,962,000	449,426,344
	--	--	--	122,369
	58,267,000	965,759	36,060,000	102,513,285
	15,199,000	999,515	21,528,000	51,058,627
	15,975,000	--	--	16,005,000
	--	46,371	460,000	671,275
	60,233,000	7,298,849	46,408,000	156,048,872
	13,333,000	1,648,777	--	23,114,687
	9,330,000	610,304	15,229,000	28,614,712
	--	--	--	20,201,555
	<u>941,122,000</u>	<u>61,800,563</u>	<u>747,744,000</u>	<u>2,416,087,276</u>
	899,211,000	61,537,970	444,839,000	2,105,325,975
	--	--	--	144,000
	--	--	--	3,193,000
	110,453,000	5,933,348	4,053,000	179,847,843
	46,052,000	6,182,959	47,149,000	136,195,969
	1,224,000	42,618	2,906,000	4,851,048
	971,000	181,760	--	4,088,764
	26,473,000	2,352,802	11,558,000	66,721,221
	13,333,000	1,648,777	--	23,114,687
	55,659,000	--	42,164,000	97,823,000
	23,019,000	693,402	368,387,000	432,183,327
	--	--	--	17,931,232
	<u>1,176,395,000</u>	<u>78,573,636</u>	<u>921,056,000</u>	<u>3,071,420,066</u>
	<u>(235,273,000)</u>	<u>(16,773,073)</u>	<u>(173,312,000)</u>	<u>(655,332,790)</u>
	--	--	--	669,000
	<u>308,116,000</u>	<u>23,418,177</u>	<u>198,023,000</u>	<u>832,369,182</u>
	<u>308,116,000</u>	<u>23,418,177</u>	<u>198,023,000</u>	<u>833,038,182</u>
	72,843,000	6,645,104	24,711,000	177,705,392
	<u>1,075,708,000</u>	<u>116,103,062</u>	<u>596,858,000</u>	<u>2,803,457,411</u>
\$	<u>1,148,551,000</u>	<u>\$ 122,748,166</u>	<u>\$ 621,569,000</u>	<u>\$ 2,981,162,803</u>

**STATE OF NEW JERSEY
COMBINED STATEMENT OF CURRENT FUNDS, REVENUES, EXPENDITURES
AND OTHER CHANGES
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	UNRESTRICTED		
	The College Of New Jersey	Thomas A. Edison State College	Jersey City State College
REVENUES AND OTHER ADDITIONS:			
Educational and general:			
Student tuition and fees	\$ 28,953,000	\$ 7,155,254	\$ 25,539,012
Patient service revenue	--	--	--
Governmental grants and contracts	224,000	162,001	--
Fringe benefits paid directly by the State of New Jersey	11,082,000	2,565,080	10,700,000
Private gifts, grants and contracts	117,000	--	--
Investment income	679,000	252,370	936,327
Other sources	1,118,000	1,821,876	--
	<u>42,173,000</u>	<u>11,956,581</u>	<u>37,175,339</u>
Auxiliary enterprises	22,540,000	--	3,742,276
Total Revenues and Other Additions	<u>64,713,000</u>	<u>11,956,581</u>	<u>40,917,615</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general:			
Instruction	30,614,000	3,235,944	29,785,181
Research	1,115,000	--	27,547
Public service	181,000	282,527	--
Academic support	8,684,000	4,204,601	3,330,990
Student service	7,204,000	2,111,401	6,050,871
Institutional support	9,655,000	3,685,607	11,976,752
Scholarships and fellowships	2,948,000	--	335,161
Operation and maintenance plant	10,915,000	--	8,708,944
Other	3,298,000	--	--
Library expenditures	--	3,739,550	--
	<u>74,614,000</u>	<u>17,259,630</u>	<u>60,215,446</u>
Auxiliary enterprises	13,026,000	--	2,051,545
Total Expenditures and Other Deductions	<u>87,640,000</u>	<u>17,259,630</u>	<u>62,266,991</u>
Net Revenues	<u>(22,927,000)</u>	<u>(5,303,049)</u>	<u>(21,349,376)</u>
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) & ADDITIONS			
Excess(deficiency) of restricted additions over transfers to revenue	--	--	--
New Jersey State Library	--	(109,077)	--
Refunds to Grantors	--	--	--
Mandatory:			
Principal and interest	(8,017,000)	(55,371)	(2,509,005)
Loan funds matching grants	--	--	--
Other	--	(150,000)	--
Non-Mandatory:			
Plant funds	(2,618,000)	(1,792,575)	(3,900,000)
Other	426,000	--	(300,901)
Operating transfers - in	32,699,000	7,489,395	28,012,109
Total Higher Education and University Hospital Interfund Transfers	<u>22,490,000</u>	<u>5,382,372</u>	<u>21,302,203</u>
Net Increase (Decrease) in Fund Balances	<u>\$ (437,000)</u>	<u>\$ 79,323</u>	<u>\$ (47,173)</u>

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

Kean College Of New Jersey	Montclair State University	New Jersey Institute Of Technology
\$ 32,829,000	\$ 33,899,752	\$ 41,178,000
--	--	--
78,000	11,278	3,100,000
9,824,000	11,765,000	11,371,000
36,000	--	2,085,000
904,000	1,393,814	826,000
1,435,000	3,857,911	107,000
45,106,000	50,927,755	58,667,000
9,100,000	16,206,097	4,946,000
54,206,000	67,133,852	63,613,000
41,156,000	40,786,054	42,059,000
89,000	479,806	5,163,000
382,000	3,376,787	1,571,000
3,357,000	9,594,545	13,121,000
6,111,000	9,854,918	5,822,000
12,812,000	14,226,521	15,777,000
1,632,000	1,965,106	5,221,000
10,546,000	9,672,967	12,347,000
--	--	--
--	--	--
76,085,000	89,956,704	101,081,000
6,101,000	11,357,112	1,327,000
82,186,000	101,313,816	102,408,000
(27,980,000)	(34,179,964)	(38,795,000)
--	--	--
--	--	--
--	--	--
(2,470,000)	(4,709,785)	(6,507,000)
(177,000)	(3,677)	(18,000)
(18,000)	--	--
--	--	(170,000)
(2,502,000)	(3,936,790)	(460,000)
33,108,000	42,966,576	46,420,000
27,941,000	34,316,324	39,265,000
\$ (39,000)	\$ 136,360	\$ 470,000

(Continued on next page)

STATE OF NEW JERSEY
COMBINED STATEMENT OF CURRENT FUNDS, REVENUES, EXPENDITURES
AND OTHER CHANGES (Continued)
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	UNRESTRICTED		
	The William Paterson University Of New Jersey	Ramapo College Of New Jersey	Rowan University
REVENUES AND OTHER ADDITIONS:			
Educational and general:			
Student tuition and fees	\$ 22,509,708	\$ 12,614,000	\$ 26,819,359
Patient service revenue	--	--	--
Governmental grants and contracts	--	--	--
Fringe benefits paid directly by the State of New Jersey	9,900,000	5,742,000	10,202,642
Private gifts, grants and contracts	--	--	2,550,000
Investment income	1,019,808	560,000	783,176
Other sources	436,405	153,000	2,417,711
	<u>33,865,921</u>	<u>19,069,000</u>	<u>42,772,888</u>
Auxiliary enterprises	11,965,825	9,580,000	18,501,461
Total Revenues and Other Additions	<u>45,831,746</u>	<u>28,649,000</u>	<u>61,274,349</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general:			
Instruction	28,496,813	14,806,000	32,921,773
Research	--	--	125,475
Public service	194,351	--	1,678,016
Academic support	6,158,179	2,783,000	8,036,843
Student service	6,545,586	4,449,000	7,605,446
Institutional support	11,485,738	6,667,000	12,597,686
Scholarships and fellowships	1,099,435	453,000	--
Operation and maintenance plant	11,336,426	5,722,000	6,543,657
Other	--	--	--
Library expenditures	--	--	--
	<u>65,316,528</u>	<u>34,880,000</u>	<u>69,508,896</u>
Auxiliary enterprises	6,543,685	5,931,000	13,071,153
Total Expenditures and Other Deductions	<u>71,860,213</u>	<u>40,811,000</u>	<u>82,580,049</u>
Net Revenues	<u>(26,028,467)</u>	<u>(12,162,000)</u>	<u>(21,305,700)</u>
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) & ADDITIONS			
Excess(deficiency) of restricted additions over transfers to revenue	--	--	--
New Jersey State Library	--	--	--
Refunds to Grantors	--	--	--
Mandatory:			
Principal and interest	(5,040,281)	(2,853,000)	(6,145,742)
Loan funds matching grants	--	(109,000)	(422,281)
Other	--	--	--
Non-Mandatory:			
Plant funds	(6,551,557)	(2,091,000)	(3,948,150)
Other	1,466,264	--	--
Operating transfers - in	34,750,256	17,288,000	32,741,346
Total Higher Education and University Hospital Interfund Transfers	<u>24,624,682</u>	<u>12,235,000</u>	<u>22,225,173</u>
Net Increase (Decrease) in Fund Balances	<u>\$ (1,403,785)</u>	<u>\$ 73,000</u>	<u>\$ 919,473</u>

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

Rutgers, The State University	Richard Stockton College Of New Jersey	University Of Medicine And Dentistry Of New Jersey	Sub-Total Unrestricted Funds
\$ 234,976,000	\$ 16,356,798	\$ 36,429,000	\$ 519,258,883
--	--	285,148,000	285,148,000
7,391,000	1,000	--	10,967,279
86,597,000	6,666,000	48,716,000	225,130,722
798,000	346,911	--	5,932,911
14,192,000	1,044,698	--	22,591,193
34,535,000	1,623,888	21,816,000	69,321,791
378,489,000	26,039,295	392,109,000	1,138,350,779
130,064,000	10,062,112	5,108,000	241,815,771
508,553,000	36,101,407	397,217,000	1,380,166,550
315,916,000	18,648,225	132,795,000	731,219,990
52,979,000	139,632	--	60,118,460
16,760,000	1,108,532	--	25,534,213
26,210,000	3,980,416	5,963,000	95,423,574
37,286,000	4,171,860	4,441,000	101,653,082
62,514,000	7,267,830	37,963,000	206,628,134
16,717,000	460,877	2,490,000	33,321,579
82,319,000	6,576,585	31,017,000	195,704,579
--	--	335,069,000	338,367,000
--	--	--	3,739,550
610,701,000	42,353,957	549,738,000	1,791,710,161
110,453,000	5,933,348	4,053,000	179,847,843
721,154,000	48,287,305	553,791,000	1,971,558,004
(212,601,000)	(12,185,898)	(156,574,000)	(591,391,454)
--	--	--	--
--	--	--	(109,077)
--	--	--	--
(35,538,000)	(3,276,553)	(1,593,000)	(78,714,737)
(35,000)	(31,001)	(145,000)	(940,959)
--	--	--	(168,000)
(29,483,000)	--	(39,711,000)	(90,265,282)
405,000	(3,836,000)	(1,000)	(8,739,427)
287,201,000	19,149,091	198,023,000	779,847,773
222,550,000	12,005,537	156,573,000	600,910,291
\$ 9,949,000	\$ (180,361)	\$ (1,000)	\$ 9,518,837

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**STATE OF NEW JERSEY
COMBINED STATEMENT OF CURRENT FUNDS, REVENUES, EXPENDITURES
AND OTHER CHANGES (Continued)
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	RESTRICTED		
	The College Of New Jersey	Thomas A. Edison State College	Jersey City State College
REVENUES AND OTHER ADDITIONS:			
Educational and general:			
Student tuition and fees	\$ --	\$ --	\$ --
Patient service revenue	--	--	--
Governmental grants and contracts	21,159,000	14,262,031	11,080,761
Fringe benefits paid directly by the State of New Jersey	--	--	--
Private gifts, grants and contracts	116,000	248,187	--
Investment income	--	52,210	--
Other sources	--	--	--
	<u>21,275,000</u>	<u>14,562,428</u>	<u>11,080,761</u>
Auxiliary enterprises	--	--	--
Total Revenues and Other Additions	<u>21,275,000</u>	<u>14,562,428</u>	<u>11,080,761</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general:			
Instruction	1,742,000	--	1,982,362
Research	710,000	--	--
Public service	35,000	--	--
Academic support	44,000	--	70,287
Student service	82,000	--	20,728
Institutional support	--	--	26,524
Scholarships and fellowships	18,754,000	82,496	8,980,860
Operation and maintenance plant	--	--	--
Other	--	288,250	--
Library expenditures	--	14,191,682	--
	<u>21,367,000</u>	<u>14,562,428</u>	<u>11,080,761</u>
Auxiliary enterprises	--	--	--
Total Expenditures and Other Deductions	<u>21,367,000</u>	<u>14,562,428</u>	<u>11,080,761</u>
Net Revenues	<u>(92,000)</u>	<u>--</u>	<u>--</u>
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) & ADDITIONS			
Excess(deficiency) of restricted additions over transfers to revenue	--	886,879	733,238
New Jersey State Library	--	536,656	--
Refunds to Grantors	--	--	(34,734)
Mandatory:			
Principal and interest	--	--	--
Loan funds matching grants	--	--	--
Other	--	--	--
Non-Mandatory:			
Plant funds	--	(14,105)	--
Other	92,000	--	--
Operating transfers - in	--	--	--
Total Higher Education and University Hospital Interfund Transfers	<u>92,000</u>	<u>1,409,430</u>	<u>698,504</u>
Net Increase (Decrease) in Fund Balances	<u>\$ --</u>	<u>\$ 1,409,430</u>	<u>\$ 698,504</u>

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

Kean College Of New Jersey	Montclair State University	New Jersey Institute Of Technology	The William Paterson University Of New Jersey
\$ --	\$ --	\$ 64,000	\$ --
--	--	--	--
11,479,000	12,687,755	31,980,000	7,810,738
--	--	--	--
735,000	--	3,951,000	--
23,000	--	543,000	--
177,000	--	295,000	--
12,414,000	12,687,755	36,833,000	7,810,738
--	--	--	--
12,414,000	12,687,755	36,833,000	7,810,738
1,867,000	875,043	284,000	382,752
93,000	370	26,408,000	428,840
257,000	1,663,889	--	15,851
139,000	6,298	147,000	13,794
279,000	23,357	471,000	472,508
--	67,450	--	2,050
9,779,000	10,051,348	8,888,000	6,492,348
--	--	--	2,595
--	--	--	--
--	--	--	--
12,414,000	12,687,755	36,198,000	7,810,738
--	--	--	--
12,414,000	12,687,755	36,198,000	7,810,738
--	--	635,000	--
58,000	(70,918)	--	142,624
--	--	--	--
(159,000)	--	--	(58,185)
--	--	--	--
--	--	--	--
--	--	--	--
--	--	(239,000)	--
(56,000)	--	(382,000)	(898,938)
--	--	--	--
(157,000)	(70,918)	(621,000)	(814,499)
\$ (157,000)	\$ (70,918)	\$ 14,000	\$ (814,499)

(Continued on next page)

STATE OF NEW JERSEY
COMBINED STATEMENT OF CURRENT FUNDS, REVENUES, EXPENDITURES
AND OTHER CHANGES (Continued)
COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	RESTRICTED		
	Ramapo College Of New Jersey	Rowan University	Rutgers, The State University
REVENUES AND OTHER ADDITIONS:			
Educational and general:			
Student tuition and fees	\$ --	\$ --	\$ --
Patient service revenue	--	--	--
Governmental grants and contracts	--	10,672,982	278,700,000
Fringe benefits paid directly by the State of New Jersey	--	122,369	--
Private gifts, grants and contracts	5,134,000	--	9,050,000
Investment income	--	--	--
Other sources	--	--	760,000
	<u>5,134,000</u>	<u>10,795,351</u>	<u>288,510,000</u>
Auxiliary enterprises	--	--	--
Total Revenues and Other Additions	<u>5,134,000</u>	<u>10,795,351</u>	<u>288,510,000</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and general:			
Instruction	826,000	1,834,145	8,983,000
Research	23,000	64,950	75,945,000
Public service	--	467,984	34,867,000
Academic support	--	--	1,242,000
Student service	518,000	--	2,266,000
Institutional support	--	--	1,586,000
Scholarships and fellowships	3,767,000	8,428,272	162,384,000
Operation and maintenance plant	--	--	1,237,000
Other	--	--	--
Library expenditures	--	--	--
	<u>5,134,000</u>	<u>10,795,351</u>	<u>288,510,000</u>
Auxiliary enterprises	--	--	--
Total Expenditures and Other Deductions	<u>5,134,000</u>	<u>10,795,351</u>	<u>288,510,000</u>
Net Revenues	--	--	--
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT) & ADDITIONS			
Excess(deficiency) of restricted additions over transfers to revenue	62,000	139,739	2,526,000
New Jersey State Library	--	--	--
Refunds to Grantors	--	--	--
Mandatory:			
Principal and interest	--	--	--
Loan funds matching grants	--	--	--
Other	--	--	--
Non-Mandatory:			
Plant funds	(76,000)	--	--
Other	--	--	(781,000)
Operating transfers - in	--	--	--
Total Higher Education and University Hospital Interfund Transfers	<u>(14,000)</u>	<u>139,739</u>	<u>1,745,000</u>
Net Increase (Decrease) in Fund Balances	<u>\$ (14,000)</u>	<u>\$ 139,739</u>	<u>\$ 1,745,000</u>

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

Richard Stockton College Of New Jersey	University Of Medicine And Dentistry Of New Jersey	Sub-Total Restricted Funds	Total Current Funds
\$ --	\$ --	\$ 64,000	\$ 519,322,883
--	128,123,000	128,123,000	413,271,000
18,218,254	93,693,000	511,743,521	522,710,800
--	--	122,369	225,253,091
965,759	48,249,000	68,448,946	74,381,857
--	4,815,000	5,433,210	28,024,403
--	--	1,232,000	70,553,791
19,184,013	274,880,000	715,167,046	1,853,517,825
--	--	--	241,815,771
19,184,013	274,880,000	715,167,046	2,095,333,596
198,734	9,442,000	28,417,036	759,637,026
148,029	81,260,000	185,081,189	245,199,649
614,275	90,590,000	128,510,999	154,045,212
--	824,000	2,486,379	97,909,953
752,304	175,000	5,059,897	106,712,979
--	44,740,000	46,422,024	253,050,158
17,228,552	3,135,000	257,970,876	291,292,455
242,119	--	1,481,714	197,186,293
--	44,714,000	45,002,250	383,369,250
--	--	14,191,682	17,931,232
19,184,013	274,880,000	714,624,046	2,506,334,207
--	--	--	179,847,843
19,184,013	274,880,000	714,624,046	2,686,182,050
--	--	543,000	(590,848,454)
--	14,557,000	19,034,562	19,034,562
--	--	536,656	427,579
--	(2,856,000)	(3,107,919)	(3,107,919)
--	--	--	(78,714,737)
--	--	--	(940,959)
--	--	--	(168,000)
--	--	(329,105)	(90,594,387)
--	1,000	(2,024,938)	(10,764,365)
--	--	--	779,847,773
--	11,702,000	14,109,256	615,019,547
\$ --	\$ 11,702,000	\$ 14,652,256	\$ 24,171,093

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-BUDGETARY BASIS
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	GENERAL FUND		
	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes	\$ 7,595,854,624	\$ 7,874,539,899	\$ 278,685,275
Federal and other grants	4,620,015,015	4,617,064,555	(2,950,460)
Licenses and fees	760,219,601	709,155,065	(51,064,536)
Services and assessments	1,083,121,324	1,157,280,919	74,159,595
Investment earnings	25,449,019	45,717,603	20,268,584
Other	1,692,286,314	1,554,450,644	(137,835,670)
Total Revenues	15,776,945,897	15,958,208,685	181,262,788
OTHER FINANCING SOURCES			
Transfers from other funds	1,542,505,197	1,562,576,255	20,071,058
Total Other Financing Sources	1,542,505,197	1,562,576,255	20,071,058
Total Revenues and Other Financing Sources	17,319,451,094	17,520,784,940	201,333,846
EXPENDITURES			
Public safety and criminal justice	1,954,007,303	1,785,798,780	168,208,523
Physical and mental health	5,475,122,583	5,250,069,812	225,052,771
Educational, cultural and intellectual development	3,924,144,665	3,751,245,939	172,898,726
Community development and environmental management	986,608,397	561,171,925	425,436,472
Economic planning, development and security	2,648,732,308	2,226,013,010	422,719,298
Transportation programs	359,367,214	333,753,365	25,613,849
Government direction, management and control	2,535,872,944	2,244,507,132	291,365,812
Special government services	179,225,985	161,683,087	17,542,898
Total Expenditures	18,063,081,399	16,314,243,050	1,748,838,349
OTHER FINANCING USES			
Transfers to other funds	1,291,383,789	1,291,383,789	--
Total Other Financing Uses	1,291,383,789	1,291,383,789	--
Total Expenditures and Other Financing Uses	19,354,465,188	17,605,626,839	1,748,838,349
Net Increase (Decrease) in Fund Balances for the Year	\$ (2,035,014,094)	\$ (84,841,899)	\$ 1,950,172,195

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

BUDGETED SPECIAL REVENUE FUNDS

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 4,831,000,000	\$ 5,133,687,300	\$ 302,687,300
--	--	--
54,000,000	49,553,625	(4,446,375)
--	--	--
2,500,000	1,731,092	(768,908)
34,690,444	34,303,156	(387,288)
<u>4,922,190,444</u>	<u>5,219,275,173</u>	<u>297,084,729</u>
<u>375,000</u>	<u>375,000</u>	<u>--</u>
<u>375,000</u>	<u>375,000</u>	<u>--</u>
<u>4,922,565,444</u>	<u>5,219,650,173</u>	<u>297,084,729</u>
37,651,000	36,873,043	777,957
318,206,444	316,569,780	1,636,664
3,468,974,000	3,409,195,825	59,778,175
785,100,148	785,099,681	467
6,137,000	6,137,000	--
21,107,000	21,107,000	--
414,606,404	410,834,395	3,772,009
92,000	86,887	5,113
<u>5,051,873,996</u>	<u>4,985,903,611</u>	<u>65,970,385</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>
<u>5,051,873,996</u>	<u>4,985,903,611</u>	<u>65,970,385</u>
<u>\$ (129,308,552)</u>	<u>\$ 233,746,562</u>	<u>\$ 363,055,114</u>

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements for the College and University Funds have been prepared in conformity with the American Institute of Certified Public Accountants' "Industry Audit Guide - Audits of Colleges and Universities."

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, colleges and universities has been derived from reports prepared by those organizations based on independent accounting systems maintained by them.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, account groups, departments, and agencies of the State, as well as boards, commissions, authorities, colleges and universities, for which the State is financially accountable. The following circumstances set forth the State's financial accountability for a legally separate organization:

1. The State is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.
2. The State may be financially accountable if an organization is fiscally dependent on the State regardless of whether the organization has (a) a separately elected governing board or (b) a jointly appointed board.

Entities for which the State is financially accountable such as boards, commissions, authorities, colleges and universities are considered component units. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions to be reported in a manner similar to the balances and transactions of the State.

The following organizations comprise the State's component units. The New Jersey Building Authority and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Their activities are reported in a special revenue fund, debt service fund and general long-term debt account group. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Additional pertinent information related to the discretely presented component units is reported separately from the notes of the primary government in Notes 18 and 19, respectively.

AUTHORITIES

Casino Reinvestment Development Authority
Hackensack Meadowlands Development Commission
New Jersey Building Authority
New Jersey Development Authority for Small Businesses,
Minorities' and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Higher Education Assistance Authority-NJ Class
New Jersey Highway Authority
New Jersey Housing and Mortgage Finance Agency

New Jersey Redevelopment Authority (formerly New Jersey Urban
Development Corporation)
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Transportation Trust Fund Authority
New Jersey Turnpike Authority
New Jersey Wastewater Treatment Trust
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority

COLLEGES AND UNIVERSITIES

The College of New Jersey
Thomas A. Edison State College
Jersey City State College
Kean College of New Jersey
Montclair State University
New Jersey Institute of Technology
The William Paterson University of New Jersey (formerly William
Paterson College of New Jersey)
Ramapo College of New Jersey
Rowan State University (formerly Rowan College of New Jersey)
Rutgers, the State University
Richard Stockton College of New Jersey
University of Medicine and Dentistry of New Jersey

C. Fund Accounting

The State uses funds, account groups, and component units to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts which represent the fund's assets, liabilities, equity, revenues and expenditures or expenses. State funds are classified into two categories: governmental and fiduciary. Each category is then divided into separate "Fund Types".

1. Governmental Fund Types

- a. General Fund - 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 this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.
- b. 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 specific purposes.
- c. 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.

- d. Capital Project Funds - 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 are not classified as capital projects funds and are included as expenditures of special revenue funds. Various capital project funds include funds both for capital facilities for State use and for grants to other units of government.

2. Fiduciary Fund Types

- a. Expendable Trust Funds - Account for assets held by the State as a legal trustee when both principal and interest may be expended for designated purposes.
- b. Non-expendable Trust Funds - Accounts for assets held by the State as legal trustee in situations requiring that the principal be preserved intact and only the interest be expended as designated.
- c. Pension Trust Funds - Account for monies received for, expenses incurred by, and net assets available for plan benefits of the various public employee retirement systems.
- d. Agency Funds - Account for monies held by the State for custodial purposes only.

3. Account Groups

- a. General Long-Term Debt Account Group - Accounts for the unmatured general long-term liabilities of the State.
- b. General Fixed Assets Account Group - Accounts for the State's fixed assets acquired or constructed for general government purposes. The State acquires and retains title to certain property shown in the college and university funds and would be entitled to any proceeds from the ultimate disposition of such property.

4. Component Units

Accounts for the activities of legally separate organizations for which the elected officials of the State are financially accountable. The activities of blended component units are reported in special revenue funds, the debt service fund and general long-term debt account group. The activities of boards, commissions and authorities other than those blended are discretely presented as Component Units - Authorities. Colleges and universities for which the State is financially accountable are discretely presented as Component Units - College and University Funds.

D. Budgetary Process

Annual budgets are adopted for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief funds). The Legislature enacts the Budget through passage of specific departmental appropriations, the sum of which may not exceed estimated revenues. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to Legislative override. Once passed and signed, the Budget becomes the State's financial plan for the coming year. During the year, the Budget may be revised by supplemental appropriations approved by both the Legislature and the Governor.

Budgetary control is maintained at the department level. Budget revisions during the year, reflecting program changes or interdepartmental transfers of an administrative nature, may be effected with certain executive and legislative branch approval. Only the Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and management approval.

Appropriations are authorized for expenditure during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at the end of the fiscal year, unless otherwise specified by the Appropriations Act.

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. A reconciliation of the differences between the budgetary basis and GAAP basis are presented in Note 2.

E. Bond Fund Appropriations

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. After approval by the electorate, and prior to any bond sale, the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

F. Basis of Accounting

All of the governmental funds and expendable trust and agency funds are accounted for on the modified accrual basis of accounting. In accordance with this basis, revenues are recognized when 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 that were earned as of June 30 and in the hands of receiving agents.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement, only current assets and liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Agency funds are accounted for and reported in the same manner as governmental funds; however, since they are custodial in nature they do not involve measurement of results of operations.

All non-expendable trust funds and pension trust funds use the accrual basis of accounting and are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases and decreases in net total assets.

Significant revenue sources which are susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other miscellaneous revenue are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities on the combined balance sheet.

Expenditures are recorded on an accrual basis when the related liability is incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

The activities of Component Units - College and University Funds are accounted for on the accrual basis of accounting including student tuition and fees when a semester covers more than one fiscal period. This revenue is deferred to the period in which it is earned.

The activities of Component Units - Authorities are accounted for using both the modified accrual basis and the accrual basis. Activities that are accounted for using the modified accrual basis are presented in a column in the combined statement of revenues, expenditures and changes in fund balance. Activities that are accounted for using the accrual basis are presented in a column in the combined statement of revenues, expenses and changes in retained earnings/fund equity and in the combined statement of cash flows. For balance sheet purposes, however, the activities of all Authorities are shown together in a separate column on the combined balance sheet.

The General Long-Term Debt Account Group and General Fixed Asset Account Group are not funds. An account group is concerned only with the measurement of financial position and does not involve measurement of results of operations.

G. Assets and Other Debits

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including money market accounts with financial institutions and certificates of deposit. All deposits including cash equivalents that are subject to federal or state depository insurance generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Notes 3, 18 and 19 for details.

2. Investments

Securities of the Pension Trust Funds and the Deferred Compensation Fund, are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All other securities are recorded at cost and amortized for premium or discount. 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 Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund Investment Program and the Common Pension Trust Fund Program is reflected as investments in the Balance Sheet. See Notes 4, 18 and 19 for details.

3. Receivables

Receivables in the State's governmental and fiduciary funds, Component Units - Authorities, and Component Units - College and University Funds, primarily consist of federal revenues, taxes, loans, mortgages and other receivables. See Notes 5, 18 and 19 for details.

4. Fixed Assets

General fixed assets are reported at cost or estimated historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are stated at market value at the date of donation. The State's general fixed assets consist of:

- a. All land, including parks and forests.
- b. All general government buildings, including hospitals, care and correctional facilities.
- c. Land improvements and machinery and equipment with a unit cost above \$25,000 and \$20,000 respectively, used in general operations.
- d. Capital projects in the process of construction. Certain public domain fixed assets (including highways, bridges, highways lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets.

For the Component Units - Authorities, which use the accrual basis of accounting, fixed assets are generally recorded at cost and depreciated over the respective lives of the various assets.

The South Jersey Transportation Authority, New Jersey Highway Authority and New Jersey Turnpike Authority report under the bond resolution basis of accounting. For presentation purposes, the maintenance reserve expense of the New Jersey Turnpike Authority has been reclassified from non-operating to operating expense in an amount equal to the estimated depreciation. A similar adjustment was made for the New Jersey Highway Authority and the South Jersey Transportation Authority.

For the Component Units - College and University Funds, fixed assets are generally recorded at cost or fair value at date of donation in the case of gifts. Certain colleges and universities include the recognition of depreciation in their general fixed assets.

Capital leases are classified as fixed assets in amounts equal to the lesser of the fair market value of the asset or the present value of the net minimum lease payments at the inception of the lease. See Notes 6, 18 and 19 for details.

5. Other Assets

- a. Due from Other Funds - 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 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. See Note 7 for details.
- b. Due from Intergovernmental Agencies - Includes any receivable or payable and due to or due from Component Units - Authorities that relates to federal or other governmental agencies.
- c. Advance to Other Funds - Noncurrent portions of long-term interfund receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

H. Equity and Other Credits

1. **Contributed Capital** - Equity provided by other funds or governmental units for property, plant, and equipment or for original start up costs of Component Units - Authorities.
2. **Investment in General Fixed Assets** - Used to record the net investment in fixed assets, including land and land improvements, buildings, equipment and construction in progress, as accounted for in the General Fixed Asset Account Group.
3. **Cost of Investment in Facilities** - Used to record the net investment in fixed assets, including land and land improvements, buildings, equipment and construction in progress.
4. **Retained Earnings**
 - a. Reserved - Used to earmark a portion of the retained earnings currently unavailable for expense, or a restriction on current retained earnings.
 - b. Unreserved - An equity account reflecting the accumulated unrestricted earnings of Component Units - Authorities.
5. **Fund Balance**
 - a. Reserved for Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
 - b. Reserved for Higher Education Programs - Used to record the portion of fund balance set aside for instruction, research, loans to students, and current operations.

- c. Reserved for Employees' Pension Benefits - Used to accumulate all active member, State and other employer contributions and investment income from which all benefit payments are made.
- d. Reserved-Surplus Revenue - Used to identify that portion of fund balance, commonly called the "Rainy Day Fund," which represents excess revenues that have been set aside pursuant to P.L. 1990, c.44.
- e. 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.
- f. Unreserved-Designated for continuing appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature.
- g. Unreserved-Designated for Debt Service - Used to identify that portion of the fund balance of the New Jersey Transportation Trust Fund which is made available to satisfy the debt service requirements of the subsequent period.
- h. Unreserved-Undesignated - Used to represent that portion of fund balance resources available for appropriation.

I. Fiscal Year End Differences

The following component units have fiscal years that end on December 31, 1996:

Special Revenue Funds

New Jersey Building Authority

Component Units - Authorities

Casino Reinvestment Development Authority
 Hackensack Meadowlands Development Commission
 New Jersey Development Authority for Small Businesses, Minorities'
 and Women's Enterprises
 New Jersey Economic Development Authority
 New Jersey Educational Facilities Authority
 New Jersey Health Care Facilities Financing Authority
 New Jersey Highway Authority
 New Jersey Redevelopment Authority (formerly New Jersey Urban Development
 Corporation)
 New Jersey Sports and Exposition Authority
 New Jersey Turnpike Authority
 South Jersey Port Corporation
 South Jersey Transportation Authority

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Change in Accounting Policy

The State has adopted GASB Statement 25, "Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," for its pension trust funds effective for the fiscal year ended June 30, 1997. Implementation of GASB Statement 25 resulted in a change from reporting investments at cost to reporting investments at fair value. The State has restated its pension trust funds' financial statements for the fiscal year ended June 30, 1997, for changes resulting from the adoption of GASB Statement 25. (See Note 2B for restatements). The implementation has impacted the basic financial statements of the pension trust funds. New Combining Statements of Plan Net Assets and Changes in Plan Net Assets are presented in addition to the traditional Balance Sheet.

Additional required supplemental information schedules of funding progress and employer contributions provide historical trend information on the actuarially determined funded status of the plans and the annual required contributions of the employers from a long-term, on-going perspective and the progress made in accumulating sufficient assets to pay benefits when due.

The State has also adopted GASB Statement 27, "Accounting for Pensions by State and Local Governmental Employers," for the fiscal year ended June 30, 1997. This changed the State's note disclosure regarding pension plans. (See Note 16 - Retirement Systems).

B. Restatement of Fund Balance

The following schedule details the effect on the individual pension funds of adopting GASB Statement 25:

	Fund Balance - June 30, 1996		
	As Previously Reported	Adjustment	As Restated
Consolidated Police And Firemen's Pension Fund	\$ 33,011,722	\$ 226,935	\$ 33,238,657
Judicial Retirement System	145,060,539	33,404,835	178,465,374
Police And Firemen's Retirement System	8,200,499,069	2,364,099,009	10,564,598,078
Public Employees' Retirement System	12,614,493,796	3,887,955,322	16,502,449,118
State Police Retirement System	851,933,444	234,564,071	1,086,497,515
Teachers Pension And Annuity Fund	15,115,388,142	4,559,102,179	19,674,490,321

C. Deficit Fund Balances

The following funds have deficit fund balances. It is anticipated that bond sales during fiscal year 1998 will relieve most of these deficits (expressed in millions).

Capital Project Funds

New Jersey Bridge Rehabilitation and Improvement and Railroad Right of Way Preservation Fund	\$ 16.0
Transportation Rehabilitation and Improvement Fund	0.4

Special Revenue Funds

Developmental Disabilities Waiting List Reduction Fund	\$ 1.8
1989 Farmland Preservation Fund	2.1
1992 Farmland Preservation Fund	14.9
Hazardous Discharge Fund of 1981	11.3
Hazardous Discharge Fund of 1986	59.1
1992 Historic Preservation Fund	3.1
Jobs, Education and Competitiveness Fund	7.8
1989 New Jersey Green Acres Fund	1.4
1992 New Jersey Green Acres Fund	32.0

1995 New Jersey Green Acres Fund	17.5
1992 New Jersey Green Trust Fund	2.0
1995 New Jersey Green Trust Fund	3.0
1992 Wastewater Treatment Fund	1.9
Water Conservation Fund	0.1

D. Revenue and Expenditure Budgets

1. The General Fund and four special revenue funds consisting of the Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds operate under a budgetary control system comprised of:

- (a) The Annual Appropriations Act approved June 28, 1996 for fiscal year 1997 and various supplemental appropriations approved during the fiscal year.
- (b) Other authorized appropriations which include reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year and estimated receipts.
- (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 1997 budget:

	Revenue and Other Increases (In Millions)	
	General Fund	Special Revenue Funds
Annual Appropriations Act	\$ 10,767.1	\$ 4,889.4
Other Authorized Appropriations	--	--
Appropriated Revenue	<u>6,552.4</u>	<u>33.2</u>
Totals	<u>\$ 17,319.5</u>	<u>\$ 4,922.6</u>

	Expenditures and Other Decreases (In Millions)	
	General Fund	Special Revenue Funds
Annual Appropriations Act	\$ 11,240.5	\$ 5,016.3
Other Authorized Appropriations	1,561.6	2.4
Appropriated Revenue	<u>6,552.4</u>	<u>33.2</u>
Totals	<u>\$ 19,354.5</u>	<u>\$ 5,051.9</u>

The fiscal year 1997 expenditure budget includes as other authorized appropriations all estimated federal entitlements.

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.

There were no expenditures in excess of appropriations for those funds operating under an annual budgetary control system. The following presents a reconciliation of the budgetary basis to the GAAP basis of reporting:

Actual on Budgetary Basis to GAAP Basis		
June 30, 1997		
(In Millions)		
	General Fund	Special Revenue Funds
Budgeted Funds:		
Budgetary basis - net increase (decrease) in fund balances for the fiscal year	\$ (84.8)	\$ 233.7
Federal revenue and other financing sources	476.2	33.7
Residual equity transfers	(269.3)	(0.4)
Prior year expenditures and other financing uses	(933.8)	(23.6)
Encumbrances	438.9	23.9
GAAP basis - net increase (decrease) in fund balances for the fiscal year	(372.8)	267.3
Non-Budgeted Funds:		
GAAP basis - net increase (decrease) in fund balances for the fiscal year	--	55.7
Total All Funds:		
GAAP basis - net increase (decrease) in fund balances for the fiscal year	\$ (372.8)	\$ 323.0

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 1997 resulted in the Governor's revenue certification of \$689.7 million representing transfers from the State Lottery Fund to the General Fund for administration (\$14.2 million) and for state institutions and education (\$675.5 million).

E. Joint Ventures

**The Port Authority of New York and New Jersey
One World Trade Center
New York, NY 10048**

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. Individually published financial statements may be obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. 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, 1996 disclosed the following (expressed in thousands):

	Financial Position		
	<u>Port Authority</u>	<u>PFC Program</u>	<u>Combined Total</u>
Total Assets	\$ 10,530,622	\$ 426,224	\$ 10,956,846
Total Liabilities	<u>7,418,324</u>	<u>--</u>	<u>7,418,324</u>
Net Assets	<u>\$ 3,112,298</u>	<u>\$ 426,224</u>	<u>\$ 3,538,522</u>
	Operating Results		
Operating Revenues	\$ 2,154,120	\$ 101,872	\$ 2,255,992
Operating Expenses	(1,469,309)	--	(1,469,309)
Depreciation and Amortization	<u>(362,180)</u>	<u>(2,979)</u>	<u>(365,159)</u>
Income from Operations	322,631	98,893	421,524
Financial Income (Expense), Net	<u>(233,507)</u>	<u>10,894</u>	<u>(222,613)</u>
Net Income	<u>\$ 89,124</u>	<u>\$ 109,787</u>	<u>\$ 198,911</u>
	Changes in Net Assets		
Balance January 1, 1995	\$ 2,984,657	\$ 316,437	\$ 3,301,094
Net Income	89,124	109,787	198,911
Government Contributions in Aid of Construction	<u>38,517</u>	<u>--</u>	<u>38,517</u>
Balance December 31, 1996	<u>\$ 3,112,298</u>	<u>\$ 426,224</u>	<u>\$ 3,538,522</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, 1996, Port Authority debt consisted of the following (expressed in thousands):

Bonds, Notes and Other Obligations

Consolidated Bonds and Notes	\$ 4,723,335
Special Project Bonds	544,291
Operating Asset Financing	436,443
Capital Asset Financing	<u>881,550</u>
	6,585,619
Less: Amortized Cost of Purchased Bonds	--
One Hundred Third Series	--
Unamortized Discount and Premium	<u>(147,513)</u>
 Total	 <u><u>\$ 6,438,106</u></u>

F. Risk Management and Insurance Coverage

The State is self-insured and self-administered for tort and automobile liability claims. Tort and automobile liability claims are handled through the Bureau of Risk Management pursuant to New Jersey statutes.

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 1997. No settlements exceeded commercial insurance coverage during each of the past three fiscal years.

The State does not participate in any risk pools.

G. Other

In accordance with Governmental Accounting and Financial Reporting Standards (GASB) Codification L20.126, "Leases between State and Local Governments and Public Authorities", the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$437 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 1996.

In accordance with GASB Statement 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," an additional \$476.2 million in federal grant revenues and economic planning, development and security expenditures and \$117.8 million in other assets and deferred revenues relating to the State's food stamp program have been recorded.

Prior to fiscal year 1997, amounts contributed by various funds to the State of New Jersey Cash Management Fund were recorded as due from other funds in the balance sheet. For fiscal year 1997, however, these amounts are recorded as investments in the balance sheets of the respective funds and are no longer recorded as investments in the State of New Jersey Cash Management Fund.

Prior to fiscal year 1997, amounts contributed by the pension trust funds to a common pension fund pool (Common Pension Fund A, Common Pension Fund B, and Common Pension Fund D) were recorded as due from other funds in the balance sheets of the respective pension trust funds and as a due to other funds in the balance sheets of the respective common pension funds. For fiscal year 1997, however, the activity of Common Pension Funds A, B and D are recorded in the financial statements of the pension trust funds. Consequently, no financial statements are presented for Common Pension Fund A, Common Pension Fund B, and Common Pension Fund D.

NOTE 3 - CASH AND CASH EQUIVALENTS

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation and Property Tax Relief Funds which are in the General Fund bank 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 sheet.

New Jersey Revised Statutes (52:18-16.1) sets the policy that the State Treasurer must follow when depositing State funds and for 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 be guaranteed by, the United States or 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 \$15 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 \$15 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 deposit is 120% of par value minus FDIC coverage.

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

The Governmental Accounting Standards Board Statement 3 requires the bank balances of deposits to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name. Category 3 consists of deposits which are uncollateralized.

Cash and cash equivalents are categorized below for all funds excluding discretely presented component units (expressed in millions):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Amount</u>
Cash	\$ 86.4	\$ --	\$ --	\$ 86.4	\$ 68.9
Certificates of deposit and related items	<u>709.2</u>	<u>--</u>	<u>--</u>	<u>709.2</u>	<u>709.2</u>
Total	<u>\$ 795.6</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 795.6</u>	<u>\$ 778.1</u>

Negative book balances of \$369.1 million representing a managed overdraft have been reclassified and are included in the accounts payable balance on the balance sheet as follows:

<u>Funds</u>	<u>Amount (In Millions)</u>
General Fund	\$ 274.5
Special Revenue Funds	14.6
Capital Projects Funds	1.5
Trust and Agency Funds	<u>78.5</u>
Total	<u>\$ 369.1</u>

NOTE 4 - INVESTMENTS

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

Federal securities, including those 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.

Securities of the Pension Trust Funds and the Deferred Compensation Fund are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All other securities are recorded at cost and amortized for premium or discount.

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 Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment program and the Common Pension Trust Fund investment program is reflected as investments in the Balance Sheet.

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 3, 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.

Approximately \$1.3 billion 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 \$2.1 billion.

The Governmental Accounting Standards Board Statement 3 requires investments be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments for all funds are classified as Category 1 and are detailed below (expressed in millions):

	<u>Carrying Amount</u>	<u>Fair Value</u>
Government bonds and obligations	\$ 1,681.3	\$ 1,682.9
Industrial bonds and commercial paper	898.2	898.2
Finance companies - senior debt	2.0	2.0
Telephone bonds	4.4	4.5
Gas, electric and water bonds	1.6	1.6
Common stock	605.3	667.8
Mortgage - backed certificates	2,518.6	2,518.6
Repurchase agreements	128.6	128.6
Other investments	0.1	0.2
Investments subject to risk categorization	5,840.1	5,904.4
Annuity contracts	1,271.3	1,271.3
Investment in State of New Jersey Cash Management Fund investment program	8,994.4	8,994.4
Investment in Common Pension Trust Fund investment program	49,430.1	49,430.1
Mutual funds	11.7	19.3
Total	<u>\$ 65,547.6</u>	<u>\$ 65,619.5</u>

NOTE 5 - RECEIVABLES

A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of 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 20 - Contingent Liabilities.

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 \$1.7 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 1997.

Federal receivable balances in the Unemployment Compensation Fund (\$2.2 billion) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

B. Departmental

Departmental accounts receivable of \$1,952.1 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 are reflected net of allowances (\$109.5 million).

C. Loans

Loans receivable of \$1,710.4 million are reduced by allowances of \$17.9 million and include \$799.0 million due from local units of government and other recipients for environmental projects, \$825.5 million representing loans from respective pension funds to participating members of the pension funds, \$29.6 million loaned for economic development within local units of government, \$18.6 million loaned for housing and mortgage assistance, and \$10.8 million due the Luxury Tax Fund from the Atlantic County Improvement Authority for housing projects.

D. Other

Other receivables totaling \$3,711.6 million are reduced by allowances of \$467.8 million and include \$367.1 million of accrued earnings on investments and accrued interest on loans to third parties, contributions due from employers and members to the respective pension funds of \$1,359.8 million, contributions due from employers and members to the Health Benefits Fund of \$38.8 million, assessments of \$30.3 million due from insurance companies to the Unsatisfied Claim and Judgment Fund, and \$198.5 million due from the Port Authority of New York and New Jersey.

NOTE 6 - FIXED ASSETS

A. Summary of Fixed Assets

A summary of fixed assets by category at June 30, 1997 is as follows (in millions):

	General Fixed Assets Account Group
Land	\$ 351.2
Land improvements	64.2
Building and improvements	1,456.1
Machinery and equipment	307.7
Construction in progress	264.9
Total	\$ 2,444.1

B. Changes in Fixed Assets

A summary reflecting changes in the General Fixed Assets Account Group and the resulting June 30, 1997 balances follows (expressed in millions):

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
Land	\$ 325.2	\$ 26.0	\$ 0.0	\$ 351.2
Land improvements	62.3	1.9	0.0	64.2
Buildings and improvements	1,338.0	128.7	10.6	1,456.1
Machinery and equipment	299.0	44.9	36.2	307.7
Construction in progress	241.2	154.3	130.6	264.9
Total	\$ 2,265.7	\$ 355.8	\$ 177.4	\$ 2,444.1

NOTE 7 - INTERFUND TRANSACTIONS

A. Due From/Due To Other Funds

Interfund receivables and payables are referred to respectively as due from other funds and due to other funds on the balance sheet. A schedule of interfund receivables and payables at June 30, 1997 is presented below (expressed in thousands):

<u>Interfund Receivables and Payables</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 403,762	\$ 445,062
Debt Service	40,198	--
Special Revenue Funds		
Casino Control Fund	7,876	--
Casino Revenue Fund	45,928	--
Cultural Centers and Historic Preservation Fund	5,309	4,726
Developmental Disabilities Waiting List Reduction Fund	--	5,287
1992 Farmland Preservation Fund	--	18,290
Green Trust Fund	7,403	--
Hazardous Discharge Fund of 1981	--	16,636
Hazardous Discharge Fund of 1986	--	58,030
Hazardous Discharge Site Cleanup Fund	13,372	16,190
Health Care Subsidy Fund	7,647	14,319
Higher Education Facility Renovation and Rehabilitation Fund	7,000	--
1992 Historic Preservation Fund	--	6,727
Jobs, Education and Competitiveness Fund	--	9,513
1983 New Jersey Green Acres Fund	19,462	1,244
1989 New Jersey Green Acres Fund	9,590	15,104
1992 New Jersey Green Acres Fund	--	34,230
1995 New Jersey Green Acres Fund	--	20,564
1989 New Jersey Green Trust Fund	--	35,705
1992 New Jersey Green Trust Fund	8,425	30,616
1995 New Jersey Green Trust Fund	--	7,707
New Jersey Spill Compensation Fund	--	19,115
New Jersey Transportation Trust Fund Authority	--	40,198
New Jersey Workforce Development Partnership Fund	537	7,893
Property Tax Relief Fund	308,036	--
State Lottery Fund	--	81,080
Unemployment Compensation Auxiliary Fund	--	20,213
Wastewater Treatment Fund	111,359	8,667
1992 Wastewater Treatment Fund	--	12,200
Water Conservation Fund	--	12,130
Water Supply Fund	60,738	18,369
Other Special Revenue Funds under \$5 million	<u>6,068</u>	<u>25,681</u>
Total Special Revenue Funds	<u>618,750</u>	<u>540,434</u>

Interfund Receivables and Payables

	<u>Due From</u>	<u>Due To</u>
Capital Projects Funds		
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund	--	13,995
New Jersey Bridge Rehabilitation and Improvement Fund	5,982	4,847
Special Transportation Fund	--	63,216
Other Capital Projects Funds under \$5 million	907	3,634
	<u>6,889</u>	<u>85,692</u>
Total Capital Projects Funds		
Trust and Agency Funds		
Trust Funds		
Fund for Support of Free Public Schools	--	5,291
Health Benefits Program Fund	45,818	2,238
New Home Warranty Security Fund	--	6,595
State Disability Benefit Fund	1,106	14,853
Unclaimed Personal Property Trust Fund	82	34,474
Unemployment Compensation Fund	137	5,934
Pension Trust Funds		
Public Employees' Retirement System	21,322	4,338
Agency Funds		
Alternate Benefit Program Fund	6,293	1,228
Wastewater Treatment Trust Fund	7,000	--
Other Trust and Agency Funds under \$5 million	17,694	22,912
	<u>99,452</u>	<u>97,863</u>
Total Trust and Agency Funds		
Total All Funds	<u><u>\$ 1,169,051</u></u>	<u><u>\$ 1,169,051</u></u>

B. Transfer From/To Other Funds

Transfers from and transfers to other funds in the Statement of Revenues, Expenditures and Changes in Fund Balance represent transfers between funds. A schedule of transfers from and transfers to at June 30, 1997 is presented below (expressed in thousands):

	<u>Transfers From</u>	<u>Transfers To</u>
General Fund	\$ 1,293,297	\$ 1,325,024
Debt Service Fund	601,984	--
Special Revenue Funds		
Casino Revenue Fund	29,741	--
Hazardous Discharge Fund of 1981	--	8,247
Hazardous Discharge Fund of 1986	--	8,436
Hazardous Discharge Site Cleanup Fund	8,084	16,190
Health Care Subsidy Fund	--	364,785
Legal Services Fund	--	9,236

	<u>Transfers From</u>	<u>Transfers To</u>
New Jersey Spill Compensation Fund	--	19,115
New Jersey Transportation Trust Fund Authority	304,500	940,315
New Jersey Workforce Development Partnership Fund	--	7,893
State Lottery Fund	--	662,080
Unemployment Compensation Auxiliary Fund	--	20,075
Water Supply Fund	--	14,309
Other Special Revenue Funds under \$5 million	<u>7,306</u>	<u>39,442</u>
Total Special Revenue Funds	<u>349,631</u>	<u>2,110,123</u>
Capital Projects Funds		
Special Transportation Fund	785,232	--
Other Capital Projects Funds under \$5 million	<u>--</u>	<u>3,763</u>
Total Capital Projects Fund	<u>785,232</u>	<u>3,763</u>
Expendable Trust Funds		
Dental Expense Program Fund	19,390	--
Fund for Support of Free Public Schools	--	8,549
Health Benefits Program Fund	449,778	--
Higher Education Assistance Fund	--	11,281
New Home Warranty Security Fund	--	6,595
Prescription Drug Program Fund	68,807	--
State Disability Benefit Fund	--	28,218
Unclaimed Personal Property Trust Fund	--	74,474
Other Trust and Agency Funds under \$5 million	<u>1,983</u>	<u>2,075</u>
Total Expendable Trust Funds	<u>539,958</u>	<u>131,192</u>
Total All Funds	<u>\$ 3,570,102</u>	<u>\$ 3,570,102</u>

C. Residual Equity Transfers In (Out)

Residual equity transfers in (out) in the Statement of Revenues, Expenditures and Changes in Fund Balance represent nonroutine or nonrecurring transfers between funds and are reported as additions or deductions from fund balance. A schedule of residual equity transfers in (out) at June 30, 1997 is presented below (expressed in thousands):

Residual Equity Transfers	<u>In</u>	<u>Out</u>
General Fund	\$ 269,294	\$ --
Special Revenue Funds		
Boarding House Rental Assistance Fund	--	375
Casino Revenue Fund	375	--
Mortgage Assistance Fund	--	2,514
Sanitary Landfill Facility Contingency Fund	<u>--</u>	<u>11,330</u>
Total Special Revenue Funds	<u>375</u>	<u>14,219</u>

Residual Equity Transfers	<u>In</u>	<u>Out</u>
Expendable Trust Funds		
Emergency Services Fund	--	1,200
New Home Warranty Fund	--	4,250
State Disability Benefit Fund	--	<u>250,000</u>
Total Expendable Trust Funds	--	<u>255,450</u>
Total Residual Equity Transfers	<u>\$ 269,669</u>	<u>\$ 269,669</u>

NOTE 8 - 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, 1997 in the General Fund (\$487.1 million) consists principally of amounts due from the Port Authority of New York and New Jersey, motor vehicle licenses and registrations, insurance licensing, professional board licenses and fees and food stamp inventory (in accordance with the provisions of GASB Statement 24). The amount at June 30, 1997 in the Petroleum Overcharge Reimbursement Fund (\$21.3 million) represents oil overcharge monies, which have been received, but remain unexpended. The Health Benefit Program Fund reflects deferred revenue of \$13.0 million representing premiums received in June 1997 for July 1997 coverage. Additionally, the Casino Control Fund reflects deferred revenue of \$7.9 million which represents advance tax payments on slot machines from various casinos.

NOTE 9 - LONG-TERM OBLIGATIONS

A. Summary of Long-Term Obligations

A summary of long-term obligations at June 30, 1997 is shown below:

	<u>Amount In Thousands</u>
<u>General Long-Term Debt</u>	
General obligation bonds	\$ 3,437,450
Revenue bonds	3,027,115
Accumulated sick and vacation payable	414,210
Capital leases	57,467
Installment obligations	4,943,759
Certificates of participation	16,275
Loans payable	<u>1,120,000</u>
Total General Long-Term Debt	<u>\$ 13,016,276</u>

B. Debt Service Payments

The following schedule represents debt service payments for the next five years and thereafter (expressed in thousands):

	General Long-Term Debt Account Group		
	State Bonded Debt	Revenue Bonds	Total
First	\$ 287,675	\$ 90,250	\$ 377,925
Second	285,985	103,399	389,384
Third	285,630	108,077	393,707
Fourth	286,860	113,427	400,287
Fifth	264,930	123,428	388,358
Thereafter	<u>2,026,370</u>	<u>2,488,534</u>	<u>4,514,904</u>
Total	<u>\$ 3,437,450</u>	<u>\$ 3,027,115</u>	<u>\$ 6,464,565</u>

The general obligation bonded debt outstanding as of June 30, 1997 is \$3.4 billion which is secured by the full faith and credit of the State (the General Fund). The 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.

The New Jersey Transportation Trust Fund issued \$714.3 million in new bonds on October 30, 1996.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 1997 was \$446.9 million. 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.

In prior years, the State has refunded various bond issuances by creating separate irrevocable trust funds. Refunding debt has been issued and the proceeds have been used to purchase United States Treasury Obligations--State and Local Government Series that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the State's General Long-Term Debt Account Group. As of June 30, 1997, the amount of defeased debt outstanding but removed from the General Long-Term Debt Account Group amounted to \$1,518.8 million.

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, 1996 is \$127.9 million. 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 has contracted with the Authority to provide annual appropriations to the Authority in amounts sufficient to provide for the debt service on certain other bonds issued by the Authority (State Contract Bonds). At June 30, 1997, the amount outstanding was \$458.9 million.

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 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. On December 1, 1996, the Corporation certified that it would be unable to provide sufficient funds from operations for debt reserve and would, therefore, require a State appropriation for fiscal year 1997 in the amount of \$5.3 million.

C. Changes in Long-Term Debt

The following schedule represents the changes in the General Long-Term Debt Account Group (expressed in thousands):

	<u>Outstanding July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 1997</u>
General Obligation Bonds	\$ 3,688,361	\$ --	\$ 250,911	\$ 3,437,450
Revenue Bonds	2,371,955	714,340	59,180	3,027,115
Accumulated Sick and Vacation Payable	412,836	1,374	--	414,210
Capital Leases	58,483	4,504	5,520	57,467
Installment Obligations	1,684,243	3,360,367	100,851	4,943,759
Certificates of participation	35,260	--	18,985	16,275
Loans Payable	<u>960,000</u>	<u>160,000</u>	<u>--</u>	<u>1,120,000</u>
Total	<u>\$ 9,211,138</u>	<u>\$ 4,240,585</u>	<u>\$ 435,447</u>	<u>\$ 13,016,276</u>

D. Capital Lease and Installment Obligations

The State has entered into various lease and installment purchase agreements as a means of acquiring capital assets.

The following is a schedule, by fiscal year, of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 1997 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Obligations</u>
1998	\$ 13,895
1999	11,884
2000	10,620
2001	9,845
2002	9,845
Thereafter	<u>85,314</u>
Total minimum lease payments	141,403
Less: Amount representing interest	<u>83,936</u>
Present value of lease principal payments	<u>\$ 57,467</u>

Installment obligations represent agreements between the State and several authorities which have issued their obligations to purchase or construct facilities to be rented by the State or to provide financing for other State projects. 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 purchases. Included in installment obligations is \$2.8 billion representing the principal amount of bonds issued by the Economic Development Authority (a component unit), which was utilized in funding the State's accrued pension liability. At the conclusion of the term of the installment agreements, title to the various facilities is to be transferred to the State. The following is a schedule, by fiscal year, of future installment payments together with the present value of net minimum installment payments, as of June 30, 1997 (expressed in thousands) for both installment purchases as well as various other installment obligations of the State:

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>
1998	\$ 331,557
1999	344,541
2000	353,283
2001	347,640
2002	336,203
Thereafter	<u>12,162,121</u>
Total minimum installment payments	13,875,345
Less: Amount representing interest	<u>8,931,586</u>
Present value of installments principal payments	<u>\$ 4,943,759</u>

Those obligations identified as certificates of participation represent a series of master lease agreements with a trustee from the sale of certificates of participation. The State is required to make aggregate payments on the equipment that approximate the interest and principal payments to be made by the trustee to certified holders. On September 15, 1992 an issue was sold of which \$124,525,000 of the proceeds was used to refund several prior issues and which also contained \$21,900,000 in new certificates. Details of the various agreements are as follows (expressed in thousands):

<u>Effective Date</u>	<u>Original Issues</u>	
	<u>Principal</u>	<u>Interest</u>
September 15, 1992	\$ 146,485	\$ 18,128
Total Certificates of Participation Issued	<u>\$ 146,485</u>	<u>\$ 18,128</u>

The following is a schedule, by fiscal year, of future minimum payments for outstanding certificates of participation as of June 30, 1997 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>
1998	\$ 16,682
1999	--
2000	--
2001	--
2002	--
Thereafter	<u>--</u>
Total minimum certificates of participation payments	16,682
Less: Amount representing interest	<u>407</u>
Present value of certificates of participation principal payments	<u>\$ 16,275</u>

E. Loans Payable

In addition, the New Jersey Automobile Insurance Guaranty Fund has received a loan of \$1.12 billion from the New Jersey Property-Liability Insurance Guaranty Association. This loan will be repaid to the Association when the financial obligations of the Joint Underwriters Association (JUA) have been fully satisfied.

NOTE 10 - OTHER LIABILITIES

Other liabilities at June 30, 1997 include the following:

Deposits and accumulated earnings on investments of \$2.8 billion are due to local units of government and school districts from the State of New Jersey Cash Management Fund. Other liabilities in the General Fund (\$74.3 million) and in the Property Tax Relief Fund (\$52.1 million) consists principally of revenue refunds payable and payments due to local units of government.

NOTE 11 - FUND BALANCE RESERVED-OTHER

The following portions of fund balances have been reserved:

General Fund

The \$72.0 million reservation in the General Fund, 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. This includes a 4 percent dedication of Corporation Business Tax revenues in excess of appropriations pursuant to the Constitutional Amendment approved by New Jersey voters in November 1996.

Special Revenue Funds

Beaches and Harbor Fund

\$1.3 million represents amounts in escrow.

Boarding House Rental Assistance Fund

\$5.4 million represents unpaid balances of loan commitments entered into by the New Jersey Housing and Mortgage Finance Agency as of June 30, 1997.

Green Trust Fund

\$67.2 million represents loans due from various municipalities for land acquisition and development.

Hazardous Discharge Site Cleanup Fund

\$11.1 million represents receivables from responsible parties for cleanup.

Housing Assistance Fund

\$6.5 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.

Mortgage Assistance Fund

\$12.1 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.

New Jersey Automobile Insurance Guaranty Fund

\$6.5 million represents an escrow reserve established pursuant to litigation.

1989 New Jersey Green Trust Fund

\$69.1 million represents loans made to various municipalities for land acquisition and development.

1992 New Jersey Green Trust Fund

\$17.4 million represents loans made to various municipalities for land acquisition and development.

1995 New Jersey Green Trust Fund

\$1.3 million represents loans made to various municipalities for land acquisition and development.

New Jersey Local Development Financing Fund

\$29.6 million represents loans made to various municipalities for economic development which will be repaid during a subsequent period of years.

New Jersey Transportation Trust Fund Authority

\$144.9 million represents amounts reserved for State transportation program costs.

Petroleum Overcharge Reimbursement Fund

\$3.5 million represents a loan to the New Jersey Sports and Exposition Authority.

Pinelands Infrastructure Trust Fund

\$6.6 million represents loans to local units of government in the pinelands area for infrastructure capital projects necessary to accommodate development in the regional growth area.

Resource Recovery and Solid Waste Disposal Facility Fund

\$104.4 million represents loans made to various counties for the design, acquisition, and construction of resource recovery facilities.

Shore Protection Fund

\$2.5 million represents loans for shore protection projects to various municipalities.

State Lottery Fund

Of the \$9.2 million reserved, \$.2 million is reserved for bond insurance and \$9.0 million is for prizes.

State Recycling Fund

\$6.8 million represents low interest loans to recycling businesses which will be repaid in future years.

Volunteer Emergency Service Organizations Loan Fund

\$1.5 million represents loans to volunteer emergency service organizations.

Wastewater Treatment Fund

\$383.1 million represents loans to local governments which will be repaid in future years.

1992 Wastewater Treatment Fund

\$2.8 million represents loans to local governments which will be repaid in future years.

Water Conservation Fund

\$0.8 million represents sewage facility planning loans and contaminated wellfield loans.

Water Supply Fund

\$131.9 million represents loans to the New Jersey Water Supply Authority which will be repaid over a 10 year period commencing on May 1, 1986, and rehabilitation loans made to various municipalities.

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, \$45.4 million of this fund balance has been reserved at June 30, 1997.

Higher Education Assistance Fund

\$1.8 million represents loans to students that will be paid over an extended period of time.

Unsatisfied Claim and Judgment Fund

\$5.6 million represents receivables to be paid to the fund over an extended period of years.

NOTE 12 - OTHER FINANCING SOURCES/USES - OTHER

Special Revenue Funds

New Jersey Automobile Insurance Guaranty Fund

\$160.0 million in Other Financing Sources-Other represents long-term financing from the New Jersey Property-Liability Insurance Guaranty Association.

NOTE 13 - OPERATING LEASES

The State of New Jersey has commitments to lease certain buildings and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancellable operating leases as of June 30, 1997 are as follows (expressed in thousands):

Fiscal Year Ending	
June 30	
1998	\$ 91,692
1999	76,505
2000	72,055
2001	63,512
2002	61,170
Thereafter	<u>631,567</u>
Total Future Minimum Lease Payments	<u>\$ 996,501</u>

NOTE 14 - 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 fifty percent 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, 1997, accumulated employee sick leave balances had an estimated value of \$319.4 million which is reflected in the General Long-Term Debt Account Group. Cash payments for sick leave at retirement are made from annual legislative appropriations for salaries and wages on a "pay-as-you-go" basis. 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.

As of June 30, 1997, the liability for accumulated vacation pay of approximately \$94.8 million is reflected in the General Long-Term Debt Account Group. Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one year period.

NOTE 15 - DEFERRED COMPENSATION

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by the Division of Pensions, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Under current Internal Revenue Service regulations, all monies that are deferred and any other assets or income of the plan shall be held in trust for the exclusive benefit of the participating employees and their beneficiaries. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 16 - RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees:

Consolidated Police and Firemen's Pension Fund (CPFPP)--established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Judicial Retirement System (JRS)--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after five years of successive service as a judge and 10 years in the aggregate of public service.

Police and Firemen's Retirement System (PFRS)--established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Prison Officers' Pension Fund (POPF)--established in January 1941, under the provisions of N.J.S.A. 43:7 to provide coverage to various employees of the State penal institutions who were appointed prior to January 1, 1960. The fund is a closed system with no active members. New employees are enrolled in the Police and Firemen's Retirement System.

Public Employees' Retirement System (PERS)--established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care 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. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service.

State Police Retirement System (SPRS)--established in July 1965, under the provisions of N.J.S.A. 53:5A to provide coverage to all uniformed officers and troopers of the State Police in the State. Membership is mandatory and vesting occurs after 10 years of membership.

Teachers' Pension and Annuity Fund (TPAF)--established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage.

Other Pension Funds:

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 single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems. There are no employees covered by CPF.

The State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. In the CPF, POPF, and CPF, the cost of living increases are payable from the State of New Jersey Pension Adjustment Fund which is funded by the State as benefit allowances become payable. The cost of living increases for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state statutes, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Funds are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the Funds. Benefits or refunds are recognized when due and payable in accordance with the terms of the Funds.

The Funds adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 25, "Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans" and Statement No. 26, "Financial Reporting for Postemployment Healthcare Plans Administered By Defined Benefit Pension Plans" in 1997. GASB Statement No. 25 requires that plan assets, plan liabilities, and plan net assets be recorded at fair value. Prior to the adoption of GASB Statement No. 25, investments were recorded at cost or amortized cost. The cumulative effect of this change in accounting method, as of July 1, 1996, of \$11.6 billion, is reported in the accompanying statement of changes in plan net assets. The effects of the adoption of GASB Statement No. 26 were immaterial to the financial statements of the State of New Jersey Pension Trust Funds.

Investment Valuation

Investments are reported at fair value. Short-term investments (State of New Jersey Cash Management Funds) are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes, or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$2.75 billion from the proceeds of the bonds were deposited into the Funds' investment accounts. Such proceeds are included as employer contributions in the accompanying statement of changes in plan net assets.

As a result of additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), the asset valuation method was changed from market related value to full-market value for the valuation reports applicable to Fiscal Year 1998 (i.e. the March 31, 1996 valuation for PERS and TPAF; the July 1, 1996 valuation for SPRS, JRS, CPFPPF, and POPF; and the July 1, 1995 valuation for PFRS). This legislation also contains a provision to reduce the employee contribution rates under PERS and TPAF by 1/2 of 1 percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provides that the State of New Jersey may reduce its normal contributions to the Funds based on the revaluation of assets, and fund such contributions from excess assets not needed to cover the costs of all accrued benefits. In addition, the legislation requires that the normal contribution to be made to the TPAF for the year ended June 30, 1997 shall be no less than \$54 million excluding the post-retirement medical contribution.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. As of the most recent 1996 actuarial valuations (June 30, 1995 valuation for PERS), the retirement systems have a combined accrued liability surplus of \$1.0 billion. Prior to the enactment of the legislation described above, the State of New Jersey's portion of such unfunded accrued liability was \$4.3 billion. In addition, excess valuation assets were available to fund, in whole or in part, the State of New Jersey's normal contribution for the fiscal year ended June 30, 1997, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

Funding Policy

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 1997, for CPFPPF, JRS, POPF, SPRS, and TPAF, which are single employer plans, annual pension cost equals annual required contribution. For PFRS and PERS, which are multi-employer pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Plan / Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
PERS - State						
3/31/95	\$5,499,850,766	\$5,921,281,646	\$421,430,880	92.9%	\$2,830,000,937	14.9%
3/31/96	\$6,565,471,539	\$6,225,818,232	\$(339,653,307)	105.5%	\$2,762,479,385	-12.3%
PERS - Local						
3/31/95	\$8,629,411,069	\$8,433,456,163	\$(195,954,906)	102.3%	\$4,191,703,372	-4.7%
3/31/96	\$9,919,779,257	\$8,960,275,181	\$(959,504,076)	110.7%	\$4,301,404,278	-22.3%
TPAF						
3/31/95	\$16,942,637,259	\$18,410,393,538	\$1,467,756,279	92.0%	\$5,358,893,876	27.4%
3/31/96	\$20,843,247,418	\$19,828,428,735	\$(1,014,818,683)	105.1%	\$5,594,150,132	-18.1%
PFRS - State & Local						
6/30/94	\$8,102,859,352	\$9,812,668,271	\$1,709,808,919	82.6%	\$1,774,962,741	96.3%
6/30/95	\$10,058,945,352	\$10,920,667,340	\$861,721,988	92.1%	\$1,843,745,932	46.7%
6/30/96	\$10,959,178,731	\$12,194,092,185	\$1,234,913,454	89.9%	\$1,967,863,025	62.8%
SPRS						
6/30/95	\$940,200,607	\$1,130,124,715	\$189,924,108	83.2%	\$135,971,603	139.7%
6/30/96	\$1,219,615,207	\$1,187,387,033	\$(32,228,174)	102.7%	\$142,390,519	-22.6%
JRS						
6/30/95	\$163,907,007	\$255,572,086	\$91,665,079	64.1%	\$40,041,000	228.9%
6/30/96	\$283,199,734	\$283,199,734	--	100.0%	\$47,587,950	0.0%
CPFPPF						
6/30/95	\$50,406,423	\$82,101,504	\$31,695,081	61.4%	--	N/A
6/30/96	\$78,769,717	\$73,694,514	\$(5,075,203)	106.9%	--	N/A
POPF						
6/30/95	\$3,339,376	\$19,594,151	\$16,254,775	17.0%	--	N/A
6/30/96	\$18,654,334	\$18,654,334	--	100.0%	--	N/A

The annual pension cost for the fiscal year ending June 30, 1997 and related information, including a summary of the significant actuarial methods and assumptions used by the Funds, are presented below:

	<u>CPFPE</u>	<u>JRS</u>	<u>PFRS</u>
Annual Pension Cost (APC)			
State	\$10,580,991	\$18,406,865	\$715,344,385
Local			\$234,963,865
Contributions Made			
State	\$43,995,746	\$110,483,753	\$715,344,385
Local			\$234,963,865
Percentage of APC Contributed			
State	415.8%	600.2%	100.0%
Local			100.0%
Net Pension Obligation			
State	(\$33,414,755)	(\$92,076,888)	\$0
Local			\$0
Contribution rates:			
State	N/A	46.0%	275.3%
State-related employers	N/A	N/A	15.5%
Employees	N/A	3.0%	8.5%
Significant Actuarial Assumptions and Methods:			
Date of actuarial valuation	6/30/96	6/30/96	6/30/96
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Percent, Closed
Remaining amortization period	3 years	36 years	35 years
Asset valuation method	Five Year Average of Market Value	Market Value	Five Year Average of Market Value
Actuarial assumptions:			
Investment rate of return	8.75%	8.75%	8.75%
Projected salary increases	n/a	5.95%	5.95%
Cost-of-Living Adjustments	N/A	60% of the maximum of the CPI increase and 4.0%	60% of the maximum of the CPI increase and 4.0%

	POPF	PERS	SPRS	TPAF
Annual Pension Cost (APC)				
State	\$2,949,604	\$241,106,642	\$44,384,679	\$372,060,546
Local		\$67,476,771		
Contributions Made				
State	\$21,688,219	\$241,106,642	\$120,308,862	\$1,601,688,633
Local		\$67,476,771		
Percentage of APC Contributed				
State	735.3%	100.0%	271.1%	430.5%
Local		100.0%		
Net Pension Obligation				
State	(\$18,738,615)	\$0	(\$75,924,183)	(\$1,229,628,087)
Local		\$0		
Contribution rates:				
State	N/A	8.5%	32.6%	6.9%
State-related employers	N/A	1.6%	N/A	N/A
Employees	N/A	5.0%	7.5%	5.0%
Significant Actuarial Assumptions and Methods:				
Date of actuarial valuation	6/30/96	3/31/96	6/30/96	3/31/96
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar, Closed	Level Percent, Closed	Level Dollar, Closed	Level Percent, Closed
Remaining amortization period	6 years	36 years	36 years	36 years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:				
Investment rate of return	5.00%	8.75%	8.75%	8.75%
Projected salary increases	N/A	5.95%	5.95%	5.95%
Cost-of-Living Adjustments	N/A	60% of the maximum of the CPI increase and 4.0%	60% of the maximum of the CPI increase and 4.0%	60% of the maximum of the CPI increase and 4.0%

NOTE 17 - POST-RETIREMENT MEDICAL BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service. As of June 30, 1997, there were 39,883 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State contributed \$51.0 million to the PERS and \$127.5 million to the TPAF in fiscal year 1997 for post-retirement medical benefits.

In addition, chapter 136, P.L. 1977 provides for the State to pay health benefits coverage of retired state employees regardless of retirement date whose pensions are based upon 25 years or more of credited service (except those who elect a deferred retirement) or a disability retirement regardless of years of service. Excluded from these benefits are retirees from the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund which finance the cost of providing the same health benefits coverage to the retirees.

These benefits are funded by the State on a "pay as you go" basis. For fiscal year 1997, the State contributed \$12.4 million for 3,094 eligible retired members.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF and ABP who retired from a board of education or county college with 25 years of service. In fiscal year 1997, the State paid \$14.6 million toward Chapter 126 benefits for 3,980 eligible retired members.

NOTE 18 - COMPONENT UNITS - AUTHORITIES

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. Authorities are legally separate entities that are not operating departments of the State.

The activities of the New Jersey Building Authority and the New Jersey Transportation Trust Fund Authority have been blended into the financial activities of the State as special revenue funds, debt service fund and general long-term account group. All other Authorities have been discretely presented as component units in the State's financial statements in accordance with GASB Statement 14. Accordingly, the statements of these Authorities have been discretely presented in separate columns in the State's financial statements.

The Authorities are managed independently, outside the appropriated budget process and their powers generally are vested in the governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing, public transportation, low cost housing, environmental protection and capital development for health and education purposes. In addition, 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 actions.

Descriptions of the discretely presented Authorities and addresses from which complete financial statements of the respective Authority may be obtained is provided at the conclusion of Note 18.

The following pages represent condensed financial statements for each major discretely presented Authority included in the component unit column in the general purpose financial statements (GPFS). All nonmajor discretely presented Authorities are presented in the aggregate.

**STATE OF NEW JERSEY
CONDENSED BALANCE SHEET
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997
(In thousands)**

	New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	New Jersey Highway Authority	New Jersey Housing And Mortgage Finance Agency
Assets:				
Current assets	\$ 551,369	\$ 708,350	\$ 281,313	\$ 1,247,562
Receivables, net	1,476,618	2,788,083	2,982	2,430,136
Fixed asset, net	271	615	1,398,295	14,796
Amount to be provided for:				
Bonds and notes	1,492,452	3,378,540	--	--
Total Assets	<u>\$ 3,520,710</u>	<u>\$ 6,875,588</u>	<u>\$ 1,682,590</u>	<u>\$ 3,692,494</u>
Liabilities:				
Current liabilities	\$ 53,846	\$ 103,503	\$ 114,861	\$ 384,803
Revenue bonds and notes payable	1,492,452	3,378,540	610,810	2,727,457
Capital leases	--	--	--	--
Total Liabilities	<u>1,546,298</u>	<u>3,482,043</u>	<u>725,671</u>	<u>3,112,260</u>
Fund Equity:				
Contributed capital	--	--	--	--
Investment in general fixed assets	271	615	--	--
Retained earnings:				
Reserved	--	--	--	426,917
Unreserved	--	--	956,919	153,317
Fund balances:				
Reserved - Other	1,947,741	2,729,146	--	--
Unreserved-Undesignated	26,400	663,784	--	--
Total Fund Equity	<u>1,974,412</u>	<u>3,393,545</u>	<u>956,919</u>	<u>580,234</u>
Total Liabilities and Fund Equity	<u>\$ 3,520,710</u>	<u>\$ 6,875,588</u>	<u>\$ 1,682,590</u>	<u>\$ 3,692,494</u>

STATE OF NEW JERSEY
CONDENSED BALANCE SHEET (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997
(In thousands)

	New Jersey Transit Corporation	New Jersey Turnpike Authority	All Other Component Units Authorities	Total Component Units Authorities
Assets:				
Current assets	\$ 1,273,825	\$ 707,338	\$ 1,689,116	\$ 6,458,873
Receivables, net	95,086	10,461	2,460,685	9,264,051
Fixed asset, net	3,041,789	3,190,260	1,206,183	8,852,209
Amount to be provided for:				
Bonds and notes	--	--	675,156	5,546,148
Total Assets	\$ 4,410,700	\$ 3,908,059	\$ 6,031,140	\$ 30,121,281
Liabilities:				
Current liabilities	\$ 628,970	\$ 136,836	\$ 828,966	\$ 2,251,785
Revenue bonds and notes payable	351,583	2,719,614	3,249,481	14,529,937
Capital leases	640,450	--	21	640,471
Total Liabilities	1,621,003	2,856,450	4,078,468	17,422,193
Fund Equity:				
Contributed capital	2,854,500	--	112,363	2,966,863
Investment in general fixed assets	--	--	711	1,597
Retained earnings:				
Reserved	--	67,990	103,998	598,905
Unreserved	(64,803)	983,619	650,064	2,679,116
Fund balances:				
Reserved - Other	--	--	172,937	4,849,824
Unreserved-Undesignated	--	--	912,599	1,602,783
Total Fund Equity	2,789,697	1,051,609	1,952,672	12,699,088
Total Liabilities and Fund Equity	\$ 4,410,700	\$ 3,908,059	\$ 6,031,140	\$ 30,121,281

STATE OF NEW JERSEY
CONDENSED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997
(In Thousands)

Governmental Fund Type

	New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	All Other Component Units Authorities	Total Component Units Authorities
Revenues:				
Operating	\$ 404,577	\$ 379,184	\$ 108,984	\$ 892,745
Expenditures:				
Current	327,735	188,553	17,128	533,416
Debt Service	152,252	323,108	85,756	561,116
Total Expenditures	479,987	511,661	102,884	1,094,532
Operating Income (Loss)	(75,410)	(132,477)	6,100	(201,787)
Other Financing Sources	372,247	74,636	136,682	583,565
Net Increase (Decrease) in Fund Balance for the Year	296,837	(57,841)	142,782	381,778
Fund Balance Beginning of Year	1,677,304	3,450,771	942,754	6,070,829
Fund Balance End of Year	\$ 1,974,141	\$ 3,392,930	\$ 1,085,536	\$ 6,452,607

STATE OF NEW JERSEY
CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997
(In thousands)

Proprietary Fund Types

	New Jersey Highway Authority	New Jersey Housing And Mortgage Finance Agency	New Jersey Transit Corporation
Operating Revenues	\$ 190,791	\$ 236,488	\$ 435,917
Operating Expenses:			
Depreciation & Amortization	26,352	1,475	199,795
Other	99,065	198,332	849,285
Operating Income (Loss)	65,374	36,681	(613,163)
Governmental Subsidies and Grants	(10,000)	--	410,911
Capital Contribution	--	--	513,627
Other Nonoperating Revenues (Expenses)	(22,167)	(2,442)	33,788
Income(Loss) before Operating Transfers	33,207	34,239	345,163
Operating Transfers In (Out)	--	--	--
Net Income	33,207	34,239	345,163
Retained Earnings/Fund Equity Beginning of Year	923,712	545,995	2,444,534
Retained Earnings/Fund Equity End of Year	\$ 956,919	\$ 580,234	\$ 2,789,697

STATE OF NEW JERSEY
CONDENSED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997
(In thousands)

Proprietary Fund Types

	New Jersey Turnpike Authority	All Other Component Units Authorities	Total Component Units Authorities
Operating Revenues	\$ 351,766	\$ 378,664	\$ 1,593,626
Operating Expenses:			
Depreciation & Amortization	23,591	34,844	286,057
Other	164,203	294,102	1,604,987
Operating Income (Loss)	163,972	49,718	(297,418)
Governmental Subsidies and Grants	(12,000)	(271,316)	117,595
Capital Contribution	--	15,551	529,178
Other Nonoperating Revenues (Expenses)	<u>(126,681)</u>	<u>(86,305)</u>	<u>(203,807)</u>
Income(Loss) before Operating Transfers	25,291	(292,352)	145,548
Operating Transfers In (Out)	<u>--</u>	<u>--</u>	<u>--</u>
Net Income	25,291	(292,352)	145,548
Retained Earnings/Fund Equity Beginning of Year	<u>1,026,318</u>	<u>1,158,776</u>	<u>6,099,335</u>
Retained Earnings/Fund Equity End of Year	<u>\$ 1,051,609</u>	<u>\$ 866,424</u>	<u>\$ 6,244,883</u>

A. Restatements

The following governmental authorities fund balance have been restated to properly reflect investment in general fixed assets (expressed in millions).

<u>Authority</u>	<u>From</u>	<u>To</u>
Casino Reinvestment Development Authority	\$ 144.6	\$ 144.1
New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprise	\$ 4.3	\$ 4.2
New Jersey Educational Facilities Authority	\$1,677.5	\$1,677.3
New Jersey Health Care Facilities Financing Authority	\$3,451.4	\$3,450.8
New Jersey Redevelopment Authority	\$ 23.3	\$ 23.2
New Jersey Wastewater Treatment Trust	\$ 668.6	\$ 668.5

The following proprietary authorities fund equity have been restated to properly reflect various reclassifications (expressed in millions).

<u>Authority</u>	<u>From</u>	<u>To</u>
Hackensack Meadowlands Development Commission	\$ 34.1	\$ 34.8
New Jersey Transit Corporation	\$2,446.9	\$2,444.5

B. Cash and Cash Equivalents

Governmental Accounting Standards Board Statement 3 requires the bank balances of deposits to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name. Category 3 consists of deposits which are uncollateralized.

The Component Units - Authorities generally classify as cash and cash equivalents all highly liquid investments with an original maturity of three months or less.

Cash and cash equivalents are categorized below for all discretely presented Authorities (expressed in thousands):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>
Cash	\$ 15,827	\$ 103,319	\$ 12,639	\$ 131,785	\$ 114,780
Certificates of deposits and related items	200	248,601	58,252	307,053	307,859
Total	<u>\$ 16,027</u>	<u>\$ 351,920</u>	<u>\$ 70,891</u>	<u>\$ 438,838</u>	<u>\$ 422,639</u>

Cash and cash equivalents for proprietary and governmental component units total \$119.8 million and \$302.8 million respectively.

C. Investments

The Authorities primarily invest in U.S. Government Securities, other Government bonds and securities, and mortgage backed certificates. Governmental Accounting Standards Board Statement 3 requires investments to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments are categorized below for all discretely presented Authorities (expressed in thousands):

	Carrying Amount			Total	Market Value
	Category 1	Category 2	Category 3		
Government bonds and obligations	\$ 159,957	\$ 840,488	\$ 1,303,827	\$ 2,304,272	\$ 2,325,452
Repurchase agreements	76,442	3,766	272,143	352,351	352,352
Other	3,974	7,027	1,435,644	1,446,645	1,446,787
Investments subject to risk categorization	<u>\$ 240,373</u>	<u>\$ 851,281</u>	<u>\$ 3,011,614</u>	\$ 4,103,268	\$ 4,124,591
Participation in State of New Jersey					
Cash Management Fund				1,408,198	1,408,198
Annuity Contracts				51,027	51,027
Total reported as investments				<u>\$ 5,562,493</u>	<u>\$ 5,583,816</u>

D. Receivables

Other receivables in the Casino Reinvestment Development Authority (\$111.5 million), the New Jersey Economic Development Authority (\$1.7 billion), the New Jersey Health Care Facilities Financing Authority (\$70.6 million), the New Jersey Higher Education Assistance Authority (\$80.4 million), and the New Jersey Transit Corporation (\$95.1 million), and the New Jersey Wastewater Treatment Trust (\$481.2 million), represent notes receivable due from various companies or individuals.

E. Fixed Assets

A summary reflecting changes in the discretely presented Authorities fixed assets and the resulting June 30, 1997 balances follows (expressed in thousands):

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
Land	\$ 753,553	\$ 3,983	\$ 1,272	\$ 756,264
Land improvements	3,862,953	145,862	52,192	3,956,623
Buildings and improvements	1,831,409	61,778	97,194	1,795,993
Machinery and equipment	899,697	226,437	132,483	993,651
Construction in progress	956,588	409,669	16,579	1,349,678
Total	<u>\$ 8,304,200</u>	<u>\$ 847,729</u>	<u>\$ 299,720</u>	<u>\$ 8,852,209</u>

Depreciation Method

Depreciation is calculated using the straight line method over the following useful life:

Land Improvements	10 - 100 yrs.
Buildings	15 - 60 yrs.
Machinery and Equipment	2 - 25 yrs.

The following table reflects the accumulated depreciation for the major classes of fixed assets reported by the discretely presented Authorities which use proprietary fund accounting (expressed in thousands):

	<u>Accumulated Depreciation</u>
Land	\$ --
Land improvements	91,476
Building and improvements	911,282
Machinery and equipment	1,020,966
Construction in progress	<u>--</u>
Total	<u>\$ 2,023,724</u>

F. Long-Term Obligations

A summary of long-term obligations for the discretely presented Authorities at June 30, 1997 is shown below:

	<u>Proprietary Amount In Thousands</u>
Revenue bonds and notes	\$ 8,853,213
Capital leases and installment obligations	<u>640,471</u>
Total Long-Term Debt	<u>\$ 9,493,684</u>
	<u>Governmental Amount In Thousands</u>
Revenue bonds and notes	\$ 5,676,724
Capital leases and installment obligations	<u>--</u>
Total Long-Term Debt	<u>\$ 5,676,724</u>

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 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. The State of New Jersey has entered into an agreement with the New Jersey Economic Development Authority whereby the State has agreed to annually pay to the Economic Recovery Fund, maintained by the Authority, an amount equivalent to the amount due to the State each year by the Port Authority of New York and New Jersey pursuant to the regional economic development agreement subject to and dependent upon appropriations being made for such purposes by the State Legislature.

1. Debt Service Payments

The following schedule represents debt service payments for the next five years and thereafter (expressed in thousands):

	<u>Fiscal Year</u>	<u>Proprietary Funds</u> <u>Amount</u>
First		\$ 772,776
Second		758,735
Third		768,033
Fourth		842,888
Fifth		844,255
Thereafter		<u>12,523,157</u>
Total minimum debt service payments		16,509,844
Less: Amount representing interest		<u>(7,756,616)</u>
Present value of debt service payments		<u>\$ 8,753,228</u>

	<u>Fiscal Year</u>	<u>Governmental Funds</u> <u>Amount</u>
First		\$ 584,209
Second		536,829
Third		537,048
Fourth		538,084
Fifth		509,315
Thereafter		<u>7,129,314</u>
Total minimum debt service payments		9,834,799
Less: Amount representing interest		<u>(4,147,900)</u>
Present value of debt service payments		<u>5,686,899</u>

2. Changes in Long Term Debt

The following schedule represents the changes in the discretely presented Authorities long term debt (expressed in thousands):

	<u>Outstanding</u> <u>July 1, 1996</u>	<u>Proprietary Funds</u>		<u>Outstanding</u> <u>June 30, 1997</u>
		<u>Additions</u>	<u>Deductions</u>	
Revenue Bonds and Notes	\$ 8,257,983	\$ 871,504	\$ 276,274	\$ 8,853,213
Capital Leases and Installment Obligations	368,729	290,454	18,712	640,471
Total	<u>\$ 8,626,712</u>	<u>\$ 1,161,958</u>	<u>\$ 294,986</u>	<u>\$ 9,493,684</u>

	<u>Outstanding</u> <u>July 1, 1996</u>	<u>Governmental Funds</u>		<u>Outstanding</u> <u>June 30, 1997</u>
		<u>Additions</u>	<u>Deductions</u>	
Revenue Bonds and Notes	\$ 5,391,240	\$ 583,565	\$ 298,081	\$ 5,676,724
Capital Leases and Installment Obligations	--	--	--	--
Total	<u>\$ 5,391,240</u>	<u>\$ 583,565</u>	<u>\$ 298,081</u>	<u>\$ 5,676,724</u>

3. Capital Lease and Installment Obligations

The following is a schedule by fiscal year of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 1997 (expressed in thousands):

<u>Fiscal Year</u>	<u>Proprietary</u>	<u>Amount</u>
First		\$ 53,100
Second		41,168
Third		52,348
Fourth		51,431
Fifth		78,359
Thereafter		<u>1,204,913</u>
Total minimum lease payments		1,481,319
Less: Amount representing interest		<u>(838,818)</u>
Present value of lease principal payments		<u>\$ 642,501</u>

G. Fund Balance/Retained Earnings-Reserved-Other

The following significant fund balances have been reserved:

New Jersey Educational Facilities Authority

The reserve of \$1.9 billion represents \$0.4 billion reserved for debt service and construction projects and \$1.5 billion reserved for mortgage receivables.

New Jersey Health Care Facilities Financing Authority

\$2.7 billion is reserved for mortgage receivables.

New Jersey Housing and Mortgage Finance Agency

The reserve of \$426.9 million includes \$289.2 million reserved in accordance with the Agency's bond resolution, \$131.2 million reserved for their administrative fund, and \$6.5 million reserved for new mortgage loan programs.

New Jersey Wastewater Treatment Trust

\$95.2 million is reserved for debt service payments.

H. Description of Authorities

Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
1014 Atlantic Avenue
Atlantic City, New Jersey 08401
Fiscal Year Ending December 31, 1996

The Authority was created in 1984 to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey 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.

Hackensack Meadowlands Development Commission (N.J.S.A. 13:17-5)
1 De Korte Park Plaza
Lyndhurst, New Jersey 07071
Fiscal Year Ending December 31, 1996

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 Development Authority For Small Businesses, Minorities And Women's Enterprise
(N.J.S.A. 34:1B-49)
200 South Warren Street
P.O. Box 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1996

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprise, established in, but not of, the Department of Commerce and Economic Development, was created pursuant to Chapter 386 of P.L. 1985. The Authority was established to provide financial assistance to small businesses and businesses owned by minorities and women in order to encourage entrepreneurship within these groups.

New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)
Capital Place One
200 South Warren Street
P.O. Box 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1996

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 expanding 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)
101 College Road East
Princeton, New Jersey 08540-6601
Fiscal Year Ending December 31, 1996

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 its debt instruments (bonds, notes and other obligations). The Authority may finance academic and auxiliary facilities for the public and the independent institutions of higher education.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)
Station Plaza Bldg. #4
South Clinton and Yard Avenue
P.O. Box 366
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1996

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 Higher Education Assistance Authority - NJ Class (N.J.S.A. 18A:72-10)
Office of Accounting
P.O. Box 547
Trenton, New Jersey 08625
Fiscal Year Ending June 30, 1997

This authority was established because there was found to be a need for a State program to make State sponsored student loans available to students who cannot obtain Federally guaranteed loans, either because those loans are not available, because the student does not meet the program eligibility requirements as defined by the federal government, or because the student has additional financial need unmet by Federally guaranteed student loans.

New Jersey Highway Authority (N.J.S.A. 27:12B-4)
Executive Offices
Garden State Parkway
Woodbridge, New Jersey 07095
Fiscal Year Ending December 31, 1996

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)
637 South Clinton Avenue
P. O. Box 18550
Trenton, New Jersey 08650-2085
Fiscal Year Ending June 30, 1997

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 provides 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 Redevelopment Authority (N.J.S.A 55:19-1)
(replaces New Jersey Urban Development Corporation)
200 South Warren Street
P. O. Box 990
Trenton, New Jersey 08625
Fiscal Year Ending December 31, 1996

The New Jersey Redevelopment Authority was created pursuant to Chapter 62 of P.L. 1996, effective July 13, 1996, to provide assistance in the redevelopment and revitalization of New Jersey cities. The Authority is to provide financial, managerial and technical assistance to persons, firms, or corporations that wish to undertake industrial, commercial or civic projects within qualified municipalities.

New Jersey Sports And Exposition Authority (N.J.S.A. 5:10-4)
P. O. Box C-200
East Rutherford, New Jersey 07073
Fiscal Year Ending December 31, 1996

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 Continental Airlines Arena which opened in July, 1981. The Authority is charged with the responsibility to own, operate, and build various facilities, located in the State of New Jersey, including the Atlantic City Convention Center Authority, for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and to provide the terms and security thereof.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)
One Penn Plaza East
Newark, New Jersey 07105
Fiscal Year Ending June 30, 1997

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 Turnpike Authority (N.J.S.A. 27:23-3)
P. O. Box 1121
New Brunswick, New Jersey 08903
Fiscal Year Ending December 31, 1996

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 by 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)
3131 Princeton Pike - Building 6
P. O. Box 440
Trenton, New Jersey 08625
Fiscal Year Ending June 30, 1997

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)
P. O. Box 5196
Clinton, New Jersey 08809
Fiscal Year Ending June 30, 1997

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)
Second and Beck Streets
Camden, New Jersey 08104
Fiscal Year Ending December 31, 1996

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.

South Jersey Transportation Authority (P.L. 1991, c.252)
Farley Service Plaza
P. O. Box 351
Hammonton, New Jersey 08037
Fiscal Year Ending December 31, 1996

The South Jersey Transportation Authority created in 1992 is authorized and empowered to acquire, construct, maintain, operate and support expressway and transportation projects including the Atlantic County International Airport. The Authority may issue revenue bonds or notes of the Authority subject to prior approval by the Governor and by either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority.

NOTE 19 - COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS

Effective July 1, 1987, nine State colleges whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status as a result of Chapters 42 and 88 of Public Law of 1988.

The financial statements of the colleges and universities have been prepared in accordance with the American Institute of Certified Public Accountants' "Industry Audit Guide - Audits of Colleges and Universities" and Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity." Accordingly, the statements of these colleges and universities have been discretely presented in a separate column in the combined balance sheet. Additionally, the statement of changes in fund balances and statement of current funds, revenues, expenditures, and other changes have been presented in separate statements. The financial statements do not include the financial activity related to foundations and similar organizations within the colleges and universities.

Descriptions of the colleges and universities as well as addresses from which audit reports of the individual college and universities can be obtained is provided at the conclusion of this note.

A. Fund Accounting

The financial activities of the colleges and 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. The financial statements presented here are an aggregation of these fund types. Data regarding these funds can be obtained in the audit reports of the individual college and university funds for the year ended June 30, 1997.

B. Restatements

The beginning balances for the following funds were changed as follows:

Unrestricted Fund - There was a net decrease of \$80,462 from a restatement of Stockton's beginning balance.

Endowment Fund - There was a net decrease of \$210,016 from a restatement of Stockton's beginning balance.

C. Cash and Cash Equivalents

Governmental Accounting Standards Board Statement 3 requires the bank balances of deposits to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 consists of deposits collateralized with securities held by the pledging financial institutions trust department or agent in the entity's name. Category 3 consists of deposits which are uncollateralized.

Cash and cash equivalents are categorized below for all college and university funds (expressed in millions):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>
Cash	\$ 44.6	\$ 0.0	\$ 2.3	\$ 46.9	\$ 22.3
Cash with fiscal agents	20.3	4.7	0.4	25.4	38.3
Certificates of deposit and related items	<u>7.6</u>	<u>2.3</u>	<u>103.3</u>	<u>113.2</u>	<u>113.2</u>
Total	<u>\$ 72.5</u>	<u>\$ 7.0</u>	<u>\$ 106.0</u>	<u>\$ 185.5</u>	<u>\$ 173.8</u>

A negative cash balance of \$13.7 million in the Richard Stockton College of New Jersey's Current Unrestricted Fund was reclassified to accounts payable. In addition, minor negative cash balances totaling \$414,984 in the Current Unrestricted and Restricted, Loan and Endowment Funds of the William Paterson University of New Jersey and \$19,966 in the University of Medicine and Dentistry of New Jersey's Current Unrestricted Fund were also reclassified to accounts payable.

D. Investments

Investments of the colleges and 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. Governmental Accounting Standards Board Statement 3 requires investments to be categorized to indicate the level of risk assumed by the entity. Category 1 consists of investments that are insured or registered or for which the securities are held by the entity or its agent in the entity's name. Category 2 consists of uninsured and unregistered investments for which the securities are held by counterparties' trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust department or agent but not in the entity's name. Investments of the colleges and universities are in accordance with the statutes of the State of New Jersey (see Note 4), regulations of governing boards or applicable limitations set forth in gift instruments. Investments for all colleges and universities are detailed below (expressed in millions):

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Amount</u>	<u>Value</u>
Government and Other	\$ 515.4	\$ 212.3	\$ --	\$ 727.7	\$ 727.1
Repurchase agreements	18.2	0.0	--	18.2	18.2
Ind bonds and commercial paper	17.2	1.8	--	19.0	20.3
Telephone bonds	5.7	0.0	--	5.7	5.5
Utility bonds	0.2	1.4	--	1.6	1.7
Fin Co's - senior debt	38.9	5.6	--	44.5	44.5
Common stock	118.1	11.9	0.1	130.1	177.0
Other	2.9	9.0	--	11.9	12.1
Investments subject to risk categorization	<u>\$ 716.6</u>	<u>\$ 242.0</u>	<u>\$ 0.1</u>	\$ 958.7	\$ 1,006.4
Participation in State of New Jersey Cash Management Fund				173.3	173.3
Total reported as investments				<u>\$ 1,132.0</u>	<u>\$ 1,179.7</u>

E. Patient Service Revenues

Patient revenues, which were \$285.1 million during fiscal year 1997, are recognized at the time of service, net of allowances applicable to third-party payers, charity and bad debts.

F. Departmental Receivables

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.

G. Fixed Assets

Fixed Assets are stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Rutgers, the State University and the University of Medicine and Dentistry have elected to record depreciation in accordance with FASB Statement No. 93, "Recognition of Depreciation by Not-for-Profit Organizations" (expressed in millions):

	<u>College and University Funds</u>
Land	\$ 98.2
Land improvements	71.1
Building and improvements	2,598.0
Machinery and equipment	943.1
Construction in progress	194.4
	<u>3,904.8</u>
Less accumulated depreciation	995.3
Total	<u>\$ 2,909.5</u>

H. Pension and Retirement Benefits

Retirement benefits for the majority of eligible full-time employees are provided under various pension agreements, namely the Public Employees' Retirement System (Note 16), the Teachers' Pension and Annuity Fund, and the Teachers' Insurance and Annuity Association College and Retirement Equity Fund. Under these arrangements, the plan participants make annual contributions and the State provides the employer portion of the contribution directly. Contributions made by the State in fiscal year 1997 amounted to \$75.6 million. In addition to the above major plans, some employees of Kean College of New Jersey, Montclair State University of New Jersey, Rowan College of New Jersey and Trenton State College of New Jersey are covered by the Police and Fireman's Retirement System and some employees of the University of Medicine and Dentistry are covered under retirement systems of the city of Newark.

I. Notes Payable

Notes payable consists mainly of \$2.2 million for Rutgers, the State University.

J. Bonds Payable and Other Debt

A summary of bonds issued and outstanding for Rutgers, the State University at June 30, 1997 is as follows (expressed in thousands):

	Date of Series	Original Amount	Outstanding June 30, 1997
Revenue refunding bonds:			
Series A, 3.125%, due serially to May 1, 2001	5/1/67	\$ 5,025	\$ 745
Series B, 2.875%, due serially to May 1, 1999	5/1/67	575	40
Series C, 2.75%, due serially to May 1, 1999	5/1/67	2,190	200
Series D, 4.4%, due serially to May 1, 1999 to May 1, 1999	5/1/67	1,920	105
Series Q, 6.92% effective, due serially to May 1, 2001 and term bonds due May 1, 2013	3/15/91	5,475	4,725
Series R, 6.51 % effective, due serially to May 1, 2009 and term bonds due May 1, 2018	2/1/92	90,655	80,360
Series S, 5.11 % effective, due serially to May 1, 2014	4/15/93	35,170	28,865
Series T, 5.34% effective, due serially to May 1, 2016	4/15/93	<u>36,270</u>	<u>32,515</u>
Total revenue refunding bonds		<u>177,280</u>	<u>147,555</u>
Revenue bonds:			
Series E, 3.75%, due serially to May 1, 2016	5/1/67	\$ 1,200	\$ 730
Series F, 3%, due serially to May 1, 2016	11/1/67	2,350	1,340
Series H, 5.9% effective, due serially to May 1, 2007	11/1/70	8,300	4,470
Series J, 5.8% effective, due serially to May 1, 2003 and term bonds due May 1, 2013	11/1/76	11,200	7,805
Series P 6.86% effective, due serially to May 1, 2007 and term bonds due May 1, 2021	3/15/91	<u>28,325</u>	<u>26,315</u>
Total revenue bonds		<u>51,375</u>	<u>40,660</u>

General obligations refunding bonds:

1992 Series A, 6.51 % effective, due serially to May 1, 2007 and term bonds due May 1, 2018	2/1/92	94,370	85,425
1993 Series 1, 5.32% effective, due serially to May 1, 2015	4/15/93	10,275	9,100
1993 Series A, 5.12% effective, due serially to May 1, 2014 and term bonds due May 1, 2019	10/1/93	<u>81,600</u>	<u>72,975</u>
Total general obligation refunding bonds		<u>186,245</u>	<u>167,500</u>
General obligations bonds:			
1993 Series B, 5.37% effective, due serially to May 1, 2016	4/15/93	<u>28,020</u>	<u>26,340</u>
Total general obligation bonds		<u>28,020</u>	<u>26,340</u>
TOTAL BONDS		<u>\$ 442,920</u>	<u>\$ 382,055</u>

The Revenue Refunding Bonds, Series A-D and Q-T and the Revenue Bonds, Series E, F, H, J and P were issued under an open-ended indenture dated May 1, 1967 to finance 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 Rutgers, the State 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.

The General Obligation Refunding Bonds, 1992 and 1993 Series A, and General Obligation Bonds, 1993 Series B, were issued under an open-ended indenture of trust, dated May 1, 1987, as supplemented; the General Obligation Refunding Bonds, 1993 Series 1, were issued under an indenture of trust, dated May 1, 1986. These bonds were issued to finance a portion of the cost of the renovation, construction and equipping of certain academic, research, support and other facilities, as well as infrastructure development and land acquisitions of the University. Under the terms of the indentures, all bonds issued are direct and general obligations of the University and are in no way an obligation of the State of New Jersey.

Debt service payments over the next five years for the following bonds outstanding at June 30, 1997, are as follows (expressed in thousands):

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Series A-F, H, J, P-T *					
Principal	\$ 6,610	\$ 6,910	\$ 6,915	\$ 7,260	\$ 7,580
Interest*	10,875	10,558	10,215	9,854	9,467
1993 Series 1					
Principal	325	340	355	370	390
Interest	462	448	433	417	400
1992, 1993 and 1997 Series A					
Principal	4,410	4,630	4,860	5,110	5,375
Interest	10,124	10,020	9,794	9,550	9,289
1993 Series B					
Principal	855	890	935	980	1,035
Interest	<u>1,382</u>	<u>1,340</u>	<u>1,295</u>	<u>1,248</u>	<u>1,199</u>
Total	<u>\$ 35,043</u>	<u>\$ 35,136</u>	<u>\$ 34,802</u>	<u>\$ 34,789</u>	<u>\$ 34,735</u>

* Net of interest subsidy of \$69,000 on Series H Bonds

The New Jersey Institute of Technology (NJIT) entered into an agreement with the New Jersey Educational Facilities Authority (NJEFA) in May of 1994, under which the NJEFA issued \$56.5 million of revenue bonds, Issue 1994 Series A (the "1994 Series A Bonds"). The NJIT advance refunded the 1986 Series A, 1986 Series B, 1989 Series A and 1991 Series D bonds which increased its total debt service payments over the next 30 years by approximately \$30 million and resulted in an economic gain (difference between the present value of the debt service payment on the old and the new bonds) of approximately \$4 million. The University obligation under this agreement is as follows:

	<u>Amount in Thousands</u>
1994 Series A serial bonds 5.65-5.95% (due to the New Jersey Educational Facilities Authority to 2009)	\$ 15,385
1994 Series A term bonds 6.00% (due to the New Jersey Educational Facilities Authority on July 1, 2015)	11,940
1994 Series A term bonds 6.00% (due to the New Jersey Educational Facilities Authority on July 1, 2024)	27,905
Discount on Bonds	(1,013)
Total	<u>\$ 54,217</u>

In November of 1995, NJIT entered into an agreement with the NJEFA under which the NJEFA issued \$33.2 million of Revenue Bonds, Issue 1995 Series E. The University obligation under this agreement is as follows:

	<u>Amount (In Thousands)</u>
1995 Series E serial bonds 5.25-5.375% (due to the New Jersey Educational Facilities Authority to 2013)	\$ 12,585
1995 Series E term bonds 5.375% (due to the New Jersey Educational Facilities Authority on July 1, 2016)	3,935
1995 Series E term bonds 5.375% (due to the New Jersey Educational Facilities Authority on July 1, 2020)	6,390
1995 Series E term bonds 5.375% (due to the New Jersey Educational Facilities Authority on July 1, 2025)	10,320
Discount on Bonds	(631)
Total	<u>\$ 32,599</u>

The agreement with NJEFA requires the pledging of certain revenues to meet the sinking fund requirements of the issue. Deposits held with the trustees represent restricted funds held by the First Fidelity Bank, National Association, New Jersey under terms of the agreement with NJEFA. The funds consist principally of cash and U.S. Government securities. Of the total deposits held at June 30, 1997, approximately \$4.3 million is required to be maintained in accordance with mortgage bond indenture agreements.

Remaining aggregate principal repayments required under the term of the mortgage bond are:

<u>Fiscal Year</u>	<u>Amount</u> <u>(In Thousands)</u>
1998	\$ 2,165
1999	1,982
2000	2,061
2001	2,146
2002	1,910
Thereafter	<u>83,682</u>
	\$ 93,946
Less amts. represent- ing interest	<u>(2,310)</u>
	<u>\$ 91,636</u>

On August 1, 1994, NJIT, along with other colleges and universities, entered into a lease agreement with the NJEFA whereby NJEFA issued bonds to purchase equipment and each college and university pays rental payments to service its portion of the debt service. At the end of the lease, the equipment title will transfer to the NJIT. The Institute acquired equipment in the amount of \$.4 million during fiscal year 1997 under the Equipment Leasing Fund ("ELF") program. At June 30, 1997 future principal and interest commitments under the ELF program are \$1.2 and \$.1 million respectively.

At June 30, 1997, long-term debt of University of Medicine and Dentistry of New Jersey consisted of the following (excluding debt relating to Raritan Valley Hospital):

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 \$1,815,000 bearing interest at rates of 6.85% are payable in equal annual installments of interest and principal through 1997; \$19,685,000 of term bonds bearing interest of 5% are due through 2011. \$8,595,000 of serial bonds and \$14,605,000 of 7% term bonds were retired with the issuance of Series B Bonds.) The issue is collateralized by certain University revenue.	\$ 21,500,000
University of Medicine and Dentistry of New Jersey, Series C Tax Exempt Revenue Bonds of October 1989 issued in the amount of \$55,875,000. Serial bonds in the amount of \$4,455,000 bearing interest at rates of 6.7-7.0% are payable in equal annual installments of interest and principal through 2000. (\$5,380,000 of serial bonds \$41,760,000 of 7.2% term bonds were retired with the issuance of Series 1995 B Bonds.) The issue is collateralized by certain University revenue.	4,455,000
University of Medicine and Dentistry of New Jersey, Series D Tax Exempt Refunding Bonds of July 1991 issued in the amount of \$9,750,000. Serial bonds in the amount of \$6,105,000 bearing interest at rates of 5.8-6.5% are payable in equal installments of interest and principal through 2003. (2,265,000 of serial bonds were retired with the issuance of Series 1995 B Bonds.) The issue is collateralized by certain University revenue.	6,105,000
University of Medicine and Dentistry of New Jersey Series E Tax Exempt Revenue Bonds of February 1992 issued in the amount of \$68,605,000. Serial bonds in the amount of \$9,530,000 bearing interest at rates of 5.3-6.2% are payable in equal installments of interest and principal through 2003; \$12,695,000 of 6.5% term bonds are due in 2012. (\$3,540,000 of serial bonds and \$40,210,000 of 5.75-6.50% term bonds were retired with issuance of series 1995 B Bonds.) The issue is collateralized by certain University revenue.	22,225,000
University of Medicine and Dentistry of New Jersey Series 1995 B Tax Exempt Revenue Bonds of December 1995 issued in the amount of \$143,645,000. Serial bonds in the amount of \$106,075,000, bearing interest at rates of 5.0-5.25% are payable in equal installments of interest an principle through 2017; \$37,570,000 of 5.25% term bonds are due through 2025. The issue is collateralized by certain University revenue.	143,645,000
University of Medicine and Dentistry of New Jersey, Certificates of Participation: Series C and D	11,185,000
Equipment leasing fund	<u>1,795,000</u>
	210,910,000
LESS: Unamortized discount of Series B, D and E and 1995 B Tax Exempt Revenue Bonds	<u>3,380,000</u>
Total	<u>\$ 207,530,000</u>

In November 1989, the University entered into a Master Lease Agreement whereby the University may borrow up to \$26.3 million under Series B, C and D Certificates of Participation ("the Certificates") for equipment and facilities acquisition and renovation. These certificates bear interest at 6.6-6.8 percent and, at June 30, 1997, are due serially from December 1997 to December 1999; \$9.6 million of term certificates bearing interest at 6.75 percent are due December 2009. Title to all equipment and facilities purchased under these lease agreements vests with the University and the leases are collateralized by the assets acquired.

In August 1994, the University participated in the Equipment Leasing Fund Program with the New Jersey Educational Facilities Authority to fund specific equipment needs. The University's allocation was \$10.1 million of which 25 percent (\$2.5 million), bearing an interest rate of 5 percent, is the obligation of the University and the remaining 75 percent is the obligation of the State of New Jersey. Lease payments will be made through August 2000 at approximately \$.5 million per year, at which time title to the equipment passes to the University.

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

<u>Fiscal Year</u>	<u>Amount (In Thousands)</u>
1998	6,516
1999	4,982
2000	6,529
2001	7,658
2002	7,435
Thereafter	<u>177,790</u>
	<u>\$ 210,910</u>

K. Capitalized Lease Obligations

At June 30, 1997, Jersey City State College, Kean College of New Jersey, Montclair State University, William Paterson University of New Jersey, Ramapo College of New Jersey, Rutgers the State University, and Richard Stockton College of New Jersey had future lease payments as shown in the following schedule:

<u>Year</u>	<u>Amount (In Millions)</u>
1998	\$ 25.2
1999	24.0
2000	23.9
2001	23.7
2002	22.6
Thereafter	<u>317.0</u>
Total lease payments	436.4
Less: Amount representing interest	<u>165.6</u>
Present value of lease payments	<u>\$ 270.8</u>

L. Self Insurance Reserve Fund

The University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund is accounted for within a trust fund maintained by the State of New Jersey.

M. Commitments and Contingencies

The University is a party to various legal actions arising in the ordinary course of its operations. While it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the University's financial statements.

N. Subsequent Event

On July 1, 1997, Rutgers, the State University of New Jersey, issued General Obligation Bonds, 1997 Series A, in the aggregate amount of \$25.4 million with serial bonds due to May 1, 2017 and term bonds due May 1, 2022 and 2027, at an effective interest cost of 5.34 percent. The proceeds of the 1997 Series A Bonds, together with certain other moneys available to the University, will be used to finance the construction of the Center for Law and Justice, including the acquisition of two parcels of land, to accommodate the University's Newark Law School, the School of Criminal Justice and various other campus administrative services. Proceeds will also be used to cover the costs associated with the issuance of the bonds.

O. Description of Colleges and Universities

The College of New Jersey (N.J.S.A. 18A:62-1)
Hillwood Lakes
Trenton, New Jersey 08625

The College of New Jersey (formerly Trenton State College), founded in 1855, came under the general policy control of the State Board of Higher Education effective July 1, 1967. Operation and management are vested in a nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

The College offers over 60 undergraduate degrees and more than 20 graduate degree and certification programs through five schools: Arts and Sciences, Business, Education, Nursing and Technology. Other programs offered are the cooperative education program, international/national study options, continuing education and the Institute for Public and Private Service.

The College is located in Ewing Township, Mercer County, on 255 acres. Its 36 buildings include the 550,000 volume Roscoe L. West Library, the Holman Hall Art Gallery, the Brower Student Center, 13 academic computer laboratories, and the collegiate recreation and athletic facilities complex.

Thomas A. Edison State College (N.J.S.A. 18A:62-1)
101 West State Street
Trenton, New Jersey 08625

Thomas A. Edison State College was founded by the State Board of Higher Education on July 1, 1972, and was officially established as the ninth State college under the terms of the State College Law (N.J.S.A. 18A:62-1 et seq.) on May 18, 1973. The operations and management of the College were vested in its Board of Trustees, appointed by the State Board of Higher Education, with the approval of the Governor.

The mission of the College is to evaluate college-level learning, regardless of its source. To achieve this mission, the College has been authorized:

1. To award college credit through college proficiency examinations, the assessment of prior learning and/or the evaluation of transfer credits and special credentials, and to award associate and baccalaureate degrees to individuals who have met the degree requirements as established by the Academic Council of the College.
2. To develop and administer the Thomas A. Edison State College examination and Portfolio Assessment Programs as basic means through which Edison students may satisfy degree requirements.

3. To encourage the availability of college-level learning opportunities through cooperation with all types of institutions that are now providing, or have the potential to provide, college-level learning experiences outside the traditional modes of higher education. In developing these cooperative arrangements, the College will not provide instruction directly but will award credit for such educational experiences either through the evaluation of noncollegiate programs or the direct testing of student learning outcomes.
4. To develop linkages with or create educational delivery systems built around contemporary telecommunications technology which will provide the distant learner with information and guidance on educational opportunities, modes of support for independent study and assessment, and access to media-based instruction and testing.

The College maintains three permanent educational counseling centers in East Orange, Trenton, and Cherry Hill which are open to all residents who wish information and advice concerning educational opportunities available to them within the State system of higher education.

Jersey City State College (N.J.S.A. 18A:62-1)
2039 Kennedy Boulevard
Jersey City, New Jersey 07305

Jersey City State College, located in Hudson County, is dedicated to urban programs designed to meet the complex economic, social and educational problems of the "inner" cities of metropolitan New Jersey. The urban mission is unique among the State colleges, and in order to strengthen this mission, the College has embarked on a three-year plan designed to make it the premier Cooperative Education College in the State. The College serves thousands of residents of the northeast corner of the State. Ten percent of the student population is comprised of men and women from the other areas of New Jersey, adjacent states and foreign countries. The operation and management of the College is vested in its nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

Special features of the campus include the A. Harry Moore Laboratory School for Special Education, the Peter W. Rodino, Jr. Institute of Criminal Justice, the Center for the Advancement of Teaching and Learning (CATALYST), the Center for Occupational Education, the Adult Education Center, the Media Arts Center, and the Margaret Williams Theater for the Performing Arts. The College has 15 acres of athletic fields, three gymnasiums, a swimming pool, a modern dance studio and three auditoriums, in addition to its 110 classrooms and laboratories.

Kean College Of New Jersey (N.J.S.A. 18A:62-1)
Morris Avenue
Union, New Jersey 07083

Kean College of New Jersey is a public, State-supported, four-year, co-educational institution of higher education. It is located in Union Township, and is situated on a 120-acre campus, which includes a six-acre woodlands preserve. The College traces its history to 1855 when it was founded by and in the City of Newark. For more than a century, its accomplishments and reputation were primarily associated with contributions made in the area of teacher education. In 1913 the College became a State institution, and in 1958 moved to its present location on property which had been a part of the Kean Estate. The operation and management of the College is vested in its nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

The campus currently contains 26 structures, including modern classroom buildings, a science complex, a 1,000-seat theatre for the performing arts, a library, a child study institute, athletic and recreational facilities, student apartments, and a student center. The 28-acre east campus, one quarter mile from the main campus, includes athletic fields, recreation facilities, and certain student and academic support programs.

Montclair State University (N.J.S.A. 18A:62-1)
Valley Road
Upper Montclair, New Jersey 07043

Montclair State University (the University) is recognized as a public institution of higher education by the State of New Jersey (the "State"). This recognition is supported by annual appropriations from the State to support the University. On April 27, 1994 the institution obtained university status.

The University, which began in 1908 as a two-year Normal School, came under the general policy control of the State Board of Higher Education on July 1, 1967. The operation and management of the University is vested in its own nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor. The University offers a broad spectrum of general liberal arts education and professional studies for more than 12,000 students for both full-time and part-time undergraduate and graduate programs.

The main campus of the University has 202 acres divided between the town of Montclair in Essex County and the municipalities of Little Falls and Clifton in Passaic County. Presently over 40 buildings comprise the physical plant, including campus housing for nearly 2,000 students, and a Student Center Annex.

The University also operates a 30-acre nature preserve at Lake Valhalla (Morris County) and, as part of the University's School of Conservation, a 240-acre environmental education center in Stokes State Forest (Sussex County).

New Jersey Institute Of Technology (N.J.S.A. 18A:64E-4)
323 Dr. Martin Luther King Jr. Boulevard
Suite 22E
Newark, New Jersey 07102

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.

The William Paterson University Of New Jersey (N.J.S.A. 18A:62-1)
300 Pompton Road
Wayne, New Jersey 07470

The William Paterson University of New Jersey (formerly the William Paterson College of New Jersey), founded in Paterson in 1855, was relocated in 1951 to the Boroughs of Wayne, Haledon and North Haledon, Passaic County. Effective July 1, 1967, the State Board of Higher Education became responsible for general oversight of the College, but the operation and management of the College is vested in its own nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor.

The College offers 33 baccalaureate and 13 master's degree programs through seven schools: The Arts and Communication, Education and Community Services, Health Professions and Nursing, Humanities, Management, Science and Social Science.

The College is located on 250 acres and has 20 major buildings. Academic buildings include color television studios, modern facilities and science laboratories, fine arts studios, a 1,000-seat theatre, classrooms, and academic/administrative computer center, a gymnasium and pool, and a library. Other facilities include a student center, a multipurpose recreation center, athletic fields, dormitory and apartments for 1,551 students.

Ramapo College Of New Jersey (N.J.S.A. 18A:62-1)
505 Ramapo Valley Road
Mahwah, New Jersey 07430

Ramapo College of New Jersey was established by the Legislature in 1968 and opened in September, 1971. Responsibility for the operation and management of the College is vested in its own nine-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor. The College is located in the foothills of the Ramapo Mountains in Northwest Bergen County, close to the New York State border. The wooded, almost rural setting is enhanced by the award winning barrier-free modern buildings and the student apartments. Facilities include modern academic buildings, library, science building, student center, and an athletic complex which includes a gymnasium, an NCAA-size swimming pool, tennis courts and a variety of playing fields.

**Rowan University (N.J.S.A. 18A:62-1)
Linden Hall
Glassboro, New Jersey 08028**

Rowan University (formerly Rowan College of New Jersey), was founded in 1923 and effective July 1, 1967, came under the general policy control of the State Board of Higher Education. Under the Higher Education Act of 1966, the College and all the other State colleges became multipurpose institutions with emphasis on the liberal arts and sciences and various professional areas. The College offers a full range of baccalaureate degree programs and selected master's degree programs through its Schools of Liberal Arts and Sciences, Business Administration, Fine and Performing Arts and Professional Studies. The operation and management of the College is vested in the College Board of Trustees (N.J.S.A. 18A:64-1 et seq.). The work of the College is centered on the main campus in Glassboro and the branch campus in Camden; courses are offered at several off-campus locations.

The College is located in Glassboro, Gloucester County, on 200 acres and in 1987 included 48 buildings comprised of administrative offices, library, dormitories, apartments, classrooms, gymnasium, athletic team house, theatre/auditorium, maintenance shop, heating plant, student center, bookstore, and Holly Bush (the Whitney Mansion that was the site of the Johnson-Kosygin Summit Conference in 1967).

**Rutgers, The State University (N.J.S.A. 18A:65-12)
Administration Building -- Room 308
Davidson Road
Piscataway, New Jersey 08855**

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 State 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 postgraduate work in technical and professional fields.

**Richard Stockton College of New Jersey (N.J.S.A. 18A:62-1)
Administration and Finance Building
Pomona, New Jersey 08240**

Richard Stockton College of New Jersey was authorized in the 1968 Bond Referendum and admitted its first students in September, 1971. The operation and management of the College are vested in a ten-member Board of Trustees appointed by the State Board of Higher Education, subject to the approval of the Governor. The College is under the general policy direction of the State Board of Higher Education.

The College is located on a 1,600-acre campus in Galloway Township in the pine barrens of New Jersey. Academic facilities accommodate approximately 4,000 full-time equivalent students. Campus housing is available for 1,830 students, with both apartment and dormitory style living arrangements. The College is the only four-year academic institution in the rapidly developing region of South Jersey.

University Of Medicine And Dentistry Of New Jersey (N.J.S.A. 18A:64G-4)
30 Bergen Street
Newark, New Jersey 07107

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.

NOTE 20 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of claims and cases pending against the State, State agencies and employees, seeking recovery of monetary damages. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 1997, the exact amount involved in these legal proceedings is not fully determinable.

Special Revenue Funds

New Jersey Automobile Insurance Guaranty Fund

Various insurers licensed to write property and casualty insurance in the State have filed suit against the State contending that their assessments are being used to retire debt of the Market Transition Fund (MTF). The plaintiffs contend that assessments dating back to 1990 are in dispute and challenge the constitutionality of the assessments and legislation which allow the assessment and request that the monies assessed since 1990 be returned. The ultimate disposition of this suit is not determinable at this time.

New Jersey Spill Compensation Fund

As of June 30, 1997, claims totaling \$22.7 million have been filed against the Fund by third parties for damages caused by spills. These claims have not reached the stage in the judicial process where reasonable amounts have been established, and therefore, are not classified as liabilities under generally accepted accounting principles.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately \$15.0 million have been filed against this fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

Capital Project and Special Revenue Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the following funds (expressed in millions):

Correctional Facilities Construction Fund of 1987	\$ 3.8
1983 New Jersey Green Acres Fund	0.3
Public Purpose Buildings Construction Fund	3.4
Special Transportation Fund	21.8

Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which these funds will be liable.

Trust Funds

Health Benefits Program Fund

Several local government employers are seeking refunds of approximately \$4.0 million from accumulated surplus. The ultimate disposition of this matter is not determinable at this time.

New Home Warranty Security Fund

Due to deficiencies in fire retardant plywood, homeowners faced with emergent needs may file claims against the Fund as a means of immediate remediation. The amount of these claims is not determinable at this time. The law also allows the State to pursue claims against any party responsible for the defective plywood in order to recover costs of remediation.

Real Estate Guaranty Fund

Claim payments, as certified by court orders, are made to persons aggrieved by the unlawful practices of real estate brokers or salesmen. As of June 30, 1997, there were various cases pending with a maximum possible exposure to the Fund of approximately \$.5 million. The ultimate disposition of these claims is not determinable at this time.

University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund

As of June 30, 1997, an independent study was performed which estimated an aggregate potential exposure for tort and medical malpractice claims of approximately \$90.8 million. The State has the ultimate liability for any claims in excess of the resources of the fund.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 1997, audits of expenditures for fiscal year 1997 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 1997, it is management's opinion that disallowances, if any, would not be material.

Pension Funds

New Jersey Education Association et al. v. State of New Jersey et al. This case represents a challenge to amendments to the pension laws enacted on June 30, 1994 (P.L. 1994, Chapter 62), which concerned the funding of various pension funds. The statute, P.L. 1994, Chapter 62, as enacted, made several changes affecting these retirement systems. Plaintiffs seek to permanently enjoin the State from administering, enforcing, or otherwise implementing Chapter 62. The ultimate disposition of this suit is not determinable at this time.

Teaneck Board of Education has filed an action against the Teachers Pension and Annuity Fund (TPAF) seeking compensatory damages as well as declaratory relief. The basis for the lawsuit is Teaneck's contention that its initial per annum cost for participating in an early retirement incentive program for teachers should be approximately \$210,000 less than was actually calculated. Teaneck alleges a violation of due process, breach of contract, and three counts of negligence against the State. If Teaneck prevails, the impact could approach \$3.5 million in reduced employer contributions over the twenty-eight year period of the retirement program. Further, if Teaneck prevails and similarly situated school boards file like claims for relief, the impact could well exceed tens of millions of dollars over the period at issue. The plaintiff's complaint was dismissed. The plaintiff has filed an appeal against this dismissal. The ultimate disposition of this suit is not determinable at this time.

NOTE 21 - SUBSEQUENT EVENTS

Subsequent to June 30, 1997, the State issued \$800 million of short term notes in the form of commercial paper. Final maturity of the notes is June 15, 1998. In addition, during September 1997 the New Jersey Building Authority issued bonds in the amount of \$224.6 million to refund the Authority's 1987 State Building Revenue Bonds and to finance additional projects.

**COMBINING
FINANCIAL STATEMENTS**

SPECIAL
REVENUE FUNDS

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	<u>Alcohol Education, Rehabilitation And Enforcement Fund</u>	<u>Beaches And Harbor Fund</u>	<u>Board of Bar Examiners</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 33,344	\$ 400,923
INVESTMENTS	4,799,541	1,248,200	1,385,377
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	74,974	21,139
OTHER ASSETS			
Due from other funds	2,162,590	--	--
Deferred charges	--	--	--
Other	--	1,348,353	--
Total Assets	<u>\$ 6,962,131</u>	<u>\$ 2,704,871</u>	<u>\$ 1,807,439</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 946,611	\$ --	\$ 485,953
Deferred revenue	--	--	--
Due to other funds	1,658,369	143,435	--
Other	--	--	--
Total Liabilities	<u>2,604,980</u>	<u>143,435</u>	<u>485,953</u>
FUND BALANCES			
Reserved for:			
Encumbrances	2,720,827	4,000	--
Other	--	1,348,353	--
Unreserved:			
Designated-continuing appropriations	--	749,743	--
Undesignated	1,636,324	459,340	1,321,486
Total Fund Balances	<u>4,357,151</u>	<u>2,561,436</u>	<u>1,321,486</u>
Total Liabilities and Fund Balances	<u>\$ 6,962,131</u>	<u>\$ 2,704,871</u>	<u>\$ 1,807,439</u>

Boarding House Rental Assistance Fund	Casino Control Fund	Casino Revenue Fund	Casino Simulcasting Fund
\$ --	\$ 51,000	\$ --	\$ 41,549
7,522,033	--	--	2,544,691
--	--	--	--
--	6,017,903	27,103,868	81,732
--	--	--	--
--	--	--	--
--	7,875,550	45,928,344	--
--	--	--	--
--	--	--	--
\$ 7,522,033	\$ 13,944,453	\$ 73,032,212	\$ 2,667,972
\$ 154,031	\$ 3,696,099	\$ 33,317,509	\$ --
--	7,905,071	--	--
685,000	--	--	--
--	--	--	--
839,031	11,601,170	33,317,509	--
--	3,551,954	39,714,703	--
5,405,461	347,522	--	--
--	--	--	--
1,277,541	(1,556,193)	--	2,667,972
6,683,002	2,343,283	39,714,703	2,667,972
\$ 7,522,033	\$ 13,944,453	\$ 73,032,212	\$ 2,667,972

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 94,750	\$ 455,340	\$ 139,488
INVESTMENTS	2,467,850	13,626,229	6,141,615
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	951,545	3,798,705	298,064
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 3,514,145	\$ 17,880,274	\$ 6,579,167
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 163,950	\$ --
Deferred revenue	--	--	--
Due to other funds	--	728,177	749,655
Other	--	--	--
Total Liabilities	--	892,127	749,655
FUND BALANCES			
Reserved for:			
Encumbrances	--	35,340	5,023
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	3,514,145	16,952,807	5,824,489
Total Fund Balances	3,514,145	16,988,147	5,829,512
Total Liabilities and Fund Balances	\$ 3,514,145	\$ 17,880,274	\$ 6,579,167

<u>Clean Waters Fund</u>	<u>Cultural Centers And Historic Perservation Fund</u>	<u>1992 Dam Restoration and Clean Waters Trust Fund</u>	<u>1989 Development Potential Bank Transfer Fund</u>
\$ 23,905	\$ --	\$ 17,799	\$ --
691,352	12,191,409	3,128,905	--
--	--	--	--
--	--	--	--
--	--	--	--
--	5,309,159	--	--
--	--	--	--
--	--	--	--
<u>\$ 715,257</u>	<u>\$ 17,500,568</u>	<u>\$ 3,146,704</u>	<u>\$ --</u>
\$ --	\$ 53,715	\$ 21,157	\$ --
--	--	--	--
105,068	4,725,817	--	21,672
10	--	11,454	--
<u>105,078</u>	<u>4,779,532</u>	<u>32,611</u>	<u>21,672</u>
747,182	11,023,847	25,075	--
--	--	--	--
--	1,697,189	2,938,713	--
(137,003)	--	150,305	(21,672)
<u>610,179</u>	<u>12,721,036</u>	<u>3,114,093</u>	<u>(21,672)</u>
<u>\$ 715,257</u>	<u>\$ 17,500,568</u>	<u>\$ 3,146,704</u>	<u>\$ --</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	Developmental Disabilities Waiting List Reduction Fund	Disciplinary Oversight Committee	Division of Motor Vehicles Surcharge Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 374,360	\$ 274,819	\$ 27,791
INVESTMENTS	3,214,712	4,819,449	2,297,384
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 3,589,072	\$ 5,094,268	\$ 2,325,175
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 103,440	\$ 1,455,243	\$ 2,325,175
Deferred revenue	--	--	--
Due to other funds	5,286,719	--	--
Other	22,993	--	--
Total Liabilities	5,413,152	1,455,243	2,325,175
FUND BALANCES			
Reserved for:			
Encumbrances	12,373,884	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	(14,197,964)	3,639,025	--
Total Fund Balances	(1,824,080)	3,639,025	--
Total Liabilities and Fund Balances	\$ 3,589,072	\$ 5,094,268	\$ 2,325,175

<u>Emergency Flood Control Fund</u>	<u>Emergency Medical Technician Training Fund</u>	<u>Enterprise Zone Assistance Fund</u>	<u>Farmland Preservation Fund</u>	<u>1989 Farmland Preservation Fund</u>
\$ 5,485	\$ 35,003	\$ --	\$ 4,056	\$ 57,543
1,005,747	5,426,610	118,170,044	418,797	2,068,608
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,011,232</u>	<u>\$ 5,461,613</u>	<u>\$ 118,170,044</u>	<u>\$ 422,853</u>	<u>\$ 2,126,151</u>
\$ --	\$ 75,563	\$ 1,906,030	\$ 192,522	\$ --
--	--	--	--	--
441,666	38,108	1,896,344	99,916	4,242,881
--	--	--	--	--
<u>441,666</u>	<u>113,671</u>	<u>3,802,374</u>	<u>292,438</u>	<u>4,242,881</u>
68,908	848,713	46,978,383	--	--
--	--	--	--	--
500,658	3,891,406	42,945,636	130,415	--
--	607,823	24,443,651	--	(2,116,730)
<u>569,566</u>	<u>5,347,942</u>	<u>114,367,670</u>	<u>130,415</u>	<u>(2,116,730)</u>
<u>\$ 1,011,232</u>	<u>\$ 5,461,613</u>	<u>\$ 118,170,044</u>	<u>\$ 422,853</u>	<u>\$ 2,126,151</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	<u>1992 Farmland Preservation Fund</u>	<u>Green Trust Fund</u>	<u>Gubernatorial Elections Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 829,799	\$ 198,171	\$ --
INVESTMENTS	2,528,537	2,848,892	--
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	83,556
Loans	--	67,186,299	--
Other	--	380,224	--
OTHER ASSETS			
Due from other funds	--	7,403,258	303,678
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 3,358,336</u>	<u>\$ 78,016,844</u>	<u>\$ 387,234</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 35	\$ --	\$ 25,450
Deferred revenue	--	--	--
Due to other funds	18,290,188	--	--
Other	--	--	--
Total Liabilities	<u>18,290,223</u>	<u>--</u>	<u>25,450</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	14,143,032	361,784
Other	--	67,186,299	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	(14,931,887)	(3,312,487)	--
Total Fund Balances	<u>(14,931,887)</u>	<u>78,016,844</u>	<u>361,784</u>
Total Liabilities and Fund Balances	<u>\$ 3,358,336</u>	<u>\$ 78,016,844</u>	<u>\$ 387,234</u>

Hazardous Discharge Fund Of 1981	Hazardous Discharge Fund Of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Higher Education Facility Renovation And Rehabilitation Fund
\$ 50,571	\$ --	\$ 91,770	\$ 61,177	\$ 10,119
5,323,622	3,659,945	32,108,991	62,950,562	268,508
--	--	--	--	--
--	--	--	126,452,900	--
--	--	11,078,000	--	--
--	--	13,371,652	7,647,280	7,000,000
--	--	--	--	--
--	--	--	--	--
<u>\$ 5,374,193</u>	<u>\$ 3,659,945</u>	<u>\$ 56,650,413</u>	<u>\$ 197,111,919</u>	<u>\$ 7,278,627</u>
\$ --	\$ 4,647,073	\$ 1,641,094	\$ 143,754	\$ --
--	--	--	--	4,459
16,636,155	58,029,607	16,190,138	14,319,124	--
7,758	84,094	--	--	--
<u>16,643,913</u>	<u>62,760,774</u>	<u>17,831,232</u>	<u>14,462,878</u>	<u>4,459</u>
--	44,292,466	34,328,918	1,594,450	4,182,816
--	--	11,078,000	--	--
--	--	--	--	2,857,843
<u>(11,269,720)</u>	<u>(103,393,295)</u>	<u>(6,587,737)</u>	<u>181,054,591</u>	<u>233,509</u>
<u>(11,269,720)</u>	<u>(59,100,829)</u>	<u>38,819,181</u>	<u>182,649,041</u>	<u>7,274,168</u>
<u>\$ 5,374,193</u>	<u>\$ 3,659,945</u>	<u>\$ 56,650,413</u>	<u>\$ 197,111,919</u>	<u>\$ 7,278,627</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997

	1992 Historic Preservation Fund	Housing Assistance Fund	Jobs, Education And Competitiveness Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 208,219	\$ 56,420
INVESTMENTS	3,642,059	356,368	1,771,744
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	6,544,617	--
Other	--	12,732	89,506
OTHER ASSETS			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 3,642,059	\$ 7,121,936	\$ 1,917,670
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 9,107	\$ --	\$ 19,758
Deferred revenue	--	--	681
Due to other funds	6,727,082	66,131	9,512,761
Other	--	--	227,335
Total Liabilities	6,736,189	66,131	9,760,535
FUND BALANCES			
Reserved for:			
Encumbrances	3,767,816	--	12,550,393
Other	--	6,544,617	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	(6,861,946)	511,188	(20,393,258)
Total Fund Balances	(3,094,130)	7,055,805	(7,842,865)
Total Liabilities and Fund Balances	\$ 3,642,059	\$ 7,121,936	\$ 1,917,670

Jobs, Science And Technology Fund	Korean Veterans' Memorial Fund	Medical Education Facilities Fund	Mortgage Assistance Fund	Natural Resources Fund
\$ 30,740	\$ 24,531	\$ 2,402	\$ 19,408	\$ 55,355
594,163	--	541,652	1,649,991	6,926,349
--	--	--	--	--
--	--	--	--	--
--	--	--	12,072,151	44,636
--	--	--	571,972	31,211
--	--	--	3,193,188	64,062
--	--	--	--	--
--	--	--	--	561,220
\$ 624,903	\$ 24,531	\$ 544,054	\$ 17,506,710	\$ 7,682,833
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
32,161	--	29,109	1,518,376	843,863
--	--	--	--	16
32,161	--	29,109	1,518,376	843,879
510,000	--	--	--	9,301,697
--	--	--	12,072,151	44,636
82,742	--	508,593	1,066,440	--
--	24,531	6,352	2,849,743	(2,507,379)
592,742	24,531	514,945	15,988,334	6,838,954
\$ 624,903	\$ 24,531	\$ 544,054	\$ 17,506,710	\$ 7,682,833

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	New Jersey Automobile Insurance Guaranty Fund	New Jersey Building Authority	1983 New Jersey Green Acres Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 14,636	\$ 112,992	\$ 5,091
INVESTMENTS	216,857,789	128,656,943	2,456,342
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	117,961
Departmental accounts	--	6,399	--
Loans	--	--	--
Other	6,597,822	319,024	58,430
OTHER ASSETS			
Due from other funds	--	--	19,461,827
Deferred charges	--	8,672,716	--
Other	--	25,759	19,165
Total Assets	\$ 223,470,247	\$ 137,793,833	\$ 22,118,816
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 408,942	\$ 22,047,819	\$ 33,715
Deferred revenue	--	6,399	--
Due to other funds	--	--	1,243,929
Other	--	--	--
Total Liabilities	408,942	22,054,218	1,277,644
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	207,237
Other	6,500,000	--	19,165
Unreserved:			
Designated-continuing appropriations	--	115,739,615	4,114,770
Undesignated	216,561,305	--	16,500,000
Total Fund Balances	223,061,305	115,739,615	20,841,172
Total Liabilities and Fund Balances	\$ 223,470,247	\$ 137,793,833	\$ 22,118,816

1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund	1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund
\$ --	\$ --	\$ --	\$ 193,081	\$ 338,112
4,621,926	3,444,916	3,665,030	2,433,135	2,516,464
--	89,000	--	--	--
--	--	--	--	--
--	--	--	69,053,597	17,381,901
--	--	--	429,734	52,806
9,590,337	--	--	--	8,424,611
--	--	--	--	--
--	--	--	--	--
\$ 14,212,263	\$ 3,533,916	\$ 3,665,030	\$ 72,109,547	\$ 28,713,894
\$ 395,144	\$ 1,220,721	\$ 557,017	\$ --	\$ --
--	--	--	--	--
15,104,195	34,229,988	20,564,374	35,704,690	30,616,014
136,535	55,330	--	74,839	67,055
15,635,874	35,506,039	21,121,391	35,779,529	30,683,069
3,633,609	2,468,440	100,480	21,850,634	32,175,521
--	--	--	69,053,597	17,381,901
--	--	--	--	--
(5,057,220)	(34,440,563)	(17,556,841)	(54,574,213)	(51,526,597)
(1,423,611)	(31,972,123)	(17,456,361)	36,330,018	(1,969,175)
\$ 14,212,263	\$ 3,533,916	\$ 3,665,030	\$ 72,109,547	\$ 28,713,894

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	<u>1995 New Jersey Green Trust Fund</u>	<u>New Jersey Lawyers' Fund For Client Protection</u>	<u>New Jersey Local Development Financing Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 130,801	\$ 25,572
INVESTMENTS	3,502,758	11,349,892	3,904,377
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	1,251,900	--	29,558,915
Other	--	173,495	175,741
OTHER ASSETS			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	7,187	119,750
Total Assets	<u>\$ 4,754,658</u>	<u>\$ 11,661,375</u>	<u>\$ 33,784,355</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 14,560	\$ 331,565	\$ --
Deferred revenue	--	--	--
Due to other funds	7,706,926	--	308,820
Other	--	--	--
Total Liabilities	<u>7,721,486</u>	<u>331,565</u>	<u>308,820</u>
FUND BALANCES			
Reserved for:			
Encumbrances	13,922,087	--	--
Other	1,251,900	--	29,558,915
Unreserved:			
Designated-continuing appropriations	--	--	3,916,620
Undesignated	(18,140,815)	11,329,810	--
Total Fund Balances	<u>(2,966,828)</u>	<u>11,329,810</u>	<u>33,475,535</u>
Total Liabilities and Fund Balances	<u>\$ 4,754,658</u>	<u>\$ 11,661,375</u>	<u>\$ 33,784,355</u>

New Jersey Spill Compensation Fund	New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund
\$ 161,148	\$ --	\$ --	\$ 32,673	\$ 168,676
36,869,117	218,873,392	98,172,986	26,957,897	2,138,250
--	--	--	--	--
--	14,212,868	18,315,860	--	--
--	--	--	3,500,000	6,597,227
6,421,380	--	--	--	103,575
--	--	537,415	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 43,451,645</u>	<u>\$ 233,086,260</u>	<u>\$ 117,026,261</u>	<u>\$ 30,490,570</u>	<u>\$ 9,007,728</u>
\$ 1,063,763	\$ 47,916,461	\$ 10,428,335	\$ 230,285	\$ --
--	--	--	21,340,365	--
19,114,638	40,198,405	7,892,899	--	--
--	--	--	--	--
<u>20,178,401</u>	<u>88,114,866</u>	<u>18,321,234</u>	<u>21,570,650</u>	<u>--</u>
10,073,314	--	32,543,172	--	221,558
--	144,886,112	--	3,500,000	6,597,227
--	85,282	--	2,276,788	2,188,943
13,199,930	--	66,161,855	3,143,132	--
<u>23,273,244</u>	<u>144,971,394</u>	<u>98,705,027</u>	<u>8,919,920</u>	<u>9,007,728</u>
<u>\$ 43,451,645</u>	<u>\$ 233,086,260</u>	<u>\$ 117,026,261</u>	<u>\$ 30,490,570</u>	<u>\$ 9,007,728</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	<u>Pollution Prevention 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	\$ 361,309	\$ --	\$ 44,766
INVESTMENTS	2,788,816	--	18,165,774
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	1,666,645	195,801,534	--
Loans	--	--	104,446,488
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	308,036,307	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 4,816,770</u>	<u>\$ 503,837,841</u>	<u>\$ 122,657,028</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 13,210	\$ 12,519,387	\$ --
Deferred revenue	--	--	--
Due to other funds	1,985,080	--	360,000
Other	--	52,146,975	--
Total Liabilities	<u>1,998,290</u>	<u>64,666,362</u>	<u>360,000</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	129,785	--
Other	--	--	104,446,488
Unreserved:			
Designated-continuing appropriations	--	--	17,850,540
Undesignated	2,818,480	439,041,694	--
Total Fund Balances	<u>2,818,480</u>	<u>439,171,479</u>	<u>122,297,028</u>
Total Liabilities and Fund Balances	<u>\$ 4,816,770</u>	<u>\$ 503,837,841</u>	<u>\$ 122,657,028</u>

<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>Shore Protection Fund</u>	<u>State Land Acquisition And Development Fund</u>	<u>State Lottery Fund</u>
\$ 138,742	\$ 154,514	\$ 34,965	\$ 15,420	\$ 1,706,439
6,122,199	26,247,441	10,215,849	1,283,244	100,793,823
--	--	--	--	--
487,007	112,097	--	--	--
--	--	2,485,277	--	--
--	412,865	80,233	--	18,200,692
166,403	--	--	--	--
--	--	--	--	7,050,043
--	--	85,688	--	--
<u>\$ 6,914,351</u>	<u>\$ 26,926,917</u>	<u>\$ 12,902,012</u>	<u>\$ 1,298,664</u>	<u>\$ 127,750,997</u>
\$ 69,296	\$ --	\$ --	\$ 32,282	\$ 36,147,809
--	--	--	--	1,358,413
3,078,922	210,643	614,280	553,889	81,079,614
--	--	4,549	33,930	--
<u>3,148,218</u>	<u>210,643</u>	<u>618,829</u>	<u>620,101</u>	<u>118,585,836</u>
492,475	25,080	172,622	7,136,807	--
--	--	2,485,276	--	9,165,161
--	--	2,848,856	--	--
<u>3,273,658</u>	<u>26,691,194</u>	<u>6,776,429</u>	<u>(6,458,244)</u>	<u>--</u>
<u>3,766,133</u>	<u>26,716,274</u>	<u>12,283,183</u>	<u>678,563</u>	<u>9,165,161</u>
<u>\$ 6,914,351</u>	<u>\$ 26,926,917</u>	<u>\$ 12,902,012</u>	<u>\$ 1,298,664</u>	<u>\$ 127,750,997</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	<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>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 6,987	\$ 1,611	\$ 13,926
INVESTMENTS	138,353	2,364,478	14,404,894
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	327,521
Loans	--	--	6,772,622
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 145,340</u>	<u>\$ 2,366,089</u>	<u>\$ 21,518,963</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 1,068	\$ 7,000
Deferred revenue	--	--	--
Due to other funds	10,275	77,464	1,591,000
Other	--	7,883	--
Total Liabilities	<u>10,275</u>	<u>86,415</u>	<u>1,598,000</u>
FUND BALANCES			
Reserved for:			
Encumbrances	90,485	1,881,277	695,934
Other	--	--	6,772,622
Unreserved:			
Designated-continuing appropriations	44,580	398,397	--
Undesignated	--	--	12,452,407
Total Fund Balances	<u>135,065</u>	<u>2,279,674</u>	<u>19,920,963</u>
Total Liabilities and Fund Balances	<u>\$ 145,340</u>	<u>\$ 2,366,089</u>	<u>\$ 21,518,963</u>

Stormwater Management And Combined Sewer Overflow Abatement Fund	Superior Court Of New Jersey Trust Fund	Trial Attorney Certification Program	Unemployment Compensation Auxiliary Fund	Vietnam Veterans' Memorial Fund
\$ 49,083	\$ 6,882,719	\$ 93,903	\$ 656,120	\$ 2
14,917,844	108,175,395	94,313	19,744,305	--
--	--	--	--	--
--	--	--	--	58,740
--	--	--	--	--
--	1,912,547	1,375	--	--
177,856	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ 15,144,783	\$ 116,970,661	\$ 189,591	\$ 20,400,425	\$ 58,742
\$ --	\$ 115,766,618	\$ 45,793	\$ --	\$ --
--	--	--	--	--
835,700	--	--	20,212,905	--
--	--	--	73,913	--
835,700	115,766,618	45,793	20,286,818	--
7,563,113	--	--	--	--
--	--	--	--	--
--	--	--	--	--
6,745,970	1,204,043	143,798	113,607	58,742
14,309,083	1,204,043	143,798	113,607	58,742
\$ 15,144,783	\$ 116,970,661	\$ 189,591	\$ 20,400,425	\$ 58,742

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 1997**

	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 204,969	\$ 187,216	\$ 48,224
INVESTMENTS	778,766	68,817,556	7,386,029
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	1,667,142	--
Departmental accounts	--	--	--
Loans	1,490,150	388,236,051	2,821,776
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	111,359,275	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 2,473,885	\$ 570,267,240	\$ 10,256,029
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	8,667,141	12,200,457
Other	--	--	--
Total Liabilities	--	8,667,141	12,200,457
FUND BALANCES			
Reserved for:			
Encumbrances	50,000	8,416,251	3,537,838
Other	1,490,150	383,091,517	2,821,776
Unreserved:			
Designated-continuing appropriations	--	132,640,382	--
Undesignated	933,735	37,451,949	(8,304,042)
Total Fund Balances	2,473,885	561,600,099	(1,944,428)
Total Liabilities and Fund Balances	\$ 2,473,885	\$ 570,267,240	\$ 10,256,029

Water Conservation Fund	Water Supply Fund	Water Supply Replacement Trust Fund	Worker And Community Right To Know Fund	Total Special Revenue Funds
\$ 92,806	\$ 164,006	\$ 31,996	\$ 113,212	\$ 15,861,554
11,101,728	25,670,045	5,113,840	2,680,549	1,531,766,391
--	--	--	--	1,874,103
--	--	--	2,036,028	397,812,972
824,000	131,939,692	--	--	852,207,299
15,284	2,023,249	--	--	49,238,010
--	60,737,803	--	--	618,750,595
--	--	--	--	15,722,759
--	--	--	--	2,167,122
\$ 12,033,818	\$ 220,534,795	\$ 5,145,836	\$ 4,829,789	\$ 3,485,400,805
\$ --	\$ 7,455	\$ --	\$ 13,774	\$ 300,655,288
--	--	--	--	30,615,388
12,129,918	18,368,645	--	2,755,738	540,434,071
2,848	--	--	--	52,957,517
12,132,766	18,376,100	--	2,769,512	924,662,264
210,644	15,779,694	329,000	--	406,838,268
824,000	131,939,692	--	--	1,025,812,538
--	54,439,309	4,816,836	--	398,730,296
(1,133,592)	--	--	2,060,277	729,357,439
(98,948)	202,158,695	5,145,836	2,060,277	2,560,738,541
\$ 12,033,818	\$ 220,534,795	\$ 5,145,836	\$ 4,829,789	\$ 3,485,400,805

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Alcohol Education, Rehabilitation And Enforcement Fund	Beaches And Harbor Fund	Board of Bar Examiners
REVENUES			
Taxes	\$ 11,000,000	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	1,966,489	--	1,451,896
Services and assessments	--	--	--
Investment earnings	247,850	143,434	61,995
Contributions	--	--	--
Other	--	--	18,670
Total Revenues	13,214,339	143,434	1,532,561
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	13,214,339	143,434	1,532,561
EXPENDITURES			
Current:			
Public safety and criminal justice	1,721,830	--	1,551,289
Physical and mental health	8,091,496	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	116,000	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
Total Expenditures	9,813,326	116,000	1,551,289
OTHER FINANCING USES			
Transfers to other funds	1,658,369	143,434	--
Total Other Financing Uses	1,658,369	143,434	--
Total Expenditures and Other Financing Uses	11,471,695	259,434	1,551,289
Net Increases (Decreases) in Fund Balances for the Year	1,742,644	(116,000)	(18,728)
FUND BALANCES-JULY 1, 1996	2,614,507	2,677,436	1,340,214
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 4,357,151	\$ 2,561,436	\$ 1,321,486

Boarding House Rental Assistance Fund	Casino Control Fund	Casino Revenue Fund	Casino Simulcasting Fund
\$ --	\$ --	\$ 308,276,665	\$ --
--	--	--	--
--	49,553,625	--	--
--	--	--	--
431,893	593,135	1,137,957	117,312
--	--	--	--
--	--	33,190,444	677,839
<u>431,893</u>	<u>50,146,760</u>	<u>342,605,066</u>	<u>795,151</u>
--	--	29,741,139	--
--	--	--	--
--	--	--	--
--	--	29,741,139	--
<u>431,893</u>	<u>50,146,760</u>	<u>372,346,205</u>	<u>795,151</u>
--	29,919,734	--	--
--	--	314,552,700	--
--	--	24,587,930	--
829,717	--	--	--
--	--	10,714,517	--
--	--	17,072,614	--
--	23,791,180	17,180,000	--
--	--	86,887	--
<u>829,717</u>	<u>53,710,914</u>	<u>384,194,648</u>	<u>--</u>
<u>685,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>685,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>1,514,717</u>	<u>53,710,914</u>	<u>384,194,648</u>	<u>--</u>
(1,082,824)	(3,564,154)	(11,848,443)	795,151
8,140,826	5,907,437	51,188,146	1,872,821
(375,000)	--	375,000	--
<u>\$ 6,683,002</u>	<u>\$ 2,343,283</u>	<u>\$ 39,714,703</u>	<u>\$ 2,667,972</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund
REVENUES			
Taxes	\$ --	\$ --	\$ 13,429,253
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	5,961,237	--
Investment earnings	295,313	796,123	341,526
Contributions	--	--	--
Other	6,235,271	--	--
Total Revenues	6,530,584	6,757,360	13,770,779
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	6,530,584	6,757,360	13,770,779
EXPENDITURES			
Current:			
Public safety and criminal justice	6,240,515	--	--
Physical and mental health	--	89,182	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	14,704,904
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	5,193,526	--
Special government services	--	--	--
Total Expenditures	6,240,515	5,282,708	14,704,904
OTHER FINANCING USES			
Transfers to other funds	--	728,177	725,000
Total Other Financing Uses	--	728,177	725,000
Total Expenditures and Other Financing Uses	6,240,515	6,010,885	15,429,904
Net Increases (Decreases) in Fund Balances for the Year	290,069	746,475	(1,659,125)
FUND BALANCES-JULY 1, 1996	3,224,076	16,241,672	7,488,637
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 3,514,145	\$ 16,988,147	\$ 5,829,512

Clean Waters Fund	Cultural Centers And Historic Perservation Fund	1992 Dam Restoration and Clean Waters Trust Fund	1989 Development Potential Bank Transfer Fund	Developmental Disabilities Waiting List Reduction Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
105,068	982,687	161,186	--	286,719
--	--	--	--	--
--	112,044	--	--	--
<u>105,068</u>	<u>1,094,731</u>	<u>161,186</u>	<u>--</u>	<u>286,719</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>105,068</u>	<u>1,094,731</u>	<u>161,186</u>	<u>--</u>	<u>286,719</u>
--	--	--	--	66,000
--	--	--	--	--
--	44,454	--	--	10,940,918
957,748	1,725,858	100,670	--	--
--	--	--	--	--
--	--	--	--	--
--	--	1,001	--	10,797
--	--	--	--	--
<u>957,748</u>	<u>1,770,312</u>	<u>101,671</u>	<u>--</u>	<u>11,017,715</u>
<u>105,068</u>	<u>4,588,443</u>	<u>--</u>	<u>21,672</u>	<u>275,922</u>
<u>105,068</u>	<u>4,588,443</u>	<u>--</u>	<u>21,672</u>	<u>275,922</u>
<u>1,062,816</u>	<u>6,358,755</u>	<u>101,671</u>	<u>21,672</u>	<u>11,293,637</u>
(957,748)	(5,264,024)	59,515	(21,672)	(11,006,918)
1,567,927	17,985,060	3,054,578	--	9,182,838
--	--	--	--	--
<u>\$ 610,179</u>	<u>\$ 12,721,036</u>	<u>\$ 3,114,093</u>	<u>\$ (21,672)</u>	<u>\$ (1,824,080)</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Disciplinary Oversight Committee	Division of Motor Vehicles Surcharge Fund	Emergency Flood Control Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	6,226,425	--	--
Services and assessments	--	130,743,166	--
Investment earnings	288,563	480,107	64,791
Contributions	--	--	--
Other	134,129	--	--
Total Revenues	6,649,117	131,223,273	64,791
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	6,649,117	131,223,273	64,791
EXPENDITURES			
Current:			
Public safety and criminal justice	5,157,836	1,844,402	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	209,008
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	130,089,124	--
Special government services	--	--	--
Total Expenditures	5,157,836	131,933,526	209,008
OTHER FINANCING USES			
Transfers to other funds	--	--	441,666
Total Other Financing Uses	--	--	441,666
Total Expenditures and Other Financing Uses	5,157,836	131,933,526	650,674
Net Increases (Decreases) in Fund Balances for the Year	1,491,281	(710,253)	(585,883)
FUND BALANCES-JULY 1, 1996	2,147,744	710,253	1,155,449
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 3,639,025	\$ --	\$ 569,566

Emergency Medical Technician Training Fund	Enterprise Zone Assistance Fund	Farmland Preservation Fund	1989 Farmland Preservation Fund	1992 Farmland Preservation Fund
\$ --	\$ 50,686,622	\$ --	\$ --	\$ --
--	--	--	--	--
--	40,000	--	--	--
1,715,985	--	--	--	--
260,147	5,534,060	19,665	98,831	301,290
--	--	--	--	--
--	--	--	--	268,978
<u>1,976,132</u>	<u>56,260,682</u>	<u>19,665</u>	<u>98,831</u>	<u>570,268</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,976,132</u>	<u>56,260,682</u>	<u>19,665</u>	<u>98,831</u>	<u>570,268</u>
--	--	--	--	--
481,488	--	--	--	--
--	--	--	--	--
--	14,662	142,889	4,217,393	17,918,600
--	27,172,319	--	--	--
--	--	--	--	--
--	--	--	152,881	635,515
--	--	--	--	--
<u>481,488</u>	<u>27,186,981</u>	<u>142,889</u>	<u>4,370,274</u>	<u>18,554,115</u>
<u>38,108</u>	<u>1,896,344</u>	<u>99,916</u>	<u>90,000</u>	<u>654,673</u>
<u>38,108</u>	<u>1,896,344</u>	<u>99,916</u>	<u>90,000</u>	<u>654,673</u>
<u>519,596</u>	<u>29,083,325</u>	<u>242,805</u>	<u>4,460,274</u>	<u>19,208,788</u>
1,456,536	27,177,357	(223,140)	(4,361,443)	(18,638,520)
3,891,406	87,190,313	353,555	2,244,713	3,706,633
--	--	--	--	--
<u>\$ 5,347,942</u>	<u>\$ 114,367,670</u>	<u>\$ 130,415</u>	<u>\$ (2,116,730)</u>	<u>\$ (14,931,887)</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Green Trust Fund	Gubernatorial Elections Fund	Hazardous Discharge Fund Of 1981
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	301,465	--	223,162
Contributions	--	--	--
Other	1,464,132	1,112,712	--
Total Revenues	1,765,597	1,112,712	223,162
OTHER FINANCING SOURCES			
Transfers from other funds	3,322,468	3,899,171	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	3,322,468	3,899,171	--
Total Revenues and Other Financing Sources	5,088,065	5,011,883	223,162
EXPENDITURES			
Current:			
Public safety and criminal justice	--	6,635,945	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	648,443	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	60,385
Special government services	--	--	--
Total Expenditures	648,443	6,635,945	60,385
OTHER FINANCING USES			
Transfers to other funds	--	--	8,246,919
Total Other Financing Uses	--	--	8,246,919
Total Expenditures and Other Financing Uses	648,443	6,635,945	8,307,304
Net Increases (Decreases) in Fund Balances for the Year	4,439,622	(1,624,062)	(8,084,142)
FUND BALANCES-JULY 1, 1996	73,577,222	1,985,846	(3,185,578)
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 78,016,844	\$ 361,784	\$ (11,269,720)

Hazardous Discharge Fund Of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Higher Education Facility Renovation And Rehabilitation Fund	1992 Historic Preservation Fund
\$ --	\$ --	\$ 463,869,812	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	15,896,116	40,110,966	--	--
159,047	1,441,351	3,366,244	21,208	117,059
--	--	--	--	--
--	--	--	--	--
<u>159,047</u>	<u>17,337,467</u>	<u>507,347,022</u>	<u>21,208</u>	<u>117,059</u>
--	8,084,141	--	--	--
--	--	--	--	--
--	--	--	--	--
--	<u>8,084,141</u>	--	--	--
<u>159,047</u>	<u>25,421,608</u>	<u>507,347,022</u>	<u>21,208</u>	<u>117,059</u>
--	--	--	--	--
--	--	26,092,436	--	--
--	--	--	3,285,387	--
16,242,740	9,044,742	--	--	2,484,108
--	--	--	--	--
--	--	--	--	--
1,669,799	--	--	--	172,460
--	--	--	--	--
<u>17,912,539</u>	<u>9,044,742</u>	<u>26,092,436</u>	<u>3,285,387</u>	<u>2,656,568</u>
<u>8,436,044</u>	<u>16,190,138</u>	<u>364,784,746</u>	--	<u>554,621</u>
<u>8,436,044</u>	<u>16,190,138</u>	<u>364,784,746</u>	--	<u>554,621</u>
<u>26,348,583</u>	<u>25,234,880</u>	<u>390,877,182</u>	<u>3,285,387</u>	<u>3,211,189</u>
(26,189,536)	186,728	116,469,840	(3,264,179)	(3,094,130)
(32,911,293)	38,632,453	66,179,201	10,538,347	--
--	--	--	--	--
<u>\$ (59,100,829)</u>	<u>\$ 38,819,181</u>	<u>\$ 182,649,041</u>	<u>\$ 7,274,168</u>	<u>\$ (3,094,130)</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Housing Assistance Fund	Jobs, Education And Competitiveness Fund	Jobs, Science And Technology Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	19,927	18,729	32,161
Contributions	--	--	--
Other	46,204	558,236	--
Total Revenues	66,131	576,965	32,161
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	66,131	576,965	32,161
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	5,987,454	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	550,000	--
Transportation programs	--	--	--
Government direction, management and control	--	133,904	--
Special government services	--	--	--
Total Expenditures	--	6,671,358	--
OTHER FINANCING USES			
Transfers to other funds	66,131	--	32,161
Total Other Financing Uses	66,131	--	32,161
Total Expenditures and Other Financing Uses	66,131	6,671,358	32,161
Net Increases (Decreases) in Fund Balances for the Year	--	(6,094,393)	--
FUND BALANCES-JULY 1, 1996	7,055,805	(1,748,472)	592,742
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 7,055,805	\$ (7,842,865)	\$ 592,742

Korean Veterans' Memorial Fund	Legal Services Fund	Medical Education Facilities Fund	Mortgage Assistance Fund	Natural Resources Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	9,236,192	--	--	--
--	--	--	--	--
--	--	29,109	81,169	422,206
--	--	--	--	--
--	--	--	1,413,593	4,374
--	9,236,192	29,109	1,494,762	426,580
24,531	--	--	--	--
--	--	--	--	--
--	--	--	--	--
24,531	--	--	--	--
24,531	9,236,192	29,109	1,494,762	426,580
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	625,896
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	625,896
--	9,236,192	29,109	1,494,762	843,876
--	9,236,192	29,109	1,494,762	843,876
--	9,236,192	29,109	1,494,762	1,469,772
24,531	--	--	--	(1,043,192)
--	--	514,945	18,502,334	7,882,146
--	--	--	(2,514,000)	--
<u>\$ 24,531</u>	<u>\$ --</u>	<u>\$ 514,945</u>	<u>\$ 15,988,334</u>	<u>\$ 6,838,954</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	New Jersey Automobile Insurance Guaranty Fund	New Jersey Building Authority	1983 New Jersey Green Acres Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	66,576,046	--	--
Services and assessments	2,961,644	--	--
Investment earnings	12,947,964	9,175,749	545,120
Contributions	--	--	--
Other	332,190	16,520,996	698,810
Total Revenues	82,817,844	25,696,745	1,243,930
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	160,000,000	--	--
Total Other Financing Sources	160,000,000	--	--
Total Revenues and Other Financing Sources	242,817,844	25,696,745	1,243,930
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	291,000
Economic planning, development and security	220,000,000	--	--
Transportation programs	--	--	--
Government direction, management and control	699,498	134,978,847	--
Special government services	--	--	--
Total Expenditures	220,699,498	134,978,847	291,000
OTHER FINANCING USES			
Transfers to other funds	--	--	1,243,927
Total Other Financing Uses	--	--	1,243,927
Total Expenditures and Other Financing Uses	220,699,498	134,978,847	1,534,927
Net Increases (Decreases) in Fund Balances for the Year	22,118,346	(109,282,102)	(290,997)
FUND BALANCES-JULY 1, 1996	200,942,959	225,021,717	21,132,169
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 223,061,305	\$ 115,739,615	\$ 20,841,172

1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund	1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	639,037	--	--	--
--	--	--	--	--
--	--	--	--	--
135,333	361,646	215,030	230,594	193,110
--	--	--	--	--
509,295	--	--	1,061,921	589,437
<u>644,628</u>	<u>1,000,683</u>	<u>215,030</u>	<u>1,292,515</u>	<u>782,547</u>
59,741	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>59,741</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>704,369</u>	<u>1,000,683</u>	<u>215,030</u>	<u>1,292,515</u>	<u>782,547</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
8,869,957	20,751,025	17,107,017	5,428,573	8,800,139
--	--	--	--	--
--	--	--	--	--
523,383	1,367,950	564,374	1,421,961	885,274
--	--	--	--	--
<u>9,393,340</u>	<u>22,118,975</u>	<u>17,671,391</u>	<u>6,850,534</u>	<u>9,685,413</u>
--	2,484,034	--	--	2,484,034
--	2,484,034	--	--	2,484,034
<u>9,393,340</u>	<u>24,603,009</u>	<u>17,671,391</u>	<u>6,850,534</u>	<u>12,169,447</u>
(8,688,971)	(23,602,326)	(17,456,361)	(5,558,019)	(11,386,900)
7,265,360	(8,369,797)	--	41,888,037	9,417,725
--	--	--	--	--
<u>\$ (1,423,611)</u>	<u>\$ (31,972,123)</u>	<u>\$ (17,456,361)</u>	<u>\$ 36,330,018</u>	<u>\$ (1,969,175)</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	1995 New Jersey Green Trust Fund	New Jersey Lawyers' Fund For Client Protection	New Jersey Local Development Financing Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	2,331,132	--
Services and assessments	--	--	--
Investment earnings	102,758	836,135	157,844
Contributions	--	--	--
Other	--	524,331	1,224,505
Total Revenues	102,758	3,691,598	1,382,349
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	102,758	3,691,598	1,382,349
EXPENDITURES			
Current:			
Public safety and criminal justice	--	4,698,400	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	2,862,660	--	--
Economic planning, development and security	--	--	830,130
Transportation programs	--	--	--
Government direction, management and control	206,926	--	--
Special government services	--	--	--
Total Expenditures	3,069,586	4,698,400	830,130
OTHER FINANCING USES			
Transfers to other funds	--	--	308,820
Total Other Financing Uses	--	--	308,820
Total Expenditures and Other Financing Uses	3,069,586	4,698,400	1,138,950
Net Increases (Decreases) in Fund Balances for the Year	(2,966,828)	(1,006,802)	243,399
FUND BALANCES-JULY 1, 1996	--	12,336,612	33,232,136
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ (2,966,828)	\$ 11,329,810	\$ 33,475,535

New Jersey Spill Compensation Fund	New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund
\$ 16,889,425	\$ --	\$ 62,014,260	\$ --	\$ --
--	--	--	2,316,078	--
7,383,454	--	--	--	--
--	--	--	--	--
1,755,675	15,672,656	4,540,011	1,583,435	138,910
--	--	--	--	--
131,368	--	--	--	228,882
<u>26,159,922</u>	<u>15,672,656</u>	<u>66,554,271</u>	<u>3,899,513</u>	<u>367,792</u>
--	304,500,000	--	--	--
--	709,671,841	--	--	--
--	--	--	--	--
--	1,014,171,841	--	--	--
<u>26,159,922</u>	<u>1,029,844,497</u>	<u>66,554,271</u>	<u>3,899,513</u>	<u>367,792</u>
--	--	--	--	--
--	--	--	--	--
--	--	2,056,307	--	--
9,264,380	--	--	1,998,152	1,915,896
--	--	27,264,021	317,926	--
--	275,517	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>9,264,380</u>	<u>275,517</u>	<u>29,320,328</u>	<u>2,316,078</u>	<u>1,915,896</u>
<u>19,114,638</u>	<u>940,315,474</u>	<u>7,892,899</u>	--	--
<u>19,114,638</u>	<u>940,315,474</u>	<u>7,892,899</u>	--	--
<u>28,379,018</u>	<u>940,590,991</u>	<u>37,213,227</u>	<u>2,316,078</u>	<u>1,915,896</u>
(2,219,096)	89,253,506	29,341,044	1,583,435	(1,548,104)
25,492,340	55,717,888	69,363,983	7,336,485	10,555,832
--	--	--	--	--
<u>\$ 23,273,244</u>	<u>\$ 144,971,394</u>	<u>\$ 98,705,027</u>	<u>\$ 8,919,920</u>	<u>\$ 9,007,728</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Pollution Prevention Fund	Property Tax Relief Fund	Resource Recovery And Solid Waste Disposal Facility Fund
REVENUES			
Taxes	\$ --	\$ 4,825,410,636	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	2,229,386	--	--
Investment earnings	140,488	--	1,262,149
Contributions	--	--	--
Other	--	--	5,625
Total Revenues	2,369,874	4,825,410,636	1,267,774
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	2,369,874	4,825,410,636	1,267,774
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	3,386,465,700	--
Community development and environmental management	--	785,099,682	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	369,531,178	--
Special government services	--	--	--
Total Expenditures	--	4,541,096,560	--
OTHER FINANCING USES			
Transfers to other funds	1,985,080	--	360,000
Total Other Financing Uses	1,985,080	--	360,000
Total Expenditures and Other Financing Uses	1,985,080	4,541,096,560	360,000
Net Increases (Decreases) in Fund Balances for the Year	384,794	284,314,076	907,774
FUND BALANCES-JULY 1, 1996	2,433,686	154,857,403	121,389,254
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 2,818,480	\$ 439,171,479	\$ 122,297,028

Safe Drinking Water Fund	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund	State Land Acquisition And Development Fund	State Lottery Fund
\$ 2,806,748	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	1,537,515	--	--	--
308,403	1,373,466	545,001	82,603	4,990,096
--	--	--	--	--
--	--	69,278	--	1,586,297,840
<u>3,115,151</u>	<u>2,910,981</u>	<u>614,279</u>	<u>82,603</u>	<u>1,591,287,936</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>3,115,151</u>	<u>2,910,981</u>	<u>614,279</u>	<u>82,603</u>	<u>1,591,287,936</u>
--	--	--	--	--
--	--	61,561	--	--
--	--	--	--	--
614,765	47,262	--	1,324,526	--
--	--	--	--	--
--	--	--	--	--
--	--	--	29,414	929,602,655
--	--	--	--	--
<u>614,765</u>	<u>47,262</u>	<u>61,561</u>	<u>1,353,940</u>	<u>929,602,655</u>
<u>3,310,954</u>	<u>210,643</u>	<u>614,279</u>	<u>--</u>	<u>662,079,614</u>
<u>3,310,954</u>	<u>210,643</u>	<u>614,279</u>	<u>--</u>	<u>662,079,614</u>
<u>3,925,719</u>	<u>257,905</u>	<u>675,840</u>	<u>1,353,940</u>	<u>1,591,682,269</u>
(810,568)	2,653,076	(61,561)	(1,271,337)	(394,333)
4,576,701	35,393,198	12,344,744	1,949,900	9,559,494
--	(11,330,000)	--	--	--
<u>\$ 3,766,133</u>	<u>\$ 26,716,274</u>	<u>\$ 12,283,183</u>	<u>\$ 678,563</u>	<u>\$ 9,165,161</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<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	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	4,224,031
Investment earnings	10,275	128,635	735,608
Contributions	--	--	--
Other	--	--	427,516
	<hr/>	<hr/>	<hr/>
Total Revenues	10,275	128,635	5,387,155
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	--
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	10,275	128,635	5,387,155
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	77,766	173,938	4,781,322
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	1,768	--
Special government services	--	--	--
	<hr/>	<hr/>	<hr/>
Total Expenditures	77,766	175,706	4,781,322
OTHER FINANCING USES			
Transfers to other funds	10,275	77,464	1,591,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	10,275	77,464	1,591,000
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	88,041	253,170	6,372,322
	<hr/>	<hr/>	<hr/>
Net Increases (Decreases) in Fund Balances for the Year	(77,766)	(124,535)	(985,167)
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JULY 1, 1996	212,831	2,404,209	20,906,130
	<hr/>	<hr/>	<hr/>
Residual Equity Transfer In (Out)	--	--	--
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JUNE 30, 1997	\$ 135,065	\$ 2,279,674	\$ 19,920,963
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Stormwater Management And Combined Sewer Overflow Abatement Fund	Superior Court Of New Jersey Trust Fund	Trial Attorney Certification Program	Unemployment Compensation Auxiliary Fund	Vietnam Veterans' Memorial Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	177,700	--	--
--	--	--	--	--
826,260	6,802,507	9,570	834,284	--
--	--	--	--	105,912
9,440	--	497	16,081,497	--
<u>835,700</u>	<u>6,802,507</u>	<u>187,767</u>	<u>16,915,781</u>	<u>105,912</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>835,700</u>	<u>6,802,507</u>	<u>187,767</u>	<u>16,915,781</u>	<u>105,912</u>
--	6,756,940	160,941	--	--
--	--	--	--	--
--	--	--	--	--
679,920	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>679,920</u>	<u>6,756,940</u>	<u>160,941</u>	<u>--</u>	<u>161,735</u>
835,700	--	--	20,075,448	--
835,700	--	--	20,075,448	--
<u>1,515,620</u>	<u>6,756,940</u>	<u>160,941</u>	<u>20,075,448</u>	<u>161,735</u>
(679,920)	45,567	26,826	(3,159,667)	(55,823)
14,989,003	1,158,476	116,972	3,273,274	114,565
--	--	--	--	--
<u>\$ 14,309,083</u>	<u>\$ 1,204,043</u>	<u>\$ 143,798</u>	<u>\$ 113,607</u>	<u>\$ 58,742</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	43,219,226	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	38,417	5,052,187	256,029
Contributions	--	--	--
Other	25,504	4,543,171	--
Total Revenues	63,921	52,814,584	256,029
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Proceeds from sale of bonds	--	--	--
Other	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	63,921	52,814,584	256,029
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	3,348,254	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	290,629
Special government services	--	--	--
Total Expenditures	--	3,348,254	290,629
OTHER FINANCING USES			
Transfers to other funds	--	3,138,400	1,909,828
Total Other Financing Uses	--	3,138,400	1,909,828
Total Expenditures and Other Financing Uses	--	6,486,654	2,200,457
Net Increases (Decreases) in Fund Balances for the Year	63,921	46,327,930	(1,944,428)
FUND BALANCES-JULY 1, 1996	2,409,964	515,272,169	--
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 2,473,885	\$ 561,600,099	\$ (1,944,428)

Water Conservation Fund	Water Supply Fund	Water Supply Replacement Trust Fund	Worker And Community Right To Know Fund	Total Special Revenue Funds
\$ --	\$ --	\$ --	\$ --	\$ 5,754,383,421
--	--	--	--	46,174,341
--	--	--	4,600	144,947,559
--	--	--	2,809,799	208,189,845
161,521	3,497,510	250,111	125,189	95,004,768
--	--	--	--	105,912
43,927	7,174,719	--	--	1,681,737,375
<u>205,448</u>	<u>10,672,229</u>	<u>250,111</u>	<u>2,939,588</u>	<u>7,930,543,221</u>
--	--	--	--	349,631,191
--	--	--	--	709,671,841
--	--	--	--	160,000,000
--	--	--	--	1,219,303,032
<u>205,448</u>	<u>10,672,229</u>	<u>250,111</u>	<u>2,939,588</u>	<u>9,149,846,253</u>
--	--	--	--	64,753,832
--	--	--	--	349,368,863
--	--	--	--	3,433,368,150
87,900	1,836,429	100,998	--	945,444,939
--	--	--	--	286,848,913
--	--	--	--	17,348,131
158,353	--	--	--	1,619,352,782
--	--	--	--	248,622
<u>246,253</u>	<u>1,836,429</u>	<u>100,998</u>	<u>--</u>	<u>6,716,734,232</u>
<u>949,449</u>	<u>14,308,868</u>	<u>--</u>	<u>2,755,738</u>	<u>2,110,123,057</u>
<u>949,449</u>	<u>14,308,868</u>	<u>--</u>	<u>2,755,738</u>	<u>2,110,123,057</u>
<u>1,195,702</u>	<u>16,145,297</u>	<u>100,998</u>	<u>2,755,738</u>	<u>8,826,857,289</u>
(990,254)	(5,473,068)	149,113	183,850	322,988,964
891,306	207,631,763	4,996,723	1,876,427	2,251,593,577
--	--	--	--	(13,844,000)
<u>\$ (98,948)</u>	<u>\$ 202,158,695</u>	<u>\$ 5,145,836</u>	<u>\$ 2,060,277</u>	<u>\$ 2,560,738,541</u>

STATE OF NEW JERSEY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-BUDGETARY BASIS
BUDGETED SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

CASINO CONTROL FUND

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ --	\$ --	\$ --
Licenses and fees	54,000,000	49,553,625	(4,446,375)
Investment earnings	--	593,135	593,135
Other	--	--	--
Total Revenues	<u>54,000,000</u>	<u>50,146,760</u>	<u>(3,853,240)</u>
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>54,000,000</u>	<u>50,146,760</u>	<u>(3,853,240)</u>
EXPENDITURES			
Public safety and criminal justice	30,651,000	29,875,314	775,686
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	24,840,855	24,123,219	717,636
Special government services	--	--	--
Total Expenditures	<u>55,491,855</u>	<u>53,998,533</u>	<u>1,493,322</u>
Net Increase (Decrease) in Fund Balances for the Year	<u>\$ (1,491,855)</u>	<u>\$ (3,851,773)</u>	<u>\$ (2,359,918)</u>

CASINO REVENUE FUND

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 321,000,000	\$ 308,276,665	\$ (12,723,335)
--	--	--
2,500,000	1,137,957	(1,362,043)
<u>33,190,444</u>	<u>33,190,444</u>	<u>--</u>
<u>356,690,444</u>	<u>342,605,066</u>	<u>(14,085,378)</u>
<u>375,000</u>	<u>375,000</u>	<u>--</u>
<u>375,000</u>	<u>375,000</u>	<u>--</u>
<u>357,065,444</u>	<u>342,980,066</u>	<u>(14,085,378)</u>
--	--	--
318,206,444	316,569,780	1,636,664
24,487,000	24,487,000	--
--	--	--
6,137,000	6,137,000	--
21,107,000	21,107,000	--
17,180,000	17,180,000	--
92,000	86,887	5,113
<u>387,209,444</u>	<u>385,567,667</u>	<u>1,641,777</u>
<u>\$ (30,144,000)</u>	<u>\$ (42,587,601)</u>	<u>\$ (12,443,601)</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
BUDGET AND ACTUAL-BUDGET BASIS
BUDGETED SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

GUBERNATORIAL ELECTIONS FUND

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes	\$ --	\$ --	\$ --
Licenses and fees	--	--	--
Investment earnings	--	--	--
Other	1,500,000	1,112,712	(387,288)
	1,500,000	1,112,712	(387,288)
Total Revenues			
	1,500,000	1,112,712	(387,288)
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
	--	--	--
Total Other Financing Sources			
	--	--	--
Total Revenues and Other Financing Sources			
	1,500,000	1,112,712	(387,288)
EXPENDITURES			
Public safety and criminal justice	7,000,000	6,997,729	2,271
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Special government services	--	--	--
	7,000,000	6,997,729	2,271
Total Expenditures			
	7,000,000	6,997,729	2,271
Net Increase (Decrease) in Fund Balances for the Year			
	\$ (5,500,000)	\$ (5,885,017)	\$ (385,017)

PROPERTY TAX RELIEF FUND

<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 4,510,000,000	\$ 4,825,410,635	\$ 315,410,635
--	--	--
--	--	--
--	--	--
<u>4,510,000,000</u>	<u>4,825,410,635</u>	<u>315,410,635</u>
--	--	--
--	--	--
<u>4,510,000,000</u>	<u>4,825,410,635</u>	<u>315,410,635</u>
--	--	--
--	--	--
3,444,487,000	3,384,708,825	59,778,175
785,100,148	785,099,681	467
--	--	--
--	--	--
372,585,549	369,531,176	3,054,373
--	--	--
<u>4,602,172,697</u>	<u>4,539,339,682</u>	<u>62,833,015</u>
<u>\$ (92,172,697)</u>	<u>\$ 286,070,953</u>	<u>\$ 378,243,650</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
BUDGET AND ACTUAL-BUDGET BASIS
BUDGETED SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	TOTAL		
	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES			
Taxes	\$ 4,831,000,000	\$ 5,133,687,300	\$ 302,687,300
Licenses and fees	54,000,000	49,553,625	(4,446,375)
Investment earnings	2,500,000	1,731,092	(768,908)
Other	34,690,444	34,303,156	(387,288)
Total Revenues	4,922,190,444	5,219,275,173	297,084,729
OTHER FINANCING SOURCES			
Transfers from other funds	375,000	375,000	--
Total Other Financing Sources	375,000	375,000	--
Total Revenues and Other Financing Sources	4,922,565,444	5,219,650,173	297,084,729
EXPENDITURES			
Public safety and criminal justice	37,651,000	36,873,043	777,957
Physical and mental health	318,206,444	316,569,780	1,636,664
Educational, cultural and intellectual development	3,468,974,000	3,409,195,825	59,778,175
Community development and environmental management	785,100,148	785,099,681	467
Economic planning, development and security	6,137,000	6,137,000	--
Transportation programs	21,107,000	21,107,000	--
Government direction, management and control	414,606,404	410,834,395	3,772,009
Special government services	92,000	86,887	5,113
Total Expenditures	5,051,873,996	4,985,903,611	65,970,385
Net Increase (Decrease) in Fund Balances for the Year	\$ (129,308,552)	\$ 233,746,562	\$ 363,055,114

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

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

Annual deposits of \$11.0 million are made to this Fund from annual collections of the Alcohol Beverage Excise Tax. The monies collected shall be dedicated as follows: 75 percent to alcohol rehabilitation; 15 percent to enforcement; and 10 percent to education.

Additionally, fees of \$40 paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs, are deposited into this fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of drunk driving.

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

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

Board Of Bar Examiners (R. 1:27B1)

The Fund was established for the purposes of drafting bar essay examination questions, reviewing applications, preparing for and administering bar examinations and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes and copying fees.

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.

Casino Simulcasting Fund (P.L. 1992, c.19)

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be used for services to benefit senior citizens.

Casino Simulcasting Special Fund (P.L. 1992, c.19)

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this Fund and shall be disbursed to the Atlantic City Racetrack, to Atlantic City casinos conducting simulcasting and for other miscellaneous purposes.

Catastrophic Illness In Children Relief Fund (P.L. 1987, c.370)

The purpose of this Fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1.00 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

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. Monies 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 million was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

Cultural Centers And Historic Preservation Fund (P.L. 1987, c.265)

An amount of \$100 million was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair or rehabilitation of historic structures in the State (\$25 million); and for the purpose of providing for grants and loans to assist municipalities and counties and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

An amount of \$20 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

Bonds authorized in the amount of \$20 million are to be provided for the acquisition and development rights of land by the State for recreation and conservation purposes.

Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

An act authorizing the creation of a debt of the State of New Jersey by the issuance of bonds of the State in the aggregate principal amount of \$160,000,000 for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation and equipping of community based residential facilities for clients on the Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)

This 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.

Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)

The Fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal, interest and premium on the Market Transition Facility bonds.

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

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

Emergency Medical Technician Training Fund (P.L. 1992, c.143)

This Fund was established to annually reimburse any private agency, organization or entity which is certified by the Commissioner of Health to provide training and testing for volunteer ambulance, first aid and rescue squad personnel who are seeking emergency medical tech-ambulance, defibrillation intermediate, or who are taking refresher courses or rectification for which that entity is not otherwise reimbursed.

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 27 enterprise zones may be in existence at any one time.

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

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

1989 Farmland Preservation Fund (P.L. 1989, c.183)

An amount of \$50 million was authorized for the purpose of the preservation of farmland for agricultural use and production.

1992 Farmland Preservation Fund (P.L. 1992, c.88)

An amount of \$50 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of the preservation 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 Fund of 1981 (P.L. 1981, c.275)

An amount of \$100 million has been authorized for the identification, cleanup and removal of hazardous discharges.

Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)

An amount of \$200 million was authorized for the purpose of financing the cost of identification, cleanup and removal of hazardous discharges.

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. \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Care Subsidy Fund (P.L. 1992, c.160)

This Fund is comprised of revenues from employee and employer contributions, hospital assessments and interest and penalties. Monies in the Fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey SHIELD program; and provide financial assistance for hospitals and other health care initiatives and hospital bond assistance.

Higher Education Facility Renovation And Rehabilitation Fund (P.L. 1990, c.126)

The sum of \$45 million has been appropriated from the Jobs, Education and Competitiveness Fund to the Higher Education Facility Renovation and Rehabilitation Fund to be used only for the renovation and rehabilitation of existing higher education buildings at State colleges, Rutgers, the New Jersey Institute of Technology and the University of Medicine and Dentistry of New Jersey.

1992 Historic Preservation Fund (P.L. 1992, c.88)

An amount of \$25 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the historic preservation project cost of historic preservation projects for historic properties, structures, facilities or sites owned or leased on a long-term basis by those agencies, entities, units or organizations.

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

An amount of \$12.5 million 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, and to provide financial assistance to qualified housing developments, constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Jobs, Education And Competitiveness Fund (P.L. 1988, c.78)

An amount of \$350 million was authorized for the construction, reconstruction, development, extension, improvement and equipment of classrooms, academic buildings, libraries, computer facilities and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

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

An amount of \$90 million 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 retraining 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.

Korean Veterans' Memorial Fund (P.L. 1996, c.72)

There is created a Fund known as the Korean Veterans' Memorial Fund in the Department of the Treasury. The Fund shall be credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this Fund is to locate a suitable site for the construction of a Korean Veterans' Memorial honoring the Korean veterans in the State of New Jersey. There was originally appropriated from the General Fund to the committee an amount of \$25,000.

Legal Services Fund (P.L. 1996, c.52)

Revenues generated from the increase in certain filing fees in civil actions are credited to the Fund and are used to provide legal services to the poor in civil matters, fund ten Superior Court judgeships, and distributed to Rutgers-Newark Law School, Rutgers-Camden Law School and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

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

An amount of \$120 million was authorized to refinance 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. The refinancing 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 million 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 million was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Jersey Automobile Insurance Guaranty Fund (P.L. 1990, c.8)

This Fund shall be utilized exclusively for the purpose of satisfying the financial obligations of the New Jersey Automobile Full Insurance Underwriting Association. Monies are collected from the following sources: tax imposed on premiums earned by the New Jersey Automobile Full Insurance Underwriting Association; surtax imposed on automobile insurance premiums; a percentage of the surcharges collected by the Division of Motor Vehicles; additional registration fees collected by the Division of Motor Vehicles; assessments against attorneys, auto body shops, medical examiners, chiropractors, and physical therapists; and loans from the New Jersey Property-Liability Insurance Guaranty Association.

P.L. 1994, c.57 amended P.L. 1990, c.8 to utilize any monies remaining after the New Jersey Automobile Full Underwriting Association debt has been satisfied to satisfy the current and anticipated liabilities and expenses of the Market Transition Facility.

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 construction and rehabilitation projects. The debt service on the bonds will be paid through lease agreements with the State.

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

An amount of \$135 million was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount \$52 million is allocated for the acquisition and development of land by the State. \$83 million 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.

1989 New Jersey Green Acres Fund (P.L. 1989, c.183)

An amount of \$110 million has been authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local government units to acquire and develop land for recreation and conservation purposes.

1992 New Jersey Green Acres Fund (P.L. 1992, c.88)

An amount of \$80 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

1995 New Jersey Green Acres Fund (P.L. 1995, c.204)

An amount of \$115 million has been authorized from the 1995 Green Acres, Farmland and Historic Preservation and Blue Acres Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

1989 New Jersey Green Trust Fund (P.L. 1989, c.183)

An amount of \$120 million has been authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

An amount of \$120 million was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local government units to acquire and develop land for recreation and conservation.

1995 New Jersey Green Trust Fund (P.L. 1995, c.204)

An amount of \$135 million has been authorized from the 1995 Green Acres, Farmland and Historic Preservation and Blue Acres Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

New Jersey Lawyers' Fund For Client Protection (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.

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

An amount of \$45 million 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 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 Workforce Development Partnership Fund (P.L. 1992, c.44)

This Fund was established to provide qualified displaced, disadvantaged and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the Federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the Fund for energy efficiency and conservation programs.

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

An amount of \$30 million 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.

Pollution Prevention Fund (P.L. 1991, c.235)

The purpose of this Fund is the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution and hazardous waste management programs. The Fund shall be credited with all fees imposed upon employers and collected by the Department of Labor.

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 million 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. Monies 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.

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 million 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 million has been allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million 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 million 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 monies 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 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 million was authorized to enable the State to acquire land and to provide for State grants to assist municipalities and counties and other units of local government to acquire land for recreation and conservation purposes.

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

An amount of \$200 million was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities and counties and other units of local government to acquire and develop land 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.

Stormwater Management And Combined Sewer Overflow Abatement Fund (P.L. 1989,c.181)

An amount of \$50 million was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

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

This Fund accounts for monies 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.

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

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

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

This Fund receives monies from donations and appropriations to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

The purpose of this Fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

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

An amount of \$190 million was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$150 million 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.

1992 Wastewater Treatment Fund (P.L. 1992, c.88)

An amount of \$45 million has been authorized for the purpose of making zero interest loans to local government units for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

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

An amount of \$271 million 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 million 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 investments shall be paid to the General Fund.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)

This Fund provides loans to municipalities or municipally-owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

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. Monies 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.

CAPITAL
PROJECTS FUNDS

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
JUNE 30, 1997**

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 13,504	\$ 15,369	\$ 24,999
INVESTMENTS	1,661,673	22,814,236	2,418,421
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	783,809	--
Total Assets	\$ 1,675,177	\$ 23,613,414	\$ 2,443,420
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ 130,412	\$ 75,483
Due to other funds	246,697	1,618,889	185,916
Other	--	--	--
Total Liabilities	<u>246,697</u>	<u>1,749,301</u>	<u>261,399</u>
FUND BALANCES			
Reserved for:			
Encumbrances	595,784	661,086	4,316,940
Unreserved:			
Designated-continuing appropriations	832,696	21,203,027	--
Undesignated	--	--	(2,134,919)
Total Fund Balances	<u>1,428,480</u>	<u>21,864,113</u>	<u>2,182,021</u>
Total Liabilities and Fund Balances	\$ 1,675,177	\$ 23,613,414	\$ 2,443,420

<u>Human Services Facilities Construction Fund</u>	<u>Institutional Construction Fund</u>	<u>Institutions Construction Fund</u>	<u>New Jersey Bridge Rehabilitation And Improvement And Railroad Right-of-Way Preservation Fund</u>
\$ 19,806	\$ 2,295	\$ 6,508	\$ --
2,425,513	7,048	9,306	268,033
--	--	--	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 2,445,319</u>	<u>\$ 9,343</u>	<u>\$ 15,814</u>	<u>\$ 268,033</u>
\$ 33,554	\$ 140	\$ --	\$ 2,214,600
116,337	413	504	13,995,456
12,255	--	--	33,226
<u>162,146</u>	<u>553</u>	<u>504</u>	<u>16,243,282</u>
409,130	13	8,495	11,546,047
1,874,043	8,777	6,815	--
--	--	--	(27,521,296)
<u>2,283,173</u>	<u>8,790</u>	<u>15,310</u>	<u>(15,975,249)</u>
<u>\$ 2,445,319</u>	<u>\$ 9,343</u>	<u>\$ 15,814</u>	<u>\$ 268,033</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
CAPITAL PROJECT FUNDS
JUNE 30, 1997**

	New Jersey Bridge Rehabilitation And Improvement Fund	Public Buildings Construction Fund	Public Purpose And Community-Based Facilities Construction Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 1,581	\$ 106,012
INVESTMENTS	10,849,293	3,504	2,808,591
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Other	59,728	--	--
OTHER ASSETS			
Due from other funds	5,981,748	--	114,178
Total Assets	\$ 16,890,769	\$ 5,085	\$ 3,028,781
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 556,108	\$ --	\$ 232,771
Due to other funds	4,846,514	191	702,769
Other	--	--	--
Total Liabilities	5,402,622	191	935,540
FUND BALANCES			
Reserved for:			
Encumbrances	1,747,866	69	6,336,328
Unreserved:			
Designated-continuing appropriations	9,740,281	4,825	--
Undesignated	--	--	(4,243,087)
Total Fund Balances	11,488,147	4,894	2,093,241
Total Liabilities and Fund Balances	\$ 16,890,769	\$ 5,085	\$ 3,028,781

<u>Public Purpose Buildings Construction Fund</u>	<u>Special Transportation Fund</u>	<u>State Facilities For Handicapped Fund</u>	<u>Transportation Rehabilitation And Improvement Fund</u>	<u>Total Capital Projects Funds</u>
\$ 6,200	\$ --	\$ 6,115	\$ 45,866	\$ 248,255
1,922,431	--	351,282	285,111	45,824,442
--	102,827,495	--	--	102,827,495
--	50,719,634	--	--	50,719,634
--	650	--	--	60,378
--	--	--	8,947	6,888,682
<u>\$ 1,928,631</u>	<u>\$ 153,547,779</u>	<u>\$ 357,397</u>	<u>\$ 339,924</u>	<u>\$ 206,568,886</u>
\$ --	\$ 90,331,668	\$ 44,875	\$ --	\$ 93,619,611
113,791	63,216,111	--	648,290	85,691,878
--	--	--	43,050	88,531
<u>113,791</u>	<u>153,547,779</u>	<u>44,875</u>	<u>691,340</u>	<u>179,400,020</u>
545,705	--	84,924	197	26,252,584
1,269,135	--	208,859	--	35,148,458
--	--	18,739	(351,613)	(34,232,176)
<u>1,814,840</u>	<u>--</u>	<u>312,522</u>	<u>(351,416)</u>	<u>27,168,866</u>
<u>\$ 1,928,631</u>	<u>\$ 153,547,779</u>	<u>\$ 357,397</u>	<u>\$ 339,924</u>	<u>\$ 206,568,886</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
REVENUES			
Federal and other grants	\$ --	\$ --	\$ --
Investment earnings	246,697	1,263,080	185,916
Other	--	41,624	--
Total Revenues	246,697	1,304,704	185,916
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	246,697	1,304,704	185,916
EXPENDITURES			
Capital Outlay:			
Public safety and criminal justice	3,354,053	1,332,378	--
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	31,691
Economic planning, development and and security	--	--	3,069,942
Transportation programs	--	--	--
Government direction, management and control	--	--	--
Total Expenditures	3,354,053	1,332,378	3,101,633
OTHER FINANCING USES			
Transfers to other funds	246,697	1,618,889	185,916
Total Other Financing Uses	246,697	1,618,889	185,916
Total Expenditures and Other Financing Uses	3,600,750	2,951,267	3,287,549
Net Increase (Decrease) in Fund Balances for the Year	(3,354,053)	(1,646,563)	(3,101,633)
FUND BALANCES-JULY 1, 1996	4,782,533	23,510,676	5,283,654
FUND BALANCES-JUNE 30, 1997	\$ 1,428,480	\$ 21,864,113	\$ 2,182,021

Higher Education Buildings Construction Fund	Human Services Facilities Construction Fund	Institutional Construction Fund	Institutions Construction Fund	New Jersey Bridge Rehabilitation And Improvement And Railroad Right-of-Way Preservation Fund
\$ --	\$ --	\$ --	\$ --	\$ --
2,083	138,233	413	504	64,807
--	--	--	--	122,206
<u>2,083</u>	<u>138,233</u>	<u>413</u>	<u>504</u>	<u>187,013</u>
--	--	--	--	--
--	--	--	--	--
<u>2,083</u>	<u>138,233</u>	<u>413</u>	<u>504</u>	<u>187,013</u>
--	312,421	123	--	--
--	--	--	--	--
91,276	414,214	735	--	--
--	--	--	--	--
--	--	--	--	11,202,514
--	48,588	--	--	705,738
<u>91,276</u>	<u>775,223</u>	<u>858</u>	<u>--</u>	<u>11,908,252</u>
<u>2,083</u>	<u>116,337</u>	<u>413</u>	<u>504</u>	<u>--</u>
<u>2,083</u>	<u>116,337</u>	<u>413</u>	<u>504</u>	<u>--</u>
<u>93,359</u>	<u>891,560</u>	<u>1,271</u>	<u>504</u>	<u>11,908,252</u>
(91,276)	(753,327)	(858)	--	(11,721,239)
<u>91,276</u>	<u>3,036,500</u>	<u>9,648</u>	<u>15,310</u>	<u>(4,254,010)</u>
<u>\$ --</u>	<u>\$ 2,283,173</u>	<u>\$ 8,790</u>	<u>\$ 15,310</u>	<u>\$ (15,975,249)</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	New Jersey Bridge Rehabilitation And Improvement Fund	Public Buildings Construction Fund	Public Purpose And Community-Based Facilities Construction Fund
REVENUES			
Federal and other grants	\$ 695,194	\$ --	\$ --
Investment earnings	602,659	191	588,590
Other	289,919	--	6,063
Total Revenues	1,587,772	191	594,653
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	1,587,772	191	594,653
EXPENDITURES			
Capital Outlay:			
Public safety and criminal justice	--	--	4,763,848
Physical and mental health	--	--	2,988,323
Educational, cultural and intellectual development	--	--	7,731,189
Economic planning, development and and security	--	--	401,520
Transportation programs	1,176,779	--	--
Government direction, management and control	--	--	--
Total Expenditures	1,176,779	--	15,884,880
OTHER FINANCING USES			
Transfers to other funds	883,514	191	594,654
Total Other Financing Uses	883,514	191	594,654
Total Expenditures and Other Financing Uses	2,060,293	191	16,479,534
Net Increase (Decrease) in Fund Balances for the Year	(472,521)	--	(15,884,881)
FUND BALANCES-JULY 1, 1996	11,960,668	4,894	17,978,122
FUND BALANCES-JUNE 30, 1997	\$ 11,488,147	\$ 4,894	\$ 2,093,241

Public Purpose Buildings Construction Fund	Special Transportation Fund	State Facilities For Handicapped Fund	Transportation Rehabilitation And Improvement Fund	Total Capital Projects Funds
\$ --	\$ 570,636,758	\$ --	\$ 8,947	\$ 571,340,899
113,791	--	17,479	--	3,224,443
--	20,758,173	--	--	21,217,985
113,791	591,394,931	17,479	8,947	595,783,327
--	785,232,332	--	--	785,232,332
--	785,232,332	--	--	785,232,332
113,791	1,376,627,263	17,479	8,947	1,381,015,659
460,867	--	--	--	10,223,690
--	--	--	--	2,988,323
--	--	135,348	--	8,404,453
--	--	--	--	3,471,462
--	1,376,627,263	--	1,372	1,389,007,928
--	--	--	55,129	809,455
460,867	1,376,627,263	135,348	56,501	1,414,905,311
113,791	--	--	--	3,762,989
113,791	--	--	--	3,762,989
574,658	1,376,627,263	135,348	56,501	1,418,668,300
(460,867)	--	(117,869)	(47,554)	(37,652,641)
2,275,707	--	430,391	(303,862)	64,821,507
\$ 1,814,840	\$ --	\$ 312,522	\$ (351,416)	\$ 27,168,866

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

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

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

Correctional Facilities Construction Fund Of 1987 (P.L. 1987, c.178)

An amount of \$198 million was authorized for state and county correctional facilities, their planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment.

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

An amount of \$50 million was authorized, of which \$3 million is for energy audits and \$47 million 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 million 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 million 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 million 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 million 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 And Railroad Right-Of-Way Preservation Fund
(P.L. 1989, c.180)**

An amount of \$115 million has been authorized for the purpose of rehabilitating and improving bridges in the state, and the preservation and acquisition of railroad rights-of-way.

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

An amount of \$135 million was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97.5 million was reserved for the cost of rehabilitation and improvement of bridges carrying state highways, and \$37.5 million 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 \$337.5 million 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 And Community-Based Facilities Construction Fund (P.L. 1989, c.184)

An amount of \$125 million has been authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation and equipment of state and community-based human services facilities and state correctional facilities.

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

An amount of \$159 million was authorized for construction of public purpose buildings, including \$50 million for facilities for the mentally retarded, \$67 million for correctional facilities, \$7 million for a veterans' long-term care facility, \$3.5 million for facilities for children in need of supervision, and \$21.5 million for facilities for the mentally ill.

Proceeds in the amount of \$10 million from the sale of bonds was authorized to be segregated and held aside for guarantees providing that the monies 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 of Transportation 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 million 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.

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

An amount of \$475 million was authorized to provide an improved transportation system for the State. Of this amount, \$150 million was reserved for the improvement of public transportation facilities; \$80 million was reserved for the improvement of county and municipal roads; and \$245 million was reserved for the improvement of state highways.

TRUST AND
AGENCY FUNDS

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
JUNE 30, 1997**

	Expendable Trust Funds	Nonexpendable Trust Fund
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 3,395,082	\$ 222
INVESTMENTS	1,398,501,881	571,975
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Federal government	2,179,819,791	--
Departmental accounts	541,310,473	--
Loans	1,772,357	--
Other	90,714,211	6,266
OTHER ASSETS		
Due from other funds	51,955,249	--
Deferred charges	2,447,515	--
Other	1,310,490	--
Total Assets	\$ 4,271,227,049	\$ 578,463
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 373,572,102	\$ --
Deferred revenue	13,772,133	--
Due to other funds	73,421,674	--
Other	5,114,682	--
Deferred compensation payable	--	--
Total Liabilities	465,880,591	--
FUND BALANCES		
Reserved for:		
Encumbrances	1,809,338	--
Employees' pension benefits	--	--
Other	52,824,483	416,073
Unreserved:		
Designated-continuing appropriations	10,348,214	--
Undesignated	3,740,364,423	162,390
Total Fund Balances	3,805,346,458	578,463
Total Liabilities and Fund Balances	\$ 4,271,227,049	\$ 578,463

<u>Pension Trust Funds</u>	<u>Agency Funds</u>	<u>Total Trust and Agency Funds</u>
\$ 471,474	\$ 711,197,305	\$ 715,064,083
56,959,943,177	4,047,471,393	62,406,488,426
--	--	2,179,819,791
--	5,268,807	546,579,280
825,503,197	10,840,015	838,115,569
1,698,142,340	24,289,995	1,813,152,812
33,851,779	13,645,267	99,452,295
--	--	2,447,515
--	--	1,310,490
<u>\$ 59,517,911,967</u>	<u>\$ 4,812,712,782</u>	<u>\$ 68,602,430,261</u>
\$ 238,709,157	\$ 1,433,780,594	\$ 2,046,061,853
--	--	13,772,133
8,613,824	15,827,888	97,863,386
--	2,777,852,224	2,782,966,906
--	585,252,076	585,252,076
<u>247,322,981</u>	<u>4,812,712,782</u>	<u>5,525,916,354</u>
--	--	1,809,338
59,270,588,986	--	59,270,588,986
--	--	53,240,556
--	--	10,348,214
--	--	3,740,526,813
<u>59,270,588,986</u>	<u>--</u>	<u>63,076,513,907</u>
<u>\$ 59,517,911,967</u>	<u>\$ 4,812,712,782</u>	<u>\$ 68,602,430,261</u>

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 1997**

	Alternate Benefit Long-Term Disability Fund	Community Development Bond Fund	Dental Expense Program Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 40,346	\$ 173,127
INVESTMENTS	2,384,930	6,568,984	12,123,251
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	37,337
OTHER ASSETS			
Due from other funds	--	--	3,063,806
Deferred charges	--	--	--
Other	--	--	--
Total Assets	\$ 2,384,930	\$ 6,609,330	\$ 15,397,521
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 4,557,848
Deferred revenue	--	--	805,003
Due to other funds	--	361,951	--
Other	--	12,782	--
Total Liabilities	--	374,733	5,362,851
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	6,234,597	--
Undesignated	2,384,930	--	10,034,670
Total Fund Balances	2,384,930	6,234,597	10,034,670
Total Liabilities and Fund Balances	\$ 2,384,930	\$ 6,609,330	\$ 15,397,521

<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>
\$ 25,691	\$ 37,970	\$ --	\$ 147,466
3,219,030	86,034,354	452,447,172	42,746,568
--	--	--	13,787,028
--	--	--	--
--	--	--	1,772,357
--	1,013,205	39,291,612	121,237
--	--	45,818,321	--
--	--	--	--
--	--	--	--
<u>\$ 3,244,721</u>	<u>\$ 87,085,529</u>	<u>\$ 537,557,105</u>	<u>\$ 58,574,656</u>
\$ --	\$ 5,319	\$ 187,030,543	\$ 1,531,687
--	--	12,967,130	--
--	5,291,462	2,237,898	1,961,268
--	--	--	4,993,577
<u>--</u>	<u>5,296,781</u>	<u>202,235,571</u>	<u>8,486,532</u>
1,618	--	--	931,410
--	45,414,388	--	1,772,357
3,243,103	--	--	--
--	36,374,360	335,321,534	47,384,357
<u>3,244,721</u>	<u>81,788,748</u>	<u>335,321,534</u>	<u>50,088,124</u>
<u>\$ 3,244,721</u>	<u>\$ 87,085,529</u>	<u>\$ 537,557,105</u>	<u>\$ 58,574,656</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
EXPENDABLE TRUST FUNDS
JUNE 30, 1997**

	<u>Horse Racing Injury Compensation Fund</u>	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 38,650	\$ 9,500	\$ 170,882
INVESTMENTS	1,990	26,847	142,198
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	26,098	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	--	--
Deferred charges	--	--	--
Other	--	--	--
Total Assets	<u>\$ 66,738</u>	<u>\$ 36,347</u>	<u>\$ 313,080</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ --	\$ --	\$ 305,439
Deferred revenue	--	--	--
Due to other funds	--	--	7,641
Other	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>313,080</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	66,738	36,347	--
Total Fund Balances	<u>66,738</u>	<u>36,347</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 66,738</u>	<u>\$ 36,347</u>	<u>\$ 313,080</u>

<u>Mutual Workers' Compensation Security Fund</u>	<u>New Home Warranty Security Fund</u>	<u>New Jersey Federal-State Rural Rehabilitation Fund</u>	<u>New Jersey Insurance Development Fund</u>
\$ 48,378	\$ --	\$ 508	\$ 50,916
9,075,993	55,886,646	918,844	37,151,822
--	--	--	--
--	--	--	--
--	381,979	--	--
--	--	--	--
--	--	--	--
<u>\$ 9,124,371</u>	<u>\$ 56,268,625</u>	<u>\$ 919,352</u>	<u>\$ 37,202,738</u>
\$ --	\$ 306,573	\$ --	\$ --
--	--	--	--
--	6,594,954	--	--
--	--	--	--
<u>--</u>	<u>6,901,527</u>	<u>--</u>	<u>--</u>
--	--	--	--
--	--	--	--
--	--	870,514	--
9,124,371	49,367,098	48,838	37,202,738
<u>9,124,371</u>	<u>49,367,098</u>	<u>919,352</u>	<u>37,202,738</u>
<u>\$ 9,124,371</u>	<u>\$ 56,268,625</u>	<u>\$ 919,352</u>	<u>\$ 37,202,738</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
EXPENDABLE TRUST FUNDS
JUNE 30, 1997**

	<u>Prescription Drug Program Fund</u>	<u>Real Estate Guaranty Fund</u>	<u>State Disability Benefit Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 42,649	\$ 1,826
INVESTMENTS	11,184,809	1,310,282	58,230,918
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	--
Departmental accounts	--	--	136,113,314
Loans	--	--	--
Other	329,131	--	148,703
OTHER ASSETS			
Due from other funds	1,685,752	61,292	1,106,281
Deferred charges	--	--	169,739
Other	--	--	1,310,490
Total Assets	<u>\$ 13,199,692</u>	<u>\$ 1,414,223</u>	<u>\$ 197,081,271</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 4,500,000	\$ 319	\$ 32,774,330
Deferred revenue	--	--	--
Due to other funds	--	--	14,853,487
Other	--	--	108,323
Total Liabilities	<u>4,500,000</u>	<u>319</u>	<u>47,736,140</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	8,699,692	1,413,904	149,345,131
Total Fund Balances	<u>8,699,692</u>	<u>1,413,904</u>	<u>149,345,131</u>
Total Liabilities and Fund Balances	<u>\$ 13,199,692</u>	<u>\$ 1,414,223</u>	<u>\$ 197,081,271</u>

<u>Stock Workers' Compensation Security Fund</u>	<u>Unclaimed Child Support Trust Fund</u>	<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Personal Property Trust Fund</u>	<u>Unemployment Compensation Fund</u>
\$ 45,475	\$ 47,304	\$ 51,339	\$ --	\$ 686,223
70,888,009	1,123,118	2,432,269	113,890,383	15,105,184
--	--	--	--	2,166,032,763
--	--	--	--	404,982,839
--	--	--	--	--
71,639	--	--	22,104	11,969,333
--	--	--	82,340	137,457
--	--	--	--	--
--	--	--	--	--
<u>\$ 71,005,123</u>	<u>\$ 1,170,422</u>	<u>\$ 2,483,608</u>	<u>\$ 113,994,827</u>	<u>\$ 2,598,913,799</u>
\$ --	\$ --	\$ --	\$ 33,912,682	\$ 79,299,606
--	--	--	--	--
--	--	--	34,474,398	5,933,697
--	--	--	--	--
--	--	--	68,387,080	85,233,303
--	--	--	876,310	--
--	--	--	--	--
--	--	--	--	--
<u>71,005,123</u>	<u>1,170,422</u>	<u>2,483,608</u>	<u>44,731,437</u>	<u>2,513,680,496</u>
<u>71,005,123</u>	<u>1,170,422</u>	<u>2,483,608</u>	<u>45,607,747</u>	<u>2,513,680,496</u>
<u>\$ 71,005,123</u>	<u>\$ 1,170,422</u>	<u>\$ 2,483,608</u>	<u>\$ 113,994,827</u>	<u>\$ 2,598,913,799</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
EXPENDABLE TRUST FUNDS
JUNE 30, 1997**

	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Unsatisfied Claim And Judgment Fund	Total Expendable Trust Funds
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 1,776,832	\$ --	\$ 3,395,082
INVESTMENTS	94,843,833	320,764,447	1,398,501,881
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	--	--	2,179,819,791
Departmental accounts	188,222	--	541,310,473
Loans	--	--	1,772,357
Other	1,317,266	36,010,665	90,714,211
OTHER ASSETS			
Due from other funds	--	--	51,955,249
Deferred charges	2,277,776	--	2,447,515
Other	--	--	1,310,490
Total Assets	\$ 100,403,929	\$ 356,775,112	\$ 4,271,227,049
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 369,719	\$ 28,978,037	\$ 373,572,102
Deferred revenue	--	--	13,772,133
Due to other funds	--	1,704,918	73,421,674
Other	--	--	5,114,682
Total Liabilities	369,719	30,682,955	465,880,591
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	1,809,338
Other	--	5,637,738	52,824,483
Unreserved:			
Designated-continuing appropriations	--	--	10,348,214
Undesignated	100,034,210	320,454,419	3,740,364,423
Total Fund Balances	100,034,210	326,092,157	3,805,346,458
Total Liabilities and Fund Balances	\$ 100,403,929	\$ 356,775,112	\$ 4,271,227,049

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS
JUNE 30, 1997**

	<u>Central Pension Fund</u>	<u>Consolidated Police And Firemen's Pension Fund</u>	<u>Judicial Retirement System</u>
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 27,300	\$ 352,567	\$ 53,769
INVESTMENTS	66,908	63,013,682	305,367,380
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Loans	--	--	294,809
Other	44	315,091	687,455
OTHER ASSETS			
Due from other funds	2,271	4,166,481	97,071
Total Assets	<u>96,523</u>	<u>67,847,821</u>	<u>306,500,484</u>
LIABILITIES			
Accounts payable and accrued expenses	40,203	2,648,788	1,529,422
Due to other funds	56,320	79,099	54,453
Total Liabilities	<u>96,523</u>	<u>2,727,887</u>	<u>1,583,875</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS	<u>\$ --</u>	<u>\$ 65,119,934</u>	<u>\$ 304,916,609</u>

Police And Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
\$ --	\$ 13,371	\$ --	\$ 20,042
12,058,425,533	21,158,346	18,889,905,662	1,360,931,564
292,679,072	--	317,059,263	18,826,852
795,668,694	346	425,995,365	10,094,309
<u>4,430,606</u>	<u>124,829</u>	<u>21,321,696</u>	<u>1,687,245</u>
<u>13,151,203,905</u>	<u>21,296,892</u>	<u>19,654,281,986</u>	<u>1,391,560,012</u>
49,279,745	316,123	90,594,857	4,501,527
<u>1,260,048</u>	<u>3,734</u>	<u>4,337,922</u>	<u>125,867</u>
<u>50,539,793</u>	<u>319,857</u>	<u>94,932,779</u>	<u>4,627,394</u>
<u>\$ 13,100,664,112</u>	<u>\$ 20,977,035</u>	<u>\$ 19,559,349,207</u>	<u>\$ 1,386,932,618</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING STATEMENT OF PLAN NET ASSETS (Continued)
PENSION TRUST FUNDS
JUNE 30, 1997**

	<u>Supplemental Annuity Collective Trust</u>	<u>Teachers' Pension and Annuity Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 4,425	\$ --	\$ 471,474
INVESTMENTS	177,934,350	24,083,139,752	56,959,943,177
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Loans	--	196,643,201	825,503,197
Other	664,219	464,716,817	1,698,142,340
OTHER ASSETS			
Due from other funds	<u>36,594</u>	<u>1,984,986</u>	<u>33,851,779</u>
Total Assets	<u>178,639,588</u>	<u>24,746,484,756</u>	<u>59,517,911,967</u>
LIABILITIES			
Accounts payable and accrued expenses	1,243,614	88,554,878	238,709,157
Due to other funds	<u>5,002</u>	<u>2,691,379</u>	<u>8,613,824</u>
Total Liabilities	<u>1,248,616</u>	<u>91,246,257</u>	<u>247,322,981</u>
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS	<u>\$ 177,390,972</u>	<u>\$ 24,655,238,499</u>	<u>\$ 59,270,588,986</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 1997**

<u>ASSETS</u>	<u>Alternate Benefit Program Fund</u>	<u>Atlantic City Parking Fees Fund</u>	<u>Atlantic City Tourism Promotion Fund</u>
CASH AND CASH EQUIVALENTS	\$ 988,215	\$ 20,447	\$ 58,502
INVESTMENTS	6,617,322	1,494,598	140,782
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Departmental accounts	--	1,469,532	1,047,521
Loans	--	--	--
Other	17,702	--	--
OTHER ASSETS			
Due from other funds	6,293,194	--	--
Total Assets	<u>\$ 13,916,433</u>	<u>\$ 2,984,577</u>	<u>\$ 1,246,805</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 12,688,777	\$ 2,984,577	\$ 1,246,805
Due to other funds	1,227,656	--	--
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>13,916,433</u>	<u>2,984,577</u>	<u>1,246,805</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 13,916,433</u>	<u>\$ 2,984,577</u>	<u>\$ 1,246,805</u>

Capital City Redevelopment Loan And Grant Fund	Judiciary Bail Fund	Judiciary Child Support And Paternity Fund	Judiciary Probation Fund
\$ 29,110	\$ --	\$ --	\$ 60,671
2,983,291	32,302,650	23,661,221	3,967,886
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 3,012,401</u>	<u>\$ 32,302,650</u>	<u>\$ 23,661,221</u>	<u>\$ 4,028,557</u>
\$ 2,689,632	\$ 30,273,684	\$ 22,305,000	\$ 3,843,671
322,769	2,028,966	1,356,221	184,886
--	--	--	--
--	--	--	--
<u>3,012,401</u>	<u>32,302,650</u>	<u>23,661,221</u>	<u>4,028,557</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 3,012,401</u>	<u>\$ 32,302,650</u>	<u>\$ 23,661,221</u>	<u>\$ 4,028,557</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
AGENCY FUNDS
JUNE 30, 1997**

	Judiciary Special Civil Fund	Judiciary Superior Court Miscellaneous Fund	Luxury Tax Development Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ --	\$ 151,253	\$ 6,329
INVESTMENTS	3,115,403	3,475,905	1,799,149
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	215,186	--	--
Total Assets	<u>\$ 3,330,589</u>	<u>\$ 3,627,158</u>	<u>\$ 1,805,478</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 3,209,186	\$ 151,253	\$ 1,805,478
Due to other funds	121,403	3,475,905	--
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>3,330,589</u>	<u>3,627,158</u>	<u>1,805,478</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 3,330,589</u>	<u>\$ 3,627,158</u>	<u>\$ 1,805,478</u>

<u>Luxury Tax Fund</u>	<u>New Jersey Medical Malpractice Reinsurance Recovery Fund</u>	<u>New Jersey State Employees' Deferred Compensation Plan</u>	<u>Pension Adjustment Fund</u>
\$ 57,014	\$ 38,177	\$ 103,916	\$ 366,822
206,257	22,194,868	585,119,738	3,106,833
2,092,686	--	--	--
10,840,015	--	--	--
--	--	2,175,891	4,825,925
--	--	--	55,287
<u>\$ 13,195,972</u>	<u>\$ 22,233,045</u>	<u>\$ 587,399,545</u>	<u>\$ 8,354,867</u>
\$ 13,195,972	\$ 22,233,045	\$ 1,869,006	\$ --
--	--	--	4,869,358
--	--	278,463	3,485,509
--	--	585,252,076	--
<u>13,195,972</u>	<u>22,233,045</u>	<u>587,399,545</u>	<u>8,354,867</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 13,195,972</u>	<u>\$ 22,233,045</u>	<u>\$ 587,399,545</u>	<u>\$ 8,354,867</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
AGENCY FUNDS
JUNE 30, 1997**

<u>ASSETS</u>	<u>Resource Recovery Investment Tax Fund</u>	<u>Safe Neighborhood Services Fund</u>	<u>Solid Waste Service Tax Fund</u>
CASH AND CASH EQUIVALENTS	\$ 107,982	\$ 83,073	\$ 150,990
INVESTMENTS	975,722	11,862,338	9,568,452
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Departmental accounts	--	--	245,049
Loans	--	--	--
Other	--	--	--
OTHER ASSETS			
Due from other funds	--	81,600	--
Total Assets	<u>\$ 1,083,704</u>	<u>\$ 12,027,011</u>	<u>\$ 9,964,491</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,026,117	\$ 12,027,011	\$ 9,745,421
Due to other funds	57,587	--	219,070
Other	--	--	--
Deferred compensation payable	--	--	--
Total Liabilities	<u>1,083,704</u>	<u>12,027,011</u>	<u>9,964,491</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 1,083,704</u>	<u>\$ 12,027,011</u>	<u>\$ 9,964,491</u>

<u>State Lottery Agency Fund</u>	<u>State of New Jersey Cash Management Fund</u>	<u>Tourism Improvement Development Act</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Wage and Hour Trust Fund</u>
\$ --	\$ 708,540,603	\$ 70,279	\$ 44,917	\$ 312,142
1,271,321,102	2,059,583,246	13,323	1,975,663	972,067
--	--	414,019	--	--
--	--	--	--	--
--	17,270,477	--	--	--
--	--	--	--	--
<u>\$ 1,271,321,102</u>	<u>\$ 2,785,394,326</u>	<u>\$ 497,621</u>	<u>\$ 2,020,580</u>	<u>\$ 1,284,209</u>
\$ 1,271,321,102	\$ 9,555,341	\$ 497,621	\$ 1,969,917	\$ 1,121,538
--	1,750,733	--	50,663	162,671
--	2,774,088,252	--	--	--
--	--	--	--	--
<u>1,271,321,102</u>	<u>2,785,394,326</u>	<u>497,621</u>	<u>2,020,580</u>	<u>1,284,209</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,271,321,102</u>	<u>\$ 2,785,394,326</u>	<u>\$ 497,621</u>	<u>\$ 2,020,580</u>	<u>\$ 1,284,209</u>

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**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
AGENCY FUNDS
JUNE 30, 1997**

	<u>Wastewater Treatment Trust Fund</u>	<u>1992 Wastewater Treatment Trust Fund</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 6,863	\$ --	\$ 711,197,305
INVESTMENTS	952,602	60,975	4,047,471,393
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Departmental accounts	--	--	5,268,807
Loans	--	--	10,840,015
Other	--	--	24,289,995
OTHER ASSETS			
Due from other funds	7,000,000	--	13,645,267
Total Assets	<u>\$ 7,959,465</u>	<u>\$ 60,975</u>	<u>\$ 4,812,712,782</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 7,959,465	\$ 60,975	\$ 1,433,780,594
Due to other funds	--	--	15,827,888
Other	--	--	2,777,852,224
Deferred compensation payable	--	--	585,252,076
Total Liabilities	<u>7,959,465</u>	<u>60,975</u>	<u>4,812,712,782</u>
FUND BALANCES			
Reserved for:			
Encumbrances	--	--	--
Pension benefits	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 7,959,465</u>	<u>\$ 60,975</u>	<u>\$ 4,812,712,782</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	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	152,256	361,951	750,365
Contributions	--	--	19,618,872
Other	--	--	--
Total Revenues	152,256	361,951	20,369,237
OTHER FINANCING SOURCES			
Transfers from other funds	1,983,473	--	19,389,770
Total Other Financing Sources	1,983,473	--	19,389,770
Total Revenues and Other Financing Sources	2,135,729	361,951	39,759,007
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	4,397,967	--
Government direction, management and control	627,900	--	42,271,906
Total Expenditures	627,900	4,397,967	42,271,906
OTHER FINANCING USES			
Transfers to other funds	--	361,951	--
Total Other Financing Uses	--	361,951	--
Total Expenditures and Other Financing Uses	627,900	4,759,918	42,271,906
Net Increase (Decrease) in Fund Balances for the Year	1,507,829	(4,397,967)	(2,512,899)
FUND BALANCES-JULY 1, 1996	877,101	10,632,564	12,547,569
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 2,384,930	\$ 6,234,597	\$ 10,034,670

Emergency Services Fund	Fund For Support Of Free Public Schools	Health Benefits Program Fund	Higher Education Assistance Fund
\$ --	\$ --	\$ --	\$ --
--	--	--	55,681,323
--	3,257,510	--	2,183,888
--	--	--	--
184,325	5,291,462	23,797,801	2,232,103
--	--	674,315,703	--
--	--	18,846,989	13,992,519
<u>184,325</u>	<u>8,548,972</u>	<u>716,960,493</u>	<u>74,089,833</u>
--	--	449,778,433	--
--	--	449,778,433	--
<u>184,325</u>	<u>8,548,972</u>	<u>1,166,738,926</u>	<u>74,089,833</u>
--	--	--	--
--	--	--	62,226,179
--	--	--	--
--	--	--	--
<u>730,478</u>	<u>--</u>	<u>1,046,729,807</u>	<u>--</u>
<u>730,478</u>	<u>--</u>	<u>1,046,729,807</u>	<u>62,226,179</u>
--	8,548,972	--	11,280,959
--	8,548,972	--	11,280,959
<u>730,478</u>	<u>8,548,972</u>	<u>1,046,729,807</u>	<u>73,507,138</u>
(546,153)	--	120,009,119	582,695
4,990,874	81,788,748	215,312,415	49,505,429
(1,200,000)	--	--	--
<u>\$ 3,244,721</u>	<u>\$ 81,788,748</u>	<u>\$ 335,321,534</u>	<u>\$ 50,088,124</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Horse Racing Injury Compensation Fund	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	1,990	1,426	7,641
Contributions	--	--	--
Other	736,009	6,000	--
Total Revenues	737,999	7,426	7,641
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	--
Total Other Financing Sources	--	--	--
Total Revenues and Other Financing Sources	737,999	7,426	7,641
EXPENDITURES			
Current:			
Public safety and criminal justice	671,261	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	--	--
Government direction, management and control	--	--	--
Total Expenditures	671,261	--	--
OTHER FINANCING USES			
Transfers to other funds	--	--	7,641
Total Other Financing Uses	--	--	7,641
Total Expenditures and Other Financing Uses	671,261	--	7,641
Net Increase (Decrease) in Fund Balances for the Year	66,738	7,426	--
FUND BALANCES-JULY 1, 1996	--	28,921	--
Residual Equity Transfer In (Out)	--	--	--
FUND BALANCES-JUNE 30, 1997	\$ 66,738	\$ 36,347	\$ --

Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund	New Jersey Federal-State Rural Rehabilitation Fund	New Jersey Insurance Development Fund
\$ --	\$ --	\$ --	\$ --
--	1,997,581	--	--
--	670,550	--	--
2,025,316	3,968,925	--	--
426,368	3,321,466	48,838	2,097,156
--	--	--	--
--	182,988	--	--
<u>2,451,684</u>	<u>10,141,510</u>	<u>48,838</u>	<u>2,097,156</u>
--	--	--	--
--	--	--	--
<u>2,451,684</u>	<u>10,141,510</u>	<u>48,838</u>	<u>2,097,156</u>
--	--	--	--
--	--	--	--
--	9,686,198	--	--
1,036,137	--	--	7,701,250
--	--	--	--
<u>1,036,137</u>	<u>9,686,198</u>	<u>--</u>	<u>7,701,250</u>
--	6,594,954	--	--
--	6,594,954	--	--
<u>1,036,137</u>	<u>16,281,152</u>	<u>--</u>	<u>7,701,250</u>
1,415,547	(6,139,642)	48,838	(5,604,094)
7,708,824	59,756,740	870,514	42,806,832
--	(4,250,000)	--	--
<u>\$ 9,124,371</u>	<u>\$ 49,367,098</u>	<u>\$ 919,352</u>	<u>\$ 37,202,738</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Prescription Drug Program Fund</u>	<u>Real Estate Guaranty Fund</u>	<u>State Disability Benefit Fund</u>
REVENUES			
Taxes	\$ --	\$ --	\$ 356,014,535
Federal and other grants	--	--	--
Licenses and fees	--	61,292	--
Services and assessments	--	--	49,277,823
Investment earnings	886,329	71,935	3,745,437
Contributions	10,895,422	--	--
Other	--	--	4,672
	<hr/>	<hr/>	<hr/>
Total Revenues	11,781,751	133,227	409,042,467
OTHER FINANCING SOURCES			
Transfers from other funds	68,806,671	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	68,806,671	--	--
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	80,588,422	133,227	409,042,467
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Educational, cultural and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development and security	--	84,441	328,025,000
Government direction, management and control	86,482,060	--	--
	<hr/>	<hr/>	<hr/>
Total Expenditures	86,482,060	84,441	328,025,000
OTHER FINANCING USES			
Transfers to other funds	--	--	28,218,482
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	--	--	28,218,482
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	86,482,060	84,441	356,243,482
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease) in Fund Balances for the Year	(5,893,638)	48,786	52,798,985
FUND BALANCES-JULY 1, 1996	14,593,330	1,365,118	346,546,146
Residual Equity Transfer In (Out)	--	--	(250,000,000)
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JUNE 30, 1997	\$ 8,699,692	\$ 1,413,904	\$ 149,345,131
	<hr/>	<hr/>	<hr/>

Stock Workers' Compensation Security Fund	Unclaimed Child Support Trust Fund	Unclaimed County Deposits Trust Fund	Unclaimed Personal Property Trust Fund	Unemployment Compensation Fund
\$ --	\$ --	\$ --	\$ --	\$ 1,355,480,092
--	--	--	--	26,161,207
--	--	--	--	--
212,567	--	--	--	--
3,767,210	23,118	131,042	4,101,799	140,136,647
--	--	--	--	--
--	1,141,133	202,306	72,204,768	--
<u>3,979,777</u>	<u>1,164,251</u>	<u>333,348</u>	<u>76,306,567</u>	<u>1,521,777,946</u>
--	--	--	--	--
--	--	--	--	--
<u>3,979,777</u>	<u>1,164,251</u>	<u>333,348</u>	<u>76,306,567</u>	<u>1,521,777,946</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,953,584	--	--	--	1,450,797,291
--	777	168,010	1,364,759	--
<u>1,953,584</u>	<u>777</u>	<u>168,010</u>	<u>1,364,759</u>	<u>1,450,797,291</u>
--	--	--	74,474,398	--
--	--	--	74,474,398	--
<u>1,953,584</u>	<u>777</u>	<u>168,010</u>	<u>75,839,157</u>	<u>1,450,797,291</u>
2,026,193	1,163,474	165,338	467,410	70,980,655
68,978,930	6,948	2,318,270	45,140,337	2,442,699,841
--	--	--	--	--
<u>\$ 71,005,123</u>	<u>\$ 1,170,422</u>	<u>\$ 2,483,608</u>	<u>\$ 45,607,747</u>	<u>\$ 2,513,680,496</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Unsatisfied Claim And Judgment Fund	Total Expendable Trust Funds
REVENUES			
Taxes	\$ --	\$ --	\$ 1,711,494,627
Federal and other grants	--	--	83,840,111
Licenses and fees	--	1,100	6,174,340
Services and assessments	16,829,001	164,158,935	236,472,567
Investment earnings	5,435,610	14,418,660	211,392,935
Contributions	--	--	704,829,997
Other	--	405,471	107,722,855
	<hr/>	<hr/>	<hr/>
Total Revenues	22,264,611	178,984,166	3,061,927,432
OTHER FINANCING SOURCES			
Transfers from other funds	--	--	539,958,347
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	--	--	539,958,347
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	22,264,611	178,984,166	3,601,885,779
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	671,261
Educational, cultural and intellectual development	--	--	62,226,179
Community development and environmental management	--	--	9,686,198
Economic planning, development and security	13,964,000	139,777,925	1,947,737,595
Government direction, management and control	--	--	1,178,375,697
	<hr/>	<hr/>	<hr/>
Total Expenditures	13,964,000	139,777,925	3,198,696,930
OTHER FINANCING USES			
Transfers to other funds	--	1,704,918	131,192,275
	<hr/>	<hr/>	<hr/>
Total Other Financing Uses	--	1,704,918	131,192,275
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	13,964,000	141,482,843	3,329,889,205
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease) in Fund Balances for the Year	8,300,611	37,501,323	271,996,574
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JULY 1, 1996	91,733,599	288,590,834	3,788,799,884
	<hr/>	<hr/>	<hr/>
Residual Equity Transfer In (Out)	--	--	(255,450,000)
	<hr/>	<hr/>	<hr/>
FUND BALANCES-JUNE 30, 1997	\$ 100,034,210	\$ 326,092,157	\$ 3,805,346,458
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
ALTERNATE BENEFIT PROGRAM FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ 11,283,193	\$ 10,294,978	\$ 988,215
Investments	17,140,812	77,629,401	88,152,891	6,617,322
Receivables - Other	19,249	17,702	19,249	17,702
Due from other funds	205,363	6,293,194	205,363	6,293,194
Total Assets	\$ 17,365,424	\$ 95,223,490	\$ 98,672,481	\$ 13,916,433
<u>LIABILITIES</u>				
Accounts Payable	\$ 15,609,329	\$ 10,363,774	\$ 13,284,326	\$ 12,688,777
Due to other funds	1,756,095	1,286,771	1,815,210	1,227,656
Total Liabilities	\$ 17,365,424	\$ 11,650,545	\$ 15,099,536	\$ 13,916,433
ATLANTIC CITY PARKING FEES FUND				
<u>ASSETS</u>				
Cash	\$ 23,036	\$ 47,950,004	\$ 47,952,593	\$ 20,447
Investments	1,792,313	17,416,883	17,714,598	1,494,598
Receivables - Departmental accounts	1,386,871	1,469,532	1,386,871	1,469,532
Total Assets	\$ 3,202,220	\$ 66,836,419	\$ 67,054,062	\$ 2,984,577
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,202,220	\$ 37,606,634	\$ 37,824,277	\$ 2,984,577
Total Liabilities	\$ 3,202,220	\$ 37,606,634	\$ 37,824,277	\$ 2,984,577
ATLANTIC CITY TOURISM PROMOTION FUND				
<u>ASSETS</u>				
Cash	\$ 81,821	\$ 13,754,017	\$ 13,777,336	\$ 58,502
Investments	142,544	5,588,238	5,590,000	140,782
Receivables - Departmental accounts	695,822	1,047,521	695,822	1,047,521
Total Assets	\$ 920,187	\$ 20,389,776	\$ 20,063,158	\$ 1,246,805
<u>LIABILITIES</u>				
Accounts Payable	\$ 920,187	\$ 16,631,778	\$ 16,305,160	\$ 1,246,805
Total Liabilities	\$ 920,187	\$ 16,631,778	\$ 16,305,160	\$ 1,246,805

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
CAPITAL CITY REDEVELOPMENT LOAN AND GRANT FUND				
<u>ASSETS</u>				
Cash	\$ 23,424	\$ 380,013	\$ 374,327	\$ 29,110
Investments	2,824,722	158,569	--	2,983,291
Receivables - Loans	374,327	--	374,327	--
Total Assets	\$ 3,222,473	\$ 538,582	\$ 748,654	\$ 3,012,401
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,222,473	\$ 164,255	\$ 697,096	\$ 2,689,632
Due to other funds	--	322,769	--	322,769
Total Liabilities	\$ 3,222,473	\$ 487,024	\$ 697,096	\$ 3,012,401
GENERAL TRUST FUND				
<u>ASSETS</u>				
Cash	\$ 7,059	\$ 22,800	\$ 29,859	\$ --
Investments	15,562	7,238	22,800	--
Total Assets	\$ 22,621	\$ 30,038	\$ 52,659	\$ --
<u>LIABILITIES</u>				
Accounts Payable	\$ 21,759	\$ 179	\$ 21,938	\$ --
Due to other funds	862	--	862	--
Total Liabilities	\$ 22,621	\$ 179	\$ 22,800	\$ --
JUDICIARY BAIL FUND				
<u>ASSETS</u>				
Cash	\$ 74,229	\$ 104,708,175	\$ 104,782,404	\$ --
Investments	35,043,884	6,710,591	9,451,825	32,302,650
Due from other funds	178,941	--	178,941	--
Total Assets	\$ 35,297,054	\$ 111,418,766	\$ 114,413,170	\$ 32,302,650
<u>LIABILITIES</u>				
Accounts Payable	\$ 33,211,152	\$ 65,454,056	\$ 68,391,524	\$ 30,273,684
Due to other funds	2,085,902	2,028,966	2,085,902	2,028,966
Total Liabilities	\$ 35,297,054	\$ 67,483,022	\$ 70,477,426	\$ 32,302,650

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
<u>ASSETS</u>				
Cash	\$ 2,098,953	\$ 2,171,248,077	\$ 2,173,347,030	\$ --
Investments	25,800,829	109,331,221	111,470,829	23,661,221
Total Assets	\$ 27,899,782	\$ 2,280,579,298	\$ 2,284,817,859	\$ 23,661,221
<u>LIABILITIES</u>				
Accounts Payable	\$ 26,533,953	\$ 1,311,612,195	\$ 1,315,841,148	\$ 22,305,000
Due to other funds	1,365,829	1,356,221	1,365,829	1,356,221
Total Liabilities	\$ 27,899,782	\$ 1,312,968,416	\$ 1,317,206,977	\$ 23,661,221
JUDICIARY PROBATION FUND				
<u>ASSETS</u>				
Cash	\$ 17,890	\$ 34,962,101	\$ 34,919,320	\$ 60,671
Investments	3,439,133	9,865,742	9,336,989	3,967,886
Due from other funds	467,856	--	467,856	--
Total Assets	\$ 3,924,879	\$ 44,827,843	\$ 44,724,165	\$ 4,028,557
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,767,746	\$ 25,949,492	\$ 25,873,567	\$ 3,843,671
Due to other funds	157,133	184,886	157,133	184,886
Total Liabilities	\$ 3,924,879	\$ 26,134,378	\$ 26,030,700	\$ 4,028,557
JUDICIARY SPECIAL CIVIL FUND				
<u>ASSETS</u>				
Cash	\$ 111,991	\$ 47,233,450	\$ 47,345,441	\$ --
Investments	1,589,704	8,591,403	7,065,704	3,115,403
Due from other funds	1,224,414	215,186	1,224,414	215,186
Total Assets	\$ 2,926,109	\$ 56,040,039	\$ 55,635,559	\$ 3,330,589
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,821,405	\$ 35,161,565	\$ 34,773,784	\$ 3,209,186
Due to other funds	104,704	121,403	104,704	121,403
Total Liabilities	\$ 2,926,109	\$ 35,282,968	\$ 34,878,488	\$ 3,330,589

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
JUDICIARY SUPERIOR COURT-MISCELLANEOUS FUND				
<u>ASSETS</u>				
Cash	\$ 891,400	\$ 105,130,038	\$ 105,870,185	\$ 151,253
Investments	11,516,990	38,446,905	46,487,990	3,475,905
Receivables - Other	128,015	--	128,015	--
Total Assets	\$ 12,536,405	\$ 143,576,943	\$ 152,486,190	\$ 3,627,158
<u>LIABILITIES</u>				
Accounts Payable	\$ 891,176	\$ 58,641,043	\$ 59,380,966	\$ 151,253
Due to other funds	11,645,229	3,475,905	11,645,229	3,475,905
Total Liabilities	\$ 12,536,405	\$ 62,116,948	\$ 71,026,195	\$ 3,627,158
LUXURY TAX DEVELOPMENT FUND				
<u>ASSETS</u>				
Cash	\$ 4,384	\$ 460,000	\$ 458,055	\$ 6,329
Investments	2,143,897	115,252	460,000	1,799,149
Total Assets	\$ 2,148,281	\$ 575,252	\$ 918,055	\$ 1,805,478
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,148,281	\$ 573,307	\$ 916,110	\$ 1,805,478
Total Liabilities	\$ 2,148,281	\$ 573,307	\$ 916,110	\$ 1,805,478
LUXURY TAX FUND				
<u>ASSETS</u>				
Cash	\$ 140,731	\$ 26,834,893	\$ 26,918,610	\$ 57,014
Investments	283,235	11,428,022	11,505,000	206,257
Receivables - Departmental accounts	1,447,972	2,092,686	1,447,972	2,092,686
Receivables - Loans	10,840,015	--	--	10,840,015
Total Assets	\$ 12,711,953	\$ 40,355,601	\$ 39,871,582	\$ 13,195,972
<u>LIABILITIES</u>				
Accounts Payable	\$ 12,711,953	\$ 33,941,603	\$ 33,457,584	\$ 13,195,972
Total Liabilities	\$ 12,711,953	\$ 33,941,603	\$ 33,457,584	\$ 13,195,972

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
NEW JERSEY MEDICAL MALPRACTICE REINSURANCE RECOVERY FUND				
<u>ASSETS</u>				
Cash	\$ 29,995	\$ 16,443,682	\$ 16,435,500	\$ 38,177
Investments	22,519,273	8,625,595	8,950,000	22,194,868
Total Assets	<u>\$ 22,549,268</u>	<u>\$ 25,069,277</u>	<u>\$ 25,385,500</u>	<u>\$ 22,233,045</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 22,549,268	\$ 17,684,277	\$ 18,000,500	\$ 22,233,045
Total Liabilities	<u>\$ 22,549,268</u>	<u>\$ 17,684,277</u>	<u>\$ 18,000,500</u>	<u>\$ 22,233,045</u>
NEW JERSEY STATE EMPLOYEES' DEFERRED COMPENSATION PLAN				
<u>ASSETS</u>				
Cash	\$ 62,014	\$ 123,689,281	\$ 123,647,379	\$ 103,916
Investments	438,794,625	1,463,011,170	1,316,686,057	585,119,738
Receivables - Other	2,647,780	12,082,621	12,554,510	2,175,891
Total Assets	<u>\$ 441,504,419</u>	<u>\$ 1,598,783,072</u>	<u>\$ 1,452,887,946</u>	<u>\$ 587,399,545</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,860,940	\$ 43,578,414	\$ 43,570,348	\$ 1,869,006
Other	161,694	116,769	--	278,463
Deferred compensation payable	439,481,785	169,011,778	23,241,487	585,252,076
Total Liabilities	<u>\$ 441,504,419</u>	<u>\$ 212,706,961</u>	<u>\$ 66,811,835</u>	<u>\$ 587,399,545</u>
PENSION ADJUSTMENT FUND				
<u>ASSETS</u>				
Cash	\$ 95,077	\$ 19,303,255	\$ 19,031,510	\$ 366,822
Investments	1,871,860	18,940,301	17,705,328	3,106,833
Receivables - Other	5,752,385	21,884,778	22,811,238	4,825,925
Due from other funds	20,195	266,223	231,131	55,287
Total Assets	<u>\$ 7,739,517</u>	<u>\$ 60,394,557</u>	<u>\$ 59,779,207</u>	<u>\$ 8,354,867</u>
<u>LIABILITIES</u>				
Due to other funds	\$ 3,627,023	\$ 3,317,906	\$ 2,075,571	\$ 4,869,358
Other	4,112,494	2,694,274	3,321,259	3,485,509
Total Liabilities	<u>\$ 7,739,517</u>	<u>\$ 6,012,180</u>	<u>\$ 5,396,830</u>	<u>\$ 8,354,867</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
RESOURCE RECOVERY INVESTMENT TAX FUND				
<u>ASSETS</u>				
Cash	\$ 196,396	\$ 19,092,625	\$ 19,181,039	\$ 107,982
Investments	18,223,948	921,987	18,170,213	975,722
Total Assets	\$ 18,420,344	\$ 20,014,612	\$ 37,351,252	\$ 1,083,704
<u>LIABILITIES</u>				
Accounts Payable	\$ 18,205,130	\$ 21,790,137	\$ 38,969,150	\$ 1,026,117
Due to other funds	215,214	63,184	220,811	57,587
Total Liabilities	\$ 18,420,344	\$ 21,853,321	\$ 39,189,961	\$ 1,083,704
SAFE NEIGHBORHOOD SERVICES FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ 18,510,899	\$ 18,427,826	\$ 83,073
Investments	12,809,687	4,859,065	5,806,414	11,862,338
Due from other funds	--	81,600	--	81,600
Total Assets	\$ 12,809,687	\$ 23,451,564	\$ 24,234,240	\$ 12,027,011
<u>LIABILITIES</u>				
Accounts Payable	\$ 12,609,873	\$ 21,111,712	\$ 21,694,574	\$ 12,027,011
Due to other funds	199,814	--	199,814	--
Total Liabilities	\$ 12,809,687	\$ 21,111,712	\$ 21,894,388	\$ 12,027,011
SOLID WASTE SERVICE TAX FUND				
<u>ASSETS</u>				
Cash	\$ 155,564	\$ 12,085,340	\$ 12,089,914	\$ 150,990
Investments	11,751,323	3,876,838	6,059,709	9,568,452
Receivables - Departmental accounts	286,024	245,049	286,024	245,049
Total Assets	\$ 12,192,911	\$ 16,207,227	\$ 18,435,647	\$ 9,964,491
<u>LIABILITIES</u>				
Accounts Payable	\$ 12,118,202	\$ 9,248,029	\$ 11,620,810	\$ 9,745,421
Due to other funds	74,709	219,070	74,709	219,070
Total Liabilities	\$ 12,192,911	\$ 9,467,099	\$ 11,695,519	\$ 9,964,491

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
STATE LOTTERY AGENCY FUND				
<u>ASSETS</u>				
Investments	\$ 1,185,501,995	\$ 230,881,811	\$ 145,062,704	\$ 1,271,321,102
Total Assets	\$ 1,185,501,995	\$ 230,881,811	\$ 145,062,704	\$ 1,271,321,102

<u>LIABILITIES</u>				
Accounts Payable	\$ 1,185,501,995	\$ 230,881,811	\$ 145,062,704	\$ 1,271,321,102
Total Liabilities	\$ 1,185,501,995	\$ 230,881,811	\$ 145,062,704	\$ 1,271,321,102

**STATE OF NEW JERSEY CASH
MANAGEMENT FUND**

<u>ASSETS</u>				
Cash	\$ 231,917,242	\$ 148,272,239,710	\$ 147,795,616,349	\$ 708,540,603
Investments	2,563,759,417	70,613,113,726	71,117,289,897	2,059,583,246
Receivables - Other	11,516,317	425,157,285	419,403,125	17,270,477
Total Assets	\$ 2,807,192,976	\$ 219,310,510,721	\$ 219,332,309,371	\$ 2,785,394,326

<u>LIABILITIES</u>				
Accounts Payable	\$ 12,414,840	\$ 100,524,326,563	\$ 100,527,186,062	\$ 9,555,341
Due to other funds	96,637	5,125,085	3,470,989	1,750,733
Other	2,794,681,499	16,668,379,676	16,688,972,923	2,774,088,252
Total Liabilities	\$ 2,807,192,976	\$ 117,197,831,324	\$ 117,219,629,974	\$ 2,785,394,326

TOURISM IMPROVEMENT AND DEVELOPMENT ACT

<u>ASSETS</u>				
Cash	\$ 100,097	\$ 2,538,692	\$ 2,568,510	\$ 70,279
Investments	12,616	707	--	13,323
Receivables - Departmental accounts	278,168	414,019	278,168	414,019
Total Assets	\$ 390,881	\$ 2,953,418	\$ 2,846,678	\$ 497,621

<u>LIABILITIES</u>				
Accounts Payable	\$ 390,881	\$ 5,468,561	\$ 5,361,821	\$ 497,621
Total Liabilities	\$ 390,881	\$ 5,468,561	\$ 5,361,821	\$ 497,621

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
UNCLAIMED INSURANCE PAYMENTS ON DEPOSIT ACCOUNTS FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ 2,363,925	\$ 2,319,008	\$ 44,917
Investments	--	2,050,663	75,000	1,975,663
Due from other funds	176,082	--	176,082	--
Total Assets	\$ 176,082	\$ 4,414,588	\$ 2,570,090	\$ 2,020,580
<u>LIABILITIES</u>				
Accounts Payable	\$ 176,082	\$ 2,048,787	\$ 254,952	\$ 1,969,917
Due to other funds	--	50,663	--	50,663
Total Liabilities	\$ 176,082	\$ 2,099,450	\$ 254,952	\$ 2,020,580
WAGE AND HOUR TRUST FUND				
<u>ASSETS</u>				
Cash	\$ 319,040	\$ 3,507,048	\$ 3,513,946	\$ 312,142
Investments	1,843,386	253,713	1,125,032	972,067
Total Assets	\$ 2,162,426	\$ 3,760,761	\$ 4,638,978	\$ 1,284,209
<u>LIABILITIES</u>				
Accounts Payable	\$ 926,704	\$ 2,190,015	\$ 1,995,181	\$ 1,121,538
Due to other funds	1,235,722	336,138	1,409,189	162,671
Total Liabilities	\$ 2,162,426	\$ 2,526,153	\$ 3,404,370	\$ 1,284,209
WASTEWATER TREATMENT TRUST FUND				
<u>ASSETS</u>				
Cash	\$ 6,863	\$ --	\$ --	\$ 6,863
Investments	901,970	50,632	--	952,602
Due from other funds	7,000,000	--	--	7,000,000
Total Assets	\$ 7,908,833	\$ 50,632	\$ --	\$ 7,959,465
<u>LIABILITIES</u>				
Accounts Payable	\$ 7,908,833	\$ 50,632	\$ --	\$ 7,959,465
Total Liabilities	\$ 7,908,833	\$ 50,632	\$ --	\$ 7,959,465

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
1992 WASTEWATER TREATMENT TRUST FUND				
<u>ASSETS</u>				
Cash	\$ --	\$ 10,000,000	\$ 10,000,000	\$ --
Investments	--	5,060,975	5,000,000	60,975
Total Assets	\$ --	\$ 15,121,950	\$ 15,060,975	\$ 60,975
<u>LIABILITIES</u>				
Accounts Payable	\$ --	\$ 10,205,508	\$ 10,144,533	\$ 60,975
Due to other funds	--	5,144,533	5,144,533	--
Total Liabilities	\$ --	\$ 15,350,041	\$ 15,289,066	\$ 60,975
TOTAL - ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash	\$ 236,357,206	\$ 151,063,741,218	\$ 150,588,901,119	\$ 711,197,305
Investments	4,359,723,725	72,636,936,648	72,949,188,980	4,047,471,393
Receivables - Departmental accounts	4,094,857	5,268,807	4,094,857	5,268,807
Receivables - Loans	11,214,342	--	374,327	10,840,015
Receivables - Other	20,063,746	459,142,386	454,916,137	24,289,995
Due from other funds	9,272,851	6,856,203	2,483,787	13,645,267
Total Assets	\$ 4,640,726,727	\$ 224,171,945,262	\$ 223,999,959,207	\$ 4,812,712,782
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,379,724,382	\$ 102,484,684,327	\$ 102,430,628,115	\$ 1,433,780,594
Due to other funds	22,564,873	23,033,500	29,770,485	15,827,888
Other	2,798,955,687	16,671,190,719	16,692,294,182	2,777,852,224
Deferred compensation payable	439,481,785	169,011,778	23,241,487	585,252,076
Total Liabilities	\$ 4,640,726,727	\$ 119,347,920,324	\$ 119,175,934,269	\$ 4,812,712,782

**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 million 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. An amount of \$45 million is to capitalize the New Jersey Local Development Financing Fund; \$30 million 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 million 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 percent 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 Fund consists of proceeds from the sale of riparian lands, rents received on leased riparian lands of the State, licenses, and fees related to such lands, and the income from earnings on investments. 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.

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 1 1/2 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of bonds for debt service, 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.

Horse Racing Injury Compensation Fund (P.L. 1995, c.329)

The purpose of this Fund is to provide workers' compensation coverage to employees in the thoroughbred and standardbred horse racing industries in New Jersey. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standardbred industries, based on their respective experience rating.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County, Docket No. L-081390-83)

This Fund has been established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

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)

Monies 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)

Monies 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 monies from the Federal government previously accounted for by the Department of Agriculture. The monies 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 ordered 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)

Monies 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, are recorded in the Fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. 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 Child Support Trust Fund (P.L. 1995, c.115)

All monies received as abandoned child support shall be deposited into this Fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed County Deposit Trust Fund (P.L. 1992, c.173)

All monies received as unclaimed county deposits shall be deposited in the Fund. Each year 75 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed Personal Property Trust Fund (P.L. 1989, c.58)

Amounts received by the State from holders of personal property, presumed abandoned, due and payable to owners of last known address, but unclaimed by the owner for more than five years, are deposited into this Fund. Also, any demand, savings, or matured time deposit with a banking or financial organization, presumed abandoned for ten years, will be received by this Fund. Additionally, this Fund accounts for any unclaimed monies received from insurance companies, authorized to write life insurance in the State, due and payable to any person entitled and which has remained unclaimed for a period of five years.

Unless the administrator of the Fund deems it prudent and advisable to do otherwise, 75 percent of all funds received shall be transferred to the General Fund. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

This Fund accounts for monies deposited from contributions of employers and employees for unemployment 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-needed 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, 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 Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

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.

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 system. 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 Program 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 or variable annuities purchased through various carriers as provided for in Chapter 92, P.L. 1995. The minimum contribution by employees is 5 percent of their base salary, and the State will contribute a flat rate of 8 percent of their base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Programs.

Atlantic City Parking Fee Fund (P.L. 1993, c.159)

There is imposed by this law a \$2.00 parking fee per diem for each vehicle parked, garaged or stored in any casino hotel parking space. These revenues are to be made available to the Casino Reinvestment Development Authority.

Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)

This Fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the convention center operating authority. Amounts expended by the convention center operating authority are solely for the purpose of promoting tourism, conventions, resorts and casino gaming.

Capital City Redevelopment Loan And Grant Fund (P.L. 1987, c.58)

This Fund has been established for the redevelopment and revitalization of the City of Trenton. The State has established a redevelopment corporation operating within the boundaries of the Trenton district, which will plan, coordinate and promote the public and private development of that district in a manner which enhances the vitality of the Trenton area as a place of commerce, recreation and culture and as an area in which to conduct public business and visit historic sites.

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.

Judiciary Bail Fund (R.3:26)

The purpose of this Fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)

The purpose of this Fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

Judiciary Probation Fund (N.J.S.A. 2C:46-4)

The purpose of this Fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

Judiciary Special Civil Fund (R.6)

The purpose of this Fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

Judiciary Superior Court-Miscellaneous Fund (N.J. Court Rules, Parts II, IV, V, VI, VIII)

The purpose of this Fund is to serve as a repository for the collection and disbursement of various fees, fines, and costs collected by court divisions of the Superior Court of New Jersey. These monies are separate and distinct from those included under the Superior Court of New Jersey Trust Fund.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a(B))

This Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in the City of Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a(B)), (P.L. 1991, c.375)

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 the construction of Convention Hall facilities, subsidization of Convention Center operating budget deficits and providing housing opportunities for low and moderate income families.

New Jersey Medical Malpractice Reinsurance Recovery Fund (N.J.S.A. 17:30D-9)

The purpose of this Fund is to provide a financial backup for the plan of operation of the New Jersey Medical Malpractice Reinsurance Association and shall be used to reimburse the Association for any deficit sustained in the operation of the Association.

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 monies.

Pension Adjustment Fund (N.J.S.A. 43:3B)

The 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. The Pension Adjustment 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.

Safe Neighborhoods Services Fund (P.L. 1993, c.220)

This Fund was created by combining State, Federal and local resources to rapidly place 2,000 police officers in communities throughout the State. The Fund will also provide hard-pressed municipalities with funding to purchase equipment vital to effective police operations.

Solid Waste Service 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 monies 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.

Tourism Improvement and Development Act (P.L. 1992, c.165)

This Fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

Unclaimed Insurance Payments on Deposit Accounts Fund

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this Fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation (FDIC).

Wage And Hour Trust Fund (N.J.S.A. 34:11-57)

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages. In addition to the amounts collected and disbursed in this manner, the Office of Wage and Hour Compliance may also supervise the direct wage settlement payments by employers to employees.

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 million in State bonds to provide financial assistance to local government units for the construction of wastewater treatment systems. Of the total amount authorized, \$40 million 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 monies 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.

1992 Wastewater Treatment Trust Fund (P.L. 1992, c.88)

An amount of \$5 million has been authorized for payment to, and use by the New Jersey Wastewater Treatment Trust, an Authority established per P.L. 1985, c.334. The money is to be used as reserve and guarantee funding to secure debt issued by the Authority or by local government units to meet the costs of wastewater treatment system projects in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

C O M P O N E N T U N I T S -
A U T H O R I T I E S

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997**

	<u>Casino Reinvestment Development Authority</u>	<u>Hackensack Meadowlands Development Commission</u>	<u>New Jersey Developmental Authority for Small Businesses, Minorities' And Women's Enterprises</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 30,387,991	\$ 5,413,431	\$ 39,836
INVESTMENTS	224,176,106	138,463,240	3,066,298
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	--	--	--
Other	111,504,110	11,734,238	8,371,313
FIXED ASSETS, NET	446,488	11,993,609	23,013
OTHER ASSETS			
Due from intergovernmental agencies	--	2,144,435	--
Deferred charges	--	104,301	--
Other	76,620,592	1,890,771	--
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	83,455,260	--	--
Total Assets	<u>\$ 526,590,547</u>	<u>\$ 171,744,025</u>	<u>\$ 11,500,460</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 173,422,893	\$ 123,149,258	\$ 7,235,174
Deferred revenue	11,531,558	3,497,023	--
Due to intergovernmental agencies	--	2,144,435	--
Other	43,497,298	973,563	302,024
Revenue bonds payable	43,395,427	1,870,000	--
Notes payable	40,059,833	--	--
Capital lease obligations	--	20,771	--
Total Liabilities	<u>311,907,009</u>	<u>131,655,050</u>	<u>7,537,198</u>
EQUITY AND OTHER CREDITS			
Contributed Capital	--	2,812,066	--
Investment in general fixed assets	446,488	--	23,013
Retained Earnings:			
Reserved	--	34,468,131	--
Unreserved	--	2,808,778	--
Fund Balances:			
Reserved-Other	38,476,173	--	5,487,522
Unreserved-Undesignated	175,760,877	--	(1,547,273)
Total Equity and Other Credits	<u>214,683,538</u>	<u>40,088,975</u>	<u>3,963,262</u>
Total Liabilities, Equity and Other Credits	<u>\$ 526,590,547</u>	<u>\$ 171,744,025</u>	<u>\$ 11,500,460</u>

New Jersey Economic Development Authority	New Jersey Educational Facilities Authority	New Jersey Health Care Facilities Financing Authority	New Jersey Higher Education Assistance Authority NJ Class
\$ 35,736,670	\$ 2,447,166	\$ 220,558,000	\$ 884,793
373,097,439	546,479,179	487,677,000	55,660,083
--	1,470,407,067	2,717,502,000	--
1,715,446,380	6,210,791	70,581,000	80,408,457
128,105,393	271,229	615,000	--
--	--	--	--
11,156,892	--	--	--
4,217,652	2,443,364	115,000	130,576,496
--	1,492,451,567	3,378,540,000	--
<u>\$ 2,267,760,426</u>	<u>\$ 3,520,710,363</u>	<u>\$ 6,875,588,000</u>	<u>\$ 267,529,829</u>
\$ 37,241,016	\$ 53,846,289	\$ 103,480,000	\$ 3,150,287
157,249,866	--	23,000	--
--	--	--	--
36,499,702	--	--	--
1,347,615,134	1,492,451,567	3,371,855,000	130,576,496
50,380,216	--	6,685,000	--
--	--	--	--
<u>1,628,985,934</u>	<u>1,546,297,856</u>	<u>3,482,043,000</u>	<u>133,726,783</u>
--	--	--	--
--	271,229	615,000	--
--	--	--	--
638,774,492	--	--	--
--	1,947,740,830	2,729,146,000	--
--	26,400,448	663,784,000	133,803,046
<u>638,774,492</u>	<u>1,974,412,507</u>	<u>3,393,545,000</u>	<u>133,803,046</u>
<u>\$ 2,267,760,426</u>	<u>\$ 3,520,710,363</u>	<u>\$ 6,875,588,000</u>	<u>\$ 267,529,829</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997**

	<u>New Jersey Highway Authority</u>	<u>New Jersey Housing And Mortgage Finance Agency</u>	<u>New Jersey Redevelopment Authority</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 4,679,603	\$ 11,545,000	\$ 520,158
INVESTMENTS	253,844,283	1,204,024,000	10,691,722
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	--	2,413,362,000	--
Other	2,982,227	16,774,000	22,397,813
FIXED ASSETS, NET	1,398,295,451	14,796,000	80,206
OTHER ASSETS			
Due from intergovernmental agencies	--	--	--
Deferred charges	--	24,168,000	--
Other	22,788,228	7,825,000	208,944
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	--	--	--
Total Assets	<u>\$ 1,682,589,792</u>	<u>\$ 3,692,494,000</u>	<u>\$ 33,898,843</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 83,556,424	\$ 327,175,000	\$ 28,585
Deferred revenue	9,948,941	20,966,000	--
Due to intergovernmental agencies	--	--	--
Other	21,355,837	36,662,000	8,222
Revenue bonds payable	610,810,000	2,727,457,000	--
Notes payable	--	--	--
Capital lease obligations	--	--	--
Total Liabilities	<u>725,671,202</u>	<u>3,112,260,000</u>	<u>36,807</u>
EQUITY AND OTHER CREDITS			
Contributed Capital	--	--	--
Investment in general fixed assets	--	--	80,206
Retained Earnings:			
Reserved	--	426,917,000	--
Unreserved	956,918,590	153,317,000	--
Fund Balances:			
Reserved-Other	--	--	33,781,830
Unreserved-Undesignated	--	--	--
Total Equity and Other Credits	<u>956,918,590</u>	<u>580,234,000</u>	<u>33,862,036</u>
Total Liabilities, Equity and Other Credits	<u>\$ 1,682,589,792</u>	<u>\$ 3,692,494,000</u>	<u>\$ 33,898,843</u>

New Jersey Sports And Exposition Authority	New Jersey Transit Corporation	New Jersey Turnpike Authority	New Jersey Wastewater Treatment Trust	New Jersey Water Supply Authority
\$ 5,475,000	\$ 5,103,000	\$ 29,365,678	\$ 48,022,828	\$ 156,416
204,153,000	1,182,586,000	667,680,616	170,414,163	29,218,195
--	--	--	--	--
15,662,000	95,086,000	10,461,220	481,202,938	2,345,105
733,481,000	3,041,789,000	3,190,259,852	160,890	173,574,882
--	--	--	--	--
7,960,000	--	--	8,428,218	847,489
39,894,000	86,136,000	10,291,395	689,050	31,238,617
--	--	--	591,700,885	--
\$ 1,006,625,000	\$ 4,410,700,000	\$ 3,908,058,761	\$ 1,300,618,972	\$ 237,380,704
\$ 51,437,000	\$ 559,602,000	\$ 77,815,446	\$ 8,983,637	\$ 113,516,032
28,702,000	--	198,363	--	331,661
--	--	--	--	--
10,038,000	69,368,000	58,822,120	--	--
877,818,000	--	2,719,613,988	591,700,885	28,281,526
2,653,000	351,583,000	--	--	--
--	640,450,000	--	--	--
970,648,000	1,621,003,000	2,856,449,917	600,684,522	142,129,219
22,070,000	2,854,500,000	--	--	51,402,335
--	--	--	160,890	--
13,907,000	--	67,990,000	--	43,849,150
--	(64,803,000)	983,618,844	--	--
--	--	--	95,191,270	--
--	--	--	604,582,290	--
35,977,000	2,789,697,000	1,051,608,844	699,934,450	95,251,485
\$ 1,006,625,000	\$ 4,410,700,000	\$ 3,908,058,761	\$ 1,300,618,972	\$ 237,380,704

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
COMPONENT UNITS - AUTHORITIES
JUNE 30, 1997**

	<u>South Jersey Port Corporation</u>	<u>South Jersey Transportation Authority</u>	<u>Total Authorities</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 1,064,297	\$ 21,239,572	\$ 422,639,439
INVESTMENTS	10,419,153	842,369	5,562,492,846
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	--	--	6,601,271,067
Other	9,547,460	2,064,689	2,662,779,741
FIXED ASSETS, NET	69,631,391	88,685,440	8,852,208,844
OTHER ASSETS			
Due from intergovernmental agencies	--	1,043,947	3,188,382
Deferred charges	--	--	52,664,900
Other	131,580	2,820,795	417,887,484
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	--	--	5,546,147,712
Total Assets	<u>\$ 90,793,881</u>	<u>\$ 116,696,812</u>	<u>\$ 30,121,280,415</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 4,397,878	\$ 6,949,218	\$ 1,734,986,137
Deferred revenue	348,413	456,592	233,253,417
Due to intergovernmental agencies	--	1,043,947	3,188,382
Other	525,374	2,304,626	280,356,766
Revenue bonds payable	82,135,000	52,996,135	14,078,576,158
Notes payable	--	--	451,361,049
Capital lease obligations	--	--	640,470,771
Total Liabilities	<u>87,406,665</u>	<u>63,750,518</u>	<u>17,422,192,680</u>
EQUITY AND OTHER CREDITS			
Contributed Capital	--	36,078,277	2,966,862,678
Investment in general fixed assets	--	--	1,596,826
Retained Earnings:			
Reserved	--	11,773,691	598,904,972
Unreserved	3,387,216	5,094,326	2,679,116,246
Fund Balances:			
Reserved-Other	--	--	4,849,823,625
Unreserved-Undesignated	--	--	1,602,783,388
Total Equity and Other Credits	<u>3,387,216</u>	<u>52,946,294</u>	<u>12,699,087,735</u>
Total Liabilities, Equity and Other Credits	<u>\$ 90,793,881</u>	<u>\$ 116,696,812</u>	<u>\$ 30,121,280,415</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Casino Reinvestment Development Authority	New Jersey Developmental Authority for Small Businesses, Minorities' And Women's Enterprises	New Jersey Educational Facilities Authority
REVENUES			
Federal and other grants	\$ 5,355,833	\$ --	\$ 1,407,159
Licenses and fees	25,046,525	9,054	1,330,650
Services and assessments	--	--	129,251,306
Investment earnings	6,680,547	327,412	26,803,432
Other	2,194,138	11,370	245,784,786
	<hr/>	<hr/>	<hr/>
Total Revenues	39,277,043	347,836	404,577,333
OTHER FINANCING SOURCES			
Proceeds from sale of bonds	--	--	372,247,442
Other	45,778,196	--	--
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	45,778,196	--	372,247,442
	<hr/>	<hr/>	<hr/>
Total Revenue and Other Financing Sources	85,055,239	347,836	776,824,775
EXPENDITURES			
Current:			
Physical and mental health	--	--	--
Educational, cultural and intellectual development	--	--	327,734,966
Community development and environmental management	11,969,493	--	--
Economic planning, development and security	--	645,617	--
Debt Service:			
Principal	--	--	68,757,367
Interest	2,921,204	--	83,495,446
	<hr/>	<hr/>	<hr/>
Total Expenditures	14,890,697	645,617	479,987,779
	<hr/>	<hr/>	<hr/>
Net Increases (Decreases) in Fund Balances for the Year	70,164,542	(297,781)	296,836,996
	<hr/>	<hr/>	<hr/>
FUND BALANCES - JULY 1, 1996	144,072,508	4,238,030	1,677,304,282
	<hr/>	<hr/>	<hr/>
FUND BALANCES - JUNE 30, 1997	\$ 214,237,050	\$ 3,940,249	\$ 1,974,141,278
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New Jersey Health Care Facilities Financing Authority	New Jersey Higher Education Assistance Authority NJ Class	New Jersey Redevelopment Authority	New Jersey Wastewater Treatment Trust	Total Governmental Authorities
\$ --	\$ --	\$ 10,397,968	\$ 8,351,021	\$ 25,511,981
2,339,000	795,818	62,968	2,308,712	31,892,727
310,979,000	--	--	--	440,230,306
48,530,000	7,624,091	1,155,808	38,606,799	129,728,089
17,336,000	--	55,465	--	265,381,759
<u>379,184,000</u>	<u>8,419,909</u>	<u>11,672,209</u>	<u>49,266,532</u>	<u>892,744,862</u>
74,636,000	37,000,000	--	53,902,964	537,786,406
--	--	--	--	45,778,196
<u>74,636,000</u>	<u>37,000,000</u>	<u>--</u>	<u>53,902,964</u>	<u>583,564,602</u>
453,820,000	45,419,909	11,672,209	103,169,496	1,476,309,464
188,553,000	--	--	--	188,553,000
--	2,012,619	--	--	329,747,585
--	--	--	1,417,899	13,387,392
--	--	1,082,050	--	1,727,667
106,256,000	6,505,367	--	31,932,000	213,450,734
216,852,000	5,806,583	--	38,590,243	347,665,476
<u>511,661,000</u>	<u>14,324,569</u>	<u>1,082,050</u>	<u>71,940,142</u>	<u>1,094,531,854</u>
(57,841,000)	31,095,340	10,590,159	31,229,354	381,777,610
<u>3,450,771,000</u>	<u>102,707,706</u>	<u>23,191,671</u>	<u>668,544,206</u>	<u>6,070,829,403</u>
<u>\$ 3,392,930,000</u>	<u>\$ 133,803,046</u>	<u>\$ 33,781,830</u>	<u>\$ 699,773,560</u>	<u>\$ 6,452,607,013</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY
COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	Hackensack Meadowlands Development Commission	New Jersey Economic Development Authority	New Jersey Highway Authority
OPERATING REVENUES			
Charges for services and sales	\$ 29,831,447	\$ 22,614,930	\$ 187,740,833
Interest	--	--	--
Investment income	--	--	--
Other	1,280,347	49,070,975	3,050,057
Total Operating Revenues	31,111,794	71,685,905	190,790,890
OPERATING EXPENSES			
Operations	29,366,883	24,344,803	99,064,759
Interest	--	--	--
Depreciation and amortization	80,909	1,612,713	26,352,303
Other	--	--	--
Total Operating Expenses	29,447,792	25,957,516	125,417,062
Operating Income(Loss)	1,664,002	45,728,389	65,373,828
NONOPERATING REVENUES(EXPENSES)			
Governmental subsidies and grants	3,294,300	(328,980,961)	(10,000,000)
Capital Contributions	--	--	--
Interest revenue	734,556	43,525,339	13,489,847
Interest expense and fiscal charges	(383,602)	(75,556,643)	(35,657,005)
Other	--	--	--
Total Nonoperating Revenues (Expenses)	3,645,254	(361,012,265)	(32,167,158)
Income before operating transfers	5,309,256	(315,283,876)	33,206,670
Net income (loss)	5,309,256	(315,283,876)	33,206,670
FUND EQUITY - Beginning of Year	34,779,719	954,058,368	923,711,920
FUND EQUITY - End of Year	\$ 40,088,975	\$ 638,774,492	\$ 956,918,590

New Jersey Housing And Mortgage Finance Agency	New Jersey Sports And Exposition Authority	New Jersey Transit Corporation	New Jersey Turnpike Authority	New Jersey Water Supply Authority
\$ 10,254,000	\$ 208,579,000	\$ 414,844,000	\$ 350,469,857	\$ 18,569,690
179,574,000	--	--	--	--
45,547,000	--	--	--	--
1,113,000	--	21,073,000	1,296,440	3,732,557
<u>236,488,000</u>	<u>208,579,000</u>	<u>435,917,000</u>	<u>351,766,297</u>	<u>22,302,247</u>
31,888,000	192,974,000	837,184,000	164,203,372	9,039,373
166,444,000	--	--	--	--
1,475,000	22,221,000	199,795,000	23,591,000	5,556,324
--	4,316,000	12,101,000	--	--
<u>199,807,000</u>	<u>219,511,000</u>	<u>1,049,080,000</u>	<u>187,794,372</u>	<u>14,595,697</u>
<u>36,681,000</u>	<u>(10,932,000)</u>	<u>(613,163,000)</u>	<u>163,971,925</u>	<u>7,706,550</u>
--	50,220,000	410,911,000	(12,000,000)	--
--	6,340,000	513,627,000	--	--
--	12,776,000	14,300,000	17,809,263	1,589,600
(987,000)	(43,527,000)	(7,612,000)	(131,896,159)	(6,600,711)
<u>(1,455,000)</u>	<u>--</u>	<u>27,100,000</u>	<u>(12,594,016)</u>	<u>91,496</u>
<u>(2,442,000)</u>	<u>25,809,000</u>	<u>958,326,000</u>	<u>(138,680,912)</u>	<u>(4,919,615)</u>
<u>34,239,000</u>	<u>14,877,000</u>	<u>345,163,000</u>	<u>25,291,013</u>	<u>2,786,935</u>
34,239,000	14,877,000	345,163,000	25,291,013	2,786,935
<u>545,995,000</u>	<u>21,100,000</u>	<u>2,444,534,000</u>	<u>1,026,317,831</u>	<u>92,464,550</u>
<u>\$ 580,234,000</u>	<u>\$ 35,977,000</u>	<u>\$ 2,789,697,000</u>	<u>\$ 1,051,608,844</u>	<u>\$ 95,251,485</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY (Continued)
COMPONENT UNITS - AUTHORITIES
FOR THE YEAR ENDED JUNE 30, 1997

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Proprietary Authorities
OPERATING REVENUES			
Charges for services and sales	\$ 13,966,619	\$ 30,165,380	\$ 1,287,035,756
Interest	--	--	179,574,000
Investment income	--	--	45,547,000
Other	519,241	332,906	81,468,523
	<u>14,485,860</u>	<u>30,498,286</u>	<u>1,593,625,279</u>
OPERATING EXPENSES			
Operations	12,491,163	20,580,643	1,421,136,996
Interest	--	--	166,444,000
Depreciation and amortization	2,106,172	3,266,416	286,056,837
Other	--	988,738	17,405,738
	<u>14,597,335</u>	<u>24,835,797</u>	<u>1,891,043,571</u>
Operating Income(Loss)	<u>(111,475)</u>	<u>5,662,489</u>	<u>(297,418,292)</u>
NONOPERATING REVENUES(EXPENSES)			
Governmental subsidies and grants	6,651,140	(2,500,000)	117,595,479
Capital Contributions	--	9,211,295	529,178,295
Interest revenue	261,782	1,067,643	105,554,030
Interest expense and fiscal charges	(5,146,194)	(15,313,222)	(322,679,536)
Other	176,870	--	13,319,350
	<u>1,943,598</u>	<u>(7,534,284)</u>	<u>442,967,618</u>
Income before operating transfers	<u>1,832,123</u>	<u>(1,871,795)</u>	<u>145,549,326</u>
Net income (loss)	1,832,123	(1,871,795)	145,549,326
FUND EQUITY - Beginning of Year	<u>1,555,093</u>	<u>54,818,089</u>	<u>6,099,334,570</u>
FUND EQUITY - End of Year	<u>\$ 3,387,216</u>	<u>\$ 52,946,294</u>	<u>\$ 6,244,883,896</u>

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**STATE OF NEW JERSEY
COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNITS-AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	Hackensack Meadowlands Development Commission	New Jersey Economic Development Authority	New Jersey Highway Authority
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (Loss)	\$ 1,664,002	\$ 45,728,389	\$ 65,373,828
Adjustments to reconcile net income (Loss) to net cash provided by operating activities			
Depreciation and amortization	80,909	1,612,713	26,352,303
Changes in operating assets:			
Decrease (increase) in mortgage receivables	--	--	--
Decrease (increase) in other receivables	(1,839,908)	(66,942,397)	(10,525)
Decrease (increase) in due from intergovernmental agencies	(228,006)	--	--
Decrease (increase) in deferred charges	(25,907)	1,689,179	--
Decrease (increase) in other assets	284,159	(1,004,450)	(1,166,169)
Changes in operating liabilities:			
Increase (decrease) in account payable and accrued expenses	331,925	(5,203,627)	5,782,331
Increase (decrease) in deferred revenue	(34,500)	21,281,523	745,381
Increase (decrease) in due to intergovernmental agencies	228,006	--	--
Increase (decrease) in other liabilities	18,825	15,861,817	1,861,791
Other changes	--	--	--
Net cash provided by (used in) operating activities	479,505	13,023,147	98,938,940
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Governmental subsidies and grants	3,294,300	(328,980,961)	(10,000,000)
Net cash provided by (used in) noncapital financing activities	3,294,300	(328,980,961)	(10,000,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions received	--	--	--
Proceeds from issuance of revenue bonds	--	103,228,120	--
Proceeds from issuance of capital leases	--	--	--
Proceeds from issuance of notes	--	41,780,216	--
Principal payment of revenue bonds	(245,000)	(55,259,162)	(14,705,000)
Principal payment of capital leases	(39,159)	--	--
Principal payment of notes	--	(1,950,000)	--
Interest expense paid	(383,602)	(75,556,643)	(35,657,005)
Acquisition/construction of capital assets	--	--	(44,182,037)
Disposition (acquisition) of fixed assets	(3,061,468)	(40,790,771)	--
Net cash provided by (used in) capital and related financing activities	(3,729,229)	(28,548,240)	(94,544,042)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of investments	776,039	308,301,634	1,138,318
Purchase of investments	--	--	(10,975,590)
Interest revenue received	734,556	43,525,339	13,489,847
Net cash provided by (used in) investing activities	1,510,595	351,826,973	3,652,575
Increase (Decrease) in cash and Cash Equivalents	1,555,171	7,320,919	(1,952,527)
CASH AND CASH EQUIVALENTS, At Beginning of Year	3,858,260	28,415,751	6,632,130
CASH AND CASH EQUIVALENTS, At End of Year	\$ 5,413,431	\$ 35,736,670	\$ 4,679,603

New Jersey Housing And Mortgage Finance Agency	New Jersey Sports And Exposition Authority	New Jersey Transit Corporation	New Jersey Turnpike Authority	New Jersey Water Supply Authority
\$ 36,681,000	\$ (10,932,000)	\$ (613,163,000)	\$ 163,971,925	\$ 7,706,550
1,475,000	22,221,000	199,795,000	23,591,000	5,556,324
(83,020,000)	--	--	--	--
2,464,000	6,783,000	(29,886,000)	456,602	419,455
--	--	--	--	--
(2,388,000)	(7,085,000)	--	--	40,314
(1,754,793)	15,473,000	(9,360,000)	(2,016,749)	(2,436,963)
5,072,000	(2,172,000)	79,372,000	(2,222,177)	(2,050,436)
7,983,000	605,000	--	(262)	(118,527)
--	--	--	--	--
1,989,000	3,192,000	10,185,000	(3,562,944)	(47,096)
(1,455,000)	--	27,100,000	(12,594,016)	91,496
<u>(32,953,793)</u>	<u>28,085,000</u>	<u>(335,957,000)</u>	<u>167,623,379</u>	<u>9,161,117</u>
--	50,220,000	410,911,000	(12,000,000)	--
--	50,220,000	410,911,000	(12,000,000)	--
--	6,340,000	513,627,000	--	--
372,535,000	--	--	--	--
--	--	--	--	--
--	2,378,000	351,583,000	--	--
(121,842,000)	(15,405,000)	--	(61,519,134)	(883,840)
--	--	(18,673,000)	--	--
--	(50,000)	--	--	--
(987,000)	(43,527,000)	(7,612,000)	(131,896,159)	(6,600,711)
--	(115,187,000)	(218,226,000)	(113,506,289)	--
(864,207)	--	--	--	(2,333,648)
<u>248,841,793</u>	<u>(165,451,000)</u>	<u>620,699,000</u>	<u>(306,921,582)</u>	<u>(9,818,199)</u>
--	265,484,000	--	129,099,313	--
(210,733,000)	(244,718,000)	(711,239,000)	--	(892,268)
--	12,776,000	14,300,000	17,809,263	1,589,600
<u>(210,733,000)</u>	<u>33,542,000</u>	<u>(696,939,000)</u>	<u>146,908,576</u>	<u>697,332</u>
<u>5,155,000</u>	<u>(53,604,000)</u>	<u>(1,286,000)</u>	<u>(4,389,627)</u>	<u>40,250</u>
<u>6,390,000</u>	<u>59,079,000</u>	<u>6,389,000</u>	<u>33,755,305</u>	<u>116,166</u>
<u>\$ 11,545,000</u>	<u>\$ 5,475,000</u>	<u>\$ 5,103,000</u>	<u>\$ 29,365,678</u>	<u>\$ 156,416</u>

(Continued on next page)

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CASH FLOWS (Continued)
COMPONENT UNITS-AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Proprietary Authorities
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating income (Loss)	\$ (111,475)	\$ 5,662,489	\$ (297,418,292)
Adjustments to reconcile net income (Loss) to net cash provided by operating activities:			
Depreciation and amortization	2,106,172	3,266,416	286,056,837
Changes in operating assets:			
Decrease (increase) in mortgage receivables	--	--	(83,020,000)
Decrease (increase) in other receivables	(1,467,036)	(195,076)	(90,217,885)
Decrease (increase) in due from intergovernmental agencies	--	4,971,777	4,743,771
Decrease (increase) in deferred charges	--	--	(7,769,414)
Decrease (increase) in other assets	(22,910)	(551,989)	(2,556,864)
Changes in operating liabilities:			
Increase (decrease) in account payable and accrued expenses	(1,933,044)	460,840	77,437,812
Increase (decrease) in deferred revenue	54,317	(66,740)	30,449,192
Increase (decrease) in due to intergovernmental agencies	--	(4,971,777)	(4,743,771)
Increase (decrease) in other liabilities	295,528	351,246	30,145,167
Other changes	176,870	--	13,319,350
Net cash provided by (used in) operating activities	<u>(901,578)</u>	<u>8,927,186</u>	<u>(43,574,097)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Governmental subsidies and grants	6,651,140	(2,500,000)	117,595,479
Net cash provided by (used in) noncapital financing activities	<u>6,651,140</u>	<u>(2,500,000)</u>	<u>117,595,479</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions received	--	9,211,295	529,178,295
Proceeds from issuance of revenue bonds	--	--	475,763,120
Proceeds from issuance of capital leases	--	--	--
Proceeds from issuance of notes	--	--	395,741,216
Principal payment of revenue bonds	(3,260,000)	(2,015,083)	(275,134,219)
Principal payment of capital leases	--	--	(18,712,159)
Principal payment of notes	--	--	(2,000,000)
Interest expense paid	(5,146,194)	(15,313,222)	(322,679,536)
Acquisition/construction of capital assets	--	(2,856,155)	(493,957,481)
Disposition (acquisition) of fixed assets	(636,132)	--	(47,686,226)
Net cash provided by (used in) capital and related financing activities	<u>(9,042,326)</u>	<u>(10,973,165)</u>	<u>240,513,010</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of investments	3,712,243	--	708,511,547
Purchase of investments	--	(424)	(1,178,558,282)
Interest revenue received	261,782	1,067,643	105,554,030
Net cash provided by (used in) investing activities	<u>3,974,025</u>	<u>1,067,219</u>	<u>(364,492,705)</u>
Increase (Decrease) in cash and Cash Equivalents	<u>681,261</u>	<u>(3,478,760)</u>	<u>(49,958,313)</u>
CASH AND CASH EQUIVALENTS, At Beginning of Year	<u>383,036</u>	<u>24,718,332</u>	<u>169,736,980</u>
CASH AND CASH EQUIVALENTS, At End of Year	<u>\$ 1,064,297</u>	<u>\$ 21,239,572</u>	<u>\$ 119,778,667</u>

GENERAL
FIXED ASSET
ACCOUNT GROUP

**STATE OF NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 1997**

FUNCTION:	<u>Land</u>	<u>Land Improvements</u>
Public safety and criminal justice	\$ 5,506,836	\$ 37,542,724
Physical and mental health	3,396,885	5,639,388
Educational, cultural, and intellectual development	23,813,650	1,095,016
Community development and environmental management	301,717,749	12,364,942
Economic planning, development and security	1,174,427	869,453
Transportation programs	10,950,447	4,441,184
Government direction, management and control	4,616,204	2,237,865
Special government services	--	--
Construction in progress	--	--
TOTAL GENERAL FIXED ASSETS BY FUNCTION	<u>\$ 351,176,198</u>	<u>\$ 64,190,572</u>

<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 563,959,872	\$ 56,023,917	\$ --	\$ 663,033,349
248,477,399	18,258,702	--	275,772,374
33,348,576	8,618,983	--	66,876,225
120,213,765	12,133,781	--	446,430,237
57,357,026	13,736,323	--	73,137,229
113,537,597	75,109,701	--	204,038,929
319,219,663	123,213,037	--	449,286,769
--	605,293	--	605,293
--	--	264,945,516	264,945,516
<u>\$ 1,456,113,898</u>	<u>\$ 307,699,737</u>	<u>\$ 264,945,516</u>	<u>\$ 2,444,125,921</u>

**STATE OF NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1997**

	<u>Land</u>	<u>Land Improvements</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
ACQUIRED ON OR BEFORE JUNE 30, 1988	\$ 188,880,477	\$ 41,250,024
ACQUIRED AFTER JUNE 30, 1988 FROM:		
State revenues	64,818,976	20,140,043
General obligation bonds	89,981,028	--
Federal revenues	6,488,419	--
Donations	--	2,500,000
Other	1,007,298	300,505
Construction in progress	--	--
	<u>162,295,721</u>	<u>22,940,548</u>
Total Sources	<u>162,295,721</u>	<u>22,940,548</u>
Total investments in General Fixed Assets	<u><u>\$ 351,176,198</u></u>	<u><u>\$ 64,190,572</u></u>

NOTE: June 30, 1988 represents the beginning of the first year in which the Fixed Asset System was used.
The schedule does not reflect the funding sources for the construction in progress account.

<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 900,388,996	\$ 115,477,157	\$ --	\$ 1,245,996,654
555,524,475	173,418,734	--	813,902,229
--	2,186,880	--	92,167,908
--	7,364,407	--	13,852,826
61,200	409,080	--	2,970,280
139,227	8,843,478	--	10,290,508
--	--	264,945,516	264,945,516
<u>555,724,902</u>	<u>192,222,580</u>	<u>264,945,516</u>	<u>1,198,129,267</u>
<u>\$ 1,456,113,898</u>	<u>\$ 307,699,737</u>	<u>\$ 264,945,516</u>	<u>\$ 2,444,125,921</u>

**STATE OF NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 1997**

FUNCTION:	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
Public safety and criminal justice	\$ 621,607,689	\$ 77,149,725	\$ 35,724,065	\$ 663,033,349
Physical and mental health	246,268,430	29,503,944	--	275,772,374
Educational, cultural, and intellectual development	68,414,505	1,206,729	2,745,009	66,876,225
Community development and environmental management	403,817,785	43,146,484	534,032	446,430,237
Economic planning, development and security	70,884,450	2,611,305	358,526	73,137,229
Transportation programs	169,503,523	42,609,978	8,074,572	204,038,929
Government direction, management and control	443,459,370	31,270,150	25,442,751	449,286,769
Special government services	605,293	--	--	605,293
Construction in progress	<u>241,166,345</u>	<u>154,372,443</u>	<u>130,593,272</u>	<u>264,945,516</u>
Total General Fixed Assets Allocated To Functions	<u>\$ 2,265,727,390</u>	<u>\$ 381,870,758</u>	<u>\$ 203,472,227</u>	<u>\$ 2,444,125,921</u>

GENERAL
LONG-TERM DEBT
ACCOUNT GROUP

**STATE OF NEW JERSEY
SCHEDULE OF OUTSTANDING BONDS
JUNE 30, 1997**

	<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
Correctional Facilities Construction	1987	198,000,000
Developmentally Disabled Waiting List		
Reduction and Human Services Facilities Construction	1994	160,000,000
Emergency Flood Control	1978	25,000,000
Energy Conservation	1980	50,000,000
Farmland Preservation	1981	50,000,000
Green Acres, Farmland and Historic Preservation and Blue Acres of 1995	1995	340,000,000
Hazardous Discharge	1981	100,000,000
Hazardous Discharge	1986	200,000,000
Higher Education Construction	1971	155,000,000
Human Services Facilities Construction	1984	60,000,000
Institutional Construction	1978	100,000,000
Institutions Construction	1976	80,000,000
Jobs, Education and Competitiveness	1988	350,000,000
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 Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	115,000,000
New Jersey Green Acres	1983	135,000,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	100,000,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	345,000,000
New Jersey Open Space Preservation	1989	300,000,000
Pinelands Infrastructure Trust	1985	30,000,000
Port of New Jersey Revitalization, Dredging., Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300,000,000
Public Building Construction	1968	337,500,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	125,000,000
Public Purpose Buildings Construction	1980	159,000,000
Refunding Bonds	1985	2,969,689,598
Resource Recovery and Solid Waste Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Housing Assistance	1968	12,500,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
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
Stormwater Management and Combined Sewer Overflow Abatement	1989	50,000,000
Transportation Rehabilitation and Improvement	1979	475,000,000
Wastewater Treatment	1985	190,000,000
Water Conservation	1969	271,000,000
Water Supply	1981	350,000,000
TOTAL		\$ 10,307,689,598

<u>UNISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
\$ --	\$ 25,800,000	\$ 4,200,000
7,000,000	84,350,000	28,650,000
6,600,000	41,500,000	36,900,000
--	169,500,000	500,000
--	157,800,000	40,200,000
149,000,000	--	11,000,000
--	20,050,000	4,950,000
6,000,000	39,000,000	5,000,000
--	44,575,000	5,425,000
340,000,000	--	--
54,000,000	34,400,000	11,600,000
169,000,000	80,000	30,920,000
--	146,200,000	8,800,000
--	46,200,000	13,800,000
--	89,000,000	11,000,000
--	62,100,000	17,900,000
38,000,000	166,050,000	145,950,000
--	82,200,000	7,800,000
--	79,200,000	40,800,000
47,500,000	89,210,000	8,290,000
--	130,000,000	5,000,000
68,000,000	26,450,000	20,550,000
16,500,000	106,550,000	11,950,000
23,500,000	55,550,000	--
289,000,000	155,000	20,950,000
121,000,000	78,560,000	55,845,000
8,000,000	17,400,000	100,440,000
300,000,000	--	4,600,000
--	297,550,000	--
38,000,000	54,600,000	39,950,000
--	151,605,000	32,400,000
--	540,820,000	7,395,000
24,500,000	20,790,000	2,428,869,598
--	44,800,000	39,710,000
--	12,500,000	5,200,000
7,000,000	173,850,000	--
--	18,800,000	19,150,000
--	79,000,000	6,200,000
--	168,200,000	1,000,000
--	591,750,000	31,800,000
35,000,000	11,500,000	48,250,000
--	424,500,000	3,500,000
--	168,125,000	50,500,000
14,500,000	239,100,000	21,875,000
93,400,000	225,370,000	17,400,000
<u>\$ 1,855,500,000</u>	<u>\$ 5,014,740,000</u>	<u>\$ 3,437,449,598</u>

STATE OF NEW JERSEY
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ACT OF</u>	<u>OUTSTANDING</u> <u>JULY 1, 1996</u>
State Bonded Debt:		
Beaches and Harbors	1977	\$ 4,750,000
Clean Waters	1976	33,620,000
Community Development	1982	39,745,000
Correctional Facilities Construction	1982	2,750,000
Correctional Facilities Construction	1987	50,100,000
Developmentally Disabled Waiting List		
Reduction and Human Services Facilities Construction	1994	11,000,000
Emergency Flood Control	1978	5,950,000
Energy Conservation	1980	6,700,000
Farmland Preservation	1981	7,625,000
Green Acres, Farmland and Historic Preservation and Blue Acres of 1995	1995	--
Hazardous Discharge	1981	13,750,000
Hazardous Discharge	1986	31,000,000
Higher Education Construction	1971	12,200,000
Human Services Facilities Construction	1984	16,375,000
Institutional Construction	1978	12,700,000
Institutions Construction	1976	20,640,000
Jobs, Education and Competitiveness	1988	157,800,000
Jobs, Science and Technology	1984	11,700,000
Medical Education Facilities	1977	47,600,000
Natural Resources	1980	10,500,000
New Jersey Bridge Rehabilitation and Improvement	1983	11,000,000
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	1989	22,400,000
New Jersey Green Acres	1983	16,725,000
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	24,775,000
New Jersey Green Acres, Clean Waters, Farmland and Historic Preservation	1992	56,000,000
New Jersey Open Space Preservation	1989	106,450,000
Pinelands Infrastructure Trust	1985	5,700,000
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	--
Public Building Construction	1968	50,350,000
Public Purpose Buildings and Community-Based Facilities Construction	1989	36,750,000
Public Purpose Buildings Construction	1980	10,095,000
Refunding Bonds	1985	2,503,239,598
Resource Recovery and Solid Waste Disposal Facility	1985	42,150,000
Shore Protection	1983	6,750,000
State Housing Assistance	1968	500,000
State Land Acquisition and Development	1978	23,000,000
State Mortgage Assistance	1976	7,180,000
State Recreation and Conservation Land Acquisition	1971	2,000,000
State Recreation and Conservation Land Acquisition and Development	1974	37,810,000
State Transportation	1968	67,050,000
Stormwater Management and Combined Sewer Overflow Abatement	1989	4,250,000
Transportation Rehabilitation and Improvement	1979	59,025,000
Wastewater Treatment	1985	31,375,000
Water Conservation	1969	25,625,000
Water Supply	1981	41,656,000
Other Debt:		
Revenue Bonds Payable	--	2,371,954,929
Accumulated Sick and Vacation Payable	--	412,836,368
Capital Leases	--	58,482,848
Installment Obligations	--	1,684,243,074
Certificates of Participation	--	35,260,000
Loans Payable	--	960,000,000
TOTAL		\$ 9,211,137,817

*Includes \$2.803 billion relating to the bonds issued by the Economic Development Authority (a component unit) which were utilized in funding the State's accrued pension liability. At July 1, 1996, the State had an unfunded accrued pension liability of \$3.216 billion.

ADDITIONS	DEDUCTIONS	OUTSTANDING JUNE 30, 1997
\$ --	\$ 550,000	\$ 4,200,000
--	4,970,000	28,650,000
--	2,845,000	36,900,000
--	2,250,000	500,000
--	9,900,000	40,200,000
--	--	11,000,000
--	1,000,000	4,950,000
--	1,700,000	5,000,000
--	2,200,000	5,425,000
--	--	--
--	2,150,000	11,600,000
--	80,000	30,920,000
--	3,400,000	8,800,000
--	2,575,000	13,800,000
--	1,700,000	11,000,000
--	2,740,000	17,900,000
--	11,850,000	145,950,000
--	3,900,000	7,800,000
--	6,800,000	40,800,000
--	2,210,000	8,290,000
--	6,000,000	5,000,000
--	1,850,000	20,550,000
--	4,775,000	11,950,000
--	3,825,000	20,950,000
--	155,000	55,845,000
--	6,010,000	100,440,000
--	1,100,000	4,600,000
--	--	--
--	10,400,000	39,950,000
--	4,350,000	32,400,000
--	2,700,000	7,395,000
--	74,370,000	2,428,869,598
--	2,440,000	39,710,000
--	1,550,000	5,200,000
--	500,000	--
--	3,850,000	19,150,000
--	980,000	6,200,000
--	1,000,000	1,000,000
--	6,010,000	31,800,000
--	18,800,000	48,250,000
--	750,000	3,500,000
--	8,525,000	50,500,000
--	9,500,000	21,875,000
--	8,225,000	17,400,000
--	10,426,000	31,230,000
714,340,000	59,180,000	3,027,114,929
1,374,064	--	414,210,432
4,503,723	5,519,943	57,466,628
3,360,367,462	100,851,351	4,943,759,185
--	18,985,000	16,275,000
160,000,000	--	1,120,000,000
<u>\$ 4,240,585,249</u>	<u>\$ 435,447,294</u>	<u>\$ 13,016,275,772</u>

STATISTICAL

118

36

1st year

2nd year

\$

63

73

63

65

62

58

59

81

85

66

45

56

56

**SCHEDULES OF REVENUE AND
EXPENDITURES - BUDGETARY BASIS**

SCHEDULE OF ANTICIPATED REVENUE

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
MAJOR TAXES				
Sales	\$ 4,325,000,000	\$ 4,415,427,600	102	\$ 90,427,600
Corporation Business	1,075,000,000	1,286,447,475	120	211,447,475
Motor Fuels	490,000,000	463,020,371	94	(26,979,629)
Motor Vehicle Fees	427,000,000	426,214,707	100	(785,293)
Transfer Inheritance	305,000,000	313,447,496	103	8,447,496
Insurance Premiums	295,000,000	280,746,901	95	(14,253,099)
Cigarette	250,000,000	241,841,067	97	(8,158,933)
Petroleum Products Gross Receipts	200,000,000	194,355,768	97	(5,644,232)
Public Utility Excise	127,000,000	133,958,284	105	6,958,284
Corporation Banks and Financial Institutions	80,000,000	89,716,792	112	9,716,792
Alcoholic Beverage Excise	77,000,000	76,111,054	99	(888,946)
Realty Transfer	47,000,000	51,882,018	110	4,882,018
Motor Fuel Use - Motor Carrier	18,000,000	1,655,561	9	(16,344,439)
Savings Institutions	16,000,000	16,459,890	103	459,890
Tobacco Products Wholesale Sales	6,000,000	7,744,968	129	1,744,968
TOTAL MAJOR TAXES	7,738,000,000	7,999,029,952	103	261,029,952
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	181,000	173,946	96	(7,054)
Miscellaneous Revenues	1,000	4,110	411	3,110
Other Animal Plant Disease and Pest Control Fees	5,000	4,950	99	(50)
Total Department of Agriculture	187,000	183,006	98	(3,994)
Department of Banking and Insurance:				
Actuarial Services	5,000	134,267	2,685	129,267
Bank Assessments	2,739,000	2,798,122	102	59,122
Banking - Examination Fees	2,644,000	1,293,606	49	(1,350,394)
Banking - Licenses and Other Fees	2,782,000	3,451,543	124	669,543
FAIR Act Administration	11,500,000	12,913,535	112	1,413,535
Insurance - Special Purpose Assessment	11,235,000	11,367,434	101	132,434
Insurance - Examination Billings	2,000,000	1,222,852	61	(777,148)
Insurance - Insurance Fraud Prevention	9,047,000	10,998,479	122	1,951,479
Insurance Licenses & Other Fees	8,730,000	12,948,880	148	4,218,880
Real Estate Commission	3,532,000	3,339,255	95	(192,745)
Total Department of Banking and Insurance	54,214,000	60,467,973	112	6,253,973
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation - Fair Housing	18,325,000	18,325,000	100	--
Boarding Home Fees	258,000	354,754	138	96,754
Construction Fees	5,375,000	5,375,000	100	--
Fire Safety	13,105,000	13,105,000	100	--
Hackensack Meadowlands Development	4,000,000	4,000,000	100	--
Housing Inspection Fees	6,330,000	6,330,016	100	16
Miscellaneous	--	68,200	--	68,200
Plan Review Additional	--	867,464	--	867,464
Planned Real Estate Development Fees	828,000	828,000	100	--
Total Department of Community Affairs	48,221,000	49,253,434	102	1,032,434

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Department of Education:				
Academy for the Advancement of Teaching and Administration	275,000	281,602	102	6,602
Audit Recoveries	1,900,000	1,638,446	86	(261,554)
Audit of Enrollments	18,000,000	7,364,350	41	(10,635,650)
Local School District Loan Recoveries	20,500,000	25,953,793	127	5,453,793
Miscellaneous Revenue	110,000	112,970	103	2,970
Nonpublic Schools Textbook Recoveries	500,000	520,947	104	20,947
School Construction Inspection Fees	924,000	--	--	(924,000)
State Board of Examiners	1,900,000	1,900,000	100	--
Total Department of Education	44,109,000	37,772,108	86	(6,336,892)
Department of Environmental Protection:				
Air Pollution Fees and Fines	13,260,000	9,901,745	75	(3,358,255)
Clean Water Enforcement Act	1,750,000	2,792,340	160	1,042,340
Coastal Area Development Review Act	800,000	912,805	114	112,805
Endangered Species Tax Checkoff	312,000	312,000	100	--
Excess Diversion	250,000	259,935	104	9,935
Freshwater Wetlands-Fees	1,800,000	2,143,811	119	343,811
Freshwater Wetlands-Fines	10,000	170,500	1,705	160,500
Hazardous Waste Fees	5,500,000	3,024,887	55	(2,475,113)
Hazardous Waste Fines	400,000	221,882	55	(178,118)
Hunters' and Anglers' Licenses	10,945,000	10,945,000	100	--
Industrial Site Recovery Act	1,500,000	1,710,130	114	210,130
Laboratory Certification Fees	1,800,000	--	--	(1,800,000)
Laboratory Certification Fines	188,000	--	--	(188,000)
Marina Rentals	840,000	840,000	100	--
Marine Lands - Preparation and Filing Fees	120,000	925,293	771	805,293
Medical Waste	3,600,000	4,302,725	120	702,725
Miscellaneous Revenues	25,000	48,436	194	23,436
New Jersey Pollutant Discharge Elimination	10,600,000	5,894,442	56	(4,705,558)
New Jersey Water Supply Authority Debt Service Repayment	770,000	770,000	100	--
Parks Management Fees and Permits	4,200,000	3,708,310	88	(491,690)
Parks Management Fines	155,000	173,154	112	18,154
Pesticide Control Fees	4,000,000	4,174,007	104	174,007
Pesticide Control Fines	50,000	21,995	44	(28,005)
Radiation Protection Fees	3,610,000	3,662,346	101	52,346
Radiation Protection Fines	43,000	29,113	68	(13,887)
Radon Testers Certification	250,000	230,321	92	(19,679)
Recycling Fees	400,000	129,117	32	(270,883)
Shellfish and Marine Fisheries	14,000	9,100	65	(4,900)
Solid & Hazardous Waste Disclosure	3,900,000	3,088,748	79	(811,252)
Solid Waste-Utility Regulation Assessments	3,200,000	3,064,932	96	(135,068)
Solid Waste-Utility Regulations Fines	135,000	1,019,185	755	884,185
Solid Waste Fines - DEP	500,000	353,691	71	(146,309)
Solid Waste Management Fees - DEP	7,600,000	8,070,409	106	470,409
Spring Meadow Golf Course	500,000	501,152	100	1,152
Stormwater Permits	1,700,000	303,452	18	(1,396,548)
Stream Encroachment	1,430,000	1,558,680	109	128,680
Toxic Catastrophe Prevention - Fees	1,420,000	1,289,334	91	(130,666)
Toxic Catastrophe Prevention - Fines	150,000	15,800	11	(134,200)
Treatment Works	850,000	799,788	94	(50,212)
Underground Storage Tanks	2,500,000	1,974,261	79	(525,739)
Water Allocation	2,100,000	2,020,807	96	(79,193)
Water Supply Management	800,000	1,149,612	144	349,612
Water/Wastewater Operators Licenses	275,000	206,150	75	(68,850)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED	REALIZED TO JUNE 30, 1997		REALIZATION
	TO JUNE 30, 1997	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Waterfront Development - Fees	1,100,000	1,116,117	101	16,117
Waterfront Development - Fines	15,000	--	--	(15,000)
Well Permits/Well Drillers/Pump Installers Licenses	1,100,000	934,485	85	(165,515)
Wetlands	50,000	24,656	49	(25,344)
Worker Community Right to Know - Fines	100,000	53,475	53	(46,525)
Total Department of Environmental Protection	96,617,000	84,858,128	88	(11,758,872)
Department of Health:				
Animal Control	550,000	425,733	77	(124,267)
Consumer Health Penalties	640,000	641,750	100	1,750
New Jersey Essential Health Services Commission	1,200,000	1,200,000	100	--
Miscellaneous Revenues	--	287,875	--	287,875
Rabies Control	453,000	453,000	100	--
Vital Statistics Registration	150,000	143,201	95	(6,799)
Total Department of Health	2,993,000	3,151,559	105	158,559
Department of Human Services:				
Child Care Licensing/Adoption Law	120,000	237,424	198	117,424
Marriage License Fees	1,409,000	1,327,703	94	(81,297)
Medicaid Uncompensated Care - Acute	150,000,000	156,052,790	104	6,052,790
Medicaid Uncompensated Care - Mental Health	15,000,000	16,179,649	108	1,179,649
Medicaid Uncompensated Care - Psychiatric	163,161,000	159,151,635	98	(4,009,365)
Medicaid Uncompensated Care - UMDNJ	39,489,000	43,409,557	110	3,920,557
Miscellaneous Revenue	--	535,749	--	535,749
Patients' and Residents' Cost Recovery Developmental Disability	19,028,000	25,647,315	135	6,619,315
Patients' and Residents' Cost Recovery Psychiatric Hospitals	42,891,000	60,851,133	142	17,960,133
Patients' and Residents' Cost Recovery Special Residential Services	9,219,000	5,539,155	60	(3,679,845)
Sale of Garden State Health Plan	3,000,000	4,031,350	134	1,031,350
School Based Medicaid	26,000,000	26,900,759	103	900,759
Total Department of Human Services	469,317,000	499,864,219	107	30,547,219
Department of Labor:				
Special Compensation Fund	1,540,000	1,540,000	100	--
Workers' Compensation Assessment	11,694,000	11,694,000	100	--
Workplace Standards	2,238,000	2,238,000	100	--
Total Department of Labor	15,472,000	15,472,000	100	--
Department of Law and Public Safety:				
Beverage Licenses	2,000,000	2,000,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
Legalized Games of Chance Control	1,390,000	1,316,629	95	(73,371)
Private Employment Agencies	258,000	259,670	101	1,670
Weights and Measures - General	2,612,000	2,612,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED	REALIZED TO JUNE 30, 1997		REALIZATION
	TO JUNE 30, 1997	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Professional Examining Board Fees:				
Architects	504,000	504,000	100	--
Audiology and Speech - Language Pathology Advisory	86,000	86,000	100	--
Certified Public Accountants	623,000	623,000	100	--
Chiropractic Examiners	393,000	393,000	100	--
Cosmetology and Hairstyling	1,903,000	1,903,000	100	--
Dentistry	854,000	854,000	100	--
Electrical Contractors	440,000	440,240	100	240
Marriage Counselor Examiners	129,000	84,729	66	(44,271)
Master Plumbers	301,000	301,000	100	--
Medical Examiners	3,857,000	3,857,390	100	390
Mortuary Science	211,000	211,000	100	--
Nursing	2,860,000	2,860,000	100	--
Occupational Therapists and Assistants	95,000	--	--	(95,000)
Ophthalmic Dispensers and Ophthalmic Technicians	137,000	137,000	100	--
Optometrists	345,000	345,000	100	--
Orthotics & Prosthesis	34,000	--	--	(34,000)
Pharmacy	1,164,000	1,164,000	100	--
Physical Therapy	228,000	228,000	100	--
Professional Engineers & Land Surveyors	788,000	788,000	100	--
Professional Planners	161,000	161,000	100	--
Psychological Examiners	391,000	391,000	100	--
Public Movers and Warehousemen	238,000	238,000	100	--
Real Estate Appraisers	320,000	320,000	100	--
Respiratory Care	183,000	183,000	100	--
Shorthand Reporting	81,000	81,000	100	--
Social Workers	401,000	401,000	100	--
Veterinary Medical Examiners	164,000	164,000	100	--
New Jersey Cemetery Board	150,000	150,000	100	--
Division of State Police:				
Fingerprint Fees	1,014,000	1,001,012	99	(12,988)
Other Licenses	184,000	168,749	92	(15,251)
Private Detective Licenses	220,000	220,000	100	--
Escheated Estates	1,500,000	(83)	--	(1,500,083)
Escheats Settlement Recoveries	700,000	--	--	(700,000)
Miscellaneous	2,000	41,660	--	39,660
Other Boating Fees	1,000	5,600	560	4,600
Pleasure Boat Licenses	2,200,000	2,339,418	106	139,418
Racing Licenses and Fees	2,160,000	1,203,758	56	(956,242)
Securities Enforcement Fund	5,398,000	5,398,000	100	--
Violent Crime Board Administration	3,500,000	3,500,000	100	--
Total Department of Law and Public Safety	40,975,000	37,729,772	92	(3,245,228)
Department of Military and Veterans' Affairs:				
Soldiers' Homes	18,864,000	18,923,392	100	59,392
Total Department of Military and Veterans' Affairs	18,864,000	18,923,392	100	59,392
Department of State:				
Commercial Recording - Expedited	2,700,000	2,700,310	100	310
Commissions	1,100,000	1,098,100	100	(1,900)
General Revenues - Fees	21,101,000	21,005,573	100	(95,427)
Total Department of State	24,901,000	24,803,983	100	(97,017)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Department of Transportation:				
Air Safety Fund	850,000	850,000	100	--
Applications and Highway Permits	1,700,000	1,324,962	78	(375,038)
Auto Body Repair Shop Licensing	600,000	586,680	98	(13,320)
Autonomous Transportation Authorities	24,500,000	24,708,333	101	208,333
Drunk Driving Fines	962,000	710,382	74	(251,618)
Federal Commercial Driver License	1,000,000	1,000,000	100	--
Good Driver	65,000,000	67,534,160	104	2,534,160
Interest on Purchase of Right of Way	63,000	13,102	21	(49,898)
Logo Sign Program Fees	595,000	387,605	65	(207,395)
Miscellaneous Revenue	--	262,274	--	262,274
Motor Vehicle Security - Responsibility				
Law Administration	9,663,000	13,345,250	138	3,682,250
Motor Vehicle Surcharge Program	--	63,196	--	63,196
Outdoor Advertising	740,000	739,945	100	(55)
Parking Offenses	360,000	360,000	100	--
Petitions and Motor Carrier Inspections	145,000	144,915	100	(85)
Photo Licensing	1,000,000	1,000,000	100	--
Sale of Motor Vehicle Database	11,000,000	9,130,894	83	(1,869,106)
Salvage Title Program	527,000	451,301	86	(75,699)
Uninsured Motorists Program	3,386,000	3,846,584	114	460,584
Total Department of Transportation	122,091,000	126,459,583	104	4,368,583
Department of the Treasury:				
Assessments - Cable TV	3,121,000	3,149,000	101	28,000
Assessments - Public Utility	18,061,000	18,622,642	103	561,642
Casino Fines	135,000	192,514	143	57,514
Coin Operated Telephones	6,000,000	6,016,964	100	16,964
Cost Assessment	--	972,440	--	972,440
Equipment Leasing - Debt Service Recovery	4,825,000	4,825,250	100	250
Escrow Interest from Construction Accounts	30,000	470,802	1,569	440,802
Higher Education Bond Interest Recoveries	273,000	273,321	100	321
Investment Earnings	10,000,000	29,849,828	--	19,849,828
Miscellaneous	--	1,843,717	--	1,843,717
Nuclear Emergency Response Assessment	3,911,000	4,929,000	126	1,018,000
Public Utilities Fines	275,000	--	--	(275,000)
Public Utility Gross Receipts and				
Franchise Taxes	250,000,000	269,628,445	108	19,628,445
Public Utility Tax - Administration	250,000	83,437	33	(166,563)
Railroad Tax:				
Class II	4,765,000	2,539,978	53	(2,225,022)
Franchise	3,250,000	2,248,326	69	(1,001,674)
Rate Payer Advocate	4,000,000	3,992,777	100	(7,223)
Sales and Leaseback	40,000,000	--	--	(40,000,000)
Surplus Property	1,000,000	1,219,354	122	219,354
Total Department of the Treasury	349,896,000	350,857,795	100	961,795
Other Sources:				
Miscellaneous Revenue	500,000	4,520,549	904	4,020,549
Total Other Sources	500,000	4,520,549	904	4,020,549
Inter-Departmental Accounts:				
Administration and Investment of Pension				
Funds	36,170,000	42,189,448	117	6,019,448
Employee Maintenance Deduction	850,000	869,287	102	19,287
Fringe Benefit Recoveries from Colleges and Universities	68,900,000	50,008,896	73	(18,891,104)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED	REALIZED TO JUNE 30, 1997		REALIZATION
	TO JUNE 30, 1997	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Fringe Benefit Recoveries from School Districts	21,000,000	12,832,163	61	(8,167,837)
Fringe Benefit Recoveries from Federal and Other Funds	96,000,000	96,937,884	101	937,884
Indirect Cost Recovery - DEP Other Funds	15,745,000	14,320,454	91	(1,424,546)
Indirect Cost Recovery - Federal	8,000,000	9,188,753	115	1,188,753
Market Transition Facility	137,099,000	63,608,318	46	(73,490,682)
Rent of State Building Space	1,064,000	1,471,121	138	407,121
Social Security Recoveries from Federal and Other Funds	35,300,000	35,037,443	99	(262,557)
Total Inter-Departmental Accounts	420,128,000	326,463,767	78	(93,664,233)
Judicial Branch:				
County Court Escheats	15,000,000	--	--	(15,000,000)
Court Fees	52,119,000	59,315,450	114	7,196,450
Court Unification County Reimbursements	119,312,000	119,112,469	100	(199,531)
Total Judicial Branch	186,431,000	178,427,919	96	(8,003,081)
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	1,894,916,000	1,819,209,187	96	(75,706,813)
INTERFUND TRANSFERS				
Beaches and Harbor Fund	110,000	143,435	130	33,435
Clean Communities Account Fund	725,000	725,000	100	--
Clean Water Fund	103,000	105,068	102	2,068
Community Development Bond Fund	75,000	361,951	483	286,951
Correctional Facilities Construction Fund	6,000	246,697	4,112	240,697
Correctional Facilities Const. Act of 1987	1,575,000	1,304,704	83	(270,296)
Cultural Center & Historic Preservation Fund 1987	375,000	1,094,730	292	719,730
Dam Restoration & Clean Waters Trust Fund	--	275,922	--	275,922
Emergency Flood Control Fund	288,000	306,790	107	18,790
Emergency Service Fund	1,200,000	1,200,000	100	--
Energy Conservation Fund	250,000	185,916	74	(64,084)
Farmland Preservation Fund	90,000	24,916	28	(65,084)
Farmland Preservation Fund 1992	629,000	--	--	(629,000)
Fund for Support of Free Public Schools	5,700,000	5,291,462	93	(408,538)
General Trust Fund	1,000	21,938	2,194	20,938
Hazardous Discharge Fund	50,000	162,778	326	112,778
Hazardous Discharge Fund of 1986	5,377,000	5,377,000	100	--
Hazardous Discharge Site Cleanup Fund	14,428,000	14,428,000	100	--
Health Cars Subsidy Fund	300,000	300,000	100	--
Higher Education Building Construction Fund (Act of 1971)	--	2,083	--	2,083
Historic Preservation Fund 1992	420,000	420,000	100	--
Housing Assistance Fund	82,000	66,131	81	(15,869)
Human Services Facilities Construction Fund	--	116,337	--	116,337
Institutional Construction Fund	4,000	412	10	(3,588)
Institutions Construction Fund	1,000	504	50	(496)
Jobs, Science and Technology Fund	3,000	32,161	1,072	29,161
Judiciary - Bail Fund	1,800,000	1,841,650	102	41,650
Judiciary - Special Civil Fund	110,000	121,403	110	11,403
Judiciary - Probation Fund	125,000	184,886	148	59,886
Judiciary - Child Support Fund	1,250,000	1,356,221	108	106,221
Judiciary - Superior Court Fund	530,000	397,905	75	(132,095)
Legal Services Fund	--	9,236,192	--	9,236,192

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Medical Education Facilities Fund	--	29,109	--	29,109
Mortgage Assistance Fund	3,055,000	4,008,763	131	953,763
Motor Vehicle Security Responsibility Fund	7,000	7,641	109	641
Natural Resources Fund	656,000	821,880	125	165,880
New Home Warranty Security Fund	4,250,000	4,250,000	100	--
New Jersey Bridge Rehabilitation and Improvement Fund	700,000	883,514	126	183,514
New Jersey Green Acres Fund 1983	800,000	1,243,929	155	443,929
New Jersey Green Acres Fund 1992	1,924,000	1,924,000	100	--
New Jersey Green Trust Fund 1992	1,924,000	1,924,000	100	--
New Jersey Spill Compensation Security Fund Administrative Costs	12,977,000	12,977,000	100	--
Pollution Prevention Fund	1,565,000	1,565,000	100	--
Public Building Construction Fund	--	191	--	191
Public Purpose Buildings Construction Fund	215,000	113,791	53	(101,209)
Public Purpose Buildings and Community-Based Facilities Construction Fund	--	594,654	--	594,654
Resource Recovery Investment Fund	365,000	6,440	2	(358,560)
Resource Recovery & Solid Waste	224,000	224,000	100	--
Safe Drinking Water Fund	1,936,000	1,936,000	100	--
Sanitary Landfill Facilities Contingency Fund	11,729,000	11,540,643	98	(188,357)
School Fund Investment Account	2,481,000	2,472,000	100	(9,000)
Shore Protection Fund	585,000	614,280	105	29,280
Solid Waste Services Tax Fund	70,000	219,070	313	149,070
State Disability Benefits Fund	274,767,000	274,767,000	100	--
State Lottery Fund	675,500,000	650,024,961	96	(25,475,039)
State Lottery Fund Administration	14,166,000	12,054,653	85	(2,111,347)
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974)	19,000	77,464	408	58,464
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1971)	4,000	10,275	257	6,275
State Recycling Fund	919,000	919,000	100	--
State of New Jersey Cash Management Fund	1,750,000	1,623,616	93	(126,384)
Stormwater Management and Combined Sewer Overflow Abatement Fund	340,000	835,700	246	495,700
Unclaimed Insurance Payments On Deposit	--	50,663	--	50,663
Unclaimed Personal Property Trust Fund	42,700,000	72,000,000	169	29,300,000
Unemployment Compensation Auxiliary Fund	21,070,000	20,075,448	95	(994,552)
Unsatisfied Claim and Judgment Fund	1,965,000	1,704,918	87	(260,082)
Wage and Hour Trust Fund	75,000	62,713	84	(12,287)
Water Conservation Fund	635,000	673,304	106	38,304
Water Supply Fund	10,192,000	13,639,229	134	3,447,229
Worker and Community Right to Know Fund	2,546,000	2,521,666	99	(24,334)
Workforce Development Partnership Fund	6,451,000	6,451,000	100	--
TOTAL INTERFUND TRANSFERS	<u>1,134,169,000</u>	<u>1,150,179,707</u>	101	<u>16,010,707</u>
TOTAL REVENUES, GENERAL FUND	<u>\$ 10,767,085,000</u>	<u>\$ 10,968,418,846</u>	102	<u>\$ 201,333,846</u>

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Licenses and Fees	\$ 54,000,000	\$ 49,553,625	92	\$ (4,446,375)
Interest	--	593,135	--	593,135
TOTAL CASINO CONTROL FUND	\$ 54,000,000	\$ 50,146,760	93	\$ (3,853,240)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 321,000,000	\$ 308,276,665	96	\$ (12,723,335)
Boarding House Rental Assistance Fund	375,000	375,000	100	--
Investment Income	2,500,000	1,137,957	46	(1,362,043)
TOTAL CASINO REVENUE FUND	\$ 323,875,000	\$ 309,789,622	96	\$ (14,085,378)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 1,500,000	\$ 1,112,712	74	\$ (387,288)
TOTAL GUBERNATORIAL ELECTIONS FUND	\$ 1,500,000	\$ 1,112,712	74	\$ (387,288)

**STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	ANTICIPATED TO JUNE 30, 1997	REALIZED TO JUNE 30, 1997		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 4,510,000,000	\$ 4,825,410,635	107	\$ 315,410,635
TOTAL PROPERTY TAX RELIEF FUND	\$ 4,510,000,000	\$ 4,825,410,635	107	\$ 315,410,635

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED & REVOLVING</u>	<u>TOTAL</u>
LEGISLATIVE BRANCH:	\$ --	\$ --	\$ 52,414	\$ 52,414
EXECUTIVE BRANCH:				
Chief Executive	--	--	1,000,000	1,000,000
Agriculture	736,403	1,427,373	9,165,702	11,329,478
Banking and Insurance	230,120	--	52,623,646	52,853,766
Commerce and Economic Development	33,000	716,623	10,890,656	11,640,279
Community Affairs	15,672,360	153,447,874	19,076,253	188,196,487
Corrections	--	5,768,863	39,502,474	45,271,337
Education	20,599	467,371,640	11,534,006	478,926,245
Environmental Protection	17,322,291	30,288,200	15,004,825	62,615,316
Health	2,933,767	204,219,143	75,143,254	282,296,164
Human Services	119,303,946	3,081,985,408	405,620,427	3,606,909,781
Labor	15,559,583	299,358,968	116,192,169	431,110,720
Law and Public Safety	56,607,969	50,972,088	80,892,992	188,473,049
Military and Veterans Affairs	976,790	27,218,746	22,100	28,217,636
Personnel	2,612,958	--	--	2,612,958
State	2,384,251	912,562	10,960,742	14,257,555
Transportation	13,455,376	23,307,216	40,100,987	76,863,579
Treasury	17,588,525	83,234,608	939,278,496	1,040,101,629
Interdepartmental	8,603,501	--	--	8,603,501
Miscellaneous	--	--	--	--
TOTAL EXECUTIVE BRANCH	<u>274,041,439</u>	<u>4,430,229,312</u>	<u>1,827,008,729</u>	<u>6,531,279,480</u>
JUDICIAL BRANCH:	<u>3,979,236</u>	<u>166,433</u>	<u>16,888,531</u>	<u>21,034,200</u>
TOTAL APPROPRIATED REVENUE	<u>\$ 278,020,675</u>	<u>\$ 4,430,395,745</u>	<u>\$ 1,843,949,674</u>	<u>\$ 6,552,366,094</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>STATE</u>	<u>FEDERAL</u>	<u>DEDICATED & REVOLVING</u>	<u>TOTAL</u>
EXECUTIVE BRANCH:				
Human Services	\$ 33,190,444	\$ --	\$ --	\$ 33,190,444
TOTAL APPROPRIATED REVENUE	<u>\$ 33,190,444</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 33,190,444</u>

**SCHEDULE OF APPROPRIATIONS AND
EXPENDITURES**

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>DIRECT STATE SERVICES</u>			
Legislative Branch	\$ 52,818,700	\$ 9,544,432	\$ 53,600,946
Executive Branch			
Chief Executive's Office	5,003,000	770,917	5,095,226
Agriculture	8,324,429	1,108,174	8,759,874
Banking and Insurance	37,198,000	2,192,749	36,369,545
Commerce and Economic Development	24,985,000	(7,658)	22,973,405
Community Affairs	23,253,000	5,245,750	26,890,271
Corrections	623,697,000	14,566,127	616,272,796
Education	32,856,000	631,106	28,845,209
Environmental Protection	175,269,000	20,532,675	180,524,821
Health and Senior Services	44,014,000	5,743,384	45,060,858
Human Services	580,696,495	34,114,593	563,724,321
Labor	55,927,000	17,998,448	58,686,074
Law and Public Safety	311,175,811	74,032,819	355,744,598
Military and Veterans' Affairs	53,887,000	1,928,324	54,112,030
Personnel	24,699,000	3,159,484	26,722,734
State	845,784,000	(67,695,880)	775,513,216
Transportation	158,676,000	26,103,214	174,824,929
Treasury	195,579,616	37,776,146	216,552,195
Miscellaneous Executive Commissions	1,978,000	608,345	1,642,244
Inter-Departmental Accounts	1,501,929,000	65,974,232	1,359,309,116
Total Executive Branch	<u>4,704,931,351</u>	<u>244,782,949</u>	<u>4,557,623,462</u>
Judicial Branch	<u>343,067,000</u>	<u>24,699,501</u>	<u>347,778,622</u>
TOTAL DIRECT STATE SERVICES	<u>\$ 5,100,817,051</u>	<u>\$ 279,026,882</u>	<u>\$ 4,959,003,030</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,238,150	\$ --	\$ 6,524,036
7,755	20,121	650,815
304,414	51,001	317,314
1,268,349	717,606	1,035,249
1,816,669	184,353	2,915
306,204	69,909	1,232,366
11,028,416	1,330,561	9,631,354
4,011,818	318,555	311,524
7,751,756	1,254,184	6,270,914
2,702,560	1,065,421	928,545
21,447,294	10,611,482	19,027,991
9,950,127	(5,505)	5,294,752
7,009,211	1,366,884	21,087,937
839,289	200,764	663,241
404,051	2,064	729,635
1,012,173	535,659	1,027,072
6,141,968	881,412	2,930,905
7,165,148	1,561,092	8,077,327
400,867	--	543,234
<u>9,754,471</u>	<u>198,481,507</u>	<u>358,138</u>
<u>93,322,540</u>	<u>218,647,070</u>	<u>80,121,228</u>
<u>9,486,492</u>	<u>52,781</u>	<u>10,448,606</u>
<u>\$ 105,047,182</u>	<u>\$ 218,699,851</u>	<u>\$ 97,093,870</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Executive Branch			
Agriculture	\$ 4,394,000	\$ (11,702)	\$ 4,008,326
Commerce and Economic Development	15,434,000	1,131,769	13,790,213
Community Affairs	27,803,000	16,052,009	37,915,958
Corrections	124,284,000	4,038,382	127,610,451
Education	10,156,000	129,596	8,767,927
Environmental Protection	624,000	--	508,237
Health and Senior Services	629,812,000	75,022,299	691,813,597
Human Services	1,889,723,000	144,252,920	1,979,641,445
Labor	17,656,000	--	16,647,625
Law and Public Safety	12,982,000	--	6,375,021
Military and Veterans' Affairs	1,003,000	55,760	930,377
State	47,974,000	(139,463)	44,265,810
Transportation	219,550,000	1,401,551	219,632,590
Treasury	212,068,000	7,572,902	195,975,984
Total Executive Branch	<u>3,213,463,000</u>	<u>249,506,023</u>	<u>3,347,883,561</u>
TOTAL GRANTS-IN-AID	<u>\$ 3,213,463,000</u>	<u>\$ 249,506,023</u>	<u>\$ 3,347,883,561</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 153,969	\$ 220,003	\$ --
2,491,539	252,675	31,342
2,939,040	397,821	2,602,190
292,543	--	419,388
928,046	589,623	--
115,763	--	--
9,329,990	3,564,527	126,185
12,120,892	340,853	41,872,730
13,823	--	994,552
806,979	5,800,000	--
47,947	18,318	62,118
3,375,448	193,279	--
285,639	--	1,033,322
2,488,618	15,228,420	5,947,880
35,390,236	26,605,519	53,089,707
\$ 35,390,236	\$ 26,605,519	\$ 53,089,707

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
STATE AID			
Executive Branch			
Commerce and Economic Development	\$ 5,507,242	\$ --	\$ 5,507,242
Community Affairs	55,028,500	10,005,493	56,039,470
Education	1,433,016,000	650,000	1,426,949,595
Environmental Protection	7,470,000	791,337	5,501,592
Health and Senior Services	20,616,000	--	18,978,598
Human Services	441,404,000	5,357,364	413,531,698
Law and Public Safety	3,775,000	--	3,075,000
State	14,012,000	--	13,673,664
Treasury	141,316,000	--	128,880,150
Total Executive Branch	<u>2,122,144,742</u>	<u>16,804,194</u>	<u>2,072,137,009</u>
TOTAL STATE AID	<u>\$ 2,122,144,742</u>	<u>\$ 16,804,194</u>	<u>\$ 2,072,137,009</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ --
717,516	175,017	8,101,990
1,652,380	2,578,172	2,485,853
2,292,170	67,575	400,000
1,587,710	49,692	--
3,830,641	1,877,000	27,522,025
--	700,000	--
310,669	27,667	--
10,000	12,425,850	--
10,401,086	17,900,973	38,509,868
\$ 10,401,086	\$ 17,900,973	\$ 38,509,868

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>CAPITAL CONSTRUCTION</u>			
Legislative Branch	\$ --	\$ 1,426,059	\$ 434,968
Executive Branch			
Agriculture	--	11,651	120
Commerce and Economic Development	--	10,960	--
Corrections	8,815,000	19,607,559	7,895,654
Education	1,351,000	339,696	781,035
Environmental Protection	15,075,000	21,203,341	17,513,708
Health and Senior Services	--	521,064	175,223
Human Services	--	10,759,863	2,906,463
Law and Public Safety	11,408,000	6,390,734	6,738,193
Military and Veterans' Affairs	1,100,000	2,167,994	(550,119)
State	2,350,000	8,319,705	4,184,538
Transportation	304,500,000	1,018,641	304,515,588
Treasury	--	17,067,474	4,437,016
Miscellaneous Executive Commissions	2,000	--	2,000
Inter-Departmental Accounts	12,528,000	--	5,879,044
Total Executive Branch	<u>357,129,000</u>	<u>87,418,682</u>	<u>354,478,463</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$ 357,129,000</u>	<u>\$ 88,844,741</u>	<u>\$ 354,913,431</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 714,582	\$ --	\$ 276,509
--	--	11,531
--	--	10,960
6,776,342	--	13,750,563
708,007	--	201,654
2,102,571	3,269,995	13,392,067
142,372	--	203,469
1,517,878	--	6,335,522
594,800	1,599,584	8,866,157
1,806,212	250,000	1,761,901
666,667	--	5,818,500
132,983	62,416	807,654
2,857,623	194,000	9,578,835
--	--	--
384,133	--	6,264,823
17,689,588	5,375,995	67,003,636
\$ 18,404,170	\$ 5,375,995	\$ 67,280,145

STATE OF NEW JERSEY
 SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>DEBT SERVICE</u>			
Executive Branch			
Commerce and Economic Development	\$ 5,796,000	\$ --	\$ 5,795,503
Environmental Protection	100,487,000	--	100,480,319
Treasury	340,639,000	--	340,625,088
	<hr/>	<hr/>	<hr/>
Total Executive Branch	446,922,000	--	446,900,910
	<hr/>	<hr/>	<hr/>
TOTAL DEBT SERVICE	<u>\$ 446,922,000</u>	<u>\$ --</u>	<u>\$ 446,900,910</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 497	\$ --
--	6,681	--
--	13,912	--
<hr/>	<hr/>	<hr/>
--	21,090	--
<hr/>	<hr/>	<hr/>
<u>\$ --</u>	<u>\$ 21,090</u>	<u>\$ --</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
FEDERAL			
Executive Branch			
Agriculture	\$ 2,022,309	\$ 544,905	\$ 1,186,187
Banking and Insurance	--	(396)	--
Commerce and Economic Development	477,977	1,000,000	308,335
Community Affairs	196,558,257	72,168,785	155,744,470
Corrections	1,871,000	1,261,133	2,235,825
Education	520,255,227	27,336,888	414,697,973
Environmental Protection	283,298,516	17,204,501	31,624,955
Health and Senior Services	884,329,579	43,742,887	780,461,802
Higher Education	--	(1,220,117)	10,647
Human Services	2,588,203,816	43,558,110	2,401,727,319
Labor	313,258,424	70,614,800	279,031,244
Law and Public Safety	72,128,475	41,360,156	49,066,326
Military and Veterans' Affairs	15,027,117	5,695,209	12,978,719
Personnel	--	369,215	274,515
State	4,345,030	271,809	897,956
Transportation	33,500,000	12,613,708	18,385,697
Treasury	15,676,870	1,640,062	13,030,512
Total Executive Branch	<u>4,930,952,597</u>	<u>338,161,655</u>	<u>4,161,662,482</u>
Judicial Branch	<u>50,011,000</u>	<u>1,090,324</u>	<u>40,781,949</u>
TOTAL FEDERAL	<u>\$ 4,980,963,597</u>	<u>\$ 339,251,979</u>	<u>\$ 4,202,444,431</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 20,657	\$ --	\$ 1,360,370
(396)	--	--
691,665	--	477,977
19,239,059	446,057	93,297,456
192,249	--	704,059
31,710,387	--	101,183,755
5,145,780	--	263,732,282
68,023,514	--	79,587,150
(1,230,764)	--	--
57,389,711	350,067	172,294,829
12,943,634	--	91,898,346
3,688,028	100,000	60,634,277
1,294,584	--	6,449,023
5,140	--	89,560
64,979	--	3,653,904
7,501,494	--	20,226,517
1,139,980	--	3,146,440
<hr/>	<hr/>	<hr/>
207,819,701	896,124	898,735,945
<hr/>	<hr/>	<hr/>
986,320	--	9,333,055
<hr/>	<hr/>	<hr/>
\$ 208,806,021	\$ 896,124	\$ 908,069,000
<hr/>	<hr/>	<hr/>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
REVOLVING FUNDS			
Legislative Branch	\$ --	\$ 54,365	\$ 53,915
Executive Branch			
Commerce and Economic Development	--	18,064	14,864
Community Affairs	--	7,952,779	3,037,772
Corrections	--	25,543,354	26,625,201
Education	--	2,666,947	1,736,994
Environmental Protection	--	4,221,803	2,439,120
Health and Senior Services	--	10,442,294	8,898,530
Human Services	--	35,027,677	23,992,812
Labor	--	2,392,689	1,600,272
Law and Public Safety	--	1,191,916	1,091,088
State	--	11,155,328	6,181,248
Transportation	--	790,000	580,275
Treasury	--	183,173,470	155,154,725
Total Executive Branch	--	284,576,321	231,352,901
TOTAL REVOLVING FUNDS	\$ --	\$ 284,630,686	\$ 231,406,816

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 450
3,199	--	1
2,327,591	185,736	2,401,680
765,173	--	(1,847,020)
133,687	--	796,266
185,077	--	1,597,606
407,806	--	1,135,958
328,825	7,000,000	3,706,040
61,198	--	731,219
63,339	--	37,489
961,986	500,000	3,512,094
10,954	--	198,771
<u> 15,014,501</u>	<u> 139,000</u>	<u> 12,865,244</u>
<u> 20,263,336</u>	<u> 7,824,736</u>	<u> 25,135,348</u>
<u>\$ 20,263,336</u>	<u>\$ 7,824,736</u>	<u>\$ 25,135,798</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
ALL OTHER			
Legislative Branch	\$ --	\$ 97,655	\$ 75,000
Executive Branch			
Chief Executive's Office	--	1,666,104	1,267,720
Agriculture	--	14,201,516	10,257,664
Banking and Insurance	--	55,492,193	51,718,375
Commerce and Economic Development	--	12,381,746	10,190,691
Community Affairs	--	28,447,484	6,329,309
Corrections	--	16,718,675	11,968,037
Education	--	10,744,826	9,195,795
Environmental Protection	--	42,381,420	15,131,930
Health and Senior Services	--	91,012,627	53,815,592
Human Services	--	398,063,195	383,444,943
Labor	--	256,882,280	110,042,900
Law and Public Safety	--	104,288,136	87,364,282
Military and Veterans' Affairs	--	36,655	12,069
State	--	6,083,931	4,970,641
Transportation	--	26,970,276	17,179,254
Treasury	--	787,857,016	763,293,957
Total Executive Branch	--	1,853,228,080	1,536,183,159
Judicial Branch	--	21,635,558	15,708,230
TOTAL ALL OTHER	\$ --	\$ 1,874,961,293	\$ 1,551,966,389

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 22,655
--	--	398,384
288,368	--	3,655,484
19,387	182,000	3,572,431
584,852	--	1,606,203
12,082,353	166,725	9,869,097
1,645,315	--	3,105,323
111,442	--	1,437,589
5,161,886	--	22,087,604
7,735,247	450,000	29,011,788
861,435	112,114	13,644,703
--	--	146,839,380
4,652,114	1,500	12,270,240
914	--	23,672
639,053	--	474,237
(890,439)	1,595,151	9,086,310
6,643,016	--	17,920,043
<u>39,534,943</u>	<u>2,507,490</u>	<u>275,002,488</u>
<u>1,124,289</u>	<u>--</u>	<u>4,803,039</u>
<u>\$ 40,659,232</u>	<u>\$ 2,507,490</u>	<u>\$ 279,828,182</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
<u>GENERAL FUND SUMMARY</u>			
Legislative Branch	\$ 52,818,700	\$ 11,122,511	\$ 54,164,829
Executive Branch			
Chief Executive's Office	5,003,000	2,437,021	6,362,946
Agriculture	14,740,738	15,854,544	24,212,171
Banking and Insurance	37,198,000	57,684,546	88,087,920
Commerce and Economic Development	52,200,219	14,534,881	58,580,253
Community Affairs	302,642,757	139,872,300	285,957,250
Corrections	758,667,000	81,735,230	792,607,964
Education	1,997,634,227	42,499,059	1,890,974,528
Environmental Protection	582,223,516	106,335,077	353,724,682
Health and Senior Services	1,578,771,579	226,484,555	1,599,204,200
Higher Education	--	(1,220,117)	10,647
Human Services	5,500,027,311	671,133,722	5,768,969,001
Labor	386,841,424	347,888,217	466,008,115
Law and Public Safety	411,469,286	227,263,761	509,454,508
Military and Veterans' Affairs	71,017,117	9,883,942	67,483,076
Personnel	24,699,000	3,528,699	26,997,249
State	914,465,030	(42,004,570)	849,687,073
Transportation	716,226,000	68,897,390	735,118,333
Treasury	905,279,486	1,035,087,070	1,817,949,627
Miscellaneous Executive Commissions	1,980,000	608,345	1,644,244
Inter-Departmental Accounts	1,514,457,000	65,974,232	1,365,188,160
Total Executive Branch	<u>15,775,542,690</u>	<u>3,074,477,904</u>	<u>16,708,221,947</u>
Judicial Branch	<u>393,078,000</u>	<u>47,425,383</u>	<u>404,268,801</u>
TOTAL GENERAL FUND SUMMARY	<u>\$ 16,221,439,390</u>	<u>\$ 3,133,025,798</u>	<u>\$ 17,166,655,577</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 2,952,732	\$ --	\$ 6,823,650
7,755	20,121	1,049,199
767,408	271,004	5,344,699
1,287,340	899,606	4,607,680
5,587,924	437,525	2,129,398
37,611,763	1,441,265	117,504,779
20,700,038	1,330,561	25,763,667
39,255,767	3,486,350	106,416,641
22,755,003	4,598,435	307,480,473
89,929,199	5,129,640	110,993,095
(1,230,764)	--	--
97,496,676	20,291,516	284,403,840
22,968,782	(5,505)	245,758,249
16,814,471	9,567,968	102,896,100
3,988,946	469,082	8,959,955
409,191	2,064	819,195
7,030,975	1,256,605	14,485,807
13,182,599	2,538,979	34,283,479
35,318,886	29,562,274	57,535,769
400,867	--	543,234
10,138,604	198,481,507	6,622,961
<u>424,421,430</u>	<u>279,778,997</u>	<u>1,437,598,220</u>
<u>11,597,101</u>	<u>52,781</u>	<u>24,584,700</u>
<u>\$ 438,971,263</u>	<u>\$ 279,831,778</u>	<u>\$ 1,469,006,570</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$ 30,651,000	\$ --	\$ 29,600,171
Treasury	<u>22,510,000</u>	<u>2,330,855</u>	<u>22,734,848</u>
TOTAL CASINO CONTROL FUND	<u>\$ 53,161,000</u>	<u>\$ 2,330,855</u>	<u>\$ 52,335,019</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Health and Senior Services	\$ 612,000	\$ 142,000	\$ 688,192
Law and Public Safety	92,000	--	86,887
GRANTS-IN-AID			
Health and Senior Services	256,700,000	33,048,444	285,904,853
Human Services	55,888,000	--	55,407,497
Labor	2,440,000	--	2,440,000
STATE AID			
Transportation	21,107,000	--	2,016,582
Treasury	<u>17,180,000</u>	<u>--</u>	<u>17,180,000</u>
TOTAL CASINO REVENUE FUND	<u>\$ 354,019,000</u>	<u>\$ 33,190,444</u>	<u>\$ 363,724,011</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 275,143	\$ 775,165	\$ 522
<u>1,388,371</u>	<u>370,637</u>	<u>347,000</u>
<u><u>\$ 1,663,514</u></u>	<u><u>\$ 1,145,802</u></u>	<u><u>\$ 347,522</u></u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 45	\$ 65,763	\$ --
--	4,113	1,000
2,272,690	1,570,901	--
480,503	--	--
--	--	--
19,090,418	--	--
<u>--</u>	<u>--</u>	<u>--</u>
<u><u>\$ 21,843,656</u></u>	<u><u>\$ 1,640,777</u></u>	<u><u>\$ 1,000</u></u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$ 7,000,000	\$ --	\$ 6,635,945
TOTAL GUBERNATORIAL ELECTIONS FUND	<u>\$ 7,000,000</u>	<u>\$ --</u>	<u>\$ 6,635,945</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Treasury	\$ 325,000,000	\$ 57,697	\$ 323,601,133
STATE AID			
Community Affairs	785,048,000	52,148	785,099,681
Education	3,444,487,000	--	3,384,708,825
Treasury	<u>47,580,000</u>	<u>(52,148)</u>	<u>45,930,043</u>
TOTAL PROPERTY TAX RELIEF FUND	<u>\$ 4,602,115,000</u>	<u>\$ 57,697</u>	<u>\$ 4,539,339,682</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 361,784	\$ --	\$ 2,271
<u>\$ 361,784</u>	<u>\$ --</u>	<u>\$ 2,271</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 1,456,564	\$ --
--	467	--
--	59,778,175	--
--	1,597,809	--
<u>\$ --</u>	<u>\$ 62,833,015</u>	<u>\$ --</u>

OTHER STATISTICAL DATA

**STATE OF NEW JERSEY
TEN-YEAR FINANCIAL SUMMARY⁽¹⁾
FOR FISCAL YEARS ENDED JUNE 30
(Expressed in Millions)**

	<u>1997⁽⁴⁾</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
REVENUES⁽²⁾				
Taxes	\$ 13,008	\$ 12,690	\$ 12,146	\$ 12,291
Federal and other grants	5,664	5,392	4,778	4,309
Licenses and fees	759	693	710	641
Services and assessments	1,157	1,228	1,226	1,061
Investment earnings	48	51	67	41
Other	3,726	3,908	3,475	3,213
Total Revenues	<u>\$ 24,362</u>	<u>\$ 23,962</u>	<u>\$ 22,402</u>	<u>\$ 21,556</u>
EXPENDITURES⁽³⁾				
Public safety and criminal justice	\$ 1,814	\$ 1,687	\$ 1,529	\$ 1,307
Physical and mental health	5,547	5,308	5,158	4,798
Education, cultural and intellectual development	7,190	7,126	6,275	6,995
Community development and environmental management	1,351	1,305	1,119	1,125
Economic planning, development and security	2,677	2,791	2,381	2,294
Transportation programs	1,731	1,587	1,466	1,420
Government direction, management and control	2,420	2,508	3,227	2,598
Special government services	177	161	157	145
Other financing uses	1,291	1,763	1,003	786
Total Expenditures	<u>\$ 24,198</u>	<u>\$ 24,236</u>	<u>\$ 22,315</u>	<u>\$ 21,468</u>

⁽¹⁾The ten year financial summary includes the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, the Gubernatorial Elections Fund, and the Special Transportation Fund.

⁽²⁾All of the governmental funds and expendable trust and agency funds are accounted for on the modified accrual basis of accounting. In accordance with this basis, revenues are recognized when 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 that were earned as of June 30 and in the hands of receiving agents.

⁽³⁾Expenditures are recorded on an accrual basis when the related liability is incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

⁽⁴⁾Excludes nonrecurring pension obligation refinancing of \$2,803 million.

<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
\$ 12,734	\$ 12,618	\$ 11,391	\$ 9,992	\$ 10,092	\$ 9,533
4,827	4,659	3,556	3,226	2,918	2,618
554	538	523	527	517	482
1,822	1,285	1,186	1,246	967	877
54	26	24	29	78	96
1,912	3,185	665	751	576	514
<u>\$ 21,903</u>	<u>\$ 22,311</u>	<u>\$ 17,345</u>	<u>\$ 15,771</u>	<u>\$ 15,148</u>	<u>\$ 14,120</u>
\$ 1,268	\$ 1,229	\$ 1,176	\$ 1,116	\$ 1,064	\$ 935
4,996	4,928	3,251	2,748	2,398	2,017
6,943	6,733	5,586	5,557	5,099	4,632
1,105	1,085	685	657	703	520
2,306	2,123	1,922	1,792	1,680	1,627
1,347	1,264	1,462	1,475	1,388	1,109
2,560	3,063	2,398	2,252	2,691	2,502
132	131	125	125	119	113
1,000	1,216	800	712	728	596
<u>\$ 21,657</u>	<u>\$ 21,772</u>	<u>\$ 17,405</u>	<u>\$ 16,434</u>	<u>\$ 15,870</u>	<u>\$ 14,051</u>

STATE OF NEW JERSEY CORPORATE HEADQUARTERS

Wakefern Food Corporation	Village Supermarket Inc.
AT&T	Sands Hotel & Casino
Pathmark Stores, Inc.	BASF Corporation
Lucent Technologies	Cosmair Inc.
The Prudential Insurance Co.	Claridge At Park Place
Johnson & Johnson	Foster Wheeler Corp.
Great Atlantic & Pacific Tea Co.	Warner-Lambert Company
Public Service Enterprise Group, Inc.	Liz Claiborne, Inc.
Continental Airlines	Silver Line Building Products
Toys "R" Us, Inc.	Educational Testing Service
Merck & Company, Inc.	Prime Hospitality Corp
Summit Bancorp	Professional Security Bureau, LTD
Trump Taj Mahal Casino Resort	CPC International Inc.
Trump Plaza/Worlds Fair Casino	New Jersey Press, Inc.
Hoffmann-LaRoche, Inc.	Becton, Dickinson and Company
Bellcore	Siemens Corp.
Schering-Plough Corp.	NJ Manufacturers Ins. Cos.
Automatic Data Processing, Inc.	SOS Security Inc.
Tropicana Casino and Resort	Campbell Soup Company
Novartis	Frigidaire Home Comfort Products
Edwards Superfood Stores	Atlantic Energy, Inc.
Bally's Park Place, Inc.	KPMG Peat Marwick
American Home Products	Beneficial Management Corp.
The Chubb Corporation	Ingersall-Rand Company
Foodarama Supermarkets, Inc.	Ricoh Corporation
The Grand Union Company	Macromedia Inc.
PNC Bank Corp.	GEC - Marconi Hazeltine Corp.
Caesars Atlantic City Hotel/Casino	Dun & Bradstreet
Allied Signal Inc.	International Flavors & Fragrances
Blue Cross & Blue Shield	Union Camp Corp.
General Public Utilities Corp.	Automatic Switch Company
Resorts Casino Hotel	Kearfott Guidance & Navigation Corp.
Rickel Home Centers, Inc.	National Starch and Chemical Co.
Trump Castle Hotel & Casino	Reckitt & Colman Inc.
Harrah's Atlantic City, Casino Hotel	Chase Manhattan Bank
Atlantic City Hilton Casino Resort	The Hertz Corporation
Nabisco Foods Group	Hoechst Marion Roussel
Showboat Casino-Hotel	Marcas Paper Mills, Inc.
Fleet Financial	

Source: New Jersey Business and Industry Association, Top 100 Employers, May 1997.

**STATE OF NEW JERSEY
FIFTY LARGEST EMPLOYERS**

Rank	Name	New Jersey Employment 1997
1	Wakefern Food Corp	33,644
2	American Telephone & Telegraph Company	31,000
3	Pathmark Stores, Incorporated	20,503
4	Lucent Technologies	17,300
5	The Prudential Insurance Company of America	15,976
6	Bell Atlantic-New Jersey Incorporated	15,199
7	United Parcel Service	13,200
8	Johnson & Johnson	13,000
9	Great Atlantic and Pacific Tea Company	12,000
10	Public Service Enterprise Group, Incorporated	11,000
11	Federated Department Stores	10,983
12	Sears, Roebuck and Company	10,000
13	Merrill Lynch & Company, Incorporated	9,982
14	Continental Airlines	8,373
15	Toys "R" Us, Inc	8,100
16	Merck & Company, Inc.	7,600
17	K-Mart	7,100
18	Lockheed Martin	7,000
19	Summit Bancorp	6,800
20	Acme Markets, Incorporated	6,428
21	Trump Taj Mahal Casino Resort	6,025
22	Bristol-Myers Squibb Company	6,000
23	First Union Corp.	6,000
24	Federal Express	5,619
25	Trump Plaza/Worlds Fair Casino	5,608
26	Hoffmann-LaRoche, Incorporated	5,600
27	Bellcore	5,280
28	Schering-Plough Corporation	5,200
29	Marriott Corporation	5,026
30	Automatic Data Processing, Incorporated	4,996
31	Tropicana Casino and Resort	4,800
32	J. C. Penney Company, Incorporated	4,700
33	Novartis	4,600
34	Exxon Corporation	4,400
35	Edwards Superfood Stores	4,200
36	Bally's Park Place, Incorporated	4,112
37	American Home Products	4,069
38	The Chubb Corporation	4,000
39	Foodarama Supermarkets, Incorporated	4,000
40	General Motors Corporation	4,000
41	The Grand Union Company	4,000
42	PNC Bank Corp.	4,000
43	Caesars Atlantic City Hotel/Casino	3,855
44	Allied Signal Incorporated	3,739
45	Blue Cross & Blue Shield	3,689
46	General Public Utilities Corporation	3,500
47	Resorts Casino Hotel	3,500
48	Rickel Home Centers, Inc.	3,500
49	Trump Castle Hotel & Casino	3,500
50	Harrah's Atlantic City, Casino Hotel	3,338

Source: "New Jersey Business", New Jersey Business & Industry Association, "NJBS 25th Annual Top 100 Employers, May 1997". Data reprinted with the permission of the New Jersey Business & Industry Association.

**STATE OF NEW JERSEY
RATIO OF GENERAL LONG-TERM BONDED DEBT TO
ASSESSED VALUE AND DEBT PER CAPITA
(Expressed in Thousands except as indicated)**

Fiscal Year	Population	Assessed Value (1)	General Long-Term Debt Outstanding (2)	General Long-Term Debt	
				Ratio to Assessed Value	Per Capita
1987	7,677	\$ 272,229,128	\$ 2,607,825	0.96	\$ 339.69
1988	7,718	314,561,257	2,772,774	0.88	359.26
1989	7,726	343,525,022	2,956,283	0.86	382.64
1990	7,735	365,656,420	3,073,053	0.84	397.29
1991	7,773	387,122,878	3,316,391	0.86	426.66
1992	7,820	398,926,473	3,594,741	0.90	459.69
1993	7,879	398,926,840	3,591,315	0.90	455.81
1994	7,904	412,288,812	3,646,891	0.88	461.40
1995	7,945	419,342,052	3,688,361	0.88	464.24
1996	7,988	432,759,176	3,437,450	0.79	430.33

Sources: New Jersey Department of the Treasury, Annual Report of the Division of Taxation.
New Jersey Department of the Treasury, Office of Management and Budget.

- (1) Includes Real and Personal Property.
(2) Includes bonded debt only.

**STATE OF NEW JERSEY
CONSTRUCTION CONTRACTS AWARDED
1990-1996
(Expressed in Millions)**

Construction Type								1995/1996
	1990	1991	1992	1993*	1994	1995	1996	% Change
Nonresidential	\$2,829	\$2,435	\$2,044	\$2,243	\$2,683	\$2,770	\$2,963	7.0
Residential	1,805	1,662	1,683	2,404	2,309	2,256	2,319	2.8
Nonbuilding **	1,379	2,086	1,770	1,508	1,548	1,437	1,846	28.5
Total Construction	<u>\$6,013</u>	<u>\$6,183</u>	<u>\$5,497</u>	<u>\$6,155</u>	<u>\$6,540</u>	<u>\$6,463</u>	<u>\$7,128</u>	10.3

Note: Data for 1994 and forward include monthly revisions published by contract with F.W. Dodge; reprinting is not permitted, except for cumulative year-to-date percent changes.

* Beginning October 1993, dormitories and hotels are no longer categorized as residential but as nonresidential.

** Nonbuilding includes public construction, such as streets and highways, bridges, systems as well as utilities and communications systems.

Source: F.W. Dodge Division, McGraw Hill Information Systems Company

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)</u>	<u>Per Capita Income</u>
1987	7,677	\$ 217,872,199	\$ 294,414,862	\$ 156,145	\$ 20,352
1988	7,718	270,194,943	370,409,335	170,914	22,146
1989	7,726	309,697,842	537,003,305	182,882	23,671
1990	7,735	362,531,101	512,132,134	192,893	24,936
1991	7,773	383,786,011	502,839,850	192,341	25,426
1992	7,820	395,846,856	492,201,955	209,474	26,817
1993	7,879	409,094,683	485,920,335	216,990	27,608
1994	7,904	416,127,649	488,261,504	224,474	28,393
1995	7,945	423,960,677	497,070,641	237,155	29,833
1996	7,988	429,753,244	499,810,185	248,052	31,053

Sources: New Jersey Department of the Treasury, Annual Report of the Division of Taxation.
New Jersey Department of Labor, Office of Demographic & Economic Analysis.

STATE OF NEW JERSEY
COMPOSITION OF NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
NEW JERSEY AND THE UNITED STATES - 1995
(Jobs in Thousands)

	<u>New Jersey</u>		<u>United States</u>
	<u>No. of Jobs</u>	<u>% of Total</u>	<u>% of Total</u>
Total Nonagricultural	3,605.8	100.0	100.0
Manufacturing	500.2	13.9	15.8
Mining	2.0	0.1	0.5
Construction	123.7	3.4	4.4
Transportation and Utilities	251.7	7.0	5.3
Trade	850.8	23.6	23.5
Finance, Insurance, and Real Estate	228.0	6.3	5.8
Services	1,080.5	30.0	28.2
Government	568.9	15.8	16.5

Note: Percent of total column may not equal 100% due to rounding.
Data are revised to 1995 benchmarks.

Source: U.S. Department of Labor, Bureau of Labor Statistic and N. J. Department of Labor,
Division of Labor Market and Demographic Research.

STATE OF NEW JERSEY
MANUFACTURING AND NON-MANUFACTURING EMPLOYMENT
(Expressed in Thousands)

	<u>1986</u>	<u>1991</u>	<u>1996</u>	<u>Percentage Change from 1986-1996</u>	<u>Percentage of Total Employment 1996</u>
Manufacturing Durable Goods					
Electrical Machinery and Instruments	121.6	82.8	64.6	(46.9)	1.6%
Non-Electric Machinery	55.8	44.0	34.7	(37.8)	0.8%
Fabricated Metals	48.4	36.0	31.6	(34.7)	0.8%
Stone, Clay and Glass	24.4	18.8	17.3	(29.1)	0.4%
Primary Metals	20.0	14.4	11.6	(42.0)	0.3%
Other	51.8	34.8	33.2	(35.9)	0.8%
Total Durable	<u>322.0</u>	<u>230.8</u>	<u>193.0</u>	(40.1)	<u>4.7%</u>
Non-Durable Goods					
Chemicals	117.5	116.2	98.8	(15.9)	2.4%
Apparel	45.4	31.4	26.7	(41.2)	0.6%
Printing and Publishing	66.2	59.3	57.8	(12.7)	1.4%
Food	48.4	43.3	38.3	(20.9)	0.9%
Rubber and Plastics	35.9	30.4	29.3	(18.4)	0.7%
Other	54.3	47.5	41.3	(23.9)	1.0%
Total Non-Durable	<u>367.7</u>	<u>328.1</u>	<u>292.2</u>	(20.5)	<u>7.1%</u>
Total Manufacturing	<u>689.7</u>	<u>558.9</u>	<u>485.2</u>	(29.7)	<u>11.8%</u>
Non-Manufacturing					
Trade	832.9	824.1	855.3	2.7	20.7%
Services	832.4	963.9	1,121.8	34.8	27.2%
Government	535.6	566.4	566.8	5.8	13.7%
Transportation, Communication and Public Utility	231.6	233.3	254.0	9.7	6.2%
Finance, Insurance, and Real Estate	210.8	228.7	231.6	9.9	5.6%
Contract Construction	153.1	121.4	123.4	(19.4)	3.0%
Other	691.7	560.9	487.1	(29.6)	11.8%
Total Non-Manufacturing	<u>3,488.1</u>	<u>3,498.7</u>	<u>3,640.0</u>	4.4	<u>88.2%</u>
Grand Total	<u>4,177.8</u>	<u>4,057.6</u>	<u>4,125.2</u>	<u>(1.3)</u>	<u>100.0%</u>

Source: New Jersey Department of Labor "New Jersey Economic Indicators" July 1997, Number 383.

STATE OF NEW JERSEY
AVERAGE HOURLY GROSS DOLLAR EARNINGS OF PRODUCTION WORKERS
ANNUAL AVERAGES

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
TOTAL MANUFACTURING	\$ 10.42	\$ 10.88	\$ 11.17	\$ 11.76	\$ 12.17	\$ 12.59	\$ 12.98	\$ 13.38	\$ 13.56	\$ 13.86
Durable Goods	10.43	10.79	10.93	11.46	12.05	12.44	12.89	13.23	13.40	13.74
Lumber	8.09	8.91	9.63	10.95	11.48	11.48	11.31	11.51	11.82	11.97
Furniture	8.43	9.23	9.63	10.38	10.21	10.32	10.57	10.80	10.78	10.41
Stone, Clay, and Glass	10.51	10.96	11.48	11.41	11.74	11.96	12.62	13.17	13.39	13.67
Primary Metals	10.01	10.53	10.84	11.48	11.99	12.54	13.00	13.18	13.63	13.68
Fabricated Metals	10.19	10.83	11.00	11.14	12.15	12.45	12.71	13.18	13.48	13.65
Non-Electrical Mach.	10.86	11.12	11.53	12.30	12.93	13.39	13.84	14.26	14.40	14.49
Transportation Equip.	13.45	13.72	13.46	13.95	14.97	16.11	17.82	18.57	18.44	17.93
Misc. Manufacturing	8.49	8.70	9.03	9.69	9.97	10.50	10.91	10.82	11.02	11.74
Non-Durable Goods	10.42	10.97	11.37	12.02	12.26	12.70	13.04	13.48	13.67	13.94
Food	10.43	10.89	11.27	11.41	11.56	12.30	12.97	13.52	13.44	13.28
Textiles	8.37	9.03	9.03	9.53	9.65	9.75	9.79	9.71	10.04	10.61
Apparel	7.05	7.56	7.60	7.97	7.98	7.97	7.96	8.33	8.45	8.59
Paper	10.66	10.58	11.20	11.53	11.91	12.26	12.37	12.84	13.07	13.33
Printing and Publishing	10.82	12.14	12.89	13.35	13.45	13.92	13.80	13.85	14.01	14.11
Chemicals	12.52	12.88	12.93	13.96	14.39	15.17	15.84	16.38	16.90	17.40
Petroleum	17.13	18.14	18.81	20.16	21.43	22.23	23.61	25.24	25.04	25.33
Rubber and Plastics	8.46	9.02	9.23	9.85	9.99	10.52	10.70	11.02	11.30	11.53
Leather	7.12	6.85	7.13	7.50	8.01	8.19	8.38	8.64	8.61	9.36

Source: New Jersey Department of Labor, Division of Planning and Research.

STATE OF NEW JERSEY
PERSONAL AND PER CAPITA INCOME AND NEW DWELLING UNITS

Year	Personal Income (\$ Millions)	Per Capita Income	Value of New Dwelling Units Authorized (\$ Thousands)
1987	\$ 156,145	\$ 20,352	\$ 4,347,784
1988	170,914	22,146	3,811,599
1989	182,882	23,671	3,115,047
1990	192,893	24,936	2,173,780
1991	192,341	25,426	1,977,947
1992	204,091	26,098	2,538,486
1993	210,622	26,732	3,130,101
1994	221,607	28,038	3,189,788
1995	229,286	28,858	2,825,560
1996	248,052	31,053	2,134,127

Sources: New Jersey Department of Labor and New Jersey Economic Policy Council.

**STATE OF NEW JERSEY
CASH RECEIPTS FROM FARM MARKETINGS
(Expressed in Millions)**

<u>Year</u>	<u>Livestock and Products</u>	<u>Crops</u>	<u>Total</u>
1987	\$ 194.7	\$ 437.7	\$ 632.4
1988	192.5	452.1	644.6
1989	197.3	461.7	659.0
1990	195.8	454.6	650.4
1991	193.0	465.2	658.2
1992	190.3	463.2	653.5
1993	198.7	507.6	706.3
1994	182.6	585.8	768.4
1995	200.5	572.2	772.7
1996	195.6	608.0	803.6

Source: New Jersey and U. S. Departments of Agriculture.

STATE OF NEW JERSEY
STATE AID FOR LOCAL SCHOOL DISTRICTS
CONSOLIDATED SUMMARY
GENERAL FUND AND PROPERTY TAX RELIEF FUND
(Expressed in Thousands)

	<u>Expended</u> <u>Fiscal Year 1997</u>	<u>Appropriated</u> <u>Fiscal Year 1998</u>
Formula Aid Program		
Foundation Aid	\$ 2,721,734	\$ --
QEA Formula Correction Aid	810	--
School Efficiency Program Rewards	6,600	--
Core Curriculum Standards Aid	--	2,620,200
Abbott v. Burke Parity Program	--	246,193
Supplemental Core Curriculum Standards Aid	--	208,794
Additional Supplemental Core Curriculum Standards Aid	--	32,952
Early Childhood Aid	--	287,575
Instructional Supplement	--	17,000
Demonstrably Effective Program Aid	--	175,420
Rewards and Recognition	--	10,060
Stabilization Aid	--	52,685
Supplemental Stabilization Aid	--	51,501
Additional Supplemental Stabilization Aid:		
Large Efficient Districts	--	3,000
County Special Services District Placements	--	10,994
High Senior Citizen Concentrations	--	921
Additional Senior Citizen Stabilization Aid	--	288
Supplemental School Tax Reduction Aid	--	10,687
Categorical Aids:		
Distance Learning Network	--	50,378
Adult Education Grants	--	25,000
Technology Grants	10,000	--
Bilingual Education	57,454	57,428
Aid for At Risk Pupils	292,930	--
Special Education	601,054	585,589
County Vocational Education	28,690	22,564
Pupil Transportation Aid	247,206	243,916
Transition Aid	19,101	--
Debt Service Aid	69,088	95,248
Less:		
Stabilization Aid	--	(173,800)
Subtotal, Formula Aid Programs	<u>4,054,667</u>	<u>4,634,593</u>
Other Aid to Education		
Nonpublic School Aid	65,003	74,186
State-operated School District Differential Aid	48,000	--
Additional School Building Aid (Debt Service)	10,702	9,204
Other Aid	25,217	29,428
Subtotal, Other Aid to Education	<u>148,922</u>	<u>112,818</u>
Direct State Payments for Education		
Teachers' Pension Assistance	176,711	97,650
Debt Service on Pension Obligation Bonds	--	24,095
Pension and Annuity Assistance - Other	13,645	13,545
Teachers' Social Security Assistance	419,368	432,268
Subtotal, Direct State Payments for Education	<u>609,724</u>	<u>567,558</u>
Total	<u>\$ 4,813,313</u>	<u>\$ 5,314,969</u>

**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>
1987	549,715	150,652	328,165	1,028,532	6,320	2,012	54,719	1,399	64,450	1,092,982
1988	557,713	147,942	308,542	1,014,197	6,195	1,727	56,840	1,912	66,674	1,080,871
1989	564,666	149,004	293,273	1,006,943	6,531	762	59,569	2,200	69,062	1,076,005
1990	577,480	151,351	289,007	1,017,838	6,998	716	62,115	1,979	71,808	1,089,646
1991	588,734	154,752	291,788	1,035,274	8,261	835	63,115	2,311	74,522	1,109,796
1992	600,607	157,841	295,337	1,053,785	9,123	1,466	63,683	2,503	76,775	1,130,560
1993	614,559	161,421	288,412	1,064,392	9,225	17,423 (a)	60,113	458	87,219	1,151,611
1994	629,355	164,252	292,488	1,086,095	10,283	18,132	59,602	140	88,157	1,174,252
1995	647,817	166,457	295,219	1,109,493	9,405	17,184	59,541	106	86,236	1,195,729
1996	662,059	168,966	300,421	1,131,446	9,737	17,785	59,513	97	87,132	1,218,578

(a) Nongraded enrollment became insignificant in 1993 and was replaced with vocational enrollment.

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, 1995 and 1996**

Full and Part-Time Sector	Undergraduate		Post-Baccalaureate		Total Enrollments	
	1995	1996	1995	1996	1995	1996
Full-Time Enrollment						
Community Colleges	54,862	54,053	--	--	54,862	54,053
State Colleges	40,265	40,934	1,304	1,414	41,569	42,348
Rutgers University	28,505	28,994	4,650	4,552	33,155	33,546
N. J. Inst. of Technology	3,354	3,413	646	1,037	4,000	4,450
Univ. of Medicine & Dent.	413	270	2,625	3,023	3,038	3,293
Independent Colleges	30,244	32,005	7,330	7,230	37,574	39,235
Total Full-Time	157,643	159,669	16,555	17,256	174,198	176,925
Part-Time Enrollment						
Community Colleges	78,378	73,050	--	--	78,378	73,050
State Colleges	17,400	16,733	10,031	9,764	27,431	26,497
Rutgers University	6,433	6,054	8,546	8,212	14,979	14,266
N. J. Inst. of Technology	1,688	1,594	2,197	1,793	3,885	3,387
T. Edison State College	8,549	8,575	--	10	8,549	8,585
Univ. of Medicine & Dent.	433	528	790	593	1,223	1,121
Independent Colleges	12,936	13,169	11,160	11,129	24,096	24,298
Total Part-Time	125,817	119,703	32,724	31,501	158,541	151,204
Full and Part-Time						
Community Colleges	133,240	127,103	--	--	133,240	127,103
State Colleges	57,665	57,667	11,335	11,178	69,000	68,845
Rutgers University	34,938	35,048	13,196	12,764	48,134	47,812
N. J. Inst. of Technology	5,042	5,007	2,843	2,830	7,885	7,837
T. Edison State College	8,549 *	8,575	--	10	8,549 *	8,585
Univ. of Medicine & Dent.	846 *	798	3,415 *	3,616	4,261 *	4,414
Independent Colleges	43,180 *	45,174	18,490 *	18,359	61,670 *	63,533
Total Full and Part-Time	283,460	279,372	49,279	48,757	332,739	328,129

*Revised

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

**STATE OF NEW JERSEY
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

FULL-TIME UNDERGRADUATE ENROLLMENT

<u>Year</u>	<u>Community Colleges</u>	<u>State Colleges</u>	<u>Other Public 4-Year(1)</u>	<u>Independent Colleges</u>	<u>Total</u>
1987	37,466	36,618	31,396	28,588	134,068
1988	39,244	36,526	31,213	29,032	136,015
1989	42,398	37,873	31,308	29,801	141,380
1990	45,673	39,457	31,390	29,477	145,997
1991	49,497	39,911	32,147	29,343	150,898
1992	52,584	40,569	32,147	29,148	154,448
1993	54,923	40,246	31,595	29,818	156,582
1994	54,676	39,356	31,597	30,082	155,711
1995	54,862	40,265	32,272	30,244	157,643
1996	54,053	40,934	32,677	32,005	159,669

PART-TIME UNDERGRADUATE ENROLLMENT

1987	68,621	20,810	15,150	11,936	116,517
1988	71,428	19,980	16,003	12,773	120,184
1989	76,044	20,383	16,232	13,282	125,941
1990	79,167	20,540	16,526	13,281	129,514
1991	83,132	19,067	16,851	13,299	132,349
1992	86,144	18,958	17,584	13,824	136,510
1993	84,992	18,304	17,747	13,893	134,936
1994	81,086	17,871	17,259	13,366	129,582
1995	78,378	17,400	17,103	12,936	125,817
1996	73,050	16,733	16,751	13,169	119,703

(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.

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities".

**STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES
(excludes Colleges and Universities)**

<u>Department/Agency</u>	<u>December 1994</u>	<u>December 1995</u>	<u>December 1996</u>
Agriculture	201	203	204
Banking & Insurance	636	617	566
-Board of Public Utilities	305	302	303
-Casino Control Commission	361	343	343
Chief Executive's Office	134	134	124
Commerce	99	90	95
-Commission on Higher Education	20	19	19
-Commission on Science & Technology	6	6	6
Community Affairs	852	849	854
Corrections	8,179	8,171	8,107
-Division of Motor Vehicles	2,314	1,642	1,619
Education	927	948	848
-Election Law Enforcement Commission	30	29	35
Environmental Protection	3,542	3,380	3,119
-Executive Comm. on Ethical Standards	7	7	6
Health	1,829	1,835	1,823
Human Services	18,825	18,218	17,760
-Juvenile Justice	1,058	1,094	1,181
Labor	3,957	3,853	3,692
Law and Public Safety	6,194	6,117	6,017
Military and Veterans' Affairs	1,485	1,458	1,370
-Office of Administrative Law	141	136	129
-Parole Board	146	147	155
Personnel	590	555	486
-Public Broadcasting Authority	148	153	145
-Public Defender	829	826	832
-Public Employees Relations Commission	35	36	37
State	264	263	253
-Student Assistance	190	190	192
Transportation	4,318	4,278	4,161
Treasury	4,443	4,479	4,394
-Violent Crimes Compensation Board	53	55	51
Subtotal Executive Branch	62,118	60,433	58,926
Judiciary (Administrative Office of the Courts)	1,700	1,678	1,685
Legislature	467	470	473
Statewide Total	64,285	62,581	61,084
Judiciary (County Courts)*	N/A	7,449	7,226

* The State takeover of the County Courts was implemented in January of 1995.

**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>
1988	\$ 166,615,000	\$ 181,758,586	\$ 348,373,586	\$ 10,590,225,915	3.29
1989	185,051,000	171,025,655	356,076,655	11,861,117,648	3.00
1990	178,801,000	187,069,534	365,870,534	12,153,464,061	3.01
1991	198,230,000	196,011,871	394,241,871	12,552,477,202	3.14
1992	207,557,000	202,997,090	410,554,090	15,146,159,738	2.71
1993	93,923,000	115,876,389	209,799,389	14,666,284,793	1.43
1994	3,425,000	116,512,997	119,937,997	14,864,235,964	0.81
1995	3,425,000	100,096,833	103,521,833	15,330,072,857	0.68
1996	244,281,000	209,070,625	453,351,625	16,262,695,982 **	2.79
1997	250,911,000	195,989,910	446,900,910	16,335,984,225	2.74

* Represents only Debt Service on General Obligation Bonded Debt.

** Restated

CALCULATION OF LEGAL DEBT LIMITS

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together it has been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war or to repel invasion, suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda, As the table below illustrates, the debt margin as defined in the Constitution would prohibit any other method of creating such debt and liability.

**STATE OF NEW JERSEY
CALCULATION OF LEGAL DEBT LIMITS
(Expressed in Thousands)**

<u>Fiscal Year</u>	<u>Total General Fund Appropriations*</u>	<u>Legal Debt Limit</u>	<u>Outstanding General Obligation Bonded Debt</u>
1988	\$ 7,522,288	\$ 75,223	\$ 2,607,825
1989	8,392,878	83,929	2,772,774
1990	8,797,697	87,977	2,956,283
1991	9,127,646	91,276	3,073,053
1992	10,233,988	102,340	3,316,391
1993	10,082,054	100,821	3,594,741
1994	10,270,698	102,707	3,591,315
1995	10,471,079	104,711	3,646,891
1996	11,216,997	112,170	3,688,361
1997	11,240,476	112,405	3,437,450

* Does not include Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund, and Gubernatorial Elections Fund, the revenues of which are restricted as to use by their respective legislation.

STATE OF NEW JERSEY
PROPERTY TAX RELIEF PROGRAMS and INITIATIVES
(Expressed in Millions)

<u>Program</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
School Aid				
Direct Aid	\$ 4,071.7	\$ 3,925.6	\$ 4,149.0	\$ 4,184.0
Teachers' Pension & Social Security	776.9	485.7	623.8	667.4
State Initiated Budget Savings	--	129.7	41.2	49.5
Subtotal School Aid And Budget Savings	<u>4,848.6</u>	<u>4,541.0</u>	<u>4,814.0</u>	<u>4,900.9</u>
Municipal Aid And Budget Savings				
Consolidated Municipal Property Tax Relief Aid	857.6	795.8	754.6	756.0
Legislative Initiative Block Grant Program	--	33.0	33.0	33.0
SMPTR Discretionary Aid	30.0	30.0	30.0	30.0
Aid to Densely Populated Municipalities	33.0	25.0	17.0	9.0
Municipal Aid From Utility Taxes-Restructuring Proposal	725.0	781.8	730.0	730.0
Health Benefit Cost Relief	--	27.1	--	4.1
Municipal Pension Cost Savings	--	34.9	103.0	103.0
Subtotal Municipal Aid And Budget Savings	<u>1,645.6</u>	<u>1,727.6</u>	<u>1,667.6</u>	<u>1,665.1</u>
Other Local Aid And Budget Savings				
Transportation Trust Fund-Aid for Local Projects	107.0	100.0	130.0	130.0
Judicial Unification	--	--	30.0	90.0
Aid to County Psychiatric Hospitals	79.8	79.4	78.3	76.0
Urban Enterprise Zones-Sales Tax Dedication	28.0	29.6	48.3	58.0
Veterans and Senior/Disabled Citizens Property Tax Deductions	58.9	58.2	57.9	55.8
Health Benefit Cost Relief	--	--	--	3.4
Department of Community Affairs-Housing and Neighborhood Assistance	16.6	16.6	16.6	16.6
Library Aid	13.1	13.1	13.1	12.0
Pension Contributions on Behalf of Local Governments	5.9	6.3	9.2	9.7
Miscellaneous Programs	24.6	23.0	24.2	22.3
Subtotal Other Local Aid And Budget Savings	<u>333.9</u>	<u>326.2</u>	<u>407.6</u>	<u>473.8</u>
Direct Taxpayer Relief				
Homestead Rebates	330.1	323.9	325.0	325.0
Property Tax Deduction Act	--	--	--	120.0
Subtotal Direct Taxpayer Relief	<u>330.1</u>	<u>323.9</u>	<u>325.0</u>	<u>445.0</u>
GRAND TOTAL	<u>\$ 7,158.2</u>	<u>\$ 6,918.7</u>	<u>\$ 7,214.2</u>	<u>\$ 7,484.8</u>

**STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)**

Year	Population	Civilian Labor Force	Resident Employment	Unemployment	New Jersey Unemployment Rate	U.S. Unemployment Rate
1987	7,677	3,966	3,806	160	4.0	6.2
1988	7,718	3,985	3,824	151	3.8	5.5
1989	7,726	3,989	3,826	163	4.1	5.3
1990	7,735	4,048	3,846	202	5.0	5.5
1991	7,773	4,040	3,772	267	6.6	6.7
1992	7,820	4,034	3,697	337	8.4	7.4
1993	7,879	4,001	3,706	295	7.4	6.8
1994	7,904	4,108	3,828	280	6.8	6.1
1995	7,945	4,081	3,830	250	6.4	5.6
1996	7,988	4,140	3,914	226	6.2	5.4

Sources: New Jersey Department of Labor, "New Jersey Economic Indicators".
New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY
NEW VEHICLE REGISTRATIONS
1990-1996**

Calendar Year	Cars	Light Trucks/ Vans	Total Vehicles	
			Annual	Monthly Average
1990	371,928	103,680	475,608	39,634
1991	327,710	90,612	418,322	34,860
1992	324,998	99,974	424,972	35,414
1993	368,218	134,808	503,026	41,919
1994	371,592	160,398	531,990	44,333
1995	350,533	158,366	508,899	42,408
1996	348,725	173,527	522,252	43,521

Source: R.L. Polk and Company

MISCELLANEOUS STATISTICAL DATA

In 1787, New Jersey became the third state to ratify the U.S. Constitution.

The State Constitution was adopted on July 2, 1776, subsequently superseded by the State Constitution of 1844 and the current Constitution which was ratified by the State's voters on November 4, 1947.

The State Constitution establishes a bicameral legislature which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

The area of the State, 7,489.2 square miles, ranks it fifth smallest in size. The estimated population as of July 1, 1995 was 7,945,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,061 people per square mile.

The higher education system in New Jersey includes 24 private colleges, 19 community colleges, as well as the following State institutions:

- Rutgers, the State University
- University of Medicine and Dentistry of New Jersey
- New Jersey Institute of Technology
- Thomas A. Edison State College
- Jersey City State College
- Kean College of New Jersey
- Montclair State University
- The College of New Jersey
- William Paterson University of New Jersey
- Ramapo College of New Jersey
- Rowan University
- Richard Stockton College of New Jersey

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