

NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2008

JON S. CORZINE
Governor

R. DAVID ROUSSEAU
State Treasurer

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STATE OF NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008

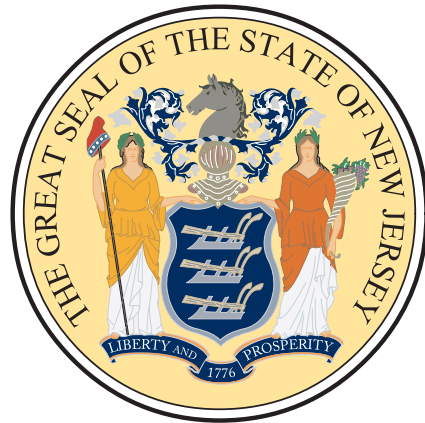
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New Jersey CAFR

Introduction



2008



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

JON S. CORZINE
Governor

R. DAVID ROUSSEAU
State Treasurer

April 30, 2009

Governor Jon S. Corzine
Members of the State Legislature
New Jersey Citizens

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. The Department of the Treasury's Office of Management and Budget prepared this report and is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures.

This Comprehensive Annual Financial Report presents the financial position and operating results of the State under generally accepted accounting principles (GAAP) applicable to State and Local governments as established by the Governmental Accounting Standards Board (GASB). The State also participates in the Government Finance Officers Association of the United States and Canada's (GFOA) review program for the Certificate of Achievement for Excellence in Financial Reporting.

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of this reporting model, as reflected in these statements, are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. All revenues, costs, assets, and liabilities of the State are shown to clearly portray the State's fiscal health. Management's discussion and analysis is included in order to provide users with an objective and easily readable analysis of New Jersey's financial performance for the fiscal year ended June 30, 2008. 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.

HIGHLIGHTS AND INITIATIVES

Actions undertaken during Fiscal Year 2008 and 2009 are directly linked to addressing New Jersey's recession that is currently over one year old. The measures are designed to protect the State's resources, its most vulnerable citizens, as well as provide opportunities to combat this intensifying national, economic malaise. Consequently, a broad spectrum of reform ranging from State budgeting and bonding, to home ownership has been impacted. They are as follows:

- On June 30, 2008 Governor Corzine issued Executive Order 103 directing the Executive Branch to present an annual budget message that shall not request or recommend State appropriations in an amount in excess of the certified amount of recurring revenues for the fiscal year for which the budget recommendation is made, with some limited exceptions. Further, for fiscal years beginning on and after July 1, 2009, the Executive Branch is required not to request or recommend appropriations in excess of the certified amount of recurring revenue, and any excess revenue shall be credited or appropriated to the Long-Term Obligation and Capital Expenditure Fund. Due to the State's economic situation, Executive Order No. 103 has been suspended for Fiscal Year 2010 by Executive Order No. 135 issued by the Governor on March 10, 2009.
- As part of the Governor's plan to restructure the State's fiscal condition, the Fiscal Year 2009 Appropriations Act is \$600 million less than the prior fiscal year. The Fiscal Year 2009 Appropriations Act represents the largest year-to-year spending reduction in State history. The single largest cut in State spending, approximately \$300 million, impacted the Executive Branch. Every department was cut, functions were merged and the payroll was reduced through a retirement incentive and attrition. The Fiscal Year 2009 Appropriations Act preserved core priorities such as education, health care, and protecting the most vulnerable in today's society. All of these austere measures have made it possible for the State to provide

nearly \$600 million more in funding for public education through a fairer school funding formula that is based on students, not zip codes.

- On October 16, 2008 Governor Corzine delivered a \$245 million Economic Stimulus Plan to a joint session of the State Legislature. Four broad areas were addressed, providing immediate assistance to those in greatest need, supporting short-term employment and economic activity, enhancing New Jersey's business climate and long-term economic prospects, and finally remaining fiscally responsible even during times of declining revenues and rising demands. Immediate assistance means improving access to fresh food in urban neighborhood food banks, promoting mortgage foreclosure assistance, providing energy relief in the form of increasing aid and easier access to Low Income Heating and Energy Assistance Benefits and NJSHARES Program, expanding Senior Freeze eligibility over the next three years for seniors with incomes up to \$80,000, and providing \$23 billion in public infrastructure investments that include Turnpike and Parkway widenings, bridge repairs, mass transit tunnel, and suburban and urban school construction. State investment for short-term solutions involves expediting public infrastructure projects, initiating a job creation incentive program that will provide a \$3,000 grant to New Jersey businesses that create a job and retain that employee for one year, and infuse banks with State deposits and Economic Development Authority-backed funds to guarantee small business investment. Up to \$550 million in these funds will be invested in New Jersey banks in guaranteed, interest-bearing instruments at competitive rates. These investments will allow those banks to make more loans available to New Jersey businesses. Long-term solutions involve allowing businesses up to 20 years to retain benefits of tax losses, removing certain business tax provisions and changing to a single sales factor when determining New Jersey's Corporation Business Tax. The final area addressed in the Economic Stimulus Plan involves the "Green Economy in New Jersey." This allows for the encouragement of private sector investment in energy efficiency, promotion of a \$60 million Clean Energy Manufacturing Fund, building off-shore wind generation, and expanding Green Collar apprenticeship and training programs.
- Senate Concurrent Resolution No. 39, approved by the voters on November 4, 2008, amends the State Constitution's Debt Limitation Clause. The State Legislature is now prohibited from enacting any law that creates or authorizes the creation of a debt or liability of an autonomous State corporate entity, which debt or liability has a pledge of an annual appropriation as the means to pay the principal of and interest on such debt or liability, unless a law authorizing the creation of that debt or liability for some single object or work distinctly specified therein shall have been submitted to the people and approved by a majority of the voters of the State. Voter approval is not required for any such law providing the means to pay the principal of and interest on such debt or liability subject to appropriations of an independent non-State source of revenue paid by third persons for the use of the single object or work thereof, or from a source of State revenue otherwise required to be appropriated pursuant to another provision of the State Constitution. Furthermore, voter approval is not needed for any law providing for the refinancing of all or a portion of any outstanding debts or liabilities of the State or of an autonomous State corporate entity provided that such law requires that the refinancing produces debt service savings.
- At the time of the delivery of the Governor's Budget Message on March 10, 2009, the revenue shortfall for Fiscal Year 2009 was estimated at approximately \$2.9 billion, additional spending at \$225.0 million and an estimated payment into the Unemployment Compensation Fund of \$150.0 million resulting in a shortfall of about \$3.3 billion for Fiscal Year 2009. The solutions for Fiscal Year 2009 as presented in the Governor's Fiscal Year 2010 Budget Message include budget cuts of approximately \$1.8 billion, transfer from the Long-Term Obligation and Capital Expenditure Fund to the Property Tax Relief Fund of \$365.0 million, use of the estimated increase in the undesignated ending fund balance for fiscal Year 2008 of \$207.6 million, additional federal Medicaid monies of \$533.0 million, federal stimulus funds under the American Recovery and Reinvestment Act of \$250.0 million, use of balances from certain dedicated funds of \$156.9 million and \$100.0 million from a tax amnesty program. Independent revenue estimates presented in April 2009 by the Office of Legislative Services were \$383.1 million lower for Fiscal Year 2009 than the Governor's Budget Message. During the course of the fiscal year, the Governor may take steps to reduce expenditures if it appears that revenues have fallen below estimates. Subsequent to the Governor's Budget Message changes have occurred in revenue and expenditure expectations (or projections) for Fiscal Year 2009 and may continue to occur during the remainder of the fiscal year.

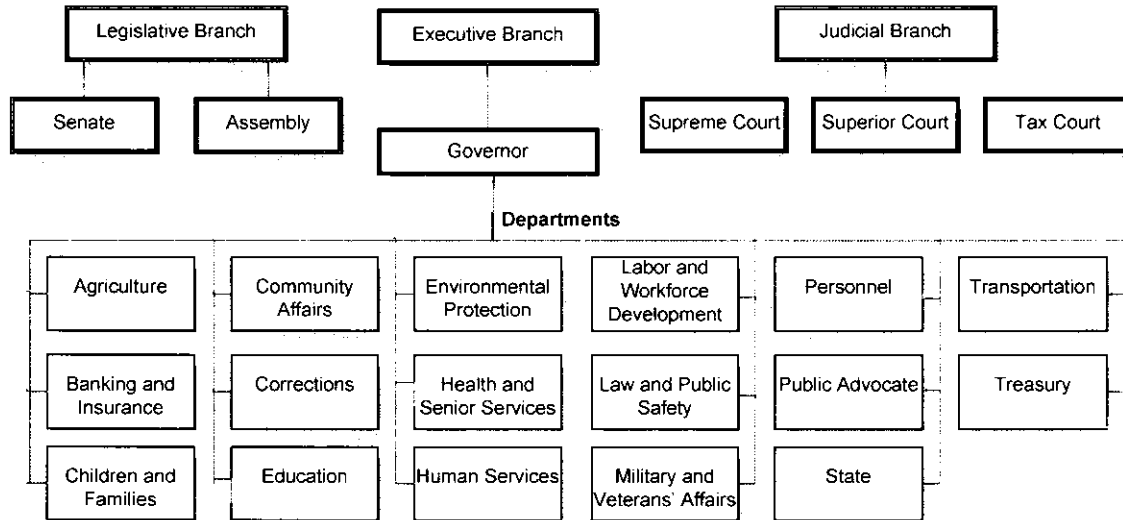
NEW JERSEY GOVERNMENT

The Executive Branch is headed by the Office of the Chief Executive, which includes the Governor and staff that assist in the execution of the Governor's constitutional powers and duties. The Governor is the State's chief operating officer, and assists in directing and coordinating the activities of the various State departments. These duties include the implementation of new laws and activities, as well as ongoing responsibilities associated with existing laws, and

other essential aspects of governing. The Office of the Chief Executive is active in the review and formulation of proposals of law that are ultimately submitted to the State Legislature. Staff assists in the development of public policy affecting the citizens of the State, and in the implementation of the State's fiscal plan once it is adopted.

The Executive Branch consists of 17 departments comprising approximately 68,500 employees on the payroll as of January 2008. The maximum number of departments permitted by the State Constitution is 20. Each department is headed by a single executive; four also have boards with policy-making and oversight responsibilities. Department heads and board members are appointed by the Governor with the advice and consent of the Senate, except for the Secretary of Agriculture, who is chosen by the Board of Agriculture with the approval of the Governor. Department heads continue in office until successors are named and confirmed by the Senate, with the exception of the Attorney General and the Secretary of State, who are appointed to serve during the Governor's term. The Executive Branch oversees the performance of 566 municipalities and 617 school districts, and the incarceration and rehabilitation of approximately 27,900 prisoners. The Executive Branch also provides social services for one out of eight New Jersey citizens, reliable transportation, and protection for the State's citizenry and environment.

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



The State Senate and the General Assembly comprise New Jersey's Legislative Branch. There are 40 legislative districts with elections being held in odd-numbered years. There are 40 members of the State Senate. State Senators are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. There are 80 members of the General Assembly; each is elected to a two-year term. The Office of Legislative Services is a nonpartisan agency that provides legislators with legal, fiscal, research, information, and administrative services. It is organized with an executive director, a legislative counsel, the state auditor, a legislative budget and finance officer, a director of central staff, a director of data management, and a director of administration.

The Judicial Branch consists of the Supreme Court, the Appellate Division of the Superior Court, and the Tax Court. Judges are nominated by the Governor and must be confirmed by the Senate. Terms are for seven years. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately seven million new cases are filed in New Jersey's courts every year, including six million in Municipal Court and one million in Superior Court. These cases address matters concerning civil, criminal, and family law.

COMPONENT UNITS

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legal, separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage. Each component unit is established for a specific purpose for the benefit of the State's citizenry. GASB Statement No. 14 provides that the State's

financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units.

NEW JERSEY'S ECONOMIC CONDITION

New Jersey's economy weakened significantly in calendar year 2008. Between the bottom of the employment cycle in March 2003 and the peak in June 2007, the State added approximately 118,400 jobs, but lost approximately 63,600 jobs between the peak and December 2008. Payroll employment decreased at an average annual rate of negative 0.3 percent in calendar year 2008 after growing at rates of 0.1 percent in 2007, and 0.8 percent in 2006. However, the level of payroll employment in December 2008, 4.02 million, represents the 54th consecutive month payroll has remained above the four million mark.

The generally declining labor market conditions have kept the State's jobless rate above five percent since May 2008 for the eighth straight month and climbed to 7.1 percent in December. New Jersey's unemployment rate remains below the national level.

According to the United States Bureau of Economic Analysis (release dated December 18, 2008), the preliminary growth rate for New Jersey's personal income of 3.2 percent for the third quarter of 2008 came in below the revised growth rate of 3.6 percent for the second quarter of 2008. However, given the general economic recession in the United States economy, the average annual growth in personal income for New Jersey is expected to slow down significantly in 2009.

The housing sector is expected to contract further in the months ahead with housing permits in 2008 to stay below 20,000 units, significantly below the 26,000 plus units for 2007. Vehicle registrations through January 2009 remains 22.3 percent below the year ago level, following a 15.3 percent decline in registrations in 2008.

New Jersey's and the nation's economy is expected to continue to experience further deterioration in near term economic growth in 2009. According to the latest Federal Open Market Committee's minutes released on February 18, 2009, the Federal Reserve Board pointed toward further weakening of the economy. The latest New Jersey economic forecasts from Global Insight, Moody's Economy.com, and Rutgers University project economic recessionary conditions to continue through 2009, with credit still tight and financial market under turmoil.

New Jersey's economy is expected to follow the national trend for 2009. Employment is projected to decrease by approximately three percent average annual rate in 2009 and to decline an additional 0.3 percent in 2010. Personal income is expected to contract at a negative 0.4 percent in 2009 and improve to an estimated three percent growth rate in 2010. Corrections are expected to continue in the housing market with housing activity to weaken further before stabilizing. New motor vehicle registrations are projected to remain below the 500,000 level in 2009 and 2010.

Inflation is expected to remain low during the downturn, but policymakers are concerned about the potential for deflation. The future economic outlook hinges on the success of the federal and state economic stimulus packages and supportive fiscal and monetary policies. Availability of credit, stability in the financial markets, and improvements in consumer and business confidence are critical factors necessary for an economic turnaround in the nation and in New Jersey.

The Statistical Section contains various State demographic and economic information.

BUDGET AND ACCOUNTING

Legal Level of Control

The State's Annual Appropriations Act includes the General Fund and certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). Legal control is maintained within the departments at the appropriation line item level. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major expenditure objects. Program classifications represent a lower level operating program function, consisting of closely related activities with identifiable objectives or goals. During the budget year, revisions to the annual Appropriations Act reflecting program changes or interdepartmental transfers of an administrative nature may be effected with certain Executive and Legislative Branch approvals. Under the "General Provisions" section of the State's annual Appropriations Act,

management may amend the budget within a department with the Director of the Office of Management and Budget's approval. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

Accounting Systems

For the various State departments, accounting records are maintained by a central accounting system. System operations are directed and supervised by the Office of Management and Budget. The State's annual budget is composed of individual appropriations to departments for specific programs and purposes. Component units maintain separate accounting systems.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at fiscal year's end.

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system. 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 require managerial estimates and judgments. All internal control evaluations occur within this framework.

RELEVANT FINANCIAL POLICIES

The State Constitution mandates a balanced budget. It provides, in part, that no money shall be drawn from the State Treasury but for appropriations made by law and that no law appropriating money for any State purpose shall be enacted if the appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of the revenue on hand and anticipated to be available to meet such appropriations during such fiscal period, as certified by the Governor. During the fiscal year, the State may have to make several revenue and expenditure adjustments to ensure a positive fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

The Surplus Revenue Fund is part of the General Fund's resources and fund balance. The Surplus Revenue Fund was created as a rainy day fund. It accounts for excess revenues from prior fiscal years that are legislatively reserved and may be used to support current year's appropriations 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. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and to be expended during economic downturns and emergency situations.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with GAAP. The main differences between the budgetary basis and the GAAP basis used to present fund financial statements 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. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

FINANCIAL TRENDS

Department of the Treasury

The Department of the Treasury's mission is to formulate and manage the State's budget, generate and collect revenues, disburse the appropriations used to operate State government, manage the State's physical and financial assets, and provide statewide support services to State and local government agencies as well as the citizens of New Jersey. The department's overriding goal is to ensure the most beneficial use of fiscal resources and revenues to meet critical needs, all within a policy framework set by the Governor. Consistent with the Division of Taxation's effort to maximize collection of all taxes, compliance collections continue to represent the fourth largest single revenue source in the State Budget. In Fiscal Year 2007, compliance collections exceeded \$1.57 billion, which represents approximately 6.1 percent of all tax collections. In Fiscal Year 2008, the Division of Taxation estimates its efforts will bring in more than \$1.69 billion. The Fiscal Year 2009 Budget eliminates the New Jersey Commerce Commission while consolidating its duties and functions with other State agencies. In addition, the Department of Personnel was abolished. Its functions were either transferred to the newly created Civil Service Commission or consolidated with

other agencies. The State's Fiscal Year 2009 Business Employment Incentive Program, which provides grants to businesses that create jobs, is expected to grow by \$27 million to \$179 million.

Additional information regarding the State's financial status including prior year budgets, appropriations acts, and financial reports are available on the State's web site at <http://www.state.nj.us/treasury/omb/>.

Department of Banking and Insurance

The department's mission is to regulate the banking, insurance, and real estate industries in a professional and timely manner that protects and educates consumers and promotes the growth, financial stability, and efficiency of those industries. Some of the department's major goals are to ensure the solvency of financial institutions through regular financial examinations and analysis, and to protect the public from unlawful or unfair practices by insurers, financial institutions, and real estate licensees by promptly investigating complaints filed by consumers and aggressively prosecuting violators. In response to the residential sub-prime mortgage market crisis, the Department of Banking and Insurance, in cooperation with the Department of Community Affairs, established NJHOPE, commonly known as the New Jersey Home Ownership Preservation Effort. NJHOPE is a voluntary public-private alliance designed to educate and assist New Jersey homeowners on issues related to homeownership and mortgages. The goals of the alliance are to enhance homeownership preservation by providing consumer awareness of mortgage products, increased access to credit and loan counseling, and temporary assistance to those in danger of foreclosure.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the Office of the State Auditor, which resides in the Legislative Branch of State government. The State Auditor's examination was conducted in accordance with generally accepted auditing standards and its opinion precedes the Basic Financial Statements. Private sector public accounting firms have been used for the audits of separately issued component units and college and university financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of various State agencies.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. In order to qualify, a governmental entity 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. The State of New Jersey has received this award every year since 1993.

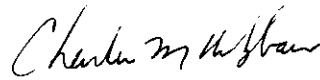
ACKNOWLEDGEMENTS

Finally, we would like to express our appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor whose 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,



R. David Rousseau
State Treasurer



Charlene M. Holzbaur
Director, Office of Management and Budget

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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. R. T.", written in a cursive style.

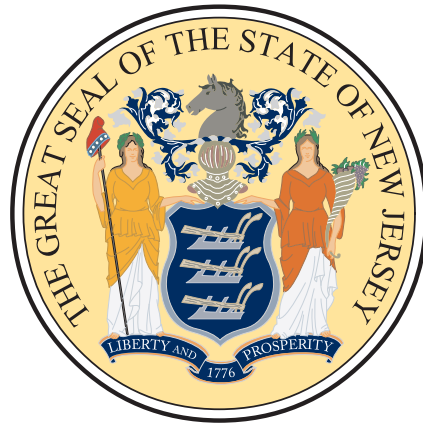
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

New Jersey CAFR

Financial Section



2008



ASSEMBLYMAN
JOSEPH J. ROBERTS, JR.
Chairman

SENATOR
THOMAS H. KEAN, JR.
Vice-Chairman

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SEAN T. KEAN
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JOHN J. BURZICHELLI
ALEX DECROCE
ALISON LITTELL MCHOSE
JOAN M. QUIGLEY
BONNIE WATSON COLEMAN

New Jersey State Legislature

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THOMAS R. MESEROLE
Assistant State Auditor

The Honorable Jon S. Corzine
Governor of New Jersey

The Honorable Richard J. Codey
President of the Senate

The Honorable Joseph J. Roberts, Jr.
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey which represent 100 percent of the assets and revenues of the aggregate discretely presented component units, 89 percent of the assets and 24 percent of the revenues (including additions to fiduciary net assets) of the aggregate remaining fund information, and 100 percent of the information disclosed in Note 2-C

of the basic financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the discretely presented component units, the pensions and other employee benefits trust funds, and the Port Authority of New York and New Jersey, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statements are free of material misstatement. The financial statements of the pensions and other employee benefits trust funds and two component units, the New Jersey Sports and Exposition Authority and the Casino Reinvestment Development Authority, were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of New Jersey's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

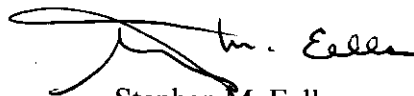
As discussed in Note 2-A, Note 10-P and Note 17-B, the State of New Jersey adopted the provisions of Governmental Accounting Standards Board Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* as of July 1, 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2009 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the

United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, combining financial statements – non-major funds section, other information section and the statistical section, listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements – non-major funds section and the other information section have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Stephen M. Eells
Assistant State Auditor
April 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2008. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

The State, since July 1, 2002 has been accounting and reporting under the standards outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Therefore, a majority of the information provided is not easily comparable to reporting periods prior to the fiscal year ended June 30, 2002. Year-to-year comparisons are provided in the Management's Discussion and Analysis and the Statistical Section. It is the intent of GASB Statement No. 34 to provide meaningful comparisons that will further explain the State's financial position and results of its operations.

FINANCIAL HIGHLIGHTS

Government-wide

- The primary government's assets total \$36.2 billion, an increase of \$983.0 million from the prior fiscal year. As of June 30, 2008, liabilities exceeded assets by \$12.7 billion. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative \$26.4 billion. The negative balance is primarily a result of partially funding the annual pension costs to the State's retirement systems and the State's recognition of other postemployment benefits under GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (See Note 17 – Retirement Systems, Health Benefits, and Post-Retirement Medical Benefits). Financing activities that have contributed to the State's negative unrestricted net asset amount includes liabilities from pension bonds, the funding of a portion of local elementary and high school construction, and the securitization of a major portion of annual tobacco master settlement agreement receipts, with no corresponding assets.
- June 30, 2008 component unit assets exceeded component unit liabilities by \$15.4 billion. Total component unit assets grew to \$38.2 billion, a \$1.1 billion increase in assets from the prior fiscal year. Higher investment balances and capital assets represent the majority of this increase.

Fund Level

- The State's governmental funds reported June 30, 2008 combined ending fund balances of \$10.2 billion, a decrease of \$473.3 million from the prior fiscal year. Of the ending fund balance, \$808.6 million represents unreserved – undesignated fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is \$4.5 billion, with \$469.8 million unreserved – undesignated.
- Proprietary Funds reported June 30, 2008 net assets of \$1.3 billion. During the fiscal year, this amount increased by \$173.5 million.

Long-term Debt

- The State's long-term debt obligations increased 16.8 percent, to \$44.4 billion, which includes a net increase in bonded debt of \$2.1 billion. During the fiscal year, the State issued \$4.9 billion in bonds. New money issuances represented \$3.0 billion primarily for transportation and education system improvements, while \$1.9 billion represented four refunding transactions that provided the State with \$317.1 million in net present value savings. During Fiscal Year 2008, the State paid \$2.7 billion in debt service on its long-term obligations.
- Non-bonded portions of the State's long-term debt total \$10.5 billion. This amount represents a \$4.2 billion increase from the prior fiscal year and is mainly attributable to increases in net pension obligations as well as the State's adoption of GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* which has led the State to begin recording liabilities covering Other Postemployment Benefits (OPEB) as a general long-term obligation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This Comprehensive Annual

Financial Report also contains required supplementary information (RSI) and other information, in addition to the basic financial statements.

Major Features of the Basic Financial Statements				
Features	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's component units	State activities that are not proprietary or fiduciary	State activities that are operated similar to a private business	Instances in which the State is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Assets * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures, and Changes in Fund Balance	* Statement of Net Assets * Statement of Revenues, Expenses, and Changes in Net Assets * Statement of Cash Flows	* Statement of Fiduciary Net Assets * Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Types of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Types of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the fiscal year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

Government-wide financial statements provide a broad view of the State's operations conforming to private sector accounting standards and provide both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The government-wide financial statements include the following two statements:

- **Statement of Net Assets** Presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.
- **Statement of Activities** Presents how the State's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

Both the Statement of Net Assets and the Statement of Activities have separate sections that report three activities:

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.
- **Business-type Activities** Certain State operations are legislatively able to charge fees to external users to recover all or a portion of the cost of the services provided and are therefore classified as business-

type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.

- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. The State has 22 authorities, of which the Garden State Preservation Trust, New Jersey Building Authority, New Jersey Schools Development Authority, New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation, Inc. are blended into governmental activities, and 12 college and universities that are reported as component units. These component units operate as business-type activities and are presented in two categories, major and non-major which is determined, generally, by the relative size of the entity's assets, liabilities, revenues, and expenses when compared to the total of the related component units. A list of the State's component units is shown in Notes 1B – Summary of Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units in the Notes to the Financial Statements. Audit reports of the individual component units can be obtained from their respective administrative offices.

Reconciliation of Government-wide and Governmental Funds Financial Statements

The Comprehensive Annual Financial Report includes two schedules that reconcile the amount reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

- Capital assets used in governmental activities are not reported on governmental funds financial statements.
- Capital outlay spending results in capital assets on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.
- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures of the governmental funds financial statements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and governmental funds financial statements.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State's funds, which exclude component units, are divided into three categories—governmental, proprietary, and fiduciary.

- **Governmental Funds Financial Statements** Most direct state services are financed through governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental funds financial statements focus on current inflows and outflows of expendable resources and the expended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

The State's governmental funds are the General Fund, Special Revenue Funds, and Capital Projects Funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.
- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a required supplementary information section. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also there is a Schedule of Funding Progress for all Pension and Other Employee Trust Funds.

Combining Financial Statements

Combining financial statements are presented for the non-major governmental, proprietary, and fiduciary funds. Non-major funds are shown in the aggregate in the basic financial statements.

Other Information

Information on New Jersey's capital assets, long-term obligations, and non-major budgetary comparison schedules are displayed in this section. Schedules of Anticipated and Appropriated Revenues provide detailed information on major and miscellaneous taxes, fees, and other revenues. The Schedule of Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation. The Schedule of Appropriations and Expenditures details the comparison of expenditures at the legal level of control to the final budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The State ended Fiscal Year 2008 with combined net assets totaling a negative \$12.7 billion. This amount represents a decrease of \$5.4 billion from the prior fiscal year which includes the State's implementation of GASB Statement No. 45. Restricted net assets include funds used to pay unemployment claims and open space preservation. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently these assets are not available for future spending. Invested in capital assets, net of related debt, includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges, and other immovable assets), and construction in progress. The deficit in unrestricted governmental net assets arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities that are required to be included in the government-wide financial statements.

**Net Assets
For Fiscal Year Ended June 30
(Expressed in Millions)**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2008	2007*	2008	2007	2008	2007*
Current and other noncurrent assets	\$ 14,770.4	\$ 15,147.4	\$ 2,241.8	\$ 2,130.7	\$ 17,012.2	\$ 17,278.1
Capital assets, net	19,226.2	17,977.3	--	--	19,226.2	17,977.3
Total Assets	33,996.6	33,124.7	2,241.8	2,130.7	36,238.4	35,255.4
Current liabilities	5,500.9	5,382.0	399.3	393.7	5,900.2	5,775.7
Noncurrent liabilities	42,530.7	36,247.7	525.8	593.8	43,056.5	36,841.5
Total Liabilities	48,031.6	41,629.7	925.1	987.5	48,956.7	42,617.2
Net Assets:						
Invested in capital assets, net of related debt	6,868.5	6,452.0	--	--	6,868.5	6,452.0
Restricted	5,492.5	5,796.5	1,316.7	1,143.2	6,809.2	6,939.7
Unrestricted	(26,396.0)	(20,753.5)	--	--	(26,396.0)	(20,753.5)
Total Net Assets	\$ (14,035.0)	\$ (8,505.0)	\$ 1,316.7	\$ 1,143.2	\$ (12,718.3)	\$ (7,361.8)

* Net Assets were restated by \$104.5 million to reflect revised land improvements, software, and building improvements and by \$146.5 million to exclude debt related to other health benefits.

Changes in Net Assets

The State's Fiscal Year 2008 net assets decreased by \$5.4 billion. Approximately 60.5 percent of the State's total revenue came from general taxes, while 20.5 percent was derived from operating grants. Charges for services amounted to 17.9 percent of total revenues, while other items such as capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 27.9 percent was for educational, cultural, and intellectual development, which includes approximately \$1.0 billion disbursed by the New Jersey Schools Development Authority (a blended component unit) to help finance school facilities construction. Government direction, management and control amounted to 21.3 percent of total expenditures, while physical and mental health amounted to 18.3 percent. Other major expenditures focused on economic planning, development, and security; public safety and criminal justice; and community development and environmental management. During Fiscal Year 2008, governmental activity expense exceeded program revenues. This imbalance was mainly funded through \$31.6 billion of general revenues (mostly taxes and transfers). The remaining \$5.5 billion resulted in a decrease in net assets. Revenues from business-type activities in Fiscal Year 2008 exceeded expenses by \$843.8 million.

Statement of Activities For Fiscal Year Ended June 30 (Expressed in Millions)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues						
Charges for services	\$ 4,426.5	\$ 4,450.7	\$ 4,559.3	\$ 4,307.4	\$ 8,985.8	\$ 8,758.1
Operating grants	10,231.0	10,032.7	71.3	73.3	10,302.3	10,106.0
Capital grants	116.6	108.5	--	--	116.6	108.5
General revenues						
General taxes	30,441.3	28,983.4	--	--	30,441.3	28,983.4
Interest and investment earnings	181.3	271.7	--	--	181.3	271.7
Miscellaneous	753.6	752.9	--	--	753.6	752.9
Total Revenues	46,150.3	44,599.9	4,630.6	4,380.7	50,780.9	48,980.6
Expenses						
Public safety and criminal justice	3,211.8	3,189.7	--	--	3,211.8	3,189.7
Physical and mental health	10,177.4	9,682.1	--	--	10,177.4	9,682.1
Educational, cultural, and intellectual development	15,545.6	14,968.4	--	--	15,545.6	14,968.4
Community development and environmental management	2,502.0	2,484.5	--	--	2,502.0	2,484.5
Economic planning, development, and security	5,487.7	5,300.7	--	--	5,487.7	5,300.7
Transportation programs	1,717.9	2,913.0	--	--	1,717.9	2,913.0
Government direction, management, and control	11,865.8	5,835.8	--	--	11,865.8	5,835.8
Special government services	344.1	327.5	--	--	344.1	327.5
Interest expense	1,048.3	975.0	--	--	1,048.3	975.0
State Lottery Fund	--	--	1,667.6	1,544.2	1,667.6	1,544.2
Unemployment Compensation Fund	--	--	2,119.2	1,937.4	2,119.2	1,937.4
Health Benefits	--	--	--	--	--	--
Total Expenses	51,900.6	45,676.7	3,786.8	3,481.6	55,687.4	49,158.3
Excess (Deficiency) Before Contributions and Transfers	(5,750.3)	(1,076.8)	843.8	899.1	(4,906.5)	(177.7)
Transfers	220.3	883.2	(670.3)	(883.2)	(450.0)	--
Increase (Decrease) in Net Assets	(5,530.0)	(193.6)	173.5	15.9	(5,356.5)	(177.7)
Net Assets - July 1	(8,505.0) *	(8,311.4)	1,143.2	1,127.3	(7,361.8)	(7,184.1)
Net Assets - June 30	\$ (14,035.0)	\$ (8,505.0) *	\$ 1,316.7	\$ 1,143.2	\$ (12,718.3)	\$ (7,361.8)

* July 1, 2007 net assets were restated for an increase of \$251.0 million.

Primary Government – Fiscal Year 2008 Revenues and Expenditures

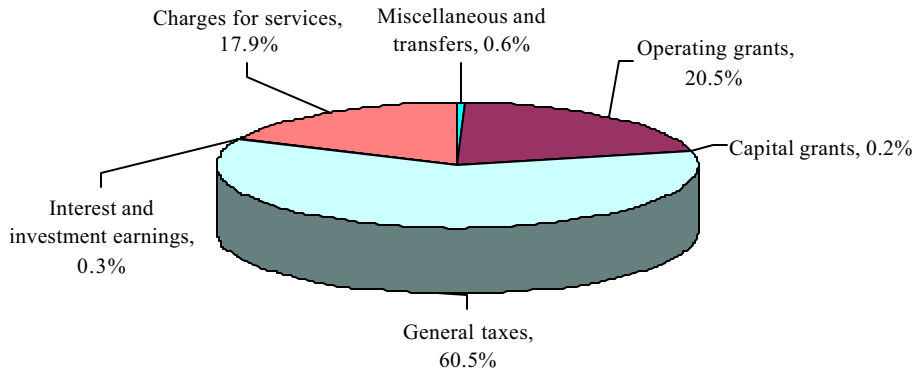
During Fiscal Year 2008, State revenues, including transfers, totaled \$50.3 billion, an increase of \$1.4 billion from the prior fiscal year. This amount reflects a full year effect of an increase in the Sales and Use Tax rate to 7.0 percent from 6.0 percent and the broadening of the Sales and Use Tax base. General taxes totaled \$30.4 billion and accounted for 60.5 percent of total State revenues for Fiscal Year 2008. The State's Gross Income Tax totaled \$12.6 billion, the Sales and

Use Tax totaled \$9.1 billion, and the Corporation Business Tax totaled \$3.1 billion. The State's three major taxes comprised 81.2 percent of the total general taxes that were collected during Fiscal Year 2008.

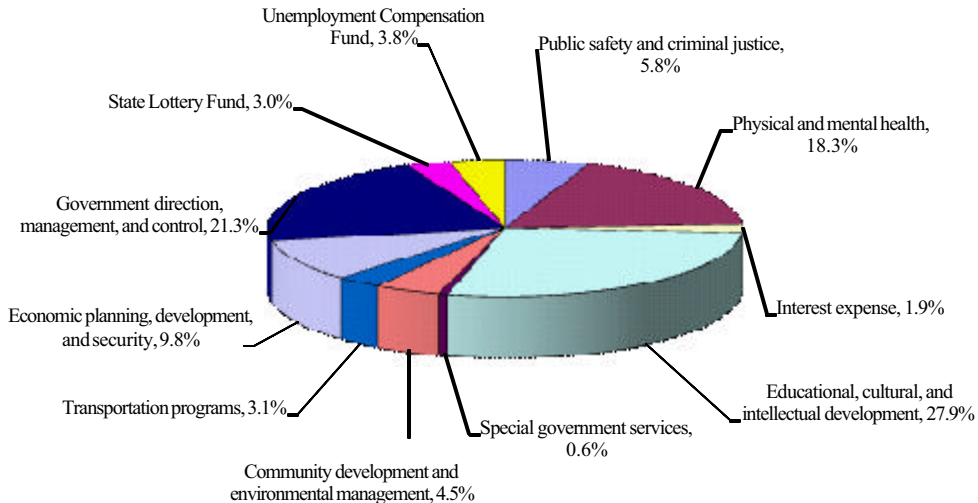
Fiscal Year 2008 expenditures totaled \$55.7 billion, an increase of \$6.5 billion from the prior fiscal year. Government direction, management and control increased by \$6.0 billion. Of that amount, \$3.2 billion reflects the State's implementation of GASB Statement No. 45 for OPEB, while another \$1.0 billion reflects increases in the State's net pension obligation. A \$1.2 billion decrease in spending for transportation programs was offset by increases of \$577.2 million for educational, cultural and intellectual development, \$495.4 million for physical and mental health, and \$187.0 million for economic planning, development, and security. Overall, 46.2 percent of all State expenditures occurred in the areas of education, higher education, and physical and mental health.

The following pie charts depict primary government activities for revenues and expenditures for the fiscal year ended June 30, 2008:

**Revenues – Primary Government
Fiscal Year Ended June 30, 2008**



**Expenditures – Primary Government
Fiscal Year Ended June 30, 2008**



Please see the Statistical Section for current and prior fiscal year revenue and expenditure comparisons.

Component Units

Combined operating revenues and expenses for the State's component units for Fiscal Year 2008 amounted to \$9.4 billion and \$10.6 billion respectively. Total operations along with other revenue and expenses contributed to total combined net assets at fiscal year end of \$15.4 billion. The component units received \$1.6 billion in State appropriations during Fiscal Year 2008.

MAJOR GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the State's major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending. The State's governmental funds reported June 30, 2008 fund balances of \$10.2 billion. The \$473.2 million decrease in fund balance was primarily from a reduction in the Property Tax Relief Fund resulting from spending the Fiscal Year 2007 dedication in Fiscal Year 2008. This amount represented approximately one full year's worth of one-half percent of the Sales and Use Tax collections that are constitutionally dedicated for property tax relief.

General Fund

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's ending fund balance totaled \$4.5 billion, of which \$2.8 billion represented unreserved fund balances. During Fiscal Year 2008, total fund balance decreased by \$60.5 million. The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the amount certified by the Governor at the time of the approval of the annual Appropriations Act and the amount of General Fund revenue reported from the annual financial report of the General Fund for that fiscal year. As of June 30, 2008 the State's Surplus Revenue Fund had a balance of \$734.7 million. During Fiscal Year 2008, the State withdrew \$24.8 million from the Surplus Revenue Fund. This fund benefited from \$19.6 million in interest earnings that accrued on its fund balance during the fiscal year, as well as a \$255.3 million mandatory deposit that was made.

On a budgetary basis, general revenues of \$28.4 billion were \$2.9 billion lower than the final budget. The negative variance was primarily the result of unearned federal and other grant revenues of \$1.3 billion, and declines in other revenues of \$1.0 billion, services and assessments of \$486.4 million, and licenses and fees of \$314.5 million. These negative variances were offset by taxes, which were \$201.5 million above final budget. Federal and other grant revenues are not earned unless there has been a grant award and eligible grant expenses incurred. To the extent that Federal and grant appropriations are made in anticipation of grant awards and the incurrence of grant expenditures, grant revenues are budgeted.

Total expenditures were \$3.5 billion lower than original appropriations set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under spending resulted from the State's historical practice of over appropriating federal funds. This practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2008, the State's appropriation of federal funds and other grants exceeded expenditures by \$1.3 billion. These excess appropriations are available for use in future years. From a program perspective, under spending in Fiscal Year 2008 includes, \$681.0 million from physical and mental health; \$634.6 million from community development and environmental management; \$626.7 million from government direction, management and control; \$529.4 million from economic planning, development and security; \$512.8 million from public safety and criminal justice; \$352.0 million from educational, cultural, and intellectual development; \$107.8 million from special government services; and \$47.0 million from transportation.

Property Tax Relief Fund

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax and one-half percent of the Sales and Use Tax that is constitutionally dedicated for property tax relief. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2008, \$13.9 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2008 ending unreserved – undesignated fund balance is \$98.9 million.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

State Lottery Fund

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets, vendor fees in the production and distribution of lottery tickets, and for the administrative expenses of the Division of State Lottery. Available fund balances are transferred to

the State's General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts and United States Government Treasury securities, are accounted for in this fund.

In Fiscal Year 2008, gross revenues totaled \$2.6 billion, of which \$1.5 billion was returned in prizes, \$882.1 million went to state education and institutions, \$196.5 million was paid to sales agents and ticket vendors, and \$22.9 million covered Lottery operational and promotional expenses. As of June 30, 2008, the State Lottery, since its inception, has generated over \$44.4 billion in gross revenues, \$23.4 billion in prizes, and contributed \$17.3 billion to the State.

Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers and employees contributions for unemployment compensation, amounts credited or advances made by the Federal Government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund. During Fiscal Year 2008, \$260.0 million was deposited into the State of New Jersey Unemployment Compensation Fund from the State's General Fund to provide benefits for unemployed workers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Administration of the State's capital assets falls under the purview of the Department of the Treasury. Capital assets are recorded in the State's capital asset system in the New Jersey Office of Management and Budget. The State has identified a significant amount of capital investment requirements for State facilities through the New Jersey Capital Budgeting and Planning Commission. Additionally, the Department of Transportation has identified significant requirements for additional bridge repair and maintenance. The budget and planning process prioritizes these requirements and recommends funding to meet them.

The Fiscal Year 2008 capital budget included \$3.1 billion of State and matching federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority, produced \$800.0 million for State highways, \$175.0 million for local highways, and \$625.0 million for mass transit. During Fiscal Year 2008, the New Jersey Economic Development Authority issued \$1.3 billion of School Facilities Construction Bonds to help fund the New Jersey Schools Development Authority's program. As of June 30, 2008, a total of \$7.4 billion of the \$8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2008, another \$98.0 million of State funds were appropriated to the Garden State Preservation Trust for conservation purposes, while 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital asset data is shown below. The State's investment in capital assets, net of accumulated depreciation, totaled \$19.2 billion as of June 30, 2008. Depreciation charges for Fiscal Year 2008 totaled \$571.4 million.

Capital Assets (Net of Depreciation) As of June 30 (Expressed in Millions)

	Total Primary Government	
	2008	2007*
Land and Easements	\$ 4,340.4	\$ 4,184.0
Land Improvements	92.0	94.0
Buildings and Improvements	1,305.8	1,298.4
Machinery, Equipment, and Software	273.9	192.5
Infrastructure	10,066.5	9,098.1
Sub-Total	16,078.6	14,867.0
Construction-In-Progress	3,147.6	3,110.3
Total	\$ 19,226.2	\$ 17,977.3

* Fiscal Year 2007 Capital Assets, net of depreciation has been restated for an increase of \$104.5 million.

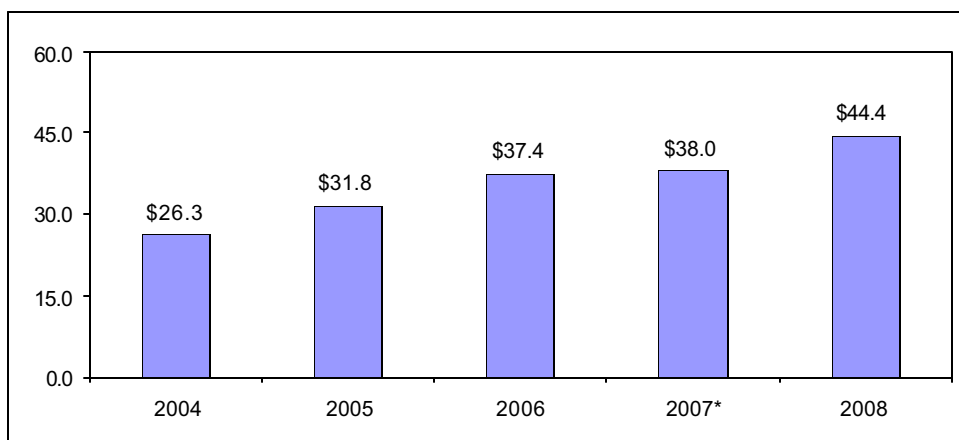
The funding for capital investment requirements are derived either from the State's operating budget or from legislative or voter approved bonded debt.

More detailed information about the State's capital assets is presented in the Notes to the Financial Statements, Note 7 – Capital Assets.

Debt Administration

As of June 30, 2008, New Jersey's outstanding long-term obligations totaled \$44.4 billion, a \$6.4 billion increase over the prior fiscal year. Long-term bonded debt obligations totaled \$33.9 billion, while other long-term obligations totaled \$10.5 billion. This amount reflects a \$3.2 billion increase due to the implementation of GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* which has required the State to begin recording liabilities covering OPEB. In addition, the State has \$8.3 billion of legislatively authorized bonding capacity that has not yet been issued. During Fiscal Year 2008, the legislatively authorized bonding capacity decreased by \$2.6 billion (See Statistical Section – Legislatively Authorized But Unissued Debt, 2008 and 2007). The State's long-term obligations for the past five fiscal years are shown below:

**Long-Term Obligations
Fiscal Year 2004 to Fiscal Year 2008
(Expressed in Billions)**



* Fiscal Year 2007 Long-term obligations has been restated to reflect the exclusion of \$146.5 million in Other Health Benefits.

More detailed information about the State's long-term obligations is presented in the Notes to the Financial Statements, Note 10 – Long-term Obligations.

Standard & Poor's Corporation, Moody's Investors Service, and Fitch Ratings rate the State's outstanding bonded debt. The State's short-term and long-term general obligation credit ratings did not change during Fiscal Year 2008. At any time in the future, with or without notice, the State's credit ratings may change. As of June 30, 2008, the State's short-term and long-term, general obligation credit ratings are as follows:

<u>Rating Agency</u>	<u>Short-Term</u>	<u>Long-Term</u>
Standard & Poor's Corporation	SP-1+	AA
Moody's Investors Service	MIG 1	Aa3
Fitch Ratings	F1+	AA-

ECONOMIC CONDITION AND OUTLOOK

New Jersey's economy weakened significantly subsequent to June 30, 2008. The New Jersey and national economies are expected to continue to experience further deterioration in near term economic growth in 2009. The

latest New Jersey economic forecasts from Global Insight, Moody's Economy.com, and Rutgers University project recessionary conditions to continue through 2009, with credit still tight and financial markets under turmoil.

The future economic outlook hinges on the success of the federal economic stimulus package and supportive fiscal and monetary policies. Availability of credit, stability in the financial markets and improvements in consumer and business confidence are critical factors necessary for an economic turnaround nationally and in New Jersey.

The State and the nation may experience further near term deterioration in growth and the expected pace of economic expansion may decline further if consumers, investors, and businesses become more concerned about the impact of the economic stimulus on the job situation, credit availability, financial market stress, and geopolitical tension. To a large extent, the future direction of the economy nationally and in New Jersey hinges on the assumptions regarding economic recession, energy prices, and stability in financial markets. Based on information available as of the date hereof, economic conditions of the State may begin to stabilize in 2010, but there are no assurances that this will occur.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are also available at the following website: www.state.nj.us/treasury/omb.

Basic Financial Statements



STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 289,083,180	\$ 325,958	\$ 289,409,138	\$ 1,395,748,225
Investments	7,964,503,816	306,935,457	8,271,439,273	11,380,065,573
Receivables, net of allowances for uncollectibles				
Federal government	617,344,689	849,022,472	1,466,367,161	90,565,827
Departmental accounts	2,987,593,647	586,235,492	3,573,829,139	--
Loans	1,265,555,446	--	1,265,555,446	2,562,363,284
Mortgages	--	--	--	2,480,206,189
Other	966,301,745	50,784,236	1,017,085,981	840,348,058
Internal balances	88,412,537	(88,412,537)	--	--
Due from external parties	23,308,404	--	23,308,404	55,295,356
Inventories	--	--	--	142,222,412
Other	354,463,967	11,551,529	366,015,496	634,449,199
Total Current Assets	14,556,567,431	1,716,442,607	16,273,010,038	19,581,264,123
Noncurrent Assets:				
Investments	--	525,342,844	525,342,844	--
Pension assets	6,370,711	--	6,370,711	--
Capital assets - nondepreciated	7,487,965,852	--	7,487,965,852	3,298,312,779
Capital assets - depreciated, net	11,738,246,172	--	11,738,246,172	15,314,240,138
Other	207,408,865	--	207,408,865	--
Total Noncurrent Assets	19,439,991,600	525,342,844	19,965,334,444	18,612,552,917
Total Assets	33,996,559,031	2,241,785,451	36,238,344,482	38,193,817,040

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

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS (Continued)
JUNE 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	2,759,740,154	142,692,115	2,902,432,269	1,087,384,001
Due to external parties	83,764,071	--	83,764,071	137,502,053
Interest payable	266,487,300	--	266,487,300	192,326,568
Deferred revenue	296,115,082	--	296,115,082	319,682,247
Current portion of long-term obligations	1,839,612,993	138,959,467	1,978,572,460	854,958,212
Other	255,165,632	117,608,909	372,774,541	567,206,451
Total Current Liabilities	5,500,885,232	399,260,491	5,900,145,723	3,159,059,532
Noncurrent Liabilities:				
Net pension obligation	4,759,367,621	--	4,759,367,621	1,075,436
Net OPEB obligation	3,177,400,000	--	3,177,400,000	289,803,969
Other	34,593,948,508	525,808,314	35,119,756,822	19,360,414,350
Total Noncurrent Liabilities	42,530,716,129	525,808,314	43,056,524,443	19,651,293,755
Total Liabilities	48,031,601,361	925,068,805	48,956,670,166	22,810,353,287
NET ASSETS				
Invested in capital assets, net of related debt	6,868,459,148	--	6,868,459,148	7,651,568,333
Restricted for:				
Capital projects	--	--	--	742,597,629
Public safety and criminal justice	100,280,895	--	100,280,895	--
Physical and mental health	205,852,840	--	205,852,840	--
Educational, cultural, and intellectual development	660,121,220	--	660,121,220	--
Community development and environmental management	2,642,707,470	--	2,642,707,470	--
Economic planning, development, and security	755,385,610	--	755,385,610	--
Transportation programs	118,216,145	--	118,216,145	--
Debt service	650,000,000	--	650,000,000	856,446,184
Property tax relief	136,401,359	--	136,401,359	--
Unemployment	--	1,254,201,146	1,254,201,146	--
Other	223,510,730	62,515,500	286,026,230	3,923,514,359
Unrestricted	(26,395,977,747)	--	(26,395,977,747)	2,209,337,248
Total Net Assets	\$ (14,035,042,330)	\$ 1,316,716,646	\$ (12,718,325,684)	\$ 15,383,463,753

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	\$ 3,211,794,689	\$ 1,046,925,103	\$ 306,383,329	\$ 2,369,543
Physical and mental health	10,177,450,713	853,212,674	656,983,159	33,464
Educational, cultural, and intellectual development	15,545,557,114	117,110,261	813,630,118	--
Community development and environmental management	2,501,987,897	282,738,249	566,672,914	83,832,121
Economic planning, development and security	5,487,678,062	1,055,870,465	695,890,203	--
Transportation programs	1,717,923,832	11,711,643	795,776,878	30,352,994
Governmental direction, management, and control	11,865,832,062	940,937,204	6,394,568,704	--
Special government services	344,127,229	117,950,746	1,096,146	--
Interest expense	1,048,332,780	--	--	--
Total governmental activities	51,900,684,378	4,426,456,345	10,231,001,451	116,588,122
Business-type activities:				
State Lottery Fund	1,667,600,328	2,579,307,085	5,236,545	--
Unemployment Compensation Fund	2,119,161,962	1,979,952,764	66,083,855	--
Total business-type activities	3,786,762,290	4,559,259,849	71,320,400	--
Total Primary Government	\$ 55,687,446,668	\$ 8,985,716,194	\$ 10,302,321,851	\$ 116,588,122
Component Units				
Authorities	5,452,683,947	2,376,965,916	1,171,799,518	1,597,182,406
Colleges and Universities	5,160,095,627	2,411,878,167	1,825,588,487	16,175,986
Total Component Units	\$ 10,612,779,574	\$ 4,788,844,083	\$ 2,997,388,005	\$ 1,613,358,392

General Revenues and Transfers:

Taxes:

Gross Income Tax
Sales and Use Tax
Corporate Business Tax
Other taxes

Investment earnings
Payments from State
Miscellaneous

Transfers

Total general revenue and transfers

Change in Net Assets

Net Assets - July 1, 2007 (Restated)

Net Assets - June 30, 2008

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

-----Net (Expense) Revenue and Changes in Net Assets-----			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,856,116,714)	\$ --	\$ (1,856,116,714)	\$ --
(8,667,221,416)	--	(8,667,221,416)	--
(14,614,816,735)	--	(14,614,816,735)	--
(1,568,744,613)	--	(1,568,744,613)	--
(3,735,917,394)	--	(3,735,917,394)	--
(880,082,317)	--	(880,082,317)	--
(4,530,326,154)	--	(4,530,326,154)	--
(225,080,337)	--	(225,080,337)	--
(1,048,332,780)	--	(1,048,332,780)	--
<u>(37,126,638,460)</u>	<u>--</u>	<u>(37,126,638,460)</u>	<u>--</u>
--	916,943,302	916,943,302	--
--	(73,125,343)	(73,125,343)	--
--	843,817,959	843,817,959	--
--	843,817,959	(36,282,820,501)	--
--	--	--	(306,736,107)
--	--	--	(906,452,987)
--	--	--	<u>(1,213,189,094)</u>
12,605,545,164	--	12,605,545,164	--
9,053,666,342	--	9,053,666,342	--
3,062,378,873	--	3,062,378,873	--
5,719,739,003	--	5,719,739,003	--
181,324,005	--	181,324,005	--
--	--	--	1,585,836,441
753,630,348	--	753,630,348	--
220,302,291	(670,302,291)	(450,000,000)	--
<u>31,596,586,026</u>	<u>(670,302,291)</u>	<u>30,926,283,735</u>	<u>1,585,836,441</u>
(5,530,052,434)	173,515,668	(5,356,536,766)	372,647,347
(8,504,989,896)	1,143,200,978	(7,361,788,918)	15,010,816,406
<u>\$ (14,035,042,330)</u>	<u>\$ 1,316,716,646</u>	<u>\$ (12,718,325,684)</u>	<u>\$ 15,383,463,753</u>

**STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 45,603,027	\$ --	\$ 243,480,153	\$ 289,083,180
Investments	3,057,213,911	--	4,907,289,905	7,964,503,816
Receivables, net of allowances for uncollectibles				
Federal government	431,444,949	--	64,199,719	495,644,668
Departmental accounts	1,941,974,322	685,649,422	359,969,903	2,987,593,647
Loans	22,183,281	--	1,243,372,165	1,265,555,446
Other receivable	200,374,040	--	355,257,989	555,632,029
Due from other funds	1,346,743,638	10,955,770	570,122,874	1,927,822,282
Advances to other funds	8,000,000	--	--	8,000,000
Other	23,479,791	--	178,313	23,658,104
Total Assets	<u>\$ 7,077,016,959</u>	<u>\$ 696,605,192</u>	<u>\$ 7,743,871,021</u>	<u>\$ 15,517,493,172</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	\$ 1,787,322,891	\$ 48,298,848	\$ 924,118,413	\$ 2,759,740,152
Deferred revenue	287,442,887	--	152,703,195	440,146,082
Due to other funds	375,542,359	396,033,425	1,128,289,628	1,899,865,412
Advances from other funds	--	--	8,000,000	8,000,000
Other	85,406,430	115,871,560	53,887,642	255,165,632
Total Liabilities	<u>2,535,714,567</u>	<u>560,203,833</u>	<u>2,266,998,878</u>	<u>5,362,917,278</u>
Fund Balances				
Reserved for:				
Encumbrances	923,852,981	19,618,659	1,227,787,926	2,171,259,566
Surplus revenue	734,706,805	--	--	734,706,805
Other	65,805,449	--	1,633,125,477	1,698,930,926
Unreserved:				
General Fund	2,816,937,157	--	--	2,816,937,157
Special Revenue Funds	--	116,782,700	2,522,350,469	2,639,133,169
Capital Projects Funds	--	--	93,608,271	93,608,271
Total Fund Balances	<u>4,541,302,392</u>	<u>136,401,359</u>	<u>5,476,872,143</u>	<u>10,154,575,894</u>
Total Liabilities and Fund Balances	<u>\$ 7,077,016,959</u>	<u>\$ 696,605,192</u>	<u>\$ 7,743,871,021</u>	<u>\$ 15,517,493,172</u>

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

**STATE OF NEW JERSEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Total fund balances-governmental funds \$ 10,154,575,894

Amounts reported for governmental activities in the statement of net assets are different as a result of the following items:

The State has receivables which are not current resources and therefore are not reported in the fund perspective. 532,369,737

In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective. 330,805,246

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund perspective. These assets consist of:

Infrastructure assets	\$	16,265,981,205	
Buildings and improvements		2,868,346,105	
Land and land improvements		4,548,506,600	
Other capital assets		3,712,656,481	
Accumulated depreciation		<u>(8,169,278,367)</u>	19,226,212,024

Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets. 144,031,000

The pension and other assets are not current and therefore are not reported in the fund perspective. 213,779,576

Some liabilities are not due and payable in the current period and therefore are not reported in the fund perspective. Those liabilities consist of:

Current Liabilities			
Accrued interest			(266,487,300)
Noncurrent Liabilities			
Bonds and notes payable		(16,520,930,000)	
Installment obligations		(18,272,738,932)	
Loans payable		(1,279,358,087)	
Capital leases		(697,106,760)	
Compensated absences		(595,855,821)	
Unamortized deferral on refunding bonds		865,654,238	
Unamortized premium		(1,412,760,771)	
Tobacco Settlement Financing Corporation, Inc. Bonds		(4,591,408,701)	
Unamortized discount on Capital Appreciation Bonds		6,347,598,350	
Net pension obligation		(4,759,367,621)	
Net OPEB obligation		(3,177,400,000)	
Other noncurrent liabilities		<u>(276,654,402)</u>	(44,370,328,507)

Net assets of governmental activities \$ (14,035,042,330)

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

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 15,414,147,171	\$ 13,271,536,874	\$ 1,718,788,888	\$ 30,404,472,933
Federal and other grants	8,650,050,707	--	830,205,301	9,480,256,008
Licenses and fees	1,131,760,281	--	121,194,009	1,252,954,290
Services and assessments	1,681,978,536	--	931,865,415	2,613,843,951
Investment earnings	98,212,336	--	223,112,900	321,325,236
Contributions	1,585	--	484,258	485,843
Other	2,174,548,245	--	362,855,458	2,537,403,703
Total Revenues	29,150,698,861	13,271,536,874	4,188,506,229	46,610,741,964
EXPENDITURES				
Current:				
Public safety and criminal justice	3,196,618,565	--	120,910,878	3,317,529,443
Physical and mental health	9,764,795,923	122,039,000	364,323,811	10,251,158,734
Educational, cultural, and intellectual development	4,502,670,475	10,256,583,753	1,001,691,288	15,760,945,516
Community development and environmental management	1,257,505,855	936,449,171	465,122,889	2,659,077,915
Economic planning, development, and security	4,683,305,430	26,005,000	893,798,534	5,603,108,964
Transportation programs	459,836,955	--	2,328,255,120	2,788,092,075
Government direction, management, and control	5,206,015,743	2,498,160,962	242,370,984	7,946,547,689
Special government services	331,652,845	--	183,177	331,836,022
Capital Outlay	318,550,569	--	--	318,550,569
Debt Service:				
Principal	270,714,446	--	343,206,248	613,920,694
Interest	157,955,151	--	647,430,036	805,385,187
Total Expenditures	30,149,621,957	13,839,237,886	6,407,292,965	50,396,152,808
Excess (deficiency) of revenues over expenditures	(998,923,096)	(567,701,012)	(2,218,786,736)	(3,785,410,844)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	--	--	1,507,720,000	1,507,720,000
Transfers from other funds	2,222,636,355	--	3,599,553,074	5,822,189,429
Transfers to other funds	(2,825,584,696)	--	(2,776,292,300)	(5,601,876,996)
Other sources	3,472,494,620	--	168,483,560	3,640,978,180
Other uses	(1,931,167,702)	--	(125,690,946)	(2,056,858,648)
Total other financing sources (uses)	938,378,577	--	2,373,773,388	3,312,151,965
Excess (deficiency) of revenues and other sources over expenditures and other uses	(60,544,519)	(567,701,012)	154,986,652	(473,258,879)
Fund balances - July 1, 2007	4,601,846,911	704,102,371	5,321,885,491	10,627,834,773
Fund balances - June 30, 2008	\$ 4,541,302,392	\$ 136,401,359	\$ 5,476,872,143	\$ 10,154,575,894

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

**STATE OF NEW JERSEY
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Net change in fund balance - total governmental funds **\$ (473,258,879)**

Amounts reported for governmental activities in the statement of activities are different as a result of the following items:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,733,759,803	
Depreciation expense	(484,868,194)	
Excess of capital outlay over depreciation expense		1,248,891,609

Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term obligations in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds. (1,567,085,000)

Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as an obligation. (1,526,828,814)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term obligations in the statement of net assets. In the current year these amounts consist of:

Bond principal retirement	590,720,000	
Capital lease payments	83,626,855	
Installment obligation retirement	521,217,690	
Certificates of participation retirement	27,909,100	
Tobacco Settlement Financing Corp, Inc. retirement	53,165,000	
Total long-term obligations repayment		1,276,638,645

Some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2008 receivable balances increased by this amount. 46,400,721

Some revenues recorded in the statement of activities do not provide current financial resources and therefore are deferred in the fund perspective. 1,839,000

In the government-wide statements certain items are capitalized and amortized over a period of years, but are reported as expenditures or other financing sources and uses in the fund perspective. These activities consist of:

Increase in unamortized premiums	(15,353,754)	
Decrease in deferral on refunding issues	(58,573,229)	
Decrease in deferred issuance costs	30,816,799	
Decrease in bond discount	(879,685)	
Total capitalized and amortized items		(43,989,869)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or reductions of revenue in governmental funds. These activities consist of:

Net increase in accrued interest	(279,558,778)	
Increase in compensated absences, medicaid, and other	(42,894,720)	
Increase in pension assets	79,506	
Increase in net pension and OPEB obligations	(4,175,488,912)	
Increase in other assets	5,203,057	
Total additional expenditures and revenue reductions		(4,492,659,847)

Change in net assets of governmental activities **\$ (5,530,052,434)**

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

**STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008**

	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Proprietary Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 95,038	\$ 230,920	\$ 325,958
Investments	286,363,815	20,571,642	306,935,457
Receivables, net of allowances for uncollectibles			
Federal government	--	849,022,472	849,022,472
Departmental accounts	--	586,235,492	586,235,492
Other	14,932,344	35,851,892	50,784,236
Due from other funds	--	22,976,377	22,976,377
Other	11,551,529	--	11,551,529
Noncurrent Assets			
Investments	525,342,844	--	525,342,844
Total Assets	<u>838,285,570</u>	<u>1,514,888,795</u>	<u>2,353,174,365</u>
LIABILITIES			
Current Liabilities			
Accounts payable	61,888,097	80,804,018	142,692,115
Due to other funds	89,268,392	22,120,522	111,388,914
Current portion of long-term obligations	138,959,467	--	138,959,467
Other	--	117,608,909	117,608,909
Noncurrent Liabilities			
Due in more than one year	525,808,314	--	525,808,314
Total Liabilities	<u>815,924,270</u>	<u>220,533,449</u>	<u>1,036,457,719</u>
NET ASSETS			
Restricted for:			
Unemployment compensation	--	1,254,201,146	1,254,201,146
Other purposes	22,361,300	40,154,200	62,515,500
Total Net Assets	<u>\$ 22,361,300</u>	<u>\$ 1,294,355,346</u>	<u>\$ 1,316,716,646</u>

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

**STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
OPERATING REVENUES			
Sales and charges for services	\$ 2,538,476,656	\$ --	\$ 2,538,476,656
Assessments	--	1,977,595,363	1,977,595,363
From federal agencies	--	35,031,496	35,031,496
Other	40,830,429	2,357,401	43,187,830
Total Operating Revenues	2,579,307,085	2,014,984,260	4,594,291,345
OPERATING EXPENSES			
Unemployment compensation	--	2,119,161,962	2,119,161,962
Lottery prize awards	1,471,117,973	--	1,471,117,973
Other	196,482,355	--	196,482,355
Total Operating Expenses	1,667,600,328	2,119,161,962	3,786,762,290
Operating Income (Loss)	911,706,757	(104,177,702)	807,529,055
NONOPERATING REVENUES (EXPENSES)			
Investment income	5,236,545	31,052,359	36,288,904
Total Nonoperating Revenues (Expenses)	5,236,545	31,052,359	36,288,904
Income (Loss) Before Transfers	916,943,302	(73,125,343)	843,817,959
Transfers from other funds	--	260,000,000	260,000,000
Transfers to other funds	(905,008,392)	(25,293,899)	(930,302,291)
Change in Net Assets	11,934,910	161,580,758	173,515,668
Total Net Assets - July 1, 2007	10,426,390	1,132,774,588	1,143,200,978
Total Net Assets - June 30, 2008	\$ 22,361,300	\$ 1,294,355,346	\$ 1,316,716,646

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

**STATE OF NEW JERSEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	\$ 1,263,350,327	\$ --	\$ 1,263,350,327
Receipts from federal and local agencies	--	143,324,827	143,324,827
Receipts from assessments	--	1,831,503,348	1,831,503,348
Payments to suppliers	(53,795,913)	--	(53,795,913)
Payments to prize winners	(444,306,037)	--	(444,306,037)
Claims paid	--	(1,929,279,818)	(1,929,279,818)
Other receipts (payments)	130,388,056	--	130,388,056
Net cash provided (used) by operating activities	895,636,433	45,548,357	941,184,790
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(908,072,587)	(26,695,662)	(934,768,249)
Net cash provided (used) by noncapital financing activities	(908,072,587)	(26,695,662)	(934,768,249)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,166,430,000	260,000,000	1,426,430,000
Purchase of investments	(1,154,192,000)	(279,000,000)	(1,433,192,000)
Net cash provided (used) by investing activities	12,238,000	(19,000,000)	(6,762,000)
Net increase (decrease) in cash and cash equivalents	(198,154)	(147,305)	(345,459)
Cash and cash equivalents - July 1, 2007	293,192	378,225	671,417
Cash and cash equivalents - June 30, 2008	\$ 95,038	\$ 230,920	\$ 325,958
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 911,706,757	\$ (104,177,702)	\$ 807,529,055
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Net changes in assets and liabilities:			
Current assets	9,579,528	136,355,175	145,934,703
Noncurrent assets	67,891,713	--	67,891,713
Current liabilities	(17,815,076)	13,370,884	(4,444,192)
Noncurrent liabilities	(75,726,489)	--	(75,726,489)
Net cash provided (used) by operating activities	\$ 895,636,433	\$ 45,548,357	\$ 941,184,790

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



**STATE OF NEW JERSEY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008**

	Agency Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	\$ 11,940,261	\$ 95
Securities lending collateral	--	--
Investments	107,699,781	4,046,803,509
Receivables, net of allowances for uncollectibles		
Members	146,671	--
Employers	1,374,460	--
Interest and dividends	--	--
Departmental accounts	25,945	--
Other	41,822	5,032,386
Due from other funds	31,456,492	--
Other	--	--
	Total Assets	4,051,835,990
LIABILITIES		
Accounts payable	147,087,616	--
Benefits payable	--	--
Securities lending collateral and rebates payable	--	--
Due to other funds	5,597,816	2,798,460
	Total Liabilities	2,798,460
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	\$ --	\$ 4,049,037,530

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

Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
\$ 8,406,882	\$ 592,809
12,832,412,674	--
81,718,443,664	13,545,116
191,395,865	--
3,013,046,134	--
780,902,372	--
--	11,070
--	--
53,841,155	--
1,097,815,406	--
<u>99,696,264,152</u>	<u>14,148,995</u>
70,682,206	3,754,195
944,642,787	--
12,832,412,674	--
11,756,614	4,689,090
<u>13,859,494,281</u>	<u>8,443,285</u>
<u><u>\$ 85,836,769,871</u></u>	<u><u>\$ 5,705,710</u></u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Investment Trust Fund	Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Members	\$ --	\$ 2,014,920,419	\$ --
Employers	--	5,932,504,351	--
Other	15,424,621,205	7,644,333	--
Total Contributions	15,424,621,205	7,955,069,103	--
Investment Income:			
Net increase (decrease) in fair value of investments	--	(4,748,503,271)	--
Interest and dividends	159,560,928	3,083,344,730	548,024
Total Investment Income	159,560,928	(1,665,158,541)	548,024
Less investment expense	--	10,939,982	--
Net Investment Income	159,560,928	(1,676,098,523)	548,024
Miscellaneous	--	--	99,208
Total Additions	15,584,182,133	6,278,970,580	647,232
DEDUCTIONS			
Benefit payments	--	9,993,959,447	--
Refunds of contributions	--	141,829,202	--
Refunds and transfers to other systems	--	--	10,142
Administrative expense	2,798,460	51,836,121	--
Payments in accordance with trust agreements	--	--	160,179
Distributions to shareholders	14,686,046,466	--	--
Total Deductions	14,688,844,926	10,187,624,770	170,321
Total Changes in Net Assets Held In Trust	895,337,207	(3,908,654,190)	476,911
Net Assets - July 1, 2007	3,153,700,323	89,745,424,061	5,228,799
Net Assets - June 30, 2008	\$ 4,049,037,530	\$ 85,836,769,871	\$ 5,705,710

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



**STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2008**

	New Jersey Transit Corporation	New Jersey Turnpike Authority	Rutgers, The State University of New Jersey
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 236,011,324	\$ 140,545,145	\$ 73,946,000
Investments	2,174,208,730	993,026,951	1,099,520,000
Receivables, net of allowances for uncollectibles			
Federal government	26,792,423	--	--
Loans	--	--	9,116,000
Mortgages	--	--	--
Other	--	31,777,678	175,859,000
Due from external parties	--	4,850,480	--
Inventories	97,693,086	24,556,270	4,843,000
Other	85,964,175	67,192,568	177,097,000
Total Current Assets	2,620,669,738	1,261,949,092	1,540,381,000
Noncurrent Assets			
Capital assets - nondepreciated	990,310,037	1,243,768,737	139,994,000
Capital assets - depreciated, net	6,195,190,634	2,895,048,295	1,514,911,000
Total Noncurrent Assets	7,185,500,671	4,138,817,032	1,654,905,000
Total Assets	9,806,170,409	5,400,766,124	3,195,286,000
LIABILITIES			
Current Liabilities			
Accounts payable	295,602,525	82,118,881	116,007,000
Due to external parties	--	123,371,407	--
Interest payable	--	85,038,602	--
Deferred revenue	--	2,092,783	52,585,000
Current portion of long-term obligations	371,888,157	76,460,000	32,053,000
Other	46,453,463	10,006,912	135,767,000
Total Current Liabilities	713,944,145	379,088,585	336,412,000
Noncurrent Liabilities			
Net pension obligation	--	--	--
Net OPEB obligation	112,463,881	38,383,502	--
Other	3,546,002,639	4,940,110,284	548,438,000
Total Noncurrent Liabilities	3,658,466,520	4,978,493,786	548,438,000
Total Liabilities	4,372,410,665	5,357,582,371	884,850,000
NET ASSETS			
Invested in capital assets, net of related debt	5,559,233,857	(759,977,239)	1,045,262,000
Restricted for:			
Capital projects	1,550,046	542,864,044	38,756,000
Debt service	--	88,499,170	16,935,000
Other purposes	--	218,365	706,655,000
Unrestricted	(127,024,159)	171,579,413	502,828,000
Total Net Assets	\$ 5,433,759,744	\$ 43,183,753	\$ 2,310,436,000

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

University of Medicine and Dentistry of New Jersey	Non-Major Component Units	Total Component Units
\$ 54,027,000	\$ 891,218,756	\$ 1,395,748,225
474,002,000	6,639,307,892	11,380,065,573
28,241,000	35,532,404	90,565,827
32,277,000	2,520,970,284	2,562,363,284
--	2,480,206,189	2,480,206,189
209,596,000	423,115,380	840,348,058
--	50,444,876	55,295,356
13,273,000	1,857,056	142,222,412
49,315,000	254,880,456	634,449,199
<u>860,731,000</u>	<u>13,297,533,293</u>	<u>19,581,264,123</u>
31,945,000	892,295,005	3,298,312,779
1,026,432,000	3,682,658,209	15,314,240,138
<u>1,058,377,000</u>	<u>4,574,953,214</u>	<u>18,612,552,917</u>
<u>1,919,108,000</u>	<u>17,872,486,507</u>	<u>38,193,817,040</u>
304,459,000	289,196,595	1,087,384,001
--	14,130,646	137,502,053
9,481,000	97,806,966	192,326,568
54,648,000	210,356,464	319,682,247
86,581,000	287,976,055	854,958,212
339,000	374,640,076	567,206,451
<u>455,508,000</u>	<u>1,274,106,802</u>	<u>3,159,059,532</u>
--	1,075,436	1,075,436
--	138,956,586	289,803,969
666,939,000	9,658,924,427	19,360,414,350
<u>666,939,000</u>	<u>9,798,956,449</u>	<u>19,651,293,755</u>
<u>1,122,447,000</u>	<u>11,073,063,251</u>	<u>22,810,353,287</u>
445,303,000	1,361,746,715	7,651,568,333
7,884,000	151,543,539	742,597,629
25,706,000	725,306,014	856,446,184
357,858,000	2,858,782,994	3,923,514,359
<u>(40,090,000)</u>	<u>1,702,043,994</u>	<u>2,209,337,248</u>
<u>\$ 796,661,000</u>	<u>\$ 6,799,423,256</u>	<u>\$ 15,383,463,753</u>

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>New Jersey Transit Corporation</u>	<u>New Jersey Turnpike Authority</u>	<u>Rutgers, The State University of New Jersey</u>
Expenses	\$ 2,419,247,735	\$ 995,951,983	\$ 1,626,606,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	829,234,070	831,393,880	679,689,000
Operating grants and contributions	632,033,127	64,528,574	696,941,000
Capital grants and contributions	918,842,550	--	12,123,000
Net (Expense) Revenue	<u>(39,137,988)</u>	<u>(100,029,529)</u>	<u>(237,853,000)</u>
General Revenue			
Payments from State	298,200,000	--	328,895,000
Total General Revenue	<u>298,200,000</u>	<u>--</u>	<u>328,895,000</u>
Changes in Net Assets	259,062,012	(100,029,529)	91,042,000
Net Assets - Beginning of Year (Restated)	<u>5,174,697,732</u>	<u>143,213,282</u>	<u>2,219,394,000</u>
Net Assets - End of Year	<u>\$ 5,433,759,744</u>	<u>\$ 43,183,753</u>	<u>\$ 2,310,436,000</u>

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

University of Medicine and Dentistry of New Jersey	Non-Major Component Units	Total Component Units
\$ 1,836,941,000	\$ 3,734,032,856	\$ 10,612,779,574
853,467,000	1,595,060,133	4,788,844,083
588,416,000	1,015,469,304	2,997,388,005
--	682,392,842	1,613,358,392
<u>(395,058,000)</u>	<u>(441,110,577)</u>	<u>(1,213,189,094)</u>
<u>281,704,000</u>	<u>677,037,441</u>	<u>1,585,836,441</u>
<u>281,704,000</u>	<u>677,037,441</u>	<u>1,585,836,441</u>
(113,354,000)	235,926,864	372,647,347
<u>910,015,000</u>	<u>6,563,496,392</u>	<u>15,010,816,406</u>
<u>\$ 796,661,000</u>	<u>\$ 6,799,423,256</u>	<u>\$ 15,383,463,753</u>

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

NOTE 1 - SUMMARY OF 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 have been prepared primarily from accounts and records maintained by the Director of the Office of Management and Budget. 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 their independent accounting systems.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, 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 Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Development Authority, the Tobacco Settlement Financing Corporation, Inc., and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely or almost entirely to the State, or on behalf of the State. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 18.

COLLEGES AND UNIVERSITIES

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

AUTHORITIES

Casino Reinvestment Development Authority
Garden State Preservation Trust
Higher Education Student Assistance Authority
New Jersey Building Authority
New Jersey Commerce 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 Environmental Infrastructure Trust
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Meadowlands Commission
New Jersey Redevelopment Authority
New Jersey Schools Development Authority (formerly New Jersey
Schools Construction Corporation)
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Transportation Trust Fund Authority
New Jersey Turnpike Authority
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority
Tobacco Settlement Financing Corporation, Inc.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intragovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net assets measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and long-term debt. The difference between the State's assets and its liabilities is its net assets. Net assets are displayed in three components - invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The amount of net assets that are restricted by enabling legislation is disclosed in Note 14. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities is presented in a format that reports the net (expense) revenue of the State's individual functions. The net (expense) revenue format reports the relative financial burden of each of the State's functions on its taxpayers. This format identifies the extent to which each function of the government draws from the general revenues of the State or is self-financed through licenses, fees, permits, and other revenues.

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Charges for services are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is

either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

In the statement of activities, all expenses are reported by function except those that are special or extraordinary items. Each function reports direct expenses – those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Some functions, such as government direction, management and control, include expenses that are indirect expenses of other functions. The State does not allocate indirect expenses to the other functions.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements report all financial and capital assets (including infrastructure assets), short and long-term liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. Activity and balances resulting from exchange and exchange-like transactions are recognized when the exchange takes place; those resulting from nonexchange transactions are recognized based on the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental Fund Financial Statements - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

In accordance with the modified accrual 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. Generally, these revenues which are considered to be susceptible to accrual include amounts received during the three month period subsequent to June 30 that were earned as of June 30. On an exception basis, the State will occasionally accrue amounts received after this three month period but within twelve months subsequent to June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other sources are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities. Unapplied overpayments of Corporation Business Tax and Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. 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.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements - The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements previously described.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless FASB conflicts with GASB. The State has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State's enterprise funds are the Unemployment Compensation Fund and the State Lottery Fund.

The Unemployment Compensation Fund's principle ongoing operations consist of assessments received from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and

disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners.

E. Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represent the fund's assets, liabilities, residual equities or balances, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

1. Major Funds

The State reports the General Fund and the Property Tax Relief Fund as major governmental funds. The State also reports the State Lottery Fund and the Unemployment Compensation Fund as major enterprise funds. Descriptions are as follows:

- a. General Fund - This fund accounts for all State revenues, not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, 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. Property Tax Relief Fund - This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use 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. P.L. 2006, c.44 increased the sales tax rate from six percent to seven percent; of the additional one percent, half a percent was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.
- c. State Lottery Fund - This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.
- d. Unemployment Compensation Fund - This fund accounts for assessments received from employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

2. Governmental Fund Types

- a. Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, private-purpose trusts, or major capital projects) that are legally restricted to expenditure for specific purposes such as education, environment, and health care.
- b. Capital Projects Funds - To account for financial resources, usually general obligation bonds, capital projects funds are used for the acquisition or construction of major capital facilities for State use such as mental health, educational and correctional facilities, and public transportation projects. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds.

3. Fiduciary Fund Types

- a. Pension and Other Employee Benefit Trust Funds - These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.
- b. Investment Trust Fund - This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.

- c. Private Purpose Trust Funds - These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.
- d. Agency Funds - These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

4. Proprietary Fund Types

Enterprise Funds - These funds may be used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as enterprise funds if laws or regulations require that the activity's costs of providing services be recovered with fees and charges, rather than with taxes on similar revenues.

F. Appropriations and Outstanding Debt

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 has 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.

G. Assets

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including 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 Note 3 for details.

2. 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, 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.

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 pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Balance Sheet of the Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments 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. See Note 4 for additional details.

3. Securities Lending Collateral

The Pension Trust Funds participate in securities lending programs with their custodian banks, whereby securities are loaned to brokers and, in return, the Pension Trust Funds have rights to the collateral received. All of the securities held in the Common Pension Trust Fund investment pool are eligible for the securities lending program. Collateral received may consist of cash, letters of credit, or government securities having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. The contracts with the Common Pension Trust Fund investment pool custodian banks require them to indemnify the investment pool if the brokers fail to return the securities or fail to pay the investment pool for income distributions by the

securities' issuers while the securities are on loan. The securities loans can be terminated by notification by either the broker or the investment pool. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of cash collateral. As of June 30, 2008, the Pension Trust Funds have no aggregate credit risk exposure to brokers because the collateral amount held by the Pension Trust Funds exceeded the market value of the securities on loan. See Note 5 for additional details.

4. Receivables

Receivables in the State's governmental, fiduciary, and proprietary funds, Component Units - Authorities, and Component Units - College and University Funds are stated net of allowances for uncollectable amounts and primarily consist of federal revenues, taxes, loans, interest, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 6 for details.

5. Capital Assets

Capital assets are tangible and intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the statement of net assets at cost or historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are recorded at estimated fair value at the time of donation. The State's capital assets consist of:

- a. All land, including parks, forests, easements, and development rights.
- b. Infrastructure assets such as roads, bridges, dams, highway lands, and rights-of-way.
- c. All general government buildings, including hospitals, care, and correctional facilities.
- d. Land improvements, machinery and equipment, software, and motor vehicles used in general operations with a unit cost of at least \$25,000, \$20,000, \$100,000, and \$30,000 respectively. For the purpose of reporting, machinery and equipment, and software are consolidated into one category.
- e. Capital projects in the process of construction.

To measure depreciation expense, the State used the straight-line method, whereby the historical cost (or other capitalized amount) of depreciable assets, less their estimated salvage values, is allocated in equal annual amounts over the estimated useful lives of the assets. To estimate the useful lives of its capital assets, the State uses guidelines from industry organizations. There is no depreciation recorded for land, construction in progress, and rights-of-way.

Capital leases which are classified as capital assets are recorded in amounts equal to the lesser of the fair value of the asset or the present value of the future net minimum lease payments at the inception of the lease.

The State does not capitalize and depreciate works of art, historical treasures, and similar assets because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Capital assets utilized in the government funds are recorded as expenditures in the governmental fund financial statements.

6. Interfund/Intrafund Transactions

Interfund Transactions - 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, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. 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 reimbursement of expenses.

Intrafund Transactions - Intrafund transactions, as a result of contracts among departments within the same fund, are considered expenditures by the contractor and revenues by the contractee in the fund financial statements.

As a general rule, intrafund revenues and expenditures, interfund transfers, and interfund receivables and payables have been eliminated in the government-wide financial statements. An exception is the net residual amounts due between governmental and business-type activities, which is recorded as internal balances. Receivables from and payables to fiduciary funds are recorded in the statement of net assets as receivable from and payable to external parties.

H. Liabilities

1. Deferred Revenue

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the government-wide level arise only when the State receives resources before it has a legal claim to these resources.

Deferred revenue in the General Fund, at both levels, consists principally of amounts due from the Port Authority of New York and New Jersey.

2. Deferred Compensation

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is administered by the Department of the Treasury, Division of Pensions and Benefits, 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 an 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.

The State's Employees' Deferred Compensation Plan is reported as a pension (and other employee benefits) trust fund in the fund financial statements. The Plan is fiduciary in nature, and thus is not reported in the government-wide financial statements.

3. 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. Cash payments for sick leave at retirement are made from annual legislative appropriations 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.

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. The liability for accumulated employee sick leave and for accumulated vacation pay is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities if due in more than one year, and as current liabilities-current portion of long-term obligations, if due within a year.

4. Other Long-term Obligations

In addition to accumulated unpaid sick and vacation benefits, other long-term obligations include general obligation bonds, revenue bonds, capital leases, installment obligations, certificates of participation, loans payable, and other liabilities of a long-term nature. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year and as current liabilities-current portion of long-term obligations, if due within a year.

Bond and note premiums and discounts are amortized to interest expense based on the straight-line method. Capital appreciation bonds are reported at its net or accreted value rather than at face value. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges in other assets and are amortized over the term of the related debt.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

I. Net Assets

1. Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted - Net assets are reported as restricted when constraints placed on net asset use are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted - Unrestricted net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”
4. Held in Trust for Pension Benefits and Other Purposes - This is used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

J. Fund Balances

1. Reserved for Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
2. Reserved for 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 per P.L. 1990, c.44.
3. Reserved for 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.
4. Unreserved - General Fund, Special Revenue Funds, and Capital Projects Funds - Represents the following:
 - a. Unreserved Designated - Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature, as well as those portions of fund balance of non-budgeted governmental funds so designated by management.
 - b. Unreserved Designated - Unrealized Gains - Used to represent the portion of fund balance that resulted from the fair value reporting of investments, i.e., the difference between investments reported at fair value and the amortized cost of those investments.
 - c. Unreserved Undesignated - Used to represent that portion of fund balance resources available for appropriation.

K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2007:

Component Units - Authorities

Casino Reinvestment Development 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 Housing and Mortgage Finance Agency
New Jersey Meadowlands Commission
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Turnpike Authority
South Jersey Port Corporation
South Jersey Transportation Authority

Special Revenue Funds

New Jersey Building Authority (blended component unit)
New Jersey Schools Development Authority (blended component unit)

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Change in Accounting Policy

The State has adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 47, *Accounting for Termination Benefits*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures*.

B. Restatement of Net Asset Balance

The July 1, 2007 net asset balance for governmental activities was increased by \$251.0 million to reflect net additions to the capital asset balance of \$104.5 million, and a decrease to the non-bonded debt-other category of \$146.5 million.

C. Joint Ventures

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, NY 10003-1604
www.panynj.gov

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 their 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 including the Passenger Facility Charges Program for the fiscal year ended December 31, 2007 disclosed the following (expressed in millions):

Financial Position	
	<u>Combined Total</u>
Total Assets	\$ 23,712.1
Total Liabilities	<u>14,774.8</u>
Net Assets	<u>\$ 8,937.3</u>
Operating Results	
Operating Revenues	\$ 3,413.0
Operating Expenses	(2,247.4)
Depreciation and Amortization	(691.8)
Net Recoverables (Expenses) Related to the Events of September 11, 2001	<u>(4.6)</u>
Income from Operations	469.2
Non-operating Revenues (Expense), Net	<u>833.7</u>
Net Income	<u>\$ 1,302.9</u>
Changes in Net Assets	
Balance January 1, 2007	\$ 7,634.4
Net Income	<u>1,302.9</u>
Balance December 31, 2007	<u>\$ 8,937.3</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, 2007, Port Authority debt consisted of the following (expressed in millions):

Bonds, Notes and Other Obligations	
Consolidated Bonds and Notes	\$ 9,495.4
Special Project Bonds	1,264.7
Operating Asset Financing	502.6
Capital Asset Financing	<u>1,535.5</u>
	12,798.2
Less: Unamortized Discount and Premium	<u>(46.8)</u>
Total	<u>\$ 12,751.4</u>

D. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of \$611.3 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2007.

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional \$526.0 million in federal grant revenues and economic planning, development, and security expenditures has been recorded.

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 presented in the fund financial statements.

New Jersey Revised Statutes (52:18-16.1) set 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 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 require 100 percent coverage of the highest daily balance of the preceding month. For banks that have State deposits which total \$15 million or more per month, the amount of collateral required is 120 percent of the total average daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the State disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2008 the State's bank balances amounted to \$290.2 million. Of these balances, \$91.8 million was exposed to custodial credit risk as uninsured and uncollateralized.

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 domestic and international equities and exchange traded funds; covered call and put options; equity futures contracts; obligations of the U.S. Treasury, government agencies, corporations, finance companies and banks; obligations of international corporations, governments and agencies; interest rate swap transactions; fixed income exchange traded funds; U.S. Treasury futures contracts; New Jersey State and Municipal general obligations; public authority revenue obligations; collateralized notes and mortgages; commercial paper; certificates of deposit; repurchase agreements; bankers acceptances; guaranteed income contracts; funding agreements; money market funds; private equity; real estate; other real assets; and absolute return strategy funds. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria 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.

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 pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are primarily reflected as investments in the Statement of Fiduciary Net Assets, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. All other investments 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.

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 and the Common Pension Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

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 \$663.7 million of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. 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.

Investments for all funds are as follows (expressed in millions):

	Amount Reported As Investments
Domestic fixed income securities	\$ 40,105.3
Domestic equities	25,228.5
International equities	14,889.9
Absolute return strategy funds	3,739.0
International fixed income securities	2,913.0
Private equities	2,850.2
Real estate	1,916.2
Mortgages	1,288.0
Commodity funds	975.5
Annuity contracts	663.7
Miscellaneous	0.7
Total investments	94,570.0
Unallocated administrative expenses and transaction exchanges	113.3
Net amount recorded as investments	\$ 94,683.3

As Reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets:

	Current Investments	Non-Current Investments	Total
Governmental activities	\$ 7,964.5	\$ --	\$ 7,964.5
Business-type activities	306.9	525.4	832.3
Fiduciary funds	85,886.5	--	85,886.5
Total	\$ 94,157.9	\$ 525.4	\$ 94,683.3

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), or Fitch Ratings (Fitch). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in United States Treasury and government agency securities. State regulations require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue. The following limits were in place from July 1, 2006 through September 4, 2006.

Category	Minimum Moody's	Rating S&P	Limitation of Issuers' Outstanding Debt	Limitation of Issue	Other Limitations
Corporate obligations	Baa	BBB	25%	25%	-
U.S. finance company debt, bank debentures, and N.J. State and municipal debt	A	A	10%	10%	-
Canadian obligations	A	A	10%	10%	Purchase cannot exceed greater of 10% of issue or \$10 million
International government and agency obligations	Aa	AA	2%	10%	Not more than 1% of fund assets can be invested in any one issuer
Public Authority revenue obligations	A	A	-	10%	Not more than 2% of fund assets can be invested in any one issuer
Collateralized notes and mortgages	Baa	BBB	-	33%	Not more than 2% of fund assets can be invested in any one issuer
Commercial paper	P-1	A-1	-	-	-
Certificates of deposit and bankers acceptances (rating applies to international)	Aa/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuer's primary capital
Guaranteed income contracts	P-1	-	-	-	A+ rating from A.M. Best for insurance companies
Money market funds	-	-	-	-	Not more than 10% of fund assets can be invested; limited to 5% of shares or units outstanding

In addition, the State sets individual issuer limits for commercial paper and certificates of deposit.

As of September 5, 2006 the following limits became effective:

Category	Minimum Rating			Limitation of Issuers' Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P	Fitch			
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
U.S. finance company debt and bank debentures	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
International corporate obligations	Baa3	BBB-	BBB-	10%	25%	Limited to not more than 5% of fund assets in any one issuer; not more than 10% of fund assets can be invested in this category
International government and agency obligations	Aa3	AA-	AA-	25%	Greater of 25% or \$10 million	Not more than 1% of fund assets can be invested in one issuer
Collateralized notes and mortgages	Baa3	BBB-	BBB-	-	25%	Not more than 5% of fund assets can be invested in one issuer
Commercial paper	P-1	A-1	F1	-	-	-
Certificates of deposit and bankers acceptances:						Certificates of deposit and bankers acceptances cannot exceed 10% of issuer's primary capital
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Guaranteed income contracts	A3	A-	A-	-	-	-
Money market funds	-	-	-	-	-	Limited to 10% of the assets of the fund
Interest rate swap transactions	A3	A-	A-	-	-	Notional value of net exposure to any one counterparty shall not exceed 10% of fund assets
Repurchase agreements	Aa3	AA-	AA-	-	-	-
New Jersey state and municipal obligations	A3	A-	A-	10%	10%	Limit of 10% of fund assets can be invested in debt of any one entity
Public Authority revenue obligations	A3	A-	A-	-	10%	Limit of 2% of fund assets in any one authority
Mortgage backed pass-through securities	A3	A-	A-	-	-	Limit of 5% of fund assets in any one issue
Mortgage backed senior debt securities	-	-	-	-	25%	Limit of 5% of fund assets in any one issue

In addition, the State sets individual issuer limits for commercial paper and certificates of deposit.

Effective August 20, 2007, up to five percent of the market value of the combined assets of the pension and annuity funds may be invested in corporate obligations, finance company debt, bank debentures, international corporate obligations, collateralized notes and mortgages and mortgage backed pass-through securities that do not meet the minimum credit rating requirements set forth above.

For securities exposed to credit risk in the fixed income portfolio, the following table discloses aggregate fair value, by major credit quality rating category at June 30, 2008 (expressed in millions):

	Moody's Rating					
	Aaa	Aa	A	Baa	Ba	P-1
United States Treasury bills	\$ 4,897.1	\$ -	\$ -	\$ -	\$ -	\$ -
United States Treasury notes	450.5	-	-	-	-	-
United States Treasury TIPS	3,573.8	-	-	-	-	-
United States Treasury bonds	3,914.4	-	-	-	-	-
United States Treasury strips	622.3	-	-	-	-	-
United States Government Agency	155.1	0.1	-	-	-	-
Title XI merchant marine notes	2.6	-	-	-	-	-
Federal farm credit bank bonds	19.5	-	-	-	-	-
Federal home loan bank bonds	850.5	-	-	-	-	-
Federal home loan bank discounted notes	6.7	-	-	-	-	-
Federal home loan mortgage corporation notes	963.3	-	0.1	-	-	-
Federal national mortgage association notes	578.1	-	-	-	-	-
Housing Urban Development	23.0	-	-	-	-	-
Tennessee Valley Authority strips	166.9	-	-	-	-	-
Floating rate notes	28.1	-	-	-	-	-
Domestic corporate obligations	486.0	725.2	3,119.0	2,681.6	91.4	-
Domestic corporate discounted obligations	105.2	-	4.9	-	-	-
International corporate obligations	-	-	205.8	193.4	-	-
Real estate investment trust obligations	-	-	-	19.4	-	-
Finance company debt	385.2	476.1	784.2	268.8	-	-
International bonds and notes	298.7	20.3	67.8	19.9	-	-
Foreign government obligations	1,077.2	150.7	-	-	-	-
Foreign government discounted obligations	879.3	-	-	-	-	-
Adjustable rate municipal bonds	31.0	135.7	135.0	-	-	-
Remic/FHLMC	546.4	-	-	-	-	-
Remic/FNMA	50.3	-	-	-	-	-
GNMA mortgage backed certificates	148.3	-	-	-	-	-
FHLM mortgage backed certificates	440.1	-	-	-	-	-
FNMA mortgage backed certificates	448.6	-	-	-	-	-
SBA passthrough certificated	100.4	-	-	-	-	-
Asset backed obligations	63.8	119.0	-	139.3	-	-
Private export obligations	85.7	-	-	-	-	-
Exchange traded securities	-	-	131.8	-	-	-
Commercial paper	-	-	-	-	-	3,661.4
Certificates of deposit	-	-	-	-	-	8,115.5
Other	12.6	3.7	1.9	-	0.1	1.1
	<u>\$ 21,410.7</u>	<u>\$ 1,630.8</u>	<u>\$ 4,450.5</u>	<u>\$ 3,322.4</u>	<u>\$ 91.5</u>	<u>\$ 11,778.0</u>

The table does not include domestic corporate obligations of \$42.1 million, finance company debt of \$86.6 million and exchange traded securities of \$4.7 million, which were given a Moody rating of (B). Other items not reflected in the above table include domestic corporate obligations of \$84.8 million and finance company debt of \$64.3 million, which were both given a Moody rating of (Caa).

In addition, the Police and Firemen's Mortgages of \$1,288.0 million, exchange traded securities of \$39.8 million, Federal home loan mortgage corporation notes of \$10.4 million, U.S. Government agency obligations of \$1.0 million, and domestic corporate obligations of \$0.7 million are unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Commercial paper must mature within 270 days. Certificates of deposits and bankers acceptances are limited to a term of one year or less. The maturity of repurchase agreements was 15 days through September 4, 2006. This was revised to 30 days effective September 5, 2006. The investment in guaranteed income contracts and funding agreements is limited to a term of ten years or less.

The following table summarizes the maturities of the fixed income portfolio at June 30, 2008 (expressed in millions):

	Total Fair Value	Maturities in Years			
		Less than 1	1-5	6-10	More than 10
United States Treasury bills	\$ 4,897.1	\$ 4,897.1	\$ -	\$ -	\$ -
United States Treasury notes	450.5	290.9	120.7	9.8	29.1
United States Treasury TIPS	3,573.8	-	-	369.2	3,204.6
United States Treasury bonds	3,914.4	-	-	-	3,914.4
United States Treasury strips	622.3	-	-	-	622.3
United States Government Agency	156.2	3.2	57.7	7.6	87.7
Title XI merchant marine notes	2.6	-	-	-	2.6
Federal farm credit bank bonds	19.5	19.5	-	-	-
Federal home loan bank bonds	850.5	729.7	-	38.5	82.3
Federal home loan bank discounted notes	6.7	-	-	-	6.7
Federal home loan mortgage corporation notes	973.8	759.5	45.8	130.9	37.6
Federal national mortgage association notes	578.1	578.1	-	-	-
Housing Urban Development	23.0	23.0	-	-	-
Tennessee Valley Authority strips	166.9	-	-	-	166.9
Floating rate notes	28.1	-	18.1	10.0	-
Domestic corporate obligations	7,230.8	116.0	823.0	1,698.9	4,592.9
Domestic corporate discounted obligations	110.1	-	8.3	-	101.8
International corporate obligations	399.2	-	-	69.6	329.6
Real estate investment trust obligations	19.4	-	19.4	-	-
Finance company debt	2,065.2	194.3	183.3	989.8	697.8
International bonds and notes	406.7	-	25.8	196.1	184.8
Foreign government obligations	1,227.9	70.5	230.4	45.0	882.0
Foreign government discounted obligations	879.3	879.3	-	-	-
Adjustable rate municipal bonds	301.7	-	-	-	301.7
Remic/FHLMC	546.4	-	-	19.7	526.7
Remic/FNMA	50.3	-	-	-	50.3
Police and firemen's mortgages	1,288.0	-	-	-	1,288.0
GNMA mortgage backed certificates	148.3	-	-	-	148.3
FHLM mortgage backed certificates	440.1	-	0.2	1.8	438.1
FNMA mortgage backed	448.6	0.3	2.1	12.0	434.2
SBA passthrough certificates	100.4	-	-	100.4	-
Asset backed obligations	322.1	-	31.1	14.6	276.4
Private export obligations	85.7	12.5	21.2	52.0	-
Commercial paper	3,661.4	3,661.4	-	-	-
Certificates of deposit	8,115.5	8,115.5	-	-	-
Other	18.1	7.7	-	5.8	4.6
	<u>\$ 44,128.7</u>	<u>\$ 20,358.5</u>	<u>\$ 1,587.1</u>	<u>\$ 3,771.7</u>	<u>\$ 18,411.4</u>

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As mentioned previously, the State's Pension Trust Funds participate in the Common Pension Trust Fund pool. The Common Pension Fund D account within this investment pool reflects the State's investments in global markets. Effective August 20, 2007, the fair value of international preferred and common stocks and issues convertible into common stocks, when combined with the fair value of international government and agency obligations, cannot exceed 30 percent of the fair value of the Common Pension Fund D account. Previously, this limitation was 22 percent. Effective September 5, 2006, the market value of emerging market securities cannot exceed more than 1.5 times the percentage derived by dividing the total market capitalization of the companies included in the MSCI All-Country World Ex-United States Index by the total market value of the assets held by Common Pension Fund D account. Prior to September 5, 2006, not more than 5 percent of the value of the assets held by Common Pension Fund D account could be invested in companies incorporated in emerging market countries. Not more than 10 percent of the market value of the emerging market securities can be invested in the common and preferred stock of any one corporation. The total amount of stock purchased in any one corporation cannot exceed 5 percent of its stock classes eligible to vote. State regulations permit entering into foreign exchange contracts for the purpose of hedging the international portfolio. The State held forward contracts at June 30, 2008 totaling approximately \$1.4 billion (with a \$5.3 million net exposure). At June 30, 2008, the State had the following foreign currency exposure based on exchange rates in effect for such day (expressed in millions of U.S. dollars):

Currency	Total Fair Value	Equities	Government Obligations	Alternative Investments
Australian dollar	\$ 614.6	\$ 456.8	\$ 157.8	\$ -
Brazilian Real	118.3	118.3	-	-
British pound sterling	1,970.7	1,916.9	-	53.8
Canadian dollar	546.5	546.5	-	-
Chilean peso	1.3	1.3	-	-
Czech koruna	4.5	4.5	-	-
Danish krone	205.5	205.5	-	-
Euro dollar	6,983.2	5,829.7	1,005.1	148.4
Egyptian pound	20.4	20.4	-	-
Hong Kong dollar	263.3	263.3	-	-
Hungarian forint	6.5	6.5	-	-
Indonesian rupiah	22.8	22.8	-	-
Israeli shekel	14.7	14.7	-	-
Japanese yen	2,822.7	1,943.4	879.3	-
Malaysian ringgit	18.6	18.6	-	-
Mexican peso	19.4	19.4	-	-
New Taiwan dollar	14.0	14.0	-	-
New Zealand dollar	18.1	18.1	-	-
Norwegian krone	451.1	451.1	-	-
Omani rial	2.0	2.0	-	-
Pakistan rupee	2.7	2.7	-	-
Philippines peso	1.1	1.1	-	-
Polish peso	9.9	9.9	-	-
Qatar rial	4.5	4.5	-	-
Singapore dollar	135.6	135.6	-	-
South African rand	69.7	69.7	-	-
South Korean won	110.4	110.4	-	-
Swedish krona	521.6	521.6	-	-
Swiss franc	1,460.3	1,460.3	-	-
Thailand baht	17.0	17.0	-	-
Turkish lira	27.8	27.8	-	-
	<u>\$ 16,478.8</u>	<u>\$ 14,234.4</u>	<u>\$ 2,042.2</u>	<u>\$ 202.2</u>

The State's interests in alternative investments may contain elements of credit, currency, and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and non-marketable investments), and nondisclosure of portfolio composition. Effective September 5, 2006, State regulations require that not more than 18 percent of the market value of the Pension Fund can be invested in alternative investments, with the individual categories of real estate, real assets, private equities, and absolute return strategy investments limited to 7 percent. On August 18, 2008 the overall limitation was revised to 28 percent. The Common Pension Fund E account within the Common Pension Trust Fund pool reflects the State's alternative investments. Not more than 5 percent of the market value of Common Pension Fund E plus outstanding commitments may be committed to any one partnership or investment,

without the prior written approval of the State Investment Council. The investments in Common Pension Fund E cannot comprise more than 20 percent of any one investment manager's total assets.

NOTE 5 - SECURITIES LENDING COLLATERAL

The securities lending collateral is subject to various risks. Among these risks are credit risk, concentration of credit risk, and interest rate risk. Agreements with the lending agents require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue. The following limits were in place from July 1, 2006 through September 4, 2006.

Category	Minimum Rating		Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P			
Certificates of deposit and bankers acceptances	Aa3/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuers primary capital
Guaranteed income contracts	P-1	-	-	-	Limited to 5% of the assets of the collateral portfolio
Money market funds	-	-	-	-	Limited to 10% of the assets of the collateral portfolio

As of September 5, 2006 the following limits became effective:

Category	Minimum Rating			Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P	Fitch			
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	-
U.S. finance company debt and bank debentures	Baa3	BBB-	BBB-	10%	25%	-
Collateralized notes and mortgages	Baa3	BBB-	BBB-	-	25%	Limited to not more than 10% of the assets of the collateral portfolio
Commercial paper	P-1	A-1	F1	-	-	-
Certificates of deposit and bankers acceptances:						Uncollateralized certificates of deposit and bankers acceptances cannot exceed
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	10% of issuers primary capital
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Guaranteed income contracts	A3	A-	A-	-	-	Limited to 5% of the assets of the collateral portfolio
Money market funds	-	-	-	-	-	Limited to 10% of the assets of the collateral portfolio

All investments in the collateral portfolio must mature or are to be redeemed within one year, except that up to 25% of the portfolio may be invested in eligible securities which mature within 25 months; provided, however, that the average maturity of all investments shall not exceed one year.

Maturities of corporate obligations, U.S. finance company debt, bank debentures, collateralized notes and mortgages, and guaranteed income contracts must be less than 25 months. Commercial paper maturities cannot exceed 270 days. Repurchase agreement maturities cannot exceed 30 days. Certificates of deposit and bankers acceptances must mature in one year or less.

The collateral for repurchase agreements is limited to obligations of the U.S. Government or certain U.S. Government agencies, collateralized notes and mortgages, and corporate obligations meeting certain minimum rating criteria.

Total exposure to any individual issuer is limited, except for U.S. Treasury and Government Agency Obligations. For money market funds, the total amount of shares or units purchased or acquired of any money market fund shall not exceed five percent of the shares or units outstanding of said money market fund. For Collateralized Notes and Mortgages, not more than two percent of the assets of the collateral portfolio shall be invested in the obligations of any one issuer. For Guaranteed Income Contracts, and funding agreements, the total investment in any one issuer shall be limited to 2.5 percent of the collateral portfolio. The State sets individual issuer limits for Commercial Paper and Certificates of Deposit. For Corporate Obligations, U.S. Finance Company Debt, Bank Debentures and Bankers Acceptances, exposure to any one issuer shall be limited to the following percentages of the collateral portfolio in accordance with the issuer's rating from Moody's: Aaa (4 percent), Aa (3 percent), A (2 percent), and Baa (1 percent).

For securities exposed to credit risk in the collateral portfolio, the following table disclosures aggregate market value, by major credit quality rating category at June 30, 2008 (expressed in millions). In those cases where an issuer and/or security have both a long-term and short-term rating, the short-term rating is presented:

	Moody's Rating									
	Aaa/AAA	Aaa/AA	Aa/AAA	Aa/AA	Aa/A	A/A	AA/A	A/Baa	Baa/BBB	Not rated
Corporate obligations	\$ 711.2	\$ 269.3	\$ 224.5	\$ 2,835.8	\$ 570.5	\$ 1,796.6	\$ 10.0	\$ 142.2	\$ 139.7	\$ -
Commercial paper	-	-	-	-	200.0	-	-	-	-	-
Certificates of deposit	-	-	-	608.7	753.7	-	-	-	-	-
Repurchase agreements	-	-	-	-	35.0	-	-	-	-	3,110.5
Asset backed securities	431.5	-	-	104.0	-	-	-	-	-	-
Money market funds	510.9	-	-	-	-	-	-	-	-	378.0
Cash	-	-	-	-	-	-	-	-	-	0.3
	<u>\$ 1,653.6</u>	<u>\$ 269.3</u>	<u>\$ 224.5</u>	<u>\$ 3,548.5</u>	<u>\$ 1,559.2</u>	<u>\$ 1,796.6</u>	<u>\$ 10.0</u>	<u>\$ 142.2</u>	<u>\$ 139.7</u>	<u>\$ 3,488.8</u>

The following table summarizes the maturities of the collateral portfolio at June 30, 2008 (expressed in millions):

	Total Market Value	Maturities	
		Less than One Year	One year to 25 Months
Corporate obligations	\$ 6,699.8	\$ 5,115.3	\$ 1,584.5
Commercial paper	200.0	200.0	-
Certificates of deposit	1,362.4	1,362.4	-
Repurchase agreements	3,145.5	3,145.5	-
Money market funds	888.9	888.9	-
Asset backed securities	535.5	535.5	-
Cash	0.3	0.3	-
	<u>\$ 12,832.4</u>	<u>\$ 11,247.9</u>	<u>\$ 1,584.5</u>

As of June 30, 2008, the Pension Funds had received cash collateral of \$12.8 billion and non-cash collateral of \$70.4 million for outstanding loaned investment securities having market values of \$12.6 billion.

NOTE 6 - RECEIVABLES

Fiduciary funds' receivables are not disclosed in the statement of net assets. However, these receivables are disclosed in the fund financial statements and consist primarily of amounts due from employers and employees and accrued earnings on investments. Receivables presented in the statement of net assets are described below.

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 No. 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 \$2.8 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2008.

Federal receivable balances in the Unemployment Compensation Fund (\$849.0 million) 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 \$3.6 billion 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 (\$360.1 million).

C. Loans

Loans receivable of \$1.3 billion are reduced by allowances of \$68.9 million and include \$1.2 billion due from local units of government and other recipients for environmental projects, \$43.2 million loaned for economic development within local units of government, and \$11.8 million loaned for housing and mortgage assistance.

D. Other

Other receivables totaling \$1.7 billion are reduced by allowances of \$720.2 million and include tax receivables due of \$410.7 million, \$200.3 million due from the Port Authority of New York and New Jersey, \$144.1 million due from tobacco companies, and \$97.5 million due from proceeds of Motor Vehicle Commission bonds which are held by the trustee.

NOTE 7 - CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2008 is as follows (expressed in millions):

	<u>Balance July 1, 2007*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2008</u>
Capital assets, not being depreciated:					
Land and easements	\$ 4,184.0	\$ 153.7	\$ --	\$ 2.7	\$ 4,340.4
Construction in progress**	3,110.3	1,536.0	0.8	(1,497.9)	3,147.6
Capital assets, being depreciated:					
Land improvements	203.5	--	0.1	4.6	208.0
Buildings and improvements	2,833.9	73.3	89.9	51.1	2,868.4
Machinery, equipment, and software	432.4	61.2	7.1	78.6	565.1
Infrastructure	14,897.6	--	--	1,368.3	16,265.9
Total at historical cost	<u>25,661.7</u>	<u>1,824.2</u>	<u>97.9</u>	<u>7.4</u>	<u>27,395.4</u>
Less accumulated depreciation:					
Land improvements	109.5	6.5	--	--	116.0
Buildings and improvements	1,535.5	107.9	80.8	--	1,562.6
Machinery, equipment, and software	239.9	57.1	5.8	--	291.2
Infrastructure	5,799.5	399.9	--	--	6,199.4
Total accumulated depreciation	<u>7,684.4</u>	<u>571.4</u>	<u>86.6</u>	<u>--</u>	<u>8,169.2</u>
Governmental activities capital assets, net	<u>\$ 17,977.3</u>	<u>\$ 1,252.8</u>	<u>\$ 11.3</u>	<u>\$ 7.4</u>	<u>\$ 19,226.2</u>

* The July 1, 2007 capital asset balance has been restated by a net \$143.7 million and the accumulated depreciation balance has been increased by \$39.2 million to reflect the revised land improvements, software, and building improvements.

** Construction in progress includes infrastructure projects and software in development.

A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to statues, monuments, forts, lighthouses, and various capitol related furnishings. Collections, such as historical documents, artifacts, works of art, rare library books, and antique furnishings are not capitalized. These assets are exempted from capitalization as the State maintains the collections for reasons other than financial gain; the collections are protected, kept unencumbered, cared for and preserved; and the collections are subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

B. Depreciation and Useful Lives

Capital assets are depreciated using the straight line method. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were in an allowable range as follows:

<u>Asset</u>	<u>Years</u>
Land improvements	10-50
Building and improvements	12-60
Machinery and equipment	4-30
Infrastructure	4-70

Depreciation was charged to functions of the primary government as follows (expressed in millions):

	<u>Amount</u>
Public safety and criminal justice	\$ 61.3
Physical and mental health	14.8
Educational, cultural, and intellectual development	15.1
Community development and environmental management	13.6
Economic planning, development, and security	21.0
Transportation programs	409.6
Government direction, management, and control	29.7
Special government services	6.3
	<u>\$ 571.4</u>

NOTE 8 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due to/due from other funds. 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 reimbursement of expenses.

A. Due From/Due To Other Funds

The balances of current interfund receivables and payables at June 30, 2008 are presented below (expressed in millions):

	<u>General Fund</u>	<u>Property Tax Relief Fund</u>	<u>Non-Major Governmental Funds</u>	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Due from:							
General Fund	\$ --	\$ --	\$ 291.7	\$ --	\$ --	\$ 83.8	\$ 375.5
Property Tax Relief Fund	366.8	--	7.4	--	21.8	--	396.0
Non-Major Governmental Funds	871.4	0.8	254.9	--	1.2	--	1,128.3
State Lottery Fund	89.3	--	--	--	--	--	89.3
Unemployment Compensation Fund	5.3	0.7	16.1	--	--	--	22.1
Fiduciary Funds	13.9	9.4	--	--	--	1.5	24.8
Total Due from	<u>\$ 1,346.7</u>	<u>\$ 10.9</u>	<u>\$ 570.1</u>	<u>\$ --</u>	<u>\$ 23.0</u>	<u>\$ 85.3</u>	<u>\$ 2,036.0</u>
Due to:							
General Fund	\$ --	\$ 366.8	\$ 871.4	\$ 89.3	\$ 5.3	\$ 13.9	\$ 1,346.7
Property Tax Relief Fund	--	--	0.8	--	0.7	9.4	10.9
Non-Major Governmental Funds	291.7	7.4	254.9	--	16.1	--	570.1
State Lottery Fund	--	--	--	--	--	--	--
Unemployment Compensation Fund	--	21.8	1.2	--	--	--	23.0
Fiduciary Funds	83.8	--	--	--	--	1.5	85.3
Total Due to	<u>\$ 375.5</u>	<u>\$ 396.0</u>	<u>\$ 1,128.3</u>	<u>\$ 89.3</u>	<u>\$ 22.1</u>	<u>\$ 24.8</u>	<u>\$ 2,036.0</u>

B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2008 are presented below (expressed in millions):

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>State Lottery Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total</u>
Transfers (out) to:					
General Fund	\$ --	\$ (1,292.3)	\$ (905.0)	\$ (25.3)	\$ (2,222.6)
Non-Major					
Governmental Funds	(2,565.6) *	(1,484.0)	--	--	(4,049.6)
State Lottery Fund	--	--	--	--	--
Unemployment Compensation Fund	(260.0)	--	--	--	(260.0)
Total Transfers (Out)	<u>\$ (2,825.6)</u>	<u>\$ (2,776.3)</u>	<u>\$ (905.0)</u>	<u>\$ (25.3)</u>	<u>\$ (6,532.2)</u>
Transfers in from:					
General Fund	\$ --	\$ 2,115.6 *	\$ --	\$ 260.0	\$ 2,375.6
Non-Major					
Governmental Funds	1,292.3	1,484.0	--	--	2,776.3
State Lottery Fund	905.0	--	--	--	905.0
Unemployment Compensation Fund	25.3	--	--	--	25.3
Total Transfers In	<u>\$ 2,222.6</u>	<u>\$ 3,599.6</u>	<u>\$ --</u>	<u>\$ 260.0</u>	<u>\$ 6,082.2</u>
Net Transfers	<u>\$ (603.0)</u>	<u>\$ 823.3</u>	<u>\$ (905.0)</u>	<u>\$ 234.7</u>	<u>\$ (450.0)</u>

* The New Jersey Schools Development Authority (a blended component unit included in the Non-Major Governmental Funds) has a fiscal year end of December 31, 2007. Due to the State having a June 30, 2008 fiscal year end, transactions between the New Jersey Schools Development Authority and the General Fund have created an imbalance within the transfers.

NOTE 9 - SHORT-TERM DEBT

Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The \$2.0 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2008 was as follows (expressed in millions):

	<u>Outstanding</u> <u>July 1, 2007</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding</u> <u>June 30, 2008</u>
Tax and Revenue Anticipation Notes	\$ --	\$ 2,000.0	\$ (2,000.0)	\$ --

NOTE 10 – LONG-TERM OBLIGATIONS

The State’s long-term debt is divided into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds Payable, certain Capital Leases, Installment Obligations, Certificates of Participation, Unamortized Premium, Tobacco Settlement Financing Corporation, Inc. Bonds (“TSFC”), Unamortized Deferral on Refunding, and Unamortized Interest on Capital Appreciation Bonds. Non-bonded categories include Accumulated Sick and Vacation Payable, certain Capital Leases, Loans Payable, Net Pension Obligation, Other Postemployment Benefits, Other, and Deposit Fund Contracts.

A. Changes in Long-term Debt

The following schedule represents the changes in the State’s long-term debt (expressed in millions):

	<u>Outstanding</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding</u> <u>June 30, 2008</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
<u>Bonded Debt</u>					
General Obligation Bonds	\$ 2,864.7	\$ 240.0	\$ 286.2	\$ 2,818.5	\$ 272.7
Revenue Bonds Payable	12,739.6	1,387.4	424.6	13,702.4	334.5
Capital Leases	297.8	--	11.3	286.5	17.1
Installment Obligations	17,185.2	3,368.7	2,335.9	18,218.0	528.7
Certificates of Participation	58.8	23.8	27.9	54.7	25.9
Unamortized Premium	1,397.4	120.1	104.7	1,412.8	--
Tobacco Settlement Financing Corporation, Inc.	4,643.7	--	52.3	4,591.4	10.5
Unamortized Deferral on Refunding	(924.2)	(9.6)	(68.1)	(865.7)	--
Unamortized Interest on Capital Appreciation Bonds	(6,522.6)	(89.2)	(264.2)	(6,347.6)	--
<u>Non-Bonded Debt</u>					
Accumulated Sick and Vacation Payable	578.5	326.4	309.0	595.9	326.4
Capital Leases	384.9	97.9	72.2	410.6	50.3
Loans Payable	1,279.4	--	--	1,279.4	--
Net Pension Obligation	3,761.3	998.0	--	4,759.3	--
Other Postemployment Benefits	--	3,177.4	--	3,177.4	--
Other	251.1	276.7	251.1	276.7	273.5
Subtotal Governmental Activities	<u>37,995.6</u>	<u>9,917.6</u>	<u>3,542.9</u>	<u>44,370.3</u>	<u>1,839.6</u>
Business-type Activities					
Accumulated Sick and Vacation Payable	1.1	0.6	0.7	1.0	0.6
Deposit Fund Contracts	739.4	59.6	135.3	663.7	138.4
Subtotal Business-type Activities	<u>740.5</u>	<u>60.2</u>	<u>136.0</u>	<u>664.7</u>	<u>139.0</u>
Total Governmental and Business-type	<u>\$ 38,736.1</u>	<u>\$ 9,977.8</u>	<u>\$ 3,678.9</u>	<u>\$ 45,035.0</u>	<u>\$ 1,978.6</u>

* Restated to exclude \$146.5 million in Other Health Benefits.

B. Debt Service Payments

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

Fiscal Year	Debt Service						Total
	General	Revenue	Capital	Installment	Certificates		
	Obligation	Bonds	Leases	Obligations	Participation	TSFC *	
2009	\$ 430.5	\$ 819.2	\$ 120.6	\$ 1,147.4	\$ 27.9	\$ 171.5	\$ 2,717.1
2010	408.6	849.6	114.3	1,196.0	17.3	172.4	2,758.2
2011	392.5	868.5	104.5	1,203.7	9.0	176.4	2,754.6
2012	378.0	848.6	96.5	1,176.8	2.2	195.2	2,697.3
2013	364.5	849.1	78.3	1,182.5	1.1	197.4	2,672.9
2014-2018	1,203.0	4,225.6	273.2	6,071.9	1.1	1,026.6	12,801.4
2019-2023	431.1	4,383.5	180.0	6,382.6	--	1,081.3	12,458.5
2024-2028	94.4	2,414.7	109.1	5,805.3	--	1,084.1	9,507.6
2029-2033	--	1,949.8	20.7	2,290.0	--	1,087.2	5,347.7
2034-2038	--	1,561.7	5.3	552.4	--	1,091.8	3,211.2
2039-2043	--	--	--	--	--	1,935.5	1,935.5
Total Minimum							
Payments	3,702.6	18,770.3	1,102.5	27,008.6	58.6	8,219.4	58,862.0
Interest	(884.1)	(5,067.9)	(405.4)	(8,790.6)	(3.9)	(3,628.0)	(18,779.9)
Principal	2,818.5	13,702.4	697.1	18,218.0	54.7	4,591.4	40,082.1
Unamortized Premium	151.0	783.0	--	478.8	--	--	1,412.8
Unamortized Deferral on Refunding	(73.7)	(311.6)	--	(113.4)	--	(367.0)	(865.7)
Unamortized Interest on Capital Appreciation Bonds	(1.0)	(2,658.7)	--	(2,608.5)	--	(1,079.4)	(6,347.6)
Total	<u>\$ 2,894.8</u>	<u>\$ 11,515.1</u>	<u>\$ 697.1</u>	<u>\$ 15,974.9</u>	<u>\$ 54.7</u>	<u>\$ 3,145.0</u>	<u>\$ 34,281.6</u>

* The State is not liable for debt issued by the TSFC.

C. General Obligation Bonds

The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. As of June 30, 2008, the State had \$2.8 billion of State general obligation bonds outstanding with another \$702.5 million of bonding authorization remaining from various State general obligation bond acts. During the fiscal year, \$240.0 million of General Obligation debt was issued for various purposes, and the amount provided by the State's General Fund for debt service payments for Fiscal Year 2008 was \$428.7 million.

The State has refunded various outstanding general obligation bonds. Refunding bond proceeds are used to purchase and deposit United States Treasury Obligations – State and Local Government Series or open market U.S. Treasury Securities into a separate irrevocable trust fund held by a trustee. The investments and the fixed earnings that accrue are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the refunded debt is considered defeased at the time the refunding bonds have been issued. Therefore, the refunded debt is removed as a liability from the State's long-term obligations.

During Fiscal Year 2008, the State did not refund any general obligation debt. As of June 30, 2008, the amount of defeased general obligation debt outstanding, but removed from the State's long-term obligations amounted to \$680.5 million.

D. Revenue Bonds Payable

This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority (NJBA), the Garden State Preservation Trust, and the New Jersey Transportation Trust Fund Authority (TTFA). During Fiscal Year 2008, the TTFA issued \$1.2 billion of bonds, used to fund transportation system improvements, while the NJBA issued \$216.3 million of bonds, of which \$96.7 million were used to finance the completion of project building costs. The remaining \$119.6 million were issued as refunding bonds in order to defease \$120.1 million of existing debt. As a result, the refunded bonds' liability has been removed from the State's long-term obligations. Total debt service payments over the next 10 years were reduced by \$3.7 million which resulted in

\$3.0 million in present value savings. Due to the nation's credit crisis, inefficiencies in the auction rate market resulted in NJBA having to remarket \$180.9 million of bonds during the fiscal year.

E. Capital Leases (Bonded)

Capital Leases represent long-term contractual debt obligations that the State has with various State authorities, for the purpose of utilizing office space for State operations and program usage. This includes the design, acquisition, and construction or renovation of facilities such as the Trenton Office Complex and Greystone Psychiatric Hospital.

F. Installment Obligations

Installment obligations represent agreements between the State and several authorities which have issued bonds for the purpose of purchasing or constructing facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the corresponding authority's debt service, subject to and dependent upon appropriations being made from time to time by the State Legislature. At the conclusion of the term of the installment obligation agreement, title to the various facilities is transferred to the State, except in the case of the School Facilities Construction Program. During Fiscal Year 2008, these authorities issued \$3.4 billion of bonds, of which, \$1.5 billion was mostly used to finance school facilities projects and fund other capital costs. The remaining \$1.9 billion were refunding bonds that were issued in order to defease \$1.8 billion of existing debt. The liability on these refunded bonds has been removed from the State's long-term obligations. Total debt service payments over the next 23 years were reduced by \$459.9 million and resulted in a net present value savings of \$304.6 million. The State's installment obligations outstanding as of June 30, 2008 total \$18.2 billion. Total authorized but unissued installment obligations equal \$1.6 billion as of June 30, 2008. Due to the nation's credit crisis, inefficiencies in the auction rate market resulted in the Schools Development Authority (SDA) having to remarket \$616.7 million of bonds during the fiscal year. Additionally, \$62.7 million of Business Employment Incentive Program (BEIP) bonds were also remarketed.

G. Certificates of Participation

These obligations represent several Lines of Credit that were drawn on to finance State equipment needs through the State's Master Lease Program.

H. Unamortized Premium

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, requires bond premiums to be deferred and amortized over the life of the refunding bonds.

I. Tobacco Settlement Financing Corporation, Inc. (TSFC)

In November 1998, the State entered into a Master Settlement Agreement with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established TSFC, the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the Master Settlement Agreement and decree of Final Judgment. In return, the TSFC issued \$3.46 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004. During Fiscal Year 2007, \$4.7 billion of refunding bonds were issued, of which \$1.1 billion were capital appreciation bonds.

During Fiscal Year 2003, the TSFC was presented as a discreet component unit of the State. Since then, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC. The State is not liable for any debt issued by the TSFC nor is the debt dependent on any dedicated stream of revenue generated by the State.

J. Unamortized Deferral on Refunding

Under GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, unamortized deferral on refunding shows the actual gain or loss on refunding transactions. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2008, the State has issued \$2.0 billion of refunding bonds that are to be amortized over a time period of 3 years to 34 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds have a total loss of \$865.7 million.

K. Unamortized Interest on Capital Appreciation Bonds

Unamortized Interest on Capital Appreciation Bonds represents the unaccreted interest value on zero coupon bonds that have been issued.

L. Accumulated Sick and Vacation Payable

Pursuant to GASB Statement No. 16, *Accounting for Compensated Balances*, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time.

M. Capital Leases (Non-Bonded)

Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Examples of non-bonded capital leases include motor vehicle inspection stations, State government office buildings, and group homes for the developmentally disabled.

N. Loans Payable

The New Jersey Automobile Insurance Guaranty Fund has received a \$1.3 billion loan from the New Jersey Property-Liability Insurance Guaranty Association. The loan was made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability.

O. Net Pension Obligation

Net Pension Obligation (NPO) represents a \$4.8 billion pension fund liability due to the Judicial Retirement System, the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension and Annuity Fund. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

P. Other Postemployment Benefits

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after December 15, 2006, requires the reporting of future Other Postemployment Benefits (OPEB) as a general long-term obligation of the State. Based upon an actuarial valuation, the OPEB obligation as of June 30, 2008 is estimated to be \$3.2 billion.

Q. Other

This obligation represents unamortized long-term claims which are required to be reported under National Council on Governmental Accounting Statement No. 1 as a general long-term liability of the State. This includes Medicaid benefit claims (\$268.9 million of which \$121.7 million is federally reimbursable) which have been incurred but not reported. This obligation also includes \$7.8 million of capitalized software liability which is required to be reported in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

The beginning balance has been restated to exclude \$146.5 million of debt related to Other Health Benefits which should not have been reported as a long-term obligation of the State in Fiscal Year 2007 due to the implementation of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

R. Proprietary Funds/Business-type Activities

Large Lottery prizes are paid out to winners over a period of multiple years. Current Lottery proceeds are used to purchase deposit fund contracts which will provide sufficient amounts for future payment of installment prizes. Future payments of installment prizes in the present value of \$663.7 million are recorded as non-current liabilities in both the fund financial statements and the government-wide statements.

S. Moral Obligation Bonds

The authorizing legislation for certain State entities provides for specific budgetary procedures with respect to certain obligations issued by these entities. Pursuant to such legislation, a designated official is required to certify any deficiency in debt service funds maintained to meet payments of principal and interest on the obligations, and a State appropriation in the amount of the deficiency is to be made. However, the State Legislature is not legally bound to make an appropriation. Bonds issued pursuant to authorizing legislation of this type are sometimes referred to as "moral obligation" bonds. There is no statutory limitation on the amount of "moral obligation" bonds which may be issued by eligible State entities. Currently, bonds issued by the South Jersey Port Corporation, the New Jersey Housing and Mortgage Finance Agency, and the Higher Education Student Assistance Authority fall under this category. Furthermore, the New Jersey Housing and Mortgage Finance Agency and the Higher Education Student Assistance Authority have not had a deficiency in their respective debt service funds 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, 2007, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service, and therefore, required a State appropriation for Fiscal Year 2008 in the amount of \$6.9 million.

NOTE 11 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2008 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2008 and Fiscal Year 2007 are detailed below (expressed in millions):

<u>Type of Claim</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2007</u>
Tort	\$ 10.2	\$ 15.7
Workers' compensation	28.8	27.0
Automobile	4.4	3.7

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2008. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

The State has obtained a financial guaranty policy insurance commitment to cover potential permanent losses on investments by non-state participants in the State of New Jersey Cash Management Fund-External Portion (Investment Trust Fund). The State is liable for reimbursement to the issuer of the financial guaranty policy insurance commitment for any payments made. This financial guaranty policy insurance commitment expires on July 1, 2016.

NOTE 12 – DERIVATIVES

A. Interest Rate Swap Agreements

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The State pays debt service on these debt obligations pursuant to a State contract it enters into with the issuer, subject to annual appropriations made by the State Legislature. These debt obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements). As of June 30, 2008 the State has 28 active swap agreements with 12 swap providers for a combined, original notional amount of \$5.0 billion.

Significant problems developed in both the taxable and tax-exempt variable rate demand bond market and the auction rate bond market during Fiscal Year 2008. Exposure to the sub-prime mortgage crisis negatively impacted "AAA" rated bond insurers and the bonds that they insured. Several bond insurers experienced rating downgrades by some or all three rating agencies. A limited number of bond insurers kept their "AAA" rating, while others were downgraded below "BBB-" (non-investment grade). The "AAA" ratings were an essential part of the operation of the variable rate demand and auction rate bond markets. Many investors generally require a "AAA" rating as a minimum requirement for their purchase.

As Fiscal Year 2008 progressed, interest rates increased on both variable rate and auction rate bonds due to rating downgrades of certain bond insurers. Broker-dealers conducting these auctions responded to these actions and stopped purchasing auction rate bonds for their own accounts. Consequently, the interest rates on these bonds increased substantially versus interest rates that were in effect as of June 30, 2007. In response, the State and its independent authorities have taken action to mitigate the increase in interest rates. Almost all of the auction rate bonds that were affected have been restructured or refunded as either letter of credit-backed variable rate demand bonds or fixed rate bonds by June 30, 2008. The remaining \$345.0 million of bonds were remarketed on September 2, 2008. There is no assurance that variable rate interest rates will not rise.

B. Interest Rate Swap Agreements – Synthetic Rate

The State acting through its public authorities entered into 23 swap agreements in connection with the issuance of \$1,995.5 million in variable rate bonds. In each case, the State, acting through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers. Under the terms of the swap agreements, the State will pay a fixed rate on a notional amount of bonds outstanding while the swap counterparty pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. For one executed swap agreement, the State, acting through its public authorities remarketed \$380.5 million of bonds from auction rate mode to term interest rate mode while simultaneously entering into the swap agreement. While in term interest mode, the bonds pay a fixed rate of interest until either September 1, 2014 or 2015, at which date they can be remarketed as fixed or variable rate bonds. Under the terms of the swap agreement the State will pay a variable rate of interest while receiving a fixed rate of interest until September 1, 2014 or 2015. The variable rate of interest from the pre-existing swap agreements associated with the auction rate bonds is intended to offset the variable rate of interest paid under the terms of the new swap agreement. This leaves the State with a fixed rate of interest on the bonds and swap agreements through September 1, 2014 or 2015.

<u>Issuer/Series</u>	<u>Notional Amounts (\$ Millions)</u>	<u>Effective Date</u>	<u>Synthetic Rate</u>	<u>Rate Received</u>
<u>NJ Sports and Exposition Authority</u>				
1992 Series C	\$ 167.370	11/12/92	5.860 %	92% of the SIFMA Index
<u>NJ Transportation Trust Fund Authority</u>				
2003 Series B-1	85.000	1/30/03	3.565	67% of the 1-month USD-LIBOR
2003 Series B-2	85.000	1/30/03	3.537	67% of the 1-week USD-LIBOR
2003 Series B-3	50.000	1/30/03	3.630	67% of the 1-month USD-LIBOR
2003 Series B-4	62.500	1/30/03	3.675	67% of the 1-week USD-LIBOR
2003 Series B-5	62.500	1/30/03	3.675	67% of the 1-week USD-LIBOR
<u>NJ Economic Development Authority</u>				
School Facilities Construction Program				
2004 Series R (3 swap agreements)	402.920	9/1/06	4.407	71.98% of 1-month USD-LIBOR
	97.080	11/1/06	4.324	75% of 1-month USD-LIBOR + 5.25 Basis Points
2008 Series V (9 swap agreements)	344.620	9/1/04	4.063	71.13% of 1-month USD-LIBOR
	446.835	3/1/05	4.176	74.24% of 1-month USD-LIBOR
	358.085	3/1/06	4.296	70.80% of 1-month USD-LIBOR
	391.165	9/1/07	4.399	71.57% of 1-month USD-LIBOR
	380.515	5/1/08	75% of 1-Month USD- LIBOR	3.036% fixed rate
<u>NJ Building Authority</u>				
2003 Series A (6 swap agreements)	178.525	8/20/03	3.640	62% of 1-month USD-LIBOR + 20 Basis Points

The bonds and the related swap agreements listed above have final maturities ranging from September 1, 2015 through March 1, 2035. The swap agreements total current notional amount is \$3,112.1 million. The amount of associated bonds that are outstanding as of June 30, 2008 total \$2,322.9 million. Under the swap agreements, the State pays the counterparties a fixed payment ranging from 3.537 percent to 5.860 percent and receives a variable payment as computed for each associated variable rate transaction as shown above. In regards to the one fixed rate transaction, the State pays a counterparty a variable rate payment equal to 75% of the 1-month USD-LIBOR while receiving a fixed payment at a rate of 3.036 percent. The swap provider calculates the variable rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent determines the variable interest rate that is applied to the bonds.

C. Interest Rate Swap Agreements – Forward Strategy

The State of New Jersey has entered into four swap agreements in association with \$1.3 billion of future bond transactions involving the New Jersey Economic Development Authority's School Facilities Construction Program. The purpose of entering into the swap agreements was to take advantage of "locking in" historically low fixed interest rates for bonds that are to be issued in the future. The swap agreements have allowed the State the opportunity to limit its interest rate exposure.

A description of each current forward strategy swap agreement is as follows:

New Jersey Economic Development Authority

<u>Issuer/Series</u>	<u>Notional Amounts (\$ Millions)</u>	<u>Effective Date</u>	<u>Synthetic Fixed Rate</u>	<u>Variable Rate Received</u>
School Facilities Construction Program	\$ 250.000	11/1/08	4.489 %	62% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	5/1/09	4.513	62% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	11/1/09	4.549	62% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	500.000	5/1/10	4.251	62% of 1-Month USD-LIBOR+ 40 Basis Points

D. Interest Rate Swap Agreements - Fair Value

Between November 12, 1992 and June 30, 2008, the State, acting through its public authorities, has entered into 28 existing swap agreements. During this time, general interest rates have declined since the execution of the swap agreements. As a result, the projected net present value of the State's entire portfolio as of June 30, 2008 is negative \$348.9 million. A breakdown of this amount is shown below:

<u>Authority/Issuer</u>	<u>Net Present Value (\$ Millions)</u>
NJ Building Authority	\$ (7.715)
NJ Economic Development Authority	
School Facilities Construction Program	(305.260)
NJ Sports and Exposition Authority	(34.061)
NJ Transportation Trust Fund Authority	(1.862)
Total	<u>\$ (348.898)</u>

The amounts shown above are the amounts that the State would pay to swap counterparties in the event that all the State's swap agreements were terminated on June 30, 2008. The swap agreements could only be terminated for certain events of default listed in each swap agreement document, including a swap counterparty default. In the event of a swap counterparty default, it is likely that this event would be remedied through the assignment to an alternate swap counterparty.

E. Interest Rate Swap Agreements - Credit Risk

The swap agreement contracts require that each swap counterparty shall have a credit rating from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings, which are obtained from any other nationally recognized statistical rating agencies for such swap counterparty shall also be within the three highest investment rated categories, or the payment obligations of the swap counterparty shall also be unconditionally guaranteed by an entity with such credit ratings. The swap agreements also require that should the credit rating of a swap counterparty fall below the rating required, that the obligations of such swap counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, at the agreed upon collateral threshold levels pursuant to the Credit Support Agreement. The collateral threshold levels are adjusted based on counterparty ratings as set forth in the Credit Support Agreement. Even though some of the mark to market values of the swap agreements have in the past, become positive, no collateral posting is required as of June 30, 2008.

F. Interest Rate Swap Agreements - Basis Risk

The swap agreements expose the State to basis risk should the relationship between LIBOR and actual variable rate payments diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate.

G. Interest Rate Swap Agreements - Termination Risk

Each swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events", providing that the swap agreements may be terminated if either the State's or a swap counterparty's credit quality rating falls below certain levels. The State or the swap counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. If one or more of the swap agreements is terminated, the related variable rate bonds would no longer be hedged and the State would no longer be effectively paying a synthetic fixed rate with respect to those bonds. Also, if at the time of

termination the swap agreement has a negative fair value, the State would incur a loss and would be required to settle with the swap counterparty at the swap agreement's fair value.

NOTE 13 - OTHER LIABILITIES

Other liabilities presented in the statement of net assets consist principally of revenue refunds payable to taxpayers of \$297.8 million.

In addition, the New Jersey Schools Development Authority reflects other liabilities of \$51.0 million which represent deposits received from local school districts to fund the local share portion of non-Abbott school facility projects, or to cover certain ineligible costs pertaining to projects in the Abbott school districts.

NOTE 14 - FUND BALANCES/NET ASSETS RESTRICTED BY ENABLING LEGISLATION

A. Reserved - Other

In the fund financial statements, reservations of fund balance classified as "reserved - other" consist principally of legally mandated escrow balances and long-term loans and receivables due from individuals, municipalities, and authorities that are considered not currently available for expenditure in subsequent accounting periods. In addition, balances have been reserved in the following funds for purposes described below.

General Fund

The \$65.8 million reservation in the General Fund that is considered not currently available for appropriations consists principally of long-term advances and receivables due from individuals, estates, and other funds (\$24.2 million), a portion of bond receipts which is earmarked to pay debt service in the next fiscal year (\$13.8 million), a portion of the 4 percent constitutionally dedicated Corporation Business Tax revenues reserved for environmental cleanup projects in excess of allowable expenditures (\$17.2 million), and other items (\$10.6 million).

Fund for Support of Free Public Schools

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, \$98.5 million has been reserved as of June 30, 2008.

New Jersey Schools Development Authority

In this fund, \$3.7 million has been reserved for Qualified Zone Academies and prepayments.

New Jersey Transportation Trust Fund Authority

An amount of \$0.3 million has been reserved for future debt service payments.

Tobacco Settlement Financing Corporation, Inc.

The \$264.6 million reservation represents money reserved for future debt service payments on outstanding bonds payable.

B. Unreserved

In the fund financial statements, unreserved consists of designated for continuing appropriations, designated for unrealized gains, and undesignated.

General Fund

The \$2.8 billion unreserved balance consists of \$2,347.1 million designated for continuing appropriations and \$469.8 million undesignated.

Property Tax Relief Fund

The \$116.8 million unreserved balance consists of \$17.8 million designated for continuing appropriations and \$99.0 million undesignated.

C. Net Assets Restricted by Enabling Legislation

As of June 30, 2008, the Statement of Net Assets reported \$5.5 billion of restricted net assets. Net assets are restricted when constraints from external parties can compel the State to comply with legally enforceable enabling legislation requiring that resources be used for a specific purpose.

NOTE 15 – OTHER FINANCING SOURCES/USES-OTHER

The following items were recorded as other financing sources (uses) –other in the fund financial statements (expressed in millions):

	General Fund	Non-Major Funds	Total Governmental Funds
Refunding debt issued	\$ 1,901.3	\$ 119.7	\$ 2,021.0
Installment obligations issued	1,405.1	--	1,405.1
Capital lease acquisitions	97.9	--	97.9
Premium related to refunding debt issued	41.7	6.0	47.7
Premium related to revenue bonds	--	30.2	30.2
Certificates of participation issued	23.9	--	23.9
Premium related to general obligation bonds	--	12.6	12.6
Premium related to Business Employment Incentive Program remarketing	2.6	--	2.6
Payments to escrow agents on refunding bonds	(1,931.2)	(125.7)	(2,056.9)
Other Financing Sources (Uses) - Other	<u>\$ 1,541.3</u>	<u>\$ 42.8</u>	<u>\$ 1,584.1</u>

NOTE 16 – OPERATING LEASES

The State of New Jersey has commitments to lease certain land, buildings, and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2008 are as follows (expressed in millions):

<u>Fiscal Year</u>	<u>Amount</u>
2009	\$ 34.0
2010	23.9
2011	18.4
2012	14.3
2013	9.9
2014-2018	28.3
2019-2022	<u>2.3</u>
Total Future Minimum Lease Payments	<u>\$ 131.1</u>

NOTE 17 – RETIREMENT SYSTEMS, HEALTH BENEFITS, AND POST-RETIREMENT MEDICAL BENEFITS

A. 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 (CPFPPF)--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 5 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 of the State penal institutions 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 for pension benefits and 25 years for post-retirement health care coverage.

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 certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement 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 the 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.

The State also administers the Pensions 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 some State-sponsored pension systems which are the CPFPPF, POPF, and CPF. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase 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 the system.

According to state law, 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 trusts. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

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

Significant Legislation

P.L. 2007, c.92, implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform: established a Defined Contribution Retirement Program (DCRP) for elected and certain appointed officials, effective July 1, 2007; closed the Workers' Compensation Judges part of PERS to new members, effective July 1, 2007; eliminated the four percent fixed rate of interest for loans from the defined benefit plans and provided that the rate of interest will be set by the State Treasurer at a commercially reasonable rate as required by the Internal Revenue Code and permitted that an administrative processing fee may be charged for such loans. It also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

P.L. 2007, c.103, certain parts effective July 1, 2007, provided for the following: changed employee contribution rates of TPAF, PERS, and DCRP to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Investment Valuation

Investments are reported at 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, Common Pension Fund D, and Common Pension Fund E. 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.

Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPPF, JRS, and SPRS) is 76.0 percent with an unfunded actuarial accrued liability of \$28.4 billion.

The required supplementary information regarding the funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

The schedule of funding progress in the required supplementary information presents multi-year trend information about whether the actuarial value of plans assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2007 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems except POPF (5 percent) and CPFPPF (2 percent) and (2) 5.45 percent for projected salary increases for all the retirement systems except TPAF (5.74 percent) and PFRS (7.2 percent).

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2008 for CPPPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. The annual pension cost for the fiscal year ending June 30, 2008 and related information, including a summary of the significant actuarial methods and assumptions used by the retirement systems, are presented on the following pages.

The calculation of the employer contribution rates on the following pages, for State and Local, for all the retirement systems except PFRS, is the APC divided by the covered payroll in the Schedule of Funding Progress per the actuarial valuations as of June 30, 2006. PFRS used the covered payroll per the actuarial valuation as of June 30, 2005 for this calculation.

	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>
Annual Pension Cost (APC)			
State:			
06/30/06	\$ 6,571,593	\$ 22,849,429	\$ 73,541,000
06/30/07	1,015,627	25,134,303	127,404,777
06/30/08	(4,301,717)	26,974,918	135,324,000
Local:			
06/30/06	--	--	260,986,583
06/30/07	--	--	422,743,218
06/30/08	--	--	639,755,622
Contributions Made			
State:			
06/30/06	6,396,222	7,972,000	73,541,000
06/30/07	1,783,902	13,355,587	127,404,777
06/30/08	522,176	11,957,000	135,324,000
Local:			
06/30/06	--	--	260,986,583
06/30/07	--	--	422,743,218
06/30/08	--	--	639,755,622
Percentage of APC Contributed			
State:			
06/30/06	97.3%	34.9%	100.0%
06/30/07	175.6%	53.1%	100.0%
06/30/08	-12.1%	44.3%	100.0%
Local:			
06/30/06	--	--	100.0%
06/30/07	--	--	100.0%
06/30/08	--	--	100.0%
Net Pension Obligation			
State:			
06/30/06	7,458,583	(1,836,212)	--
06/30/07	6,690,308	9,942,504	--
06/30/08	1,866,415	24,960,422	--
Local:			
06/30/06	--	--	--
06/30/07	--	--	--
06/30/08	--	--	--
Contribution rates			
State	N/A	43.2%	28.0%
State-related employers	N/A	N/A	24.4%
Employees	N/A	3.0%	8.5%

Significant Actuarial Assumptions and Methods

Date of actuarial valuation	6/30/07	6/30/07	6/30/07
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar Closed	Level Percent Open	Level Percent Open
Remaining amortization period	1 year	30 years	30 years
Asset valuation method	Five Year Average of Market Value	Five Year Average of Market Value	Five Year Average of Market Value
Actuarial assumptions			
Investment rate of return	2.00%	8.25%	8.25%
Projected salary increases	N/A	5.45%	7.20%
Cost-of-Living adjustments	N/A	1.80%	1.80%

		POPF	PERS	SPRS	TPAF
Annual Pension Cost (APC)					
State:	06/30/06	\$ 801,063	\$ 568,139	\$ 51,525,290	\$ 1,212,219,609
	06/30/07	129,444	215,629,964	61,668,569	1,466,081,478
	06/30/08	(79,506)	206,828,570	83,383,337	1,626,177,420
Local:	06/30/06	--	141,498,069	--	--
	06/30/07	--	242,230,174	--	--
	06/30/08	--	382,819,987	--	--
Contributions Made					
State:	06/30/06	--	568,139	12,941,000	94,226,363
	06/30/07	--	215,629,964	29,875,748	690,794,259 *
	06/30/08	--	206,828,570	34,918,000	695,275,811
Local:	06/30/06	--	141,498,069	--	--
	06/30/07	--	242,230,174	--	--
	06/30/08	--	382,819,987	--	--
Percentage of APC Contributed					
State:	06/30/06	0.0%	100.0%	25.1%	7.8%
	06/30/07	0.0%	100.0%	48.4%	47.1% *
	06/30/08	0.0%	100.0%	41.9%	42.8%
Local:	06/30/06	--	100.0%	--	--
	06/30/07	--	100.0%	--	--
	06/30/08	--	100.0%	--	--
Net Pension Obligation					
State:	06/30/06	(6,420,649)	--	237,836,641	2,708,257,157
	06/30/07	(6,291,205)	--	269,629,462	3,483,544,376 *
	06/30/08	(6,370,711)	--	318,094,799	4,414,445,985
Local:	06/30/06	--	--	--	--
	06/30/07	--	--	--	--
	06/30/08	--	--	--	--
Contribution rates					
State		N/A	4.9%	31.7%	18.6%
State-related employers		N/A	5.7%	N/A	N/A
Employees		N/A	5.5% for State; 5% for Local (7.5% for County Prosecutors)	7.5%	5.5%
Significant Actuarial Assumptions and Methods					
Date of actuarial valuation		6/30/07	6/30/07	6/30/07	6/30/07
Actuarial cost method		Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method		Level Dollar Closed	Level Percent Open	Level Percent Open	Level Percent Open
Remaining amortization period		1 year	30 years	30 years	30 years
Asset valuation method		Market Value	Five Year Average Market Value	Five Year Average Market Value	Five Year Average Market Value
Actuarial assumptions					
Investment rate of return		5.00%	8.25%	8.25%	8.25%
Projected salary increases		N/A	5.45%	5.45%	5.74%
Cost-of-Living adjustments		N/A	1.80%	1.80%	1.80%

* Restated

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2008, are presented below:

	SINGLE EMPLOYER PLANS		
	JRS	POPF	SPRS
Annual Required Contribution, 6/30/08	\$ 26,758,935	\$ (6,370,711)	\$ 77,526,133
Interest adjustment on NPO	820,257	(314,560)	22,244,431
Adjustment to Annual Required Contribution	(604,274)	6,605,765	(16,387,227)
APC as of June 30, 2008	26,974,918	(79,506)	83,383,337
Total Fiscal Year 2008 Contributions	11,957,000	--	34,918,000
Increase (Decrease) in NPO	15,017,918	(79,506)	48,465,337
NPO as of June 30, 2007	9,942,504	(6,291,205)	269,629,462
NPO as of June 30, 2008	\$ 24,960,422	\$ (6,370,711)	\$ 318,094,799

	COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS		
	CPFPE	TPAF	TOTAL ALL PLANS
Annual Required Contribution, 6/30/08	\$ 2,388,591	\$ 1,550,503,835	\$ 1,650,806,783
Interest adjustment on NPO	133,806	287,392,411	310,276,345
Adjustment to Annual Required Contribution	(6,824,114)	(211,718,826)	(228,928,676)
APC as of June 30, 2008	(4,301,717)	1,626,177,420	1,732,154,452
Total Fiscal Year 2008 Contributions	522,176	695,275,811	742,672,987
Increase (Decrease) in NPO	(4,823,893)	930,901,609	989,481,465
NPO as of June 30, 2007	6,690,308	3,483,544,376 *	3,763,515,445 *
NPO as of June 30, 2008	\$ 1,866,415	\$ 4,414,445,985	\$ 4,752,996,910

* Restated

B. HEALTH BENEFITS AND POST-RETIREMENT MEDICAL BENEFITS

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other Employee Benefit Trust Funds. Specifically, the SHBP-State, the PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund-State classified as a single employer plan. The SHBP-Local, the PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund-Local classified as a cost-sharing multiple-employer plan. The health benefit programs had a total of 452 state and local participating employers and contributing entities for Fiscal Year 2008.

The State of New Jersey sponsors and administers the following health benefit programs covering substantially all state and local government employees.

Health Benefits Program Fund (HBPF)-Local (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund, and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service or on a disability retirement. Partially funded benefits are also provided to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

Health Benefits Program Fund (HBPF)-State (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.25 provides medical coverage to qualified active and retired participants. Under P.L. 1977, c.136, the State of New Jersey pays for the health insurance coverage of all enrolled retired State employees (regardless of age) whose pensions are based upon 25 years or more of credited service or a disability retirement regardless of years of service. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. The Prescription Drug Program Fund (PDP) was established in December 1974, under N.J.S.A. 52:14-17.29 to provide coverage to employees and their eligible dependents for drugs which under federal or State law may be dispensed only upon a prescription written by a physician. State employees are eligible for PDP coverage after 60 days of employment.

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 funds. The financial reports may be accessed via the Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the State had a \$50.6 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up of \$18.4 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The required supplementary information regarding the funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

The schedule of funding progress in the required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2007, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the Traditional Plan shall be subject to premium sharing based on the negotiated contracts.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. The State contributed \$86.5 million for 6,817 eligible retired members for Fiscal Year 2008. This benefit covers the Police and Firemen's Retirement System, the Prison Officers Pension Fund, the Judicial Retirement System, the Central Pension Fund, the State Police Retirement System, and the Alternate Benefit Program.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2008.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$22.3 million in the current year to provide benefits under Chapter 330 to qualified retirees.

The Annual OPEB Cost (AOC) and Net OPEB Obligation (NOO) for the Health Benefit Program – State, which is administered by the State of New Jersey for the fiscal year ending June 30, 2008, is presented below:

AOC as of 6/30/08	\$ 4,247,000,000
Total Fiscal Year 2008 Contributions	<u>1,069,600,000</u>
Increase in NOO	3,177,400,000
NOO as of June 30, 2007	<u>--</u>
NOO as of June 30, 2008	<u><u>\$ 3,177,400,000</u></u>

NOTE 18 - COMPONENT UNITS

A. 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 Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Development Authority, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation have been blended into the financial activities of the State as special revenue funds. All other Authorities have been discretely presented as major and nonmajor component units in the State's financial statements in accordance with GASB Statement No. 14, *The Financial Reporting Entity*.

The Authorities are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry, such as financing economic development, public transportation, low cost housing, environmental protection, and capital development for health and education. 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 State Legislature, and the Director, Division of Budget and Accounting on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the State Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto actions.

These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Descriptions of the discretely presented Authorities and addresses from which separately issued audited financial statements and accompanying notes may be obtained are provided below:

You're viewing an archived copy from the New Jersey State Library.
Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
1014 Atlantic Avenue, P.O. Box 749
Atlantic City, New Jersey 08401
www.njcrda.com

The Authority was created 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.

Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)
4 Quakerbridge Plaza, P.O. Box 547
Trenton, New Jersey 08625-0547
www.hesaa.org

This Authority was established to provide a single agency for the coordination and delivery of student financial assistance in the State. The Authority serves as the Guaranty Agency for the Federal Family Education Loan (FFEL) Program and the issuer of State of New Jersey College Loans to Assist State Students (NJCLASS) supplementary loan program. The authority also administers the State Tuition Aid Grants (TAG), scholarship programs, and the State College Savings Program, known as the New Jersey Better Educational Savings Trust (NJBEST).

New Jersey Commerce Commission
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625-0990
www.njeda.com

The New Jersey Commerce Commission's mission is to promote job growth, business growth, and economic development in New Jersey.

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (P.L. 1985, c.386)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625
www.fieldus.org/directory/records/335.htm

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises 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)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625
www.njeda.com

The New Jersey Economic Development Authority 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 state and local government's tax base.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)
103 College Road East, 2nd Floor
Princeton, New Jersey 08540-6612
www.njefa.com

The New Jersey Educational Facilities Authority provides 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 independent institutions of higher education.

New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)
3131 Princeton Pike - Building 6, Suite 201
Lawrenceville, New Jersey 08648
www.njeit.org

The New Jersey Environmental Infrastructure Trust loans and guarantees debt incurred by local government units in financing 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 statutory purpose.

[You're viewing an archived copy from the New Jersey State Library.](#)
New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:21-4)
South Clinton and Yard Avenues, Station Plaza Bldg. #4
P.O. Box 366
Trenton, New Jersey 08625
www.njhcffa.com

The New Jersey Health Care Facilities Financing Authority provides low-cost capital financing for the public and private not-for-profit health care institutions of the State.

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
www.state.nj.us/dca/hmfa

The Housing and Mortgage Finance Agency 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. Its 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 Meadowlands Commission (N.J.S.A. 13:17-5)
1 De Korte Park Plaza
Lyndhurst, New Jersey 07071
www.njmeadowlands.gov

The New Jersey Meadowlands Commission is the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement, including open space acquisition of the 19,730 acre Meadowlands District. 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 Redevelopment Authority (P.L. 1996, c.62)
150 West State Street, P. O. Box 790
Trenton, New Jersey 08625
www.njra.us

The New Jersey Redevelopment Authority provides assistance in the redevelopment and revitalization of New Jersey cities. The Authority provides 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)
50 State Route 120
East Rutherford, New Jersey 07073
www.njsea.com

The New Jersey Sports and Exposition Authority is engaged in the business of owning, operating, and managing sports, entertainment, wagering, and convention facilities throughout the State. It 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, including the Atlantic City Convention and Visitors 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
www.njtransit.com

New Jersey Transit Corporation (NJ TRANSIT) is empowered to acquire, own, operate, and contract for the operation of public transportation services. NJ TRANSIT receives operating subsidies principally from the State by legislative appropriation and the Federal Government by defined formula grants under the Federal Transit Administration. 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 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)

581 Main Street, P. O. Box 5042

Woodbridge, New Jersey 07095-5042

www.state.nj.us/turnpike

The New Jersey Turnpike Authority 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 Director, Division of Budget and Accounting payable solely from tolls and other revenues of the Authority. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)

1851 State Route 31, P. O. Box 5196

Clinton, New Jersey 08809

www.njwsa.org

The New Jersey Water Supply Authority 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 Beckett Streets

Camden, New Jersey 08103

www.southjerseyport.com

The South Jersey Port Corporation is empowered 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 its Marine Terminal Bond Resolution, 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

www.sjta.com

The South Jersey Transportation Authority is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects including the Atlantic City Expressway and 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 Director, Division of Budget and Accounting, payable solely from tolls and other revenues of the Authority.

B. Colleges and Universities

As a result of P.L. 1986, c.42 and c.43, State colleges, whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status effective July 1, 1987.

The financial statements of the colleges and universities have been prepared in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. These component units are included in the State’s reporting entity due to the significance of their operational or financial relationships and fiscal dependency with the State. The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Since the colleges and universities are similar in nature and function, their statements have been discretely presented in the statement of net assets and the statement of activities. They are presented in two categories, major and nonmajor. This distinction is determined by the relative size of an entity’s assets, liabilities, revenues, and expenditures in relation to the total of all the colleges and universities. Pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, all of the State colleges and universities’ financial statements include the financial activity related to foundations and other similar organization within the colleges and universities.

Separately issued independent audited financial statements and accompanying notes may be directly obtained from the colleges and universities. Addresses and websites of the colleges and universities are presented below:

The College of New Jersey
(N.J.S.A. 18A:62-1)
2000 Pennington Road
Ewing, New Jersey 08628
www.tcnj.edu

Thomas Edison State College
(N.J.S.A. 18A:62-1)
101 West State Street
Trenton, New Jersey 08608
www.tesc.edu

Kean University
(N.J.S.A. 18A:62-1)
1000 Morris Avenue
Union, New Jersey 07083
www.kean.edu

Montclair State University
(N.J.S.A. 18A:62-1)
One Normal Avenue
Upper Montclair, New Jersey 07043
www.montclair.edu

New Jersey City University
(N.J.S.A. 18A:62-1)
2039 Kennedy Boulevard
Jersey City, New Jersey 07305-1597
www.njcu.edu

New Jersey Institute of Technology
(N.J.S.A. 18A:64E-4)
323 Dr. Martin Luther King Jr. Boulevard
University Heights
Newark, New Jersey 07102
www.njit.edu

The William Paterson University of New Jersey
(N.J.S.A. 18A:62-1)
358 Hamburg Turnpike
Wayne, New Jersey 07470
www.wpunj.edu

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

Rowan University
(N.J.S.A. 18A:62-1)
201 Mullica Hill Road
Glassboro, New Jersey 08028
www.rowan.edu

Rutgers, The State University of New Jersey
(N.J.S.A. 18A:65-12)
65 Davidson Road
Piscataway, New Jersey 08854
www.rutgers.edu

The Richard Stockton College of New Jersey
(N.J.S.A. 18A:62-1)
P.O. Box 195
Pomona, New Jersey 08420
www2.stockton.edu

University of Medicine and Dentistry of New Jersey
(N.J.S.A. 18A:64G-4)
335 George Street, 4th Floor
New Brunswick, New Jersey 08903
www.umdnj.edu

NOTE 19 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The claims filed can represent significant amounts and include, but are not limited to, issues regarding pensions and education funding. 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, 2008, the exact amount involved in these legal proceedings is not fully determinable.

Unapplied overpayments of Corporate Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2008 there was approximately \$197.0 million of overpayments.

New Jersey Lawyers' Fund for Client Protection

Claims of approximately \$16.1 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded from this Fund is \$4.4 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

Various claims totaling approximately \$35.2 million have been filed against this Fund by third parties for damages caused by spills. 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.

Property Tax Relief Fund

Unapplied overpayments of Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2008 there were approximately \$649.0 million of overpayments.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately \$23.0 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.

Tobacco Settlement Financing Corporation, Inc.

In 2006, 2007, and 2008 certain of the tobacco companies withheld a portion of their annual payment claiming that the settling states, of which the State is one, did not diligently enforce a statute (the "Model Statute") in 2003, 2004, and 2005 which requires tobacco companies that did not enter into the settlement to make certain payments for in-state tobacco product sales. In the event that the State is determined to not have diligently enforced the Model Statute in any year, the State faces a reduction in the amount of annual payments it receives in the subsequent years. In no event can the reduction exceed the amount of the payment due in the year that it failed to diligently enforce the Model Statute. This puts New Jersey's 2004 and 2005 MSA payments at risk, with a potential liability for years 2003 through 2005 of \$700 million. Ultimately, New Jersey expects to be able to prove that it diligently enforced its Model Statute.

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

The State has the ultimate liability for tort and malpractice claims in excess of the resources of the Fund.

Capital Projects Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of \$96.1 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2008, audits of expenditures for Fiscal Year 2008 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2008, it is management's opinion that disallowances, if any, would not be material.

NOTE 20 – SUBSEQUENT EVENTS

The Economy

The nation's economy has been in recession since 2007. Recent measures of Gross Domestic Product, consumer spending, and consumer confidence indicate the nation's economic downturn is accelerating. Housing, credit, and stock market values have created a financial crisis in the United States and throughout the global financial system. Volatility in the financial markets, as well as economic events, has led to significant declines in investment value. Investments held by the governmental and enterprise funds primarily consist of United States Treasury bills and notes and the State's Cash Management Fund. There have been no major fluctuations in the market value for these securities. As of the date of this Comprehensive Annual Financial Report, New Jersey's fiduciary funds, which include the pension and other employee benefits trust funds, have incurred a significant decline in the values reported as of June 30, 2008. Because the values of the individual investments fluctuate with market conditions, the amount of investment losses that the New Jersey pension systems will recognize in its future financial statements, if any, cannot be determined at this time.

Debt Authorization

On July 9, 2008 Governor Corzine signed legislation that provides \$3.9 billion in State financing to replace or rebuild dozens of substandard schools across the State. The legislation designates \$2.9 billion for Schools Development Authority district school facilities projects located in Abbott districts and \$1.0 billion to finance the State share of all other school district facilities projects. Of the total, \$50.0 million has also been directed toward county vocational school district projects. In addition, the Schools Development Authority will conduct a study to determine potential cost savings in the school construction program through the possible use of standardized design elements, components, and construction materials. Any school facilities project that has a State share that exceeds \$10.0 million will be subject to an audit determined by the Schools Development Authority and the State Comptroller.

Short-term Debt

For Fiscal Year 2009, the State authorized the issuance of \$2.25 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On September 11, 2008 the State issued \$1.8 billion of tax and revenue anticipation notes that bear an interest rate of 3.0 percent per annum. The notes have a June 25, 2009 final maturity. The State has another \$450.0 million remaining in Fiscal Year 2009 borrowing authorization, should the State need additional funds in order to manage its cash flow more effectively.

Long-term Obligations

On July 31, 2008 the New Jersey Health Care Facilities Financing Authority, in accordance with the Hospital Asset Transformation Act, issued \$252.5 million of Hospital Asset Transformation Program Bonds, Series 2008A. Proceeds from the bond issue are to be used by the New Jersey Health Care Facilities Financing Authority for the purpose of providing financial assistance in connection with the consolidation of inpatient acute care services in the City of Newark pursuant to the Hospital Asset Transformation Act from three inpatient acute care facilities to one such facility. Interest on the bonds is payable semi-annually on April 1 and October 1, commencing on October 1, 2008. The final maturity on the bonds is October 1, 2038.

On November 21, 2008 the New Jersey Transportation Trust Fund Authority issued \$1.1 billion of its Transportation System Bonds, 2008 Series A to provide funds for various transportation system improvements undertaken by the New Jersey Department of Transportation and the New Jersey Transit Corporation. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on June 15, 2009. The final maturity on the 2008 Series A Bonds is December 15, 2038.

On January 21, 2009 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued \$175.0 million in School Facilities Construction Bonds 2009 Series Z. Proceeds are to be used for the purpose of partially funding the school facilities construction program. The 2009 Series Z Bonds were issued as serial bonds. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on December 15, 2009. The final maturity on the 2009 Series Z Bonds is December 15, 2034.

Unemployment Compensation Trust Fund

During Fiscal Year 2009, the State entered into a \$1.0 billion line of credit with the United States Department of Labor in order to have cash available to effectuate the payment of unemployment claims. In March of 2009, cash balances in the State's Unemployment Compensation Trust Fund required a draw down from the existing line of credit. The borrowed money is expected to be repaid before the end of Fiscal Year 2009. Interest on the line of credit is zero percent through December 31, 2010.

Component Units

P.L. 2008, c.27 provides for greater coordination of the State's economic development efforts. The Act provides for the abolishment of the New Jersey Commerce Commission. It also establishes the Division of Business Assistance, Marketing, and International Trade within the New Jersey Economic Development Authority. Tourism-related functions that were performed by the New Jersey Commerce Commission have been transferred and are now performed by the Department of State. Further, the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises has been abolished and the existing functions have been transferred to the New Jersey Economic Development Authority. This reorganization effort allows the State to have a more effective opportunity to classify businesses that are small or minority-or-women-owned since both the New Jersey Economic Development Authority and the State's Division of Purchase and Property reside within the Department of the Treasury. This act became effective on July 1, 2008.

On July 18, 2008 Governor Corzine signed legislation moving the Atlantic City Convention Center project from the auspices of the New Jersey Sports and Exposition Authority to the control of the Atlantic City Convention and Visitors Authority. The Atlantic City Convention Center project includes the Convention Center, historic Boardwalk Hall and its West Hall expansion. The Convention Center is comprised of approximately 500,000 square feet of exhibition space, 45 meeting rooms, and a 1,500 space parking facility. The historic Boardwalk Hall and its West Hall expansion host family shows, concerts, and sporting events. With some \$15 billion in development investments that are expected to transform Atlantic City into a global resort destination, incorporating the Convention Center and Boardwalk Hall is critical to that resurgence. Like the New Jersey Sports and Exposition Authority, the Atlantic City Convention Center and Visitors Authority is a component unit of the State of New Jersey.

*Required
Supplementary
Information*



**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	General Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 14,868,061,000	\$ 15,212,648,000	\$ 15,414,147,171	\$ 201,499,171
Federal and other grants	9,328,013,777	9,531,844,500	8,235,574,494	(1,296,270,006)
Licenses and fees	1,501,813,079	1,446,317,891	1,131,770,281	(314,547,610)
Services and assessments	2,354,152,779	1,918,241,232	1,431,836,536	(486,404,696)
Investment earnings	86,000	115,639,792	117,837,223	2,197,431
Contributions	1,000	1,000	1,585	585
Other	3,035,511,312	3,064,353,100	2,039,008,376	(1,025,344,724)
Total Revenues	31,087,638,947	31,289,045,515	28,370,175,666	(2,918,869,849)
OTHER FINANCING SOURCES				
Transfers from other funds	2,276,558,000	2,950,569,561	2,448,418,078	(502,151,483)
Total Other Financing Sources	2,276,558,000	2,950,569,561	2,448,418,078	(502,151,483)
Total Revenues and Other Financing Sources	33,364,196,947	34,239,615,076	30,818,593,744	(3,421,021,332)
EXPENDITURES				
Public safety and criminal justice	3,699,770,268	3,761,668,780	3,248,840,754	512,828,026
Physical and mental health	10,455,785,782	10,448,245,120	9,767,261,259	680,983,861
Educational, cultural, and intellectual development	5,048,920,123	4,835,894,973	4,483,864,104	352,030,869
Community development and environmental management	1,990,129,677	2,024,466,602	1,389,858,132	634,608,470
Economic planning, development, and security	4,481,620,294	4,763,606,021	4,234,220,110	529,385,911
Transportation programs	498,687,242	509,692,382	462,650,338	47,042,044
Government direction, management, and control	5,446,152,261	6,212,531,094	5,585,858,114	626,672,980
Special government services	431,011,707	435,015,511	327,195,311	107,820,200
Total Expenditures	32,052,077,354	32,991,120,483	29,499,748,122	3,491,372,361
OTHER FINANCING USES				
Transfers to other funds	2,257,520,593	2,258,401,593	2,257,520,593	881,000
Total Other Financing Uses	2,257,520,593	2,258,401,593	2,257,520,593	881,000
Total Expenditures and Other Financing Uses	34,309,597,947	35,249,522,076	31,757,268,715	3,492,253,361
Net change in fund balance	(945,401,000)	(1,009,907,000)	(938,674,971)	71,232,029
FUND BALANCES - JULY 1, 2007	1,047,875,000	1,410,353,879	1,410,353,879	--
FUND BALANCES - JUNE 30, 2008	\$ 102,474,000	\$ 400,446,879	\$ 471,678,908	\$ 71,232,029

Property Tax Relief Fund			
Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
\$ 12,921,090,755	\$ 13,136,090,755	\$ 13,271,536,874	\$ 135,446,119
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>12,921,090,755</u>	<u>13,136,090,755</u>	<u>13,271,536,874</u>	<u>135,446,119</u>
--	--	--	--
--	--	--	--
<u>12,921,090,755</u>	<u>13,136,090,755</u>	<u>13,271,536,874</u>	<u>135,446,119</u>
--	--	--	--
--	115,904,905	122,039,000	(6,134,095)
10,038,028,344	9,773,430,067	10,257,400,612	(483,970,545)
924,035,411	915,658,241	949,064,171	(33,405,930)
--	24,697,900	26,005,000	(1,307,100)
--	--	--	--
2,609,027,000	2,542,401,642	2,499,426,665	42,974,977
--	--	--	--
<u>13,571,090,755</u>	<u>13,372,092,755</u>	<u>13,853,935,448</u>	<u>(481,842,693)</u>
--	454,721,000	--	454,721,000
--	454,721,000	--	454,721,000
<u>13,571,090,755</u>	<u>13,826,813,755</u>	<u>13,853,935,448</u>	<u>(27,121,693)</u>
(650,000,000)	(690,723,000)	(582,398,574)	108,324,426
<u>650,000,000</u>	<u>690,723,301</u>	<u>690,723,301</u>	<u>--</u>
<u>\$ --</u>	<u>\$ 301</u>	<u>\$ 108,324,727</u>	<u>\$ 108,324,426</u>

(Continued on next page)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	TOTAL MAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ 27,789,151,755	\$ 28,348,738,755	\$ 28,685,684,045	\$ 336,945,290
Federal and other grants	9,328,013,777	9,531,844,500	8,235,574,494	(1,296,270,006)
Licenses and fees	1,501,813,079	1,446,317,891	1,131,770,281	(314,547,610)
Services and assessments	2,354,152,779	1,918,241,232	1,431,836,536	(486,404,696)
Investment earnings	86,000	115,639,792	117,837,223	2,197,431
Contributions	1,000	1,000	1,585	585
Other	3,035,511,312	3,064,353,100	2,039,008,376	(1,025,344,724)
Total Revenues	44,008,729,702	44,425,136,270	41,641,712,540	(2,783,423,730)
OTHER FINANCING SOURCES				
Transfers from other funds	2,276,558,000	2,950,569,561	2,448,418,078	(502,151,483)
Total Other Financing Sources	2,276,558,000	2,950,569,561	2,448,418,078	(502,151,483)
Total Revenues and Other Financing Sources	46,285,287,702	47,375,705,831	44,090,130,618	(3,285,575,213)
EXPENDITURES				
Public safety and criminal justice	3,699,770,268	3,761,668,780	3,248,840,754	512,828,026
Physical and mental health	10,455,785,782	10,564,150,025	9,889,300,259	674,849,766
Educational, cultural, and intellectual development	15,086,948,467	14,609,325,041	14,741,264,716	(131,939,675)
Community development and environmental management	2,914,165,088	2,940,124,843	2,338,922,303	601,202,540
Economic planning, development, and security	4,481,620,294	4,788,303,921	4,260,225,110	528,078,811
Transportation programs	498,687,242	509,692,382	462,650,338	47,042,044
Government direction, management, and control	8,055,179,261	8,754,932,735	8,085,284,779	669,647,956
Special government services	431,011,707	435,015,511	327,195,311	107,820,200
Total Expenditures	45,623,168,109	46,363,213,238	43,353,683,570	3,009,529,668
OTHER FINANCING USES				
Transfers to other funds	2,257,520,593	2,713,122,593	2,257,520,593	455,602,000
Total Other Financing Uses	2,257,520,593	2,713,122,593	2,257,520,593	455,602,000
Total Expenditures and Other Financing Uses	47,880,688,702	49,076,335,831	45,611,204,163	3,465,131,668
Net change in fund balance	(1,595,401,000)	(1,700,630,000)	(1,521,073,545)	179,556,455
FUND BALANCES - JULY 1, 2007	1,697,875,000	2,101,077,180	2,101,077,180	--
FUND BALANCES - JUNE 30, 2008	\$ 102,474,000	\$ 400,447,180	\$ 580,003,635	\$ 179,556,455

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

	General Fund	Property Tax Relief Fund
Sources/inflows of resources:		
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	\$30,818,593,744	\$13,271,536,874
Differences--budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	526,036,486	--
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(86,276,376)	--
Proceeds and premium from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	1,291,721,755	--
Proceeds and premiums from the sale of installment obligation bonds including refundings are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	157,760,774	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	2,023,012,088	--
Excess anticipated revenue transferred to Fund Balance - Reserved for Surplus Revenue is not a budgetary resource but is revenue for financial reporting purposes.	250,142,000	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	(135,160,635)	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$34,845,829,836	\$13,271,536,874
GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:		
Total revenues	\$29,150,698,861	
Transfers from other funds	2,222,636,355	
Other sources	3,472,494,620	
Total revenues and other financing sources	\$34,845,829,836	

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures (continued)**

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$31,757,268,715	\$13,853,935,448
Differences--budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,124,043,078)	(19,603,447)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	232,103,709	4,905,885
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	8,466,704	48,459
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	34,047,202	(48,459)
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	526,036,486	--
School construction bonds proceeds distributed to the New Jersey Schools Development Authority are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	1,291,721,755	--
Installment obligation refunding bonds proceeds deposited with fiscal agents are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	157,760,774	--
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	2,023,012,088	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	\$34,906,374,355	\$13,839,237,886
 GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:		
Total expenditures	\$30,149,621,957	
Transfers to other funds	2,825,584,696	
Other uses	1,931,167,702	
Total expenditures and other financing uses	\$34,906,374,355	

STATE OF NEW JERSEY NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

The Appropriations Act provides annual departmental budgets for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). The State Legislature enacts the Appropriations Act through passage of specific departmental appropriations, the sum of which may not exceed estimated resources. 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 State Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming fiscal year. Spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the State Legislature and the Governor. Expenditures are presented on the accompanying budgetary basis financial statements by statewide program classifications, not by the legal level of budgetary control. Detail at the departmental level is presented on the accompanying Schedules of Appropriations and Expenditures.

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the Annual Appropriations Act, the Executive Branch may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and Executive Branch 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 fund financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, 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. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

The Budgetary Comparison Schedule displays the undesignated-unreserved fund balance for the original budget, final budget, and actual amounts (budgetary basis). The beginning fund balance for the original budget is estimated as of July 1 while the beginning fund balance for the final budget and actual amount columns represent actual amounts.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
PENSION TRUST FUNDS AND HEALTH BENEFIT PROGRAM FUND**

Plan / Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
OPEB - State						
6/30/06	-	58,059,000,000	58,059,000,000	-	-	N/A
6/30/07	-	50,649,500,000	50,649,500,000	-	-	N/A
PERS - State						
6/30/05	10,631,348,826	13,432,528,883	2,801,180,057	79.1%	4,028,028,170	69.5%
6/30/06	10,668,645,162	14,797,684,446	4,129,039,284	72.1%	4,253,564,219	97.1%
6/30/07	11,024,255,608	16,028,875,601	5,004,619,993	68.8%	4,434,933,181	112.8%
PERS - Local						
6/30/05	16,482,040,944	18,341,857,304	1,859,816,360	89.9%	6,416,265,644	29.0%
6/30/06	16,699,827,172	20,273,979,840	3,574,152,668	82.4%	6,730,309,209	53.1%
6/30/07	17,690,520,507	21,764,214,593	4,073,694,086	81.3%	6,983,534,635	58.3%
TPAF						
6/30/05	34,789,389,875	43,967,927,299	9,178,537,424	79.1%	8,454,072,109	108.6%
6/30/06	35,531,294,790	46,539,868,653	11,008,573,863	76.3%	8,748,623,186	125.8%
6/30/07	36,714,578,745	49,161,247,363	12,446,668,618	74.7%	9,077,628,813	137.1%
PFRS-State						
6/30/05	2,005,752,079	2,815,620,221	809,868,142	71.2%	482,460,402	167.9%
6/30/06	2,082,930,162	3,082,176,677	999,246,515	67.6%	506,084,434	197.4%
6/30/07	2,215,697,407	3,426,631,813	1,210,934,406	64.7%	527,556,519	229.5%
PFRS-Local						
6/30/05	17,372,138,294	21,388,972,326	4,016,834,032	81.2%	2,619,347,468	153.4%
6/30/06	18,281,315,556	22,907,522,660	4,626,207,104	79.8%	2,772,915,465	166.8%
6/30/07	19,500,229,156	24,562,195,443	5,061,966,287	79.4%	2,932,283,180	172.6%
SPRS						
6/30/05	1,922,443,732	2,075,266,080	152,822,348	92.6%	241,813,372	63.2%
6/30/06	1,970,398,511	2,319,656,532	349,258,021	84.9%	263,220,592	132.7%
6/30/07	2,066,754,160	2,485,649,230	418,895,070	83.1%	275,301,995	152.2%
JRS						
6/30/05	369,491,366	466,145,912	96,654,546	79.3%	60,506,750	159.7%
6/30/06	369,493,799	493,778,007	124,284,208	74.8%	62,492,250	198.9%
6/30/07	379,364,939	524,970,330	145,605,391	72.3%	63,144,685	230.6%
CPFPF						
6/30/05	21,886,445	30,031,591	8,145,146	72.9%	-	N/A
6/30/06	22,453,828	24,749,667	2,295,839	90.7%	-	N/A
6/30/07	19,336,247	21,090,186	1,753,939	91.7%	-	N/A
POPF						
6/30/05	14,783,465	9,077,157	(5,706,308)	162.9%	-	N/A
6/30/06	14,014,718	8,236,295	(5,778,423)	170.2%	-	N/A
6/30/07	13,499,361	7,378,386	(6,120,975)	183.0%	-	N/A

Note: The 6/30/08 Pension Actuarial Reports are available at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.htm>.

*Combining
Financial Statements
Non-Major Funds*

STATE OF NEW JERSEY
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2008

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 236,618,976	\$ 6,861,177	\$ 243,480,153
Investments	4,872,758,339	34,531,566	4,907,289,905
Receivables, net of allowances for uncollectibles			
Federal government	--	64,199,719	64,199,719
Departmental accounts	359,507,054	462,849	359,969,903
Loans	1,238,372,165	5,000,000	1,243,372,165
Other	257,727,205	97,530,784	355,257,989
Due from other funds	323,120,830	247,002,044	570,122,874
Other	178,313	--	178,313
Total Assets	<u>\$ 7,288,282,882</u>	<u>\$ 455,588,139</u>	<u>\$ 7,743,871,021</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 760,949,674	\$ 163,168,739	\$ 924,118,413
Deferred revenue	152,703,195	--	152,703,195
Due to other funds	962,883,261	165,406,367	1,128,289,628
Advances from other funds	8,000,000	--	8,000,000
Other	53,887,642	--	53,887,642
Total Liabilities	<u>1,938,423,772</u>	<u>328,575,106</u>	<u>2,266,998,878</u>
Fund Balances			
Reserved for:			
Encumbrances	1,199,383,164	28,404,762	1,227,787,926
Other	1,628,125,477	5,000,000	1,633,125,477
Unreserved:			
Designated-continuing appropriations	2,277,168,686	98,608,271	2,375,776,957
Designated-unrealized gains	389,892	--	389,892
Undesignated	244,791,891	(5,000,000)	239,791,891
Total Fund Balances	<u>5,349,859,110</u>	<u>127,013,033</u>	<u>5,476,872,143</u>
Total Liabilities and Fund Balances	<u>\$ 7,288,282,882</u>	<u>\$ 455,588,139</u>	<u>\$ 7,743,871,021</u>

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES			
Taxes	\$ 1,718,788,888	\$ --	\$ 1,718,788,888
Federal and other grants	73,514,560	756,690,741	830,205,301
Licenses and fees	121,194,009	--	121,194,009
Services and assessments	931,642,100	223,315	931,865,415
Investment earnings	216,490,873	6,622,027	223,112,900
Contributions	484,258	--	484,258
Other	362,855,458	--	362,855,458
Total Revenues	3,424,970,146	763,536,083	4,188,506,229
EXPENDITURES			
Current:			
Public safety and criminal justice	111,151,618	9,759,260	120,910,878
Physical and mental health	364,273,506	50,305	364,323,811
Educational, cultural, and intellectual development	1,001,691,288	--	1,001,691,288
Community development and environmental management	465,122,889	--	465,122,889
Economic planning, development, and security	893,756,019	42,515	893,798,534
Transportation programs	134,137,903	2,194,117,217	2,328,255,120
Government direction, management, and control	242,363,081	7,903	242,370,984
Special government services	183,177	--	183,177
Debt Service:			
Principal	343,206,248	--	343,206,248
Interest	647,430,036	--	647,430,036
Total Expenditures	4,203,315,765	2,203,977,200	6,407,292,965
Excess (deficiency) of revenues over expenditures	(778,345,619)	(1,440,441,117)	(2,218,786,736)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	1,507,720,000	--	1,507,720,000
Transfers from other funds	2,170,272,910	1,429,280,164	3,599,553,074
Transfers to other funds	(2,774,786,162)	(1,506,138)	(2,776,292,300)
Other sources	168,483,560	--	168,483,560
Other uses	(125,690,946)	--	(125,690,946)
Total other financing sources (uses)	945,999,362	1,427,774,026	2,373,773,388
Excess (deficiency) of revenues and other sources over expenditures and other uses	167,653,743	(12,667,091)	154,986,652
Fund balances - July 1, 2007	5,182,205,367	139,680,124	5,321,885,491
Fund balances - June 30, 2008	\$ 5,349,859,110	\$ 127,013,033	\$ 5,476,872,143



STATE OF NEW JERSEY
COMBINING BALANCE SHEET
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NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2008

	Alcohol Education, Rehabilitation and Enforcement Fund	Atlantic City Parking Fees Fund	Atlantic City Projects-Room Fund
ASSETS			
Cash and cash equivalents	\$ 1,813,424	\$ 8,934	\$ 1,530,904
Investments	6,482,570	1,645	342,917
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	2,452,944	182,965
Loans	--	--	--
Other	--	--	--
Due from other funds	1,833,333	--	--
Other	--	--	--
Total Assets	<u>\$ 10,129,327</u>	<u>\$ 2,463,523</u>	<u>\$ 2,056,786</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 1,212,449	\$ 2,452,944	\$ 68,732
Deferred revenue	--	--	--
Due to other funds	1,488,884	--	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>2,701,333</u>	<u>2,452,944</u>	<u>68,732</u>
Fund Balances			
Reserved for:			
Encumbrances	3,662,847	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	3,765,147	10,579	1,988,054
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>7,427,994</u>	<u>10,579</u>	<u>1,988,054</u>
Total Liabilities and Fund Balances	<u>\$ 10,129,327</u>	<u>\$ 2,463,523</u>	<u>\$ 2,056,786</u>

<u>Atlantic City Tourism Promotion Fund</u>	<u>Beaches and Harbor Fund</u>	<u>Board of Bar Examiners</u>	<u>Boarding House Rental Assistance Fund</u>
\$ 1,026,271	\$ 297,241	\$ 3,383	\$ 512,195
342,013	1,100,734	6,293,098	164,369
1,612,363	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>\$ 2,980,647</u>	<u>\$ 1,397,975</u>	<u>\$ 6,296,481</u>	<u>\$ 676,564</u>
\$ 1,007,970	\$ --	\$ 742,989	\$ --
--	--	--	--
--	45,622	--	--
--	--	--	--
--	--	--	--
<u>1,007,970</u>	<u>45,622</u>	<u>742,989</u>	<u>--</u>
--	--	--	--
--	--	--	--
1,972,677	1,352,353	5,553,492	676,564
--	--	--	--
--	--	--	--
<u>1,972,677</u>	<u>1,352,353</u>	<u>5,553,492</u>	<u>676,564</u>
<u>\$ 2,980,647</u>	<u>\$ 1,397,975</u>	<u>\$ 6,296,481</u>	<u>\$ 676,564</u>

(Continued on next page)

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Body Armor Replacement Fund</u>	<u>Capital City Redevelopment Loan and Grant Fund</u>	<u>Casino Control Fund</u>
ASSETS			
Cash and cash equivalents	\$ 2,725,425	\$ 210,563	\$ 51,000
Investments	5,186,761	1,153,090	--
Receivables, net of allowances for uncollectibles			
Departmental accounts	359,659	--	11,718,146
Loans	--	512,406	--
Other	--	--	--
Due from other funds	--	--	1,888,499
Other	--	--	--
Total Assets	<u>\$ 8,271,845</u>	<u>\$ 1,876,059</u>	<u>\$ 13,657,645</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 4,336	\$ 17,526	\$ 4,994,102
Deferred revenue	--	--	3,222,500
Due to other funds	46,718	185,318	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>51,054</u>	<u>202,844</u>	<u>8,216,602</u>
Fund Balances			
Reserved for:			
Encumbrances	502,293	--	1,789,974
Other	--	512,406	--
Unreserved:			
Designated-continuing appropriations	7,718,498	1,160,809	643,592
Designated-unrealized gains	--	--	--
Undesignated	--	--	3,007,477
Total Fund Balances	<u>8,220,791</u>	<u>1,673,215</u>	<u>5,441,043</u>
Total Liabilities and Fund Balances	<u>\$ 8,271,845</u>	<u>\$ 1,876,059</u>	<u>\$ 13,657,645</u>

<u>Casino Revenue Fund</u>	<u>Casino Simulcasting Fund</u>	<u>Casino Simulcasting Special Fund</u>	<u>Catastrophic Illness in Children Relief Fund</u>
\$ --	\$ 518,469	\$ 1,492,400	\$ 1,523,839
--	27,785	2,544,846	2,873,216
27,897,569	--	--	9,320,028
--	--	--	--
--	--	--	--
54,166,956	--	--	239,604
--	--	--	--
<u>\$ 82,064,525</u>	<u>\$ 546,254</u>	<u>\$ 4,037,246</u>	<u>\$ 13,956,687</u>
\$ 26,979,251	\$ --	\$ 1,057	\$ --
7,000	--	--	--
--	546,254	--	7,908,900
--	--	--	--
--	--	--	--
<u>26,986,251</u>	<u>546,254</u>	<u>1,057</u>	<u>7,908,900</u>
55,078,274	--	--	8,008
--	--	--	--
--	--	4,036,189	6,039,779
--	--	--	--
--	--	--	--
<u>55,078,274</u>	<u>--</u>	<u>4,036,189</u>	<u>6,047,787</u>
<u>\$ 82,064,525</u>	<u>\$ 546,254</u>	<u>\$ 4,037,246</u>	<u>\$ 13,956,687</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Clean Communities Account Fund</u>	<u>Clean Energy Fund</u>	<u>Clean Waters Fund</u>
ASSETS			
Cash and cash equivalents	\$ 992,061	\$ 7,659,150	\$ 24,329
Investments	2,284,239	213,893,651	1,166,644
Receivables, net of allowances for uncollectibles			
Departmental accounts	188,463	--	--
Loans	--	--	--
Other	--	28,979,734	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 3,464,763</u>	<u>\$ 250,532,535</u>	<u>\$ 1,190,973</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 701	\$ 19,134,302	\$ --
Deferred revenue	--	--	--
Due to other funds	--	15,542,725	18,065
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>701</u>	<u>34,677,027</u>	<u>18,065</u>
Fund Balances			
Reserved for:			
Encumbrances	544	125,310,115	--
Other	--	--	36,949
Unreserved:			
Designated-continuing appropriations	3,463,518	90,545,393	1,135,959
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>3,464,062</u>	<u>215,855,508</u>	<u>1,172,908</u>
Total Liabilities and Fund Balances	<u>\$ 3,464,763</u>	<u>\$ 250,532,535</u>	<u>\$ 1,190,973</u>

Cultural Centers and Historic Preservation Fund	2003 Dam, Lake and Stream Project Revolving Loan Fund	2003 Dam, Lake, Stream and Flood Control Project Fund	1992 Dam Restoration and Clean Waters Trust Fund	1989 Development Potential Bank Transfer Fund
\$ 55,702	\$ 426,748	\$ --	\$ 3,595,232	\$ 155
856,876	50,825,739	20,897,690	6,385,370	7,088,759
--	--	--	--	--
--	23,855,357	--	7,667,572	--
48,000	19,639	--	38,135	--
--	--	--	--	--
--	--	--	--	--
\$ 960,578	\$ 75,127,483	\$ 20,897,690	\$ 17,686,309	\$ 7,088,914
\$ 260,885	\$ --	\$ 25,319	\$ --	\$ --
--	--	--	--	--
145,504	--	270,492	--	53,409
--	--	--	--	--
--	--	--	--	--
406,389	--	295,811	--	53,409
1,010,000	56,971,362	18,781,264	49,350	--
295,591	25,602,302	942,197	7,667,572	--
--	--	878,418	9,969,387	7,035,505
--	--	--	--	--
(751,402)	(7,446,181)	--	--	--
554,189	75,127,483	20,601,879	17,686,309	7,035,505
\$ 960,578	\$ 75,127,483	\$ 20,897,690	\$ 17,686,309	\$ 7,088,914

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Developmental Disabilities Waiting List Reduction Fund	Disciplinary Oversight Committee	Division of Motor Vehicles Surcharge Fund
ASSETS			
Cash and cash equivalents	\$ 157,426	\$ 5,430,263	\$ 1,369,966
Investments	8,088,282	--	5,442,735
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	11,534,871
Loans	--	--	--
Other	--	22,677	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 8,245,708</u>	<u>\$ 5,452,940</u>	<u>\$ 18,347,572</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ 3,056,636	\$ 18,347,572
Deferred revenue	--	--	--
Due to other funds	324,146	--	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>324,146</u>	<u>3,056,636</u>	<u>18,347,572</u>
Fund Balances			
Reserved for:			
Encumbrances	1,417,380	--	--
Other	184,745	--	--
Unreserved:			
Designated-continuing appropriations	6,319,437	2,396,304	--
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>7,921,562</u>	<u>2,396,304</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 8,245,708</u>	<u>\$ 5,452,940</u>	<u>\$ 18,347,572</u>

<u>Dredging and Containment Facility Fund</u>	<u>Drinking Water State Revolving Fund</u>	<u>1996 Economic Development Site Fund</u>	<u>Emergency Flood Control Fund</u>	<u>Emergency Medical Technician Training Fund</u>
\$ 51,188	\$ 10,913,494	\$ 48,698	\$ 12,787	\$ 246,718
27,490,433	48,937,956	1,546,922	355,178	6,346,619
--	--	--	--	377,000
--	159,374,615	1,898,178	--	--
--	--	--	--	--
--	101,906	--	--	--
--	--	--	--	--
<u>\$ 27,541,621</u>	<u>\$ 219,327,971</u>	<u>\$ 3,493,798</u>	<u>\$ 367,965</u>	<u>\$ 6,970,337</u>
\$ 85,091	\$ 201,828	\$ --	\$ --	\$ 423,112
--	579,178	--	--	--
603,000	--	--	14,721	371,456
--	--	--	--	--
--	--	--	--	--
<u>688,091</u>	<u>781,006</u>	<u>--</u>	<u>14,721</u>	<u>794,568</u>
26,987,956	27,589,203	--	--	609,582
2,955,913	159,374,615	1,898,178	--	--
--	17,891,565	1,595,620	353,244	5,566,187
--	--	--	--	--
(3,090,339)	13,691,582	--	--	--
<u>26,853,530</u>	<u>218,546,965</u>	<u>3,493,798</u>	<u>353,244</u>	<u>6,175,769</u>
<u>\$ 27,541,621</u>	<u>\$ 219,327,971</u>	<u>\$ 3,493,798</u>	<u>\$ 367,965</u>	<u>\$ 6,970,337</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Emergency Services Fund</u>	<u>Enterprise Zone Assistance Fund</u>	<u>1996 Environmental Cleanup Fund</u>
ASSETS			
Cash and cash equivalents	\$ 103,681	\$ 7,318,876	\$ 33,126
Investments	14,455,424	304,241,888	3,785,338
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	10,000	--	--
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 14,569,105</u>	<u>\$ 311,560,764</u>	<u>\$ 3,818,464</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 6,826	\$ 5,535,064	\$ 240,482
Deferred revenue	--	--	--
Due to other funds	--	16,216,815	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>6,826</u>	<u>21,751,879</u>	<u>240,482</u>
Fund Balances			
Reserved for:			
Encumbrances	2,188,055	112,950,104	10,745,399
Other	10,000	--	--
Unreserved:			
Designated-continuing appropriations	12,364,224	176,858,781	--
Designated-unrealized gains	--	--	--
Undesignated	--	--	(7,167,417)
Total Fund Balances	<u>14,562,279</u>	<u>289,808,885</u>	<u>3,577,982</u>
Total Liabilities and Fund Balances	<u>\$ 14,569,105</u>	<u>\$ 311,560,764</u>	<u>\$ 3,818,464</u>

<u>1989 Farmland Preservation Fund</u>	<u>1992 Farmland Preservation Fund</u>	<u>1995 Farmland Preservation Fund</u>	<u>Fund for Support of Free Public Schools</u>	<u>Garden State Farmland Preservation Trust Fund</u>
\$ 10,706	\$ 19,884	\$ 229,123	\$ 581,611	\$ 1,251,424
79,089	688,115	4,041,691	122,495,753	240,226,526
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	4,620,134	--
--	--	--	--	--
<u>\$ 89,795</u>	<u>\$ 707,999</u>	<u>\$ 4,270,814</u>	<u>\$ 127,697,498</u>	<u>\$ 241,477,950</u>
\$ 5,294	\$ --	\$ 493,375	\$ --	\$ 26,136,625
--	--	--	--	--
--	--	--	4,939,504	2,361,866
--	--	--	--	--
--	--	--	--	--
<u>5,294</u>	<u>--</u>	<u>493,375</u>	<u>4,939,504</u>	<u>28,498,491</u>
5,294	--	497,794	--	16,002,608
--	--	--	98,500,046	--
79,207	707,999	3,279,645	--	196,976,851
--	--	--	63,102	--
--	--	--	24,194,846	--
<u>84,501</u>	<u>707,999</u>	<u>3,777,439</u>	<u>122,757,994</u>	<u>212,979,459</u>
<u>\$ 89,795</u>	<u>\$ 707,999</u>	<u>\$ 4,270,814</u>	<u>\$ 127,697,498</u>	<u>\$ 241,477,950</u>

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STATE OF NEW JERSEY
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COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Garden State Green Acres Preservation Trust Fund	Garden State Historic Preservation Trust Fund	Green Trust Fund
ASSETS			
Cash and cash equivalents	\$ --	\$ --	\$ 1,774,830
Investments	332,575,906	28,519,538	23,809,121
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	48,331,552	--	50,296,561
Other	214,140	--	226,317
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 381,121,598</u>	<u>\$ 28,519,538</u>	<u>\$ 76,106,829</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 7,023,744	\$ 460,170	\$ --
Deferred revenue	--	--	--
Due to other funds	5,108,013	453,302	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>12,131,757</u>	<u>913,472</u>	<u>--</u>
Fund Balances			
Reserved for:			
Encumbrances	184,081,438	18,323,635	20,741,356
Other	48,331,552	--	50,296,561
Unreserved:			
Designated-continuing appropriations	136,576,851	8,272,612	--
Designated-unrealized gains	--	--	--
Undesignated	--	1,009,819	5,068,912
Total Fund Balances	<u>368,989,841</u>	<u>27,606,066</u>	<u>76,106,829</u>
Total Liabilities and Fund Balances	<u>\$ 381,121,598</u>	<u>\$ 28,519,538</u>	<u>\$ 76,106,829</u>

<u>Gubernatorial Elections Fund</u>	<u>Hazardous Discharge Fund of 1981</u>	<u>Hazardous Discharge Fund of 1986</u>	<u>Hazardous Discharge Site Cleanup Fund</u>	<u>Health Care Subsidy Fund</u>
\$ --	\$ 711	\$ 3,827,819	\$ 1,870,269	\$ 4,334,636
--	188,031	15,583,697	113,403,988	180,481,420
486,625	--	--	120,774	19,920,744
--	--	--	--	--
--	--	--	8,302,494	--
603,485	--	371,152	7,412,882	188,758,929
--	--	--	--	--
<u>\$ 1,090,110</u>	<u>\$ 188,742</u>	<u>\$ 19,782,668</u>	<u>\$ 131,110,407</u>	<u>\$ 393,495,729</u>
\$ --	\$ --	\$ 2,211,313	\$ 1,746,912	\$ --
--	--	--	--	--
--	7,793	--	23,901,286	374,933,712
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>7,793</u>	<u>2,211,313</u>	<u>25,648,198</u>	<u>374,933,712</u>
--	--	18,253,129	21,607,723	--
--	--	--	8,302,494	--
--	180,949	--	75,551,992	18,562,017
--	--	--	--	--
1,090,110	--	(681,774)	--	--
<u>1,090,110</u>	<u>180,949</u>	<u>17,571,355</u>	<u>105,462,209</u>	<u>18,562,017</u>
<u>\$ 1,090,110</u>	<u>\$ 188,742</u>	<u>\$ 19,782,668</u>	<u>\$ 131,110,407</u>	<u>\$ 393,495,729</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	1995 Historic Preservation Fund
ASSETS			
Cash and cash equivalents	\$ 4,453	\$ 60,751	\$ 3,342
Investments	138,018	1,553,216	744,082
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 142,471</u>	<u>\$ 1,613,967</u>	<u>\$ 747,424</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances			
Reserved for:			
Encumbrances	16,200	1,215,936	673,521
Other	--	106,043	36,949
Unreserved:			
Designated-continuing appropriations	22,253	120,293	36,954
Designated-unrealized gains	--	--	--
Undesignated	104,018	171,695	--
Total Fund Balances	<u>142,471</u>	<u>1,613,967</u>	<u>747,424</u>
Total Liabilities and Fund Balances	<u>\$ 142,471</u>	<u>\$ 1,613,967</u>	<u>\$ 747,424</u>

<u>Historic Preservation Revolving Loan Fund</u>	<u>Horse Racing Injury Compensation Fund</u>	<u>Housing Assistance Fund</u>	<u>Jobs, Education and Competitiveness Fund</u>	<u>Jobs, Science and Technology Fund</u>
\$ 441,711	\$ 89,506	\$ 612,718	\$ 27,342	\$ 1,194
4,025,780	2,536,388	4,294,740	1,744,340	487
--	--	--	--	--
55,680	--	2,208,925	--	--
563	--	2,377	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 4,523,734</u>	<u>\$ 2,625,894</u>	<u>\$ 7,118,760</u>	<u>\$ 1,771,682</u>	<u>\$ 1,681</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	180,456	84,965	69
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>180,456</u>	<u>84,965</u>	<u>69</u>
--	--	--	834,824	--
55,680	--	2,208,925	--	--
3,637,017	2,625,894	4,324,675	728,959	1,612
--	--	--	--	--
831,037	--	404,704	122,934	--
<u>4,523,734</u>	<u>2,625,894</u>	<u>6,938,304</u>	<u>1,686,717</u>	<u>1,612</u>
<u>\$ 4,523,734</u>	<u>\$ 2,625,894</u>	<u>\$ 7,118,760</u>	<u>\$ 1,771,682</u>	<u>\$ 1,681</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Korean Veterans' Memorial Fund	1996 Lake Restoration Fund	Lead Hazard Contol Assistance Fund
ASSETS			
Cash and cash equivalents	\$ 8,523	\$ 77,787	\$ 66,392
Investments	--	1,309,449	17,218,518
Receivables, net of allowances for uncollectibles			
Departmental accounts	7,335	--	--
Loans	--	937,168	--
Other	--	4,793	41,600
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 15,858</u>	<u>\$ 2,329,197</u>	<u>\$ 17,326,510</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ --	\$ 90
Deferred revenue	--	--	--
Due to other funds	--	--	811,543
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>811,633</u>
Fund Balances			
Reserved for:			
Encumbrances	--	67,289	2,189,943
Other	--	937,168	--
Unreserved:			
Designated-continuing appropriations	15,858	1,324,740	14,324,934
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>15,858</u>	<u>2,329,197</u>	<u>16,514,877</u>
Total Liabilities and Fund Balances	<u>\$ 15,858</u>	<u>\$ 2,329,197</u>	<u>\$ 17,326,510</u>

<u>Luxury Tax Fund</u>	<u>Medical Malpractice Liability Insurance Premium Assistance Fund</u>	<u>Mortgage Assistance Fund</u>	<u>Municipal Landfill Closure and Remediation Fund</u>	<u>Natural Resources Fund</u>
\$ 6,450	\$ 490,218	\$ 3,896	\$ 71,371	\$ 20,705
92,117	1,022,620	4,127,522	--	3,484,708
4,473,172	--	--	--	--
--	--	9,578,984	--	7,541
--	67,125	653,479	--	--
--	69,199	--	--	--
--	--	--	--	--
<u>\$ 4,571,739</u>	<u>\$ 1,649,162</u>	<u>\$ 14,363,881</u>	<u>\$ 71,371</u>	<u>\$ 3,512,954</u>
\$ 4,476,196	\$ 11,743	\$ --	\$ 3,236	\$ --
--	--	--	--	--
--	--	839,936	--	144,008
--	--	--	--	--
--	--	--	--	--
<u>4,476,196</u>	<u>11,743</u>	<u>839,936</u>	<u>3,236</u>	<u>144,008</u>
--	--	--	--	1,212,674
--	--	9,578,984	--	7,541
95,543	1,637,419	1,006,839	68,135	2,148,731
--	--	--	--	--
--	--	2,938,122	--	--
<u>95,543</u>	<u>1,637,419</u>	<u>13,523,945</u>	<u>68,135</u>	<u>3,368,946</u>
<u>\$ 4,571,739</u>	<u>\$ 1,649,162</u>	<u>\$ 14,363,881</u>	<u>\$ 71,371</u>	<u>\$ 3,512,954</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>New Home Warranty Security Fund</u>	<u>New Jersey Building Authority</u>	<u>1995 New Jersey Coastal Blue Acres Trust Fund</u>
ASSETS			
Cash and cash equivalents	\$ 4,161,487	\$ 6,631,507	\$ 250,194
Investments	37,057,959	170,011,688	2,401,507
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	825,373
Other	--	--	5,171
Due from other funds	--	--	--
Other	--	77,253	--
Total Assets	<u>\$ 41,219,446</u>	<u>\$ 176,720,448</u>	<u>\$ 3,482,245</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ 4,572,456	\$ --
Deferred revenue	--	--	--
Due to other funds	4,821,330	--	--
Advances from other funds	--	--	--
Other	--	2,374,063	--
Total Liabilities	<u>4,821,330</u>	<u>6,946,519</u>	<u>--</u>
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	825,373
Unreserved:			
Designated-continuing appropriations	36,398,116	169,773,929	2,656,872
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>36,398,116</u>	<u>169,773,929</u>	<u>3,482,245</u>
Total Liabilities and Fund Balances	<u>\$ 41,219,446</u>	<u>\$ 176,720,448</u>	<u>\$ 3,482,245</u>

<u>New Jersey Cultural Trust Fund</u>	<u>1983 New Jersey Green Acres Fund</u>	<u>1989 New Jersey Green Acres Fund</u>	<u>1992 New Jersey Green Acres Fund</u>	<u>1995 New Jersey Green Acres Fund</u>
\$ 420,872	\$ 778	\$ 1,230,719	\$ 498,057	\$ --
24,036,223	20,489,025	4,876,500	801,971	4,986,920
--	--	--	--	--
--	--	--	--	--
74,394	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 24,531,489</u>	<u>\$ 20,489,803</u>	<u>\$ 6,107,219</u>	<u>\$ 1,300,028</u>	<u>\$ 4,986,920</u>
\$ 790,693	\$ --	\$ --	\$ --	\$ 26,116
--	--	--	--	--
--	849,181	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>790,693</u>	<u>849,181</u>	<u>--</u>	<u>--</u>	<u>26,116</u>
783,913	224	700,925	54,245	464,939
--	--	--	--	92,372
22,860,163	--	2,562,088	135,575	2,507,492
96,720	--	--	--	--
--	19,640,398	2,844,206	1,110,208	1,896,001
<u>23,740,796</u>	<u>19,640,622</u>	<u>6,107,219</u>	<u>1,300,028</u>	<u>4,960,804</u>
<u>\$ 24,531,489</u>	<u>\$ 20,489,803</u>	<u>\$ 6,107,219</u>	<u>\$ 1,300,028</u>	<u>\$ 4,986,920</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>1989 New Jersey Green Trust Fund</u>	<u>1992 New Jersey Green Trust Fund</u>	<u>1995 New Jersey Green Trust Fund</u>
ASSETS			
Cash and cash equivalents	\$ 54,178	\$ 989,988	\$ 1,047,075
Investments	42,037,712	17,444,822	26,727,760
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	45,787,427	29,914,832	44,403,451
Other	256,775	146,722	238,817
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 88,136,092</u>	<u>\$ 48,496,364</u>	<u>\$ 72,417,103</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ --	\$ 400,000
Deferred revenue	--	--	--
Due to other funds	--	--	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>400,000</u>
Fund Balances			
Reserved for:			
Encumbrances	25,046,825	12,298,694	14,002,597
Other	45,787,427	29,914,832	44,403,451
Unreserved:			
Designated-continuing appropriations	16,176,249	6,282,838	13,611,055
Designated-unrealized gains	--	--	--
Undesignated	1,125,591	--	--
Total Fund Balances	<u>88,136,092</u>	<u>48,496,364</u>	<u>72,017,103</u>
Total Liabilities and Fund Balances	<u>\$ 88,136,092</u>	<u>\$ 48,496,364</u>	<u>\$ 72,417,103</u>

<u>1995 New Jersey Inland Blue Acres Fund</u>	<u>New Jersey Lawyers' Assistance Program</u>	<u>New Jersey Lawyers' Fund for Client Protection</u>	<u>New Jersey Local Development Financing Fund</u>	<u>New Jersey Racing Industry Special Fund</u>
\$ 147	\$ 1,676	\$ 1,243,427	\$ --	\$ 1,418,932
1,049,590	1,001,877	17,430,365	23,510,351	56,593
--	--	--	--	--
--	--	--	26,962,455	--
--	--	145,623	60,244	--
--	--	--	--	--
--	--	15,372	--	--
<u>\$ 1,049,737</u>	<u>\$ 1,003,553</u>	<u>\$ 18,834,787</u>	<u>\$ 50,533,050</u>	<u>\$ 1,475,525</u>
\$ 425	\$ 124,750	\$ 342,361	\$ --	\$ 1,353,038
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>425</u>	<u>124,750</u>	<u>342,361</u>	<u>--</u>	<u>1,353,038</u>
--	--	--	--	--
--	--	--	26,962,455	--
315,771	878,803	18,262,356	23,570,595	122,487
--	--	230,070	--	--
733,541	--	--	--	--
<u>1,049,312</u>	<u>878,803</u>	<u>18,492,426</u>	<u>50,533,050</u>	<u>122,487</u>
<u>\$ 1,049,737</u>	<u>\$ 1,003,553</u>	<u>\$ 18,834,787</u>	<u>\$ 50,533,050</u>	<u>\$ 1,475,525</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>New Jersey Schools Development Authority</u>	<u>New Jersey Spill Compensation Fund</u>	<u>New Jersey Spinal Cord Research Fund</u>
ASSETS			
Cash and cash equivalents	\$ 1,002,628	\$ 1,314,531	\$ 160,821
Investments	773,934,956	29,129,675	13,369,633
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	1,741,648	7,077,220	--
Due from other funds	--	6,272	4,194,660
Other	--	--	--
Total Assets	<u>\$ 776,679,232</u>	<u>\$ 37,527,698</u>	<u>\$ 17,725,114</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 230,972,321	\$ 370,148	\$ 309,883
Deferred revenue	--	--	--
Due to other funds	--	27,918,113	426,426
Advances from other funds	--	--	--
Other	51,001,688	--	--
Total Liabilities	<u>281,974,009</u>	<u>28,288,261</u>	<u>736,309</u>
Fund Balances			
Reserved for:			
Encumbrances	--	2,269,537	5,857,465
Other	3,730,363	6,940,296	--
Unreserved:			
Designated-continuing appropriations	490,974,860	29,604	11,131,340
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	<u>494,705,223</u>	<u>9,239,437</u>	<u>16,988,805</u>
Total Liabilities and Fund Balances	<u>\$ 776,679,232</u>	<u>\$ 37,527,698</u>	<u>\$ 17,725,114</u>

New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund	Pollution Prevention Fund
\$ 88,805	\$ 3,694,709	\$ 2,737,157	\$ 3,009,837	\$ 986,325
293,822,721	102,325,297	4,218,161	4,946,250	735,036
--	29,997,319	--	--	1,776,654
--	--	1,500,000	2,709,289	--
--	--	--	39,361	--
33,500,000	3,310,428	--	--	3,383
--	--	--	--	--
\$ 327,411,526	\$ 139,327,753	\$ 8,455,318	\$ 10,704,737	\$ 3,501,398
\$ --	\$ 5,942,163	\$ 79,270	\$ --	\$ --
--	--	893,588	--	--
246,982,044	61,247,804	--	--	1,691,296
--	--	--	--	--
--	14,327	--	--	--
246,982,044	67,204,294	972,858	--	1,691,296
--	51,985,027	526,903	72,320	--
316,314	--	1,500,000	2,709,289	--
--	20,138,432	1,338,957	1,242,327	1,810,102
--	--	--	--	--
80,113,168	--	4,116,600	6,680,801	--
80,429,482	72,123,459	7,482,460	10,704,737	1,810,102
\$ 327,411,526	\$ 139,327,753	\$ 8,455,318	\$ 10,704,737	\$ 3,501,398

(Continued on next page)

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Real Estate Guaranty Fund</u>	<u>Resource Recovery and Solid Waste Disposal Facility Fund</u>	<u>Retail Margin Fund</u>
ASSETS			
Cash and cash equivalents	\$ 127,614	\$ 33,533	\$ 20,916,601
Investments	1,657,898	619,147	84,445,008
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	1,019,152
Due from other funds	88,077	--	--
Other	--	--	--
Total Assets	<u>\$ 1,873,589</u>	<u>\$ 652,680</u>	<u>\$ 106,380,761</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 4,000	\$ --	\$ --
Deferred revenue	--	--	--
Due to other funds	--	--	309,251
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>4,000</u>	<u>--</u>	<u>309,251</u>
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	1,869,589	493,795	106,071,510
Designated-unrealized gains	--	--	--
Undesignated	--	158,885	--
Total Fund Balances	<u>1,869,589</u>	<u>652,680</u>	<u>106,071,510</u>
Total Liabilities and Fund Balances	<u>\$ 1,873,589</u>	<u>\$ 652,680</u>	<u>\$ 106,380,761</u>

<u>Safe Drinking Water Fund</u>	<u>Sanitary Landfill Facility Contingency Fund</u>	<u>Shore Protection Fund</u>	<u>State Disability Benefit Fund</u>	<u>State Land Acquisition and Development Fund</u>
\$ 1,972,496	\$ 2,540,096	\$ 1,149,068	\$ 9,624	\$ 24,877
1,667,282	12,134,469	10,237,892	74,062,575	1,120,939
112,707	--	--	214,575,198	--
--	--	--	--	--
--	149,510	41,902	894,626	--
--	--	--	19,617,231	--
--	--	85,688	--	--
<u>\$ 3,752,485</u>	<u>\$ 14,824,075</u>	<u>\$ 11,514,550</u>	<u>\$ 309,159,254</u>	<u>\$ 1,145,816</u>
\$ --	\$ 174,504	\$ --	\$ 42,505,529	\$ --
--	--	--	--	--
2,532,115	--	428,336	38,352,298	19,044
--	--	--	--	--
--	--	--	415,909	--
<u>2,532,115</u>	<u>174,504</u>	<u>428,336</u>	<u>81,273,736</u>	<u>19,044</u>
3,442	1,222,012	--	--	--
--	--	--	--	36,949
1,216,928	13,427,559	2,327,602	227,885,518	1,089,823
--	--	--	--	--
--	--	8,758,612	--	--
<u>1,220,370</u>	<u>14,649,571</u>	<u>11,086,214</u>	<u>227,885,518</u>	<u>1,126,772</u>
<u>\$ 3,752,485</u>	<u>\$ 14,824,075</u>	<u>\$ 11,514,550</u>	<u>\$ 309,159,254</u>	<u>\$ 1,145,816</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>State-Owned Real Property Fund</u>	<u>State Recreation and Conservation Land Acquisition and Development Fund</u>	<u>State Recycling Fund</u>
ASSETS			
Cash and cash equivalents	\$ 307,033	\$ 589	\$ 872,129
Investments	1,803,402	467,429	20,330,327
Receivables, net of allowances for uncollectibles			
Departmental accounts	1,149,958	--	6,137,169
Loans	--	--	68,390
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	<u>\$ 3,260,393</u>	<u>\$ 468,018</u>	<u>\$ 27,408,015</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ --	\$ 300
Deferred revenue	--	--	--
Due to other funds	--	19,376	--
Advances from other funds	--	--	8,000,000
Other	--	--	--
Total Liabilities	<u>--</u>	<u>19,376</u>	<u>8,000,300</u>
Fund Balances			
Reserved for:			
Encumbrances	--	--	35,810
Other	--	--	68,390
Unreserved:			
Designated-continuing appropriations	--	448,642	19,303,515
Designated-unrealized gains	--	--	--
Undesignated	3,260,393	--	--
Total Fund Balances	<u>3,260,393</u>	<u>448,642</u>	<u>19,407,715</u>
Total Liabilities and Fund Balances	<u>\$ 3,260,393</u>	<u>\$ 468,018</u>	<u>\$ 27,408,015</u>

Stormwater Mangement and Combined Sewer Overflow Abatement Fund	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.	Tobacco Settlement Fund
\$ 85,031	\$ 2,092,230	\$ --	\$ 83,682,000	\$ 199,375
4,191,113	294,240,062	17,742,082	215,149,000	872,671
--	--	7,913,439	--	--
--	--	--	--	--
--	1,238	--	144,146,000	34,192,884
--	--	504,818	--	--
--	--	--	--	--
\$ 4,276,144	\$ 296,333,530	\$ 26,160,339	\$ 442,977,000	\$ 35,264,930
\$ --	\$ 294,951,094	\$ 1,340,865	\$ 34,396,000	\$ --
--	--	--	144,031,000	--
--	--	4,393,616	--	--
--	--	--	--	--
--	--	--	--	--
--	294,951,094	5,734,481	178,427,000	--
8,233,378	--	15,471,535	--	--
203,219	--	--	264,550,000	--
--	1,382,436	4,954,323	--	35,264,930
--	--	--	--	--
(4,160,453)	--	--	--	--
4,276,144	1,382,436	20,425,858	264,550,000	35,264,930
\$ 4,276,144	\$ 296,333,530	\$ 26,160,339	\$ 442,977,000	\$ 35,264,930

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Tourism Improvement and Development Fund	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund
ASSETS			
Cash and cash equivalents	\$ 26,693	\$ 2,032	\$ 116,509
Investments	13,422	136,291	2,655,408
Receivables, net of allowances for uncollectibles			
Departmental accounts	1,172,124	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	\$ 1,212,239	\$ 138,323	\$ 2,771,917
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 1,033,228	\$ 90,087	\$ --
Deferred revenue	--	--	--
Due to other funds	174,548	--	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	1,207,776	90,087	--
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	4,463	48,236	2,771,917
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	4,463	48,236	2,771,917
Total Liabilities and Fund Balances	\$ 1,212,239	\$ 138,323	\$ 2,771,917

<u>Unclaimed Utility Deposits Trust Fund</u>	<u>Unemployment Compensation Auxiliary Fund</u>	<u>Universal Services Fund</u>	<u>University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund</u>	<u>Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund</u>
\$ 39,000	\$ 153	\$ 5,912,340	\$ 463,196	\$ 192,956
5,276,325	44,670,307	64,831,859	266,315	7,699,882
--	--	--	1,486,755	--
--	--	--	--	13,830,167
--	5,300,000	23,442,336	--	--
--	--	--	484,815	--
--	--	--	--	--
<u>\$ 5,315,325</u>	<u>\$ 49,970,460</u>	<u>\$ 94,186,535</u>	<u>\$ 2,701,081</u>	<u>\$ 21,723,005</u>
\$ --	\$ --	\$ 11,068,473	\$ 2,701,081	\$ --
--	--	--	--	--
144,327	29,759,818	77,028,000	--	--
--	--	--	--	--
--	81,655	--	--	--
<u>144,327</u>	<u>29,841,473</u>	<u>88,096,473</u>	<u>2,701,081</u>	<u>--</u>
--	--	--	--	4,212,358
--	--	--	--	13,830,167
5,170,998	20,128,987	6,090,062	--	298,634
--	--	--	--	--
--	--	--	--	3,381,846
<u>5,170,998</u>	<u>20,128,987</u>	<u>6,090,062</u>	<u>--</u>	<u>21,723,005</u>
<u>\$ 5,315,325</u>	<u>\$ 49,970,460</u>	<u>\$ 94,186,535</u>	<u>\$ 2,701,081</u>	<u>\$ 21,723,005</u>

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STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Vietnam Veterans' Memorial Fund</u>	<u>Volunteer Emergency Service Organizations Loan Fund</u>	<u>Wastewater Treatment Fund</u>
ASSETS			
Cash and cash equivalents	\$ 6,996	\$ --	\$ 755,303
Investments	310	2,086,193	366,378,723
Receivables, net of allowances for uncollectibles			
Departmental accounts	90,915	--	--
Loans	--	1,265,806	665,731,187
Other	--	--	--
Due from other funds	--	--	1,275,961
Other	--	--	--
Total Assets	<u>\$ 98,221</u>	<u>\$ 3,351,999</u>	<u>\$ 1,034,141,174</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ 33,017	\$ --
Deferred revenue	--	--	3,782,509
Due to other funds	--	--	--
Advances from other funds	--	--	--
Other	--	--	--
Total Liabilities	<u>--</u>	<u>33,017</u>	<u>3,782,509</u>
Fund Balances			
Reserved for:			
Encumbrances	--	40,000	273,001,190
Other	--	1,265,806	665,731,187
Unreserved:			
Designated-continuing appropriations	98,221	2,013,176	10,783,910
Designated-unrealized gains	--	--	--
Undesignated	--	--	80,842,378
Total Fund Balances	<u>98,221</u>	<u>3,318,982</u>	<u>1,030,358,665</u>
Total Liabilities and Fund Balances	<u>\$ 98,221</u>	<u>\$ 3,351,999</u>	<u>\$ 1,034,141,174</u>

<u>1992 Wastewater Treatment Fund</u>	<u>Water Conservation Fund</u>	<u>2003 Water Resources and Wastewater Treatment Fund</u>	<u>Water Supply Fund</u>	<u>Water Supply Replacement Trust Fund</u>
\$ 2,477,474	\$ 87,938	\$ 672,414	\$ 1,039,428	\$ 951
13,170,180	734,556	14,234,060	106,849,355	72,885
--	--	--	--	--
15,686,042	--	11,973,083	72,980,124	--
--	--	--	132,509	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 31,333,696</u>	<u>\$ 822,494</u>	<u>\$ 26,879,557</u>	<u>\$ 181,001,416</u>	<u>\$ 73,836</u>
\$ --	\$ --	\$ --	\$ --	\$ --
75,475	--	23,150	88,795	--
--	30,921	--	4,041,469	--
--	--	--	--	--
--	--	--	--	--
<u>75,475</u>	<u>30,921</u>	<u>23,150</u>	<u>4,130,264</u>	<u>--</u>
8,628,526	--	1,891,277	41,150,385	54,563
15,686,042	--	12,749,010	72,980,124	--
6,943,653	--	12,216,120	62,740,643	19,273
--	--	--	--	--
--	791,573	--	--	--
<u>31,258,221</u>	<u>791,573</u>	<u>26,856,407</u>	<u>176,871,152</u>	<u>73,836</u>
<u>\$ 31,333,696</u>	<u>\$ 822,494</u>	<u>\$ 26,879,557</u>	<u>\$ 181,001,416</u>	<u>\$ 73,836</u>

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STATE OF NEW JERSEY
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COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Worker and Community Right to Know Fund</u>	<u>Workers' Compensation Security Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
ASSETS			
Cash and cash equivalents	\$ 511,799	\$ 13,316,628	\$ 236,618,976
Investments	2,748,295	28,802,438	4,872,758,339
Receivables, net of allowances for uncollectibles			
Departmental accounts	4,442,158	--	359,507,054
Loans	--	--	1,238,372,165
Other	--	--	257,727,205
Due from other funds	69,106	--	323,120,830
Other	--	--	178,313
Total Assets	<u>\$ 7,771,358</u>	<u>\$ 42,119,066</u>	<u>\$ 7,288,282,882</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ --	\$ 760,949,674
Deferred revenue	--	--	152,703,195
Due to other funds	4,165,466	--	962,883,261
Advances from other funds	--	--	8,000,000
Other	--	--	53,887,642
Total Liabilities	<u>4,165,466</u>	<u>--</u>	<u>1,938,423,772</u>
Fund Balances			
Reserved for:			
Encumbrances	--	--	1,199,383,164
Other	--	--	1,628,125,477
Unreserved:			
Designated-continuing appropriations	3,605,892	42,119,066	2,277,168,686
Designated-unrealized gains	--	--	389,892
Undesignated	--	--	244,791,891
Total Fund Balances	<u>3,605,892</u>	<u>42,119,066</u>	<u>5,349,859,110</u>
Total Liabilities and Fund Balances	<u>\$ 7,771,358</u>	<u>\$ 42,119,066</u>	<u>\$ 7,288,282,882</u>



STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Alcohol Education, Rehabilitation and Enforcement Fund	Atlantic City Parking Fees Fund	Atlantic City Projects-Room Fund
REVENUES			
Taxes	\$ 11,000,000	\$ 29,297,321	\$ 10,503,115
Federal and other grants	--	--	--
Licenses and fees	2,036,200	--	--
Services and assessments	--	--	--
Investment earnings	266,374	10,580	52,504
Contributions	--	--	--
Other	--	--	--
Total Revenues	13,302,574	29,307,901	10,555,619
EXPENDITURES			
Current:			
Public safety and criminal justice	1,708,786	--	--
Physical and mental health	625,829	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	9,395,046	29,174,811	10,398,445
Transportation programs	--	--	--
Government direction, management, and control	--	515,723	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	11,729,661	29,690,534	10,398,445
Excess (deficiency) of revenues over expenditures	1,572,913	(382,633)	157,174
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(1,488,884)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(1,488,884)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	84,029	(382,633)	157,174
Fund balances - July 1, 2007	7,343,965	393,212	1,830,880
Fund balances - June 30, 2008	\$ 7,427,994	\$ 10,579	\$ 1,988,054

Atlantic City Tourism Promotion Fund	Beaches and Harbor Fund	Board of Bar Examiners	Boarding House Rental Assistance Fund
\$ 7,726,651	\$ --	\$ --	\$ --
--	--	--	--
--	--	2,469,637	--
--	--	--	--
11,648	45,622	234,517	6,640
--	--	--	--
--	--	65,080	175,774
<u>7,738,299</u>	<u>45,622</u>	<u>2,769,234</u>	<u>182,414</u>
--	--	2,583,256	--
--	--	--	--
--	--	--	--
5,833,719	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>5,833,719</u>	<u>--</u>	<u>2,583,256</u>	<u>--</u>
<u>1,904,580</u>	<u>45,622</u>	<u>185,978</u>	<u>182,414</u>
--	--	--	--
--	--	--	--
--	(45,622)	--	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>(45,622)</u>	<u>--</u>	<u>--</u>
1,904,580	--	185,978	182,414
68,097	1,352,353	5,367,514	494,150
<u>\$ 1,972,677</u>	<u>\$ 1,352,353</u>	<u>\$ 5,553,492</u>	<u>\$ 676,564</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Body Armor Replacement Fund	Capital City Redevelopment Loan and Grant Fund	Casino Control Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	72,510,556
Services and assessments	--	--	--
Investment earnings	211,035	35,252	462,419
Contributions	--	--	--
Other	4,300,559	178,323	--
Total Revenues	4,511,594	213,575	72,972,975
EXPENDITURES			
Current:			
Public safety and criminal justice	3,704,509	--	42,884,896
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	464,340	--	28,219,855
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	4,168,849	--	71,104,751
Excess (deficiency) of revenues over expenditures	342,745	213,575	1,868,224
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(46,718)	(185,318)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(46,718)	(185,318)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	296,027	28,257	1,868,224
Fund balances - July 1, 2007	7,924,764	1,644,958	3,572,819
Fund balances - June 30, 2008	\$ 8,220,791	\$ 1,673,215	\$ 5,441,043

Casino Revenue Fund	Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund
\$ 410,331,582	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	--	9,895,201
1,345,473	1,230	189,291	184,404
--	--	--	--
13,064,711	545,025	5,521,295	--
<u>424,741,766</u>	<u>546,255</u>	<u>5,710,586</u>	<u>10,079,605</u>
--	--	5,873,921	--
357,156,853	--	--	123,360
32,514,012	--	--	--
--	--	--	--
2,440,000	--	--	--
34,609,648	--	--	--
--	--	--	--
92,000	--	--	--
--	--	--	--
--	--	--	--
<u>426,812,513</u>	<u>--</u>	<u>5,873,921</u>	<u>123,360</u>
<u>(2,070,747)</u>	<u>546,255</u>	<u>(163,335)</u>	<u>9,956,245</u>
--	--	--	--
2,679,357	--	--	--
--	(546,255)	--	(7,908,900)
--	--	--	--
--	--	--	--
<u>2,679,357</u>	<u>(546,255)</u>	<u>--</u>	<u>(7,908,900)</u>
608,610	--	(163,335)	2,047,345
54,469,664	--	4,199,524	4,000,442
<u>\$ 55,078,274</u>	<u>\$ --</u>	<u>\$ 4,036,189</u>	<u>\$ 6,047,787</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Clean Communities Account Fund	Clean Energy Fund	Clean Waters Fund
REVENUES			
Taxes	\$ 16,771,223	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	231,981,961	--
Investment earnings	209,616	6,864,442	24,880
Contributions	--	--	--
Other	--	--	--
Total Revenues	16,980,839	238,846,403	24,880
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	13,682,792	--	--
Economic planning, development, and security	--	147,063,242	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	32,634
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	13,682,792	147,063,242	32,634
Excess (deficiency) of revenues over expenditures	3,298,047	91,783,161	(7,754)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	1,250,000
Transfers from other funds	--	--	--
Transfers to other funds	(4,000,000)	(15,305,244)	(18,065)
Other sources	--	--	62,768
Other uses	--	--	--
Total other financing sources (uses)	(4,000,000)	(15,305,244)	1,294,703
Excess (deficiency) of revenues and other sources over expenditures and other uses	(701,953)	76,477,917	1,286,949
Fund balances - July 1, 2007	4,166,015	139,377,591	(114,041)
Fund balances - June 30, 2008	\$ 3,464,062	\$ 215,855,508	\$ 1,172,908

Cultural Centers and Historic Preservation Fund	2003 Dam, Lake and Stream Project Revolving Loan Fund	2003 Dam, Lake, Stream and Flood Control Project Fund	1992 Dam Restoration and Clean Waters Trust Fund
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	--	--
48,714	973,522	404,243	257,948
--	--	--	--
--	94,860	--	162,454
<u>48,714</u>	<u>1,068,382</u>	<u>404,243</u>	<u>420,402</u>
--	--	--	--
--	--	--	--
472,827	--	--	--
--	255,000	3,294,858	--
144,156	--	--	--
--	--	--	--
197,974	1,756,124	771,226	--
--	--	--	--
--	--	--	--
<u>814,957</u>	<u>2,011,124</u>	<u>4,066,084</u>	<u>--</u>
<u>(766,243)</u>	<u>(942,742)</u>	<u>(3,661,841)</u>	<u>420,402</u>
8,000,000	73,250,000	27,000,000	--
--	--	--	--
(1,825,971)	--	(270,492)	--
493,565	3,028,341	1,579,672	--
--	--	--	--
<u>6,667,594</u>	<u>76,278,341</u>	<u>28,309,180</u>	<u>--</u>
5,901,351	75,335,599	24,647,339	420,402
(5,347,162)	(208,116)	(4,045,460)	17,265,907
<u>\$ 554,189</u>	<u>\$ 75,127,483</u>	<u>\$ 20,601,879</u>	<u>\$ 17,686,309</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	1989 Development Potential Bank Transfer Fund	Developmental Disabilities Waiting List Reduction Fund	Disciplinary Oversight Committee
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	9,173,916
Services and assessments	--	--	--
Investment earnings	288,205	324,146	314,147
Contributions	--	--	--
Other	--	--	372,426
Total Revenues	288,205	324,146	9,860,489
EXPENDITURES			
Current:			
Public safety and criminal justice	--	8,304	9,963,137
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	4,029,380	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	123,734	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	4,161,418	9,963,137
Excess (deficiency) of revenues over expenditures	288,205	(3,837,272)	(102,648)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	5,000,000	--
Transfers from other funds	--	--	--
Transfers to other funds	(53,409)	(324,146)	--
Other sources	--	308,478	--
Other uses	--	--	--
Total other financing sources (uses)	(53,409)	4,984,332	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	234,796	1,147,060	(102,648)
Fund balances - July 1, 2007	6,800,709	6,774,502	2,498,952
Fund balances - June 30, 2008	\$ 7,035,505	\$ 7,921,562	\$ 2,396,304

Division of Motor Vehicles Surcharge Fund	Dredging and Containment Facility Fund	Drinking Water State Revolving Fund	1996 Economic Development Site Fund	Emergency Flood Control Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	24,081,614	--	--
--	--	--	--	--
159,884,414	--	--	--	--
334,425	889,620	2,239,647	63,825	14,721
--	--	--	--	--
--	--	--	--	--
<u>160,218,839</u>	<u>889,620</u>	<u>26,321,261</u>	<u>63,825</u>	<u>14,721</u>
7,043,563	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	23,319	--
--	81,151,361	--	--	--
153,175,276	2,614,089	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>160,218,839</u>	<u>83,765,450</u>	<u>--</u>	<u>23,319</u>	<u>--</u>
<u>--</u>	<u>(82,875,830)</u>	<u>26,321,261</u>	<u>40,506</u>	<u>14,721</u>
--	80,000,000	--	--	--
--	--	6,021,899	--	--
--	(603,000)	(3,284,052)	--	(14,721)
--	4,935,654	--	--	--
--	--	--	--	--
<u>--</u>	<u>84,332,654</u>	<u>2,737,847</u>	<u>--</u>	<u>(14,721)</u>
--	1,456,824	29,059,108	40,506	--
--	25,396,706	189,487,857	3,453,292	353,244
<u>\$ --</u>	<u>\$ 26,853,530</u>	<u>\$ 218,546,965</u>	<u>\$ 3,493,798</u>	<u>\$ 353,244</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Emergency Medical Technician Training Fund	Emergency Services Fund	Enterprise Zone Assistance Fund
REVENUES			
Taxes	\$ --	\$ --	\$ 100,330,738
Federal and other grants	--	--	--
Licenses and fees	--	--	1,500
Services and assessments	2,439,573	--	--
Investment earnings	267,782	713,562	12,066,641
Contributions	--	--	--
Other	--	--	--
Total Revenues	2,707,355	713,562	112,398,879
EXPENDITURES			
Current:			
Public safety and criminal justice	--	5,865,733	--
Physical and mental health	2,631,019	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	43,352	8,216,003
Economic planning, development, and security	--	--	64,673,521
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	2,631,019	5,909,085	72,889,524
Excess (deficiency) of revenues over expenditures	76,336	(5,195,523)	39,509,355
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	8,000,000	--
Transfers to other funds	(371,457)	--	(16,216,816)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(371,457)	8,000,000	(16,216,816)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(295,121)	2,804,477	23,292,539
Fund balances - July 1, 2007	6,470,890	11,757,802	266,516,346
Fund balances - June 30, 2008	\$ 6,175,769	\$ 14,562,279	\$ 289,808,885

1996 Environmental Cleanup Fund	1989 Farmland Preservation Fund	1992 Farmland Preservation Fund	1995 Farmland Preservation Fund	Fund for Support of Free Public Schools
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	11,032,488
--	--	--	--	--
159,266	4,154	28,628	200,838	4,913,439
--	--	--	--	--
--	3,575	--	--	--
<u>159,266</u>	<u>7,729</u>	<u>28,628</u>	<u>200,838</u>	<u>15,945,927</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
237,510	61,635	58,228	963,914	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>237,510</u>	<u>61,635</u>	<u>58,228</u>	<u>963,914</u>	<u>--</u>
<u>(78,244)</u>	<u>(53,906)</u>	<u>(29,600)</u>	<u>(763,076)</u>	<u>15,945,927</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	(11,351,859)
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(11,351,859)</u>
(78,244)	(53,906)	(29,600)	(763,076)	4,594,068
3,656,226	138,407	737,599	4,540,515	118,163,926
<u>\$ 3,577,982</u>	<u>\$ 84,501</u>	<u>\$ 707,999</u>	<u>\$ 3,777,439</u>	<u>\$ 122,757,994</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Garden State Farmland Preservation Trust Fund	Garden State Green Acres Preservation Trust Fund	Garden State Historic Preservation Trust Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	10,965,423	14,815,648	1,009,818
Contributions	--	378,334	--
Other	3,698,730	727,079	--
Total Revenues	14,664,153	15,921,061	1,009,818
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	76,548,553	109,866,850	--
Economic planning, development, and security	--	--	3,696,463
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	76,548,553	109,866,850	3,696,463
Excess (deficiency) of revenues over expenditures	(61,884,400)	(93,945,789)	(2,686,645)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	14,489,214	46,733,822	6,211,870
Transfers to other funds	(2,361,866)	(5,108,013)	(453,302)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	12,127,348	41,625,809	5,758,568
Excess (deficiency) of revenues and other sources over expenditures and other uses	(49,757,052)	(52,319,980)	3,071,923
Fund balances - July 1, 2007	262,736,511	421,309,821	24,534,143
Fund balances - June 30, 2008	\$ 212,979,459	\$ 368,989,841	\$ 27,606,066

Garden State Preservation Trust	Green Trust Fund	Gubernatorial Elections Fund	Hazardous Discharge Fund of 1981	Hazardous Discharge Fund of 1986
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	813,817	--	7,793	705,491
--	--	--	--	--
--	1,153,125	537,583	--	--
--	1,966,942	537,583	7,793	705,491
--	--	--	--	--
--	--	--	--	--
--	8,896,328	--	--	7,654,547
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
58,335,115	--	--	--	--
58,335,115	8,896,328	--	--	7,654,547
(58,335,115)	(6,929,386)	537,583	7,793	(6,949,056)
--	--	--	--	--
100,770,021	1,680,467	--	--	6,463,655
(42,434,906)	--	--	(7,793)	--
--	--	--	--	--
--	--	--	--	--
58,335,115	1,680,467	--	(7,793)	6,463,655
--	(5,248,919)	537,583	--	(485,401)
--	81,355,748	552,527	180,949	18,056,756
\$ --	\$ 76,106,829	\$ 1,090,110	\$ 180,949	\$ 17,571,355

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Higher Education Facility Renovation and Rehabilitation Fund
REVENUES			
Taxes	\$ --	\$ 381,296,929	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	24,752,126	181,750,955	--
Investment earnings	4,071,307	5,430,087	14,665
Contributions	--	--	--
Other	--	--	--
Total Revenues	28,823,433	568,477,971	14,665
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	307,800
Community development and environmental management	5,596,914	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	5,596,914	--	307,800
Excess (deficiency) of revenues over expenditures	23,226,519	568,477,971	(293,135)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	1,821,941	177,462,000	--
Transfers to other funds	(17,667,274)	(744,933,712)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(15,845,333)	(567,471,712)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,381,186	1,006,259	(293,135)
Fund balances - July 1, 2007	98,081,023	17,555,758	435,606
Fund balances - June 30, 2008	\$ 105,462,209	\$ 18,562,017	\$ 142,471

1992 Historic Preservation Fund	1995 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Horse Racing Injury Compensation Fund	Housing Assistance Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	268,835	--
38,512	29,876	162,628	151,867	178,080
--	--	--	--	--
--	--	4,001	--	2,376
<u>38,512</u>	<u>29,876</u>	<u>166,629</u>	<u>420,702</u>	<u>180,456</u>
--	--	--	2,238,199	--
--	--	--	--	--
--	--	--	--	--
888,174	669,920	--	--	--
--	--	--	--	--
93,767	110,108	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>981,941</u>	<u>780,028</u>	<u>--</u>	<u>2,238,199</u>	<u>--</u>
<u>(943,429)</u>	<u>(750,152)</u>	<u>166,629</u>	<u>(1,817,497)</u>	<u>180,456</u>
3,000,000	2,000,000	--	--	--
--	--	--	--	--
--	--	--	--	(180,456)
177,624	65,984	--	--	--
--	--	--	--	--
<u>3,177,624</u>	<u>2,065,984</u>	<u>--</u>	<u>--</u>	<u>(180,456)</u>
2,234,195	1,315,832	166,629	(1,817,497)	--
(620,228)	(568,408)	4,357,105	4,443,391	6,938,304
<u>\$ 1,613,967</u>	<u>\$ 747,424</u>	<u>\$ 4,523,734</u>	<u>\$ 2,625,894</u>	<u>\$ 6,938,304</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Jobs, Education and Competitiveness Fund	Jobs, Science and Technology Fund	Korean Veterans' Memorial Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	84,965	69	--
Contributions	--	--	8,014
Other	--	--	--
Total Revenues	84,965	69	8,014
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	398,202	1,740	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	398,202	1,740	--
Excess (deficiency) of revenues over expenditures	(313,237)	(1,671)	8,014
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(84,965)	(69)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(84,965)	(69)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(398,202)	(1,740)	8,014
Fund balances - July 1, 2007	2,084,919	3,352	7,844
Fund balances - June 30, 2008	\$ 1,686,717	\$ 1,612	\$ 15,858

1996 Lake Restoration Fund	Lead Hazard Control Assistance Fund	Legal Services Fund	Luxury Tax Fund	Medical Malpractice Liability Insurance Premium Assistance Fund
\$ --	\$ --	\$ --	\$ 27,351,847	\$ --
--	--	--	--	--
--	1,506,168	11,204,125	--	19,883
--	--	--	--	740,469
52,897	516,014	--	3,721	597,767
--	--	--	--	--
19,422	--	--	--	--
<u>72,319</u>	<u>2,022,182</u>	<u>11,204,125</u>	<u>27,355,568</u>	<u>1,358,119</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
43,427	--	--	--	--
--	3,641,338	--	--	17,383,179
--	--	--	--	--
--	--	--	27,351,847	--
--	--	--	--	--
--	--	--	--	--
<u>43,427</u>	<u>3,641,338</u>	<u>--</u>	<u>27,351,847</u>	<u>17,383,179</u>
<u>28,892</u>	<u>(1,619,156)</u>	<u>11,204,125</u>	<u>3,721</u>	<u>(16,025,060)</u>
--	--	--	--	--
--	6,000,000	--	--	--
--	(811,543)	(11,204,125)	--	(949,010)
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>5,188,457</u>	<u>(11,204,125)</u>	<u>--</u>	<u>(949,010)</u>
28,892	3,569,301	--	3,721	(16,974,070)
2,300,305	12,945,576	--	91,822	18,611,489
<u>\$ 2,329,197</u>	<u>\$ 16,514,877</u>	<u>\$ --</u>	<u>\$ 95,543</u>	<u>\$ 1,637,419</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Mortgage Assistance Fund	Municipal Landfill Closure and Remediation Fund	Natural Resources Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	186,458	--	144,008
Contributions	--	--	--
Other	653,478	50,945	--
Total Revenues	839,936	50,945	144,008
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	50,945	377
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	50,945	377
Excess (deficiency) of revenues over expenditures	839,936	--	143,631
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(839,936)	--	(144,008)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(839,936)	--	(144,008)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	--	(377)
Fund balances - July 1, 2007	13,523,945	68,135	3,369,323
Fund balances - June 30, 2008	\$ 13,523,945	\$ 68,135	\$ 3,368,946

New Home Warranty Security Fund	New Jersey Building Authority	1995 New Jersey Coastal Blue Acres Trust Fund	New Jersey Cultural Trust Fund	1983 New Jersey Green Acres Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
856,591	--	--	--	--
7,422,148	--	--	--	--
1,416,907	4,847,418	97,014	1,487,547	849,181
--	--	--	--	--
3,053,538	--	17,027	--	--
<u>12,749,184</u>	<u>4,847,418</u>	<u>114,041</u>	<u>1,487,547</u>	<u>849,181</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,082,649	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	16,620,048	--	1,155,804	--
--	--	--	--	--
--	60,006,248	--	--	--
--	27,321,728	--	--	--
<u>1,082,649</u>	<u>103,948,024</u>	<u>--</u>	<u>1,155,804</u>	<u>--</u>
<u>11,666,535</u>	<u>(99,100,606)</u>	<u>114,041</u>	<u>331,743</u>	<u>849,181</u>
--	96,665,000	--	--	--
--	89,607,072	--	720,000	--
(4,821,330)	--	--	--	(849,181)
--	129,504,929	--	--	--
--	(125,690,946)	--	--	--
<u>(4,821,330)</u>	<u>190,086,055</u>	<u>--</u>	<u>720,000</u>	<u>(849,181)</u>
6,845,205	90,985,449	114,041	1,051,743	--
29,552,911	78,788,480	3,368,204	22,689,053	19,640,622
<u>\$ 36,398,116</u>	<u>\$ 169,773,929</u>	<u>\$ 3,482,245</u>	<u>\$ 23,740,796</u>	<u>\$ 19,640,622</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	217,215	32,397	148,624
Contributions	--	--	--
Other	35,051	--	283
Total Revenues	252,266	32,397	148,907
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	5,437	708,049
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	61,867
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	5,437	769,916
Excess (deficiency) of revenues over expenditures	252,266	26,960	(621,009)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	2,500,000
Transfers from other funds	--	--	--
Transfers to other funds	--	--	--
Other sources	--	--	154,239
Other uses	--	--	--
Total other financing sources (uses)	--	--	2,654,239
Excess (deficiency) of revenues and other sources over expenditures and other uses	252,266	26,960	2,033,230
Fund balances - July 1, 2007	5,854,953	1,273,068	2,927,574
Fund balances - June 30, 2008	\$ 6,107,219	\$ 1,300,028	\$ 4,960,804

1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund	New Jersey Insolvent Health Maintenance Organization Assistance Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,805,033	799,279	1,079,712	42,400	1,379
--	--	--	--	--
961,893	610,182	1,013,899	--	--
<u>2,766,926</u>	<u>1,409,461</u>	<u>2,093,611</u>	<u>42,400</u>	<u>1,379</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
11,647,861	7,144,338	2,637,465	10,785	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	1,379
--	--	--	--	--
--	--	--	--	--
<u>11,647,861</u>	<u>7,144,338</u>	<u>2,637,465</u>	<u>10,785</u>	<u>1,379</u>
<u>(8,880,935)</u>	<u>(5,734,877)</u>	<u>(543,854)</u>	<u>31,615</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(8,880,935)	(5,734,877)	(543,854)	31,615	--
97,017,027	54,231,241	72,560,957	1,017,697	--
<u>\$ 88,136,092</u>	<u>\$ 48,496,364</u>	<u>\$ 72,017,103</u>	<u>\$ 1,049,312</u>	<u>\$ --</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	New Jersey Lawyers' Assistance Program	New Jersey Lawyers' Fund for Client Protection	New Jersey Local Development Financing Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	711,551	3,749,937	33,667
Services and assessments	--	--	--
Investment earnings	29,469	1,084,391	786,539
Contributions	--	--	--
Other	--	375,107	1,023,062
Total Revenues	741,020	5,209,435	1,843,268
EXPENDITURES			
Current:			
Public safety and criminal justice	464,516	3,097,706	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	1,484,451
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	464,516	3,097,706	1,484,451
Excess (deficiency) of revenues over expenditures	276,504	2,111,729	358,817
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	276,504	2,111,729	358,817
Fund balances - July 1, 2007	602,299	16,380,697	50,174,233
Fund balances - June 30, 2008	\$ 878,803	\$ 18,492,426	\$ 50,533,050

New Jersey Racing Industry Special Fund	New Jersey Schools Development Authority	New Jersey Spill Compensation Fund	New Jersey Spinal Cord Research Fund	New Jersey Transportation Trust Fund Authority
\$ --	\$ --	\$ 24,533,624	\$ --	\$ --
--	--	--	--	--
--	44,550	5,492,073	--	--
624,950	--	--	--	--
2,286	28,354,347	1,231,321	612,933	24,348,352
--	--	--	--	--
10,124,169	1,286,515	585,355	4,194,660	--
<u>10,751,405</u>	<u>29,685,412</u>	<u>31,842,373</u>	<u>4,807,593</u>	<u>24,348,352</u>
11,646,095	--	--	--	--
--	--	--	3,736,445	--
--	963,967,327	--	--	--
--	--	4,533,833	--	--
--	--	--	--	--
--	--	--	--	18,376,894
--	--	--	--	--
--	--	--	--	--
--	--	--	--	230,035,000
--	--	--	--	398,460,193
<u>11,646,095</u>	<u>963,967,327</u>	<u>4,533,833</u>	<u>3,736,445</u>	<u>646,872,087</u>
<u>(894,690)</u>	<u>(934,281,915)</u>	<u>27,308,540</u>	<u>1,071,148</u>	<u>(622,523,735)</u>
--	--	--	--	1,171,055,000
--	800,000,000	--	--	895,000,000
--	--	(27,918,113)	(426,426)	(1,429,280,164)
--	--	--	--	26,430,647
--	--	--	--	--
<u>--</u>	<u>800,000,000</u>	<u>(27,918,113)</u>	<u>(426,426)</u>	<u>663,205,483</u>
(894,690)	(134,281,915)	(609,573)	644,722	40,681,748
1,017,177	628,987,138	9,849,010	16,344,083	39,747,734
<u>\$ 122,487</u>	<u>\$ 494,705,223</u>	<u>\$ 9,239,437</u>	<u>\$ 16,988,805</u>	<u>\$ 80,429,482</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund
REVENUES			
Taxes	\$ 99,127,541	\$ --	\$ --
Federal and other grants	--	27,089	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	3,400,714	170,400	199,812
Contributions	--	--	--
Other	--	--	111,900
Total Revenues	102,528,255	197,489	311,712
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	643,644	--
Economic planning, development, and security	34,899,680	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	34,899,680	643,644	--
Excess (deficiency) of revenues over expenditures	67,628,575	(446,155)	311,712
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(61,182,832)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(61,182,832)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	6,445,743	(446,155)	311,712
Fund balances - July 1, 2007	65,677,716	7,928,615	10,393,025
Fund balances - June 30, 2008	\$ 72,123,459	\$ 7,482,460	\$ 10,704,737

Pollution Prevention Fund	Real Estate Guaranty Fund	Resource Recovery and Solid Waste Disposal Facility Fund	Retail Margin Fund	Safe Drinking Water Fund
\$ --	\$ --	\$ --	\$ --	\$ 3,367,684
--	--	--	--	--
--	88,077	--	--	--
1,824,549	--	--	21,482,607	--
43,221	66,974	25,011	3,817,928	117,957
--	--	--	--	--
--	--	--	--	--
<u>1,867,770</u>	<u>155,051</u>	<u>25,011</u>	<u>25,300,535</u>	<u>3,485,641</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	25,000
--	4,000	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,000	--	--	25,000
<u>1,867,770</u>	<u>151,051</u>	<u>25,011</u>	<u>25,300,535</u>	<u>3,460,641</u>
--	--	--	--	--
--	--	--	--	--
(1,691,296)	--	--	(309,251)	(2,532,115)
--	--	--	--	--
--	--	--	--	--
<u>(1,691,296)</u>	<u>--</u>	<u>--</u>	<u>(309,251)</u>	<u>(2,532,115)</u>
176,474	151,051	25,011	24,991,284	928,526
1,633,628	1,718,538	627,669	81,080,226	291,844
<u>\$ 1,810,102</u>	<u>\$ 1,869,589</u>	<u>\$ 652,680</u>	<u>\$ 106,071,510</u>	<u>\$ 1,220,370</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund	State Disability Benefit Fund
REVENUES			
Taxes	\$ --	\$ --	\$ 557,313,643
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	1,816,196	--	31,586,675
Investment earnings	552,548	428,335	4,021,922
Contributions	--	--	--
Other	--	--	1,557,438
Total Revenues	2,368,744	428,335	594,479,678
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	1,113,774	--	--
Economic planning, development, and security	--	--	472,818,386
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	1,113,774	--	472,818,386
Excess (deficiency) of revenues over expenditures	1,254,970	428,335	121,661,292
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	(428,335)	(112,667,746)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	(428,335)	(112,667,746)
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,254,970	--	8,993,546
Fund balances - July 1, 2007	13,394,601	11,086,214	218,891,972
Fund balances - June 30, 2008	\$ 14,649,571	\$ 11,086,214	\$ 227,885,518

State Land Acquisition and Development Fund	State-Owned Real Property Fund	State Recreation and Conservation Land Acquisition and Development Fund	State Recycling Fund	Stormwater Management and Combined Sewer Overflow Abatement Fund
\$ --	\$ --	\$ --	\$ 6,120,427	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
32,222	3,702	19,376	267,031	91,321
--	--	--	--	--
--	3,256,691	--	6,965,005	--
<u>32,222</u>	<u>3,260,393</u>	<u>19,376</u>	<u>13,352,463</u>	<u>91,321</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
212,654	--	--	3,821,617	221,468
--	--	--	--	--
--	--	--	--	--
40,068	--	--	--	183,737
--	--	--	--	--
--	--	--	--	--
<u>252,722</u>	<u>--</u>	<u>--</u>	<u>3,821,617</u>	<u>405,205</u>
<u>(220,500)</u>	<u>3,260,393</u>	<u>19,376</u>	<u>9,530,846</u>	<u>(313,884)</u>
1,500,000	--	--	--	5,500,000
--	--	--	4,000,000	--
(19,044)	--	(19,376)	--	--
63,840	--	--	--	339,326
--	--	--	--	--
<u>1,544,796</u>	<u>--</u>	<u>(19,376)</u>	<u>4,000,000</u>	<u>5,839,326</u>
1,324,296	3,260,393	--	13,530,846	5,525,442
(197,524)	--	448,642	5,876,869	(1,249,298)
<u>\$ 1,126,772</u>	<u>\$ 3,260,393</u>	<u>\$ 448,642</u>	<u>\$ 19,407,715</u>	<u>\$ 4,276,144</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.
REVENUES			
Taxes	\$ --	\$ 27,802,543	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	13,709,560	1,087,157	13,910,000
Contributions	--	--	--
Other	--	--	199,551,000
Total Revenues	13,709,560	28,889,700	213,461,000
EXPENDITURES			
Current:			
Public safety and criminal justice	13,788,165	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	31,321,406	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	210,000
Special government services	--	--	--
Debt service:			
Principal	--	--	53,165,000
Interest	--	--	163,313,000
Total Expenditures	13,788,165	31,321,406	216,688,000
Excess (deficiency) of revenues over expenditures	(78,605)	(2,431,706)	(3,227,000)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	(4,538,434)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	--	(4,538,434)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(78,605)	(6,970,140)	(3,227,000)
Fund balances - July 1, 2007	1,461,041	27,395,998	267,777,000
Fund balances - June 30, 2008	\$ 1,382,436	\$ 20,425,858	\$ 264,550,000

Tobacco Settlement Fund	Tourism Improvement and Development Fund	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
\$ --	\$ 5,914,020	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	263,090	--	--
--	--	--	--	--
430,899	1,127	4,049	107,270	144,328
--	--	--	--	--
62,694,224	--	3,600	76,795	9,986,125
<u>63,125,123</u>	<u>5,915,147</u>	<u>270,739</u>	<u>184,065</u>	<u>10,130,453</u>
--	--	280,832	--	--
--	--	--	--	--
--	--	--	--	--
--	5,739,472	--	--	--
--	--	--	--	--
--	--	--	20,052	7,699,895
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>5,739,472</u>	<u>280,832</u>	<u>20,052</u>	<u>7,699,895</u>
<u>63,125,123</u>	<u>175,675</u>	<u>(10,093)</u>	<u>164,013</u>	<u>2,430,558</u>
--	--	--	--	--
--	--	--	--	--
(117,548,065)	(174,548)	--	--	(144,327)
--	--	--	--	--
<u>(117,548,065)</u>	<u>(174,548)</u>	<u>--</u>	<u>--</u>	<u>(144,327)</u>
(54,422,942)	1,127	(10,093)	164,013	2,286,231
89,687,872	3,336	58,329	2,607,904	2,884,767
<u>\$ 35,264,930</u>	<u>\$ 4,463</u>	<u>\$ 48,236</u>	<u>\$ 2,771,917</u>	<u>\$ 5,170,998</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Unemployment Compensation Auxiliary Fund	Universal Services Fund	University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	209,128,251	8,130,509
Investment earnings	1,451,603	1,991,063	309,428
Contributions	--	--	--
Other	23,537,396	--	--
Total Revenues	24,988,999	211,119,314	8,439,937
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	132,657,271	--
Economic planning, development, and security	2,000,000	--	26,545,663
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	2,000,000	132,657,271	26,545,663
Excess (deficiency) of revenues over expenditures	22,988,999	78,462,043	(18,105,726)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	2,484,815
Transfers to other funds	(26,558,519)	(77,028,000)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(26,558,519)	(77,028,000)	2,484,815
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,569,520)	1,434,043	(15,620,911)
Fund balances - July 1, 2007	23,698,507	4,656,019	15,620,911
Fund balances - June 30, 2008	\$ 20,128,987	\$ 6,090,062	\$ --

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	49,405,857	--
--	--	--	--	--
--	--	--	--	--
315,641	13	84,275	18,427,691	572,202
--	97,910	--	--	--
30,979	--	6,155	--	--
<u>346,620</u>	<u>97,923</u>	<u>90,430</u>	<u>67,833,548</u>	<u>572,202</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	61,801,448	--
--	--	--	--	--
--	--	--	--	--
--	91,177	--	--	--
--	--	--	--	--
--	91,177	--	61,801,448	--
<u>346,620</u>	<u>6,746</u>	<u>90,430</u>	<u>6,032,100</u>	<u>572,202</u>
--	--	--	--	--
--	--	--	--	1,888
--	--	--	(7,369,297)	--
--	--	--	--	--
--	--	--	--	--
--	--	--	<u>(7,369,297)</u>	<u>1,888</u>
346,620	6,746	90,430	(1,337,197)	574,090
21,376,385	91,475	3,228,552	1,031,695,862	30,684,131
<u>\$ 21,723,005</u>	<u>\$ 98,221</u>	<u>\$ 3,318,982</u>	<u>\$ 1,030,358,665</u>	<u>\$ 31,258,221</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Water Conservation Fund	2003 Water Resources and Wastewater Treatment Fund	2003 Water Resources and Wastewater Treatment Trust Fund
REVENUES			
Taxes	\$ --	\$ --	\$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	30,468	312,796	10,487
Contributions	--	--	--
Other	--	2,879	--
Total Revenues	30,468	315,675	10,487
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
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	--	789,516	154,018
Special government services	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	789,516	154,018
Excess (deficiency) of revenues over expenditures	30,468	(473,841)	(143,531)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	26,000,000	5,000,000
Transfers from other funds	--	579	122,089
Transfers to other funds	(30,921)	--	--
Other sources	--	1,317,051	21,442
Other uses	--	--	--
Total other financing sources (uses)	(30,921)	27,317,630	5,143,531
Excess (deficiency) of revenues and other sources over expenditures and other uses	(453)	26,843,789	5,000,000
Fund balances - July 1, 2007	792,026	12,618	(5,000,000)
Fund balances - June 30, 2008	\$ 791,573	\$ 26,856,407	\$ --

Water Supply Fund	Water Supply Replacement Trust Fund	Worker and Community Right to Know Fund	Workers' Compensation Security Fund	Total Non-Major Special Revenue Funds
\$ --	\$ --	\$ --	\$ --	\$ 1,718,788,888
--	--	--	--	73,514,560
--	--	--	--	121,194,009
--	--	4,481,555	33,431,126	931,642,100
4,710,750	2,944	159,087	1,541,506	216,490,873
--	--	--	--	484,258
463,709	--	--	--	362,855,458
<u>5,174,459</u>	<u>2,944</u>	<u>4,640,642</u>	<u>34,972,632</u>	<u>3,424,970,146</u>
--	--	--	--	111,151,618
--	--	--	--	364,273,506
--	--	--	--	1,001,691,288
1,384,363	--	--	--	465,122,889
--	--	--	23,517,628	893,756,019
--	--	--	--	134,137,903
--	--	--	--	242,363,081
--	--	--	--	183,177
--	--	--	--	343,206,248
--	--	--	--	647,430,036
<u>1,384,363</u>	<u>--</u>	<u>--</u>	<u>23,517,628</u>	<u>4,203,315,765</u>
<u>3,790,096</u>	<u>2,944</u>	<u>4,640,642</u>	<u>11,455,004</u>	<u>(778,345,619)</u>
--	--	--	--	1,507,720,000
2,221	--	--	--	2,170,272,910
(4,041,469)	--	(4,165,466)	--	(2,774,786,162)
--	--	--	--	168,483,560
--	--	--	--	(125,690,946)
<u>(4,039,248)</u>	<u>--</u>	<u>(4,165,466)</u>	<u>--</u>	<u>945,999,362</u>
(249,152)	2,944	475,176	11,455,004	167,653,743
177,120,304	70,892	3,130,716	30,664,062	5,182,205,367
<u>\$ 176,871,152</u>	<u>\$ 73,836</u>	<u>\$ 3,605,892</u>	<u>\$ 42,119,066</u>	<u>\$ 5,349,859,110</u>

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	<u>Correctional Facilities Construction Fund</u>	<u>Correctional Facilities Construction Fund of 1987</u>	<u>Energy Conservation Fund</u>
ASSETS			
Cash and cash equivalents	\$ 14,097	\$ 102,721	\$ 6,202
Investments	599,837	752,662	285,605
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	--	--
Total Assets	<u>\$ 613,934</u>	<u>\$ 855,383</u>	<u>\$ 291,807</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ 15,976	\$ --
Due to other funds	24,861	31,325	12,113
Total Liabilities	<u>24,861</u>	<u>47,301</u>	<u>12,113</u>
Fund Balances			
Reserved for:			
Encumbrances	--	547,456	6,062
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	589,073	260,626	273,632
Undesignated	--	--	--
Total Fund Balances	<u>589,073</u>	<u>808,082</u>	<u>279,694</u>
Total Liabilities and Fund Balances	<u>\$ 613,934</u>	<u>\$ 855,383</u>	<u>\$ 291,807</u>

Human Services Facilities Construction Fund	Motor Vehicle Commission Fund	New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund
\$ 2,618	\$ 6,321,768	\$ 6,452
43,995	4,108,154	6,424,515
--	--	--
--	--	--
--	97,530,784	--
--	--	--
<u>\$ 46,613</u>	<u>\$ 107,960,706</u>	<u>\$ 6,430,967</u>
\$ 33,140	\$ 179,397	\$ --
1,824	10,000,000	266,268
<u>34,964</u>	<u>10,179,397</u>	<u>266,268</u>
--	10,920,172	1,509,279
--	--	--
11,649	86,861,137	4,655,420
--	--	--
<u>11,649</u>	<u>97,781,309</u>	<u>6,164,699</u>
<u>\$ 46,613</u>	<u>\$ 107,960,706</u>	<u>\$ 6,430,967</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	Public Purpose Buildings and Community-Based Facilities Construction Fund	Public Purpose Buildings Construction Fund	Special Transportation Fund
ASSETS			
Cash and cash equivalents	\$ 6,936	\$ 91,853	\$ --
Investments	2,870,748	140,255	--
Receivables, net of allowances for uncollectibles			
Federal government	--	--	64,199,719
Departmental accounts	--	--	462,849
Loans	--	--	5,000,000
Other	--	--	--
Due from other funds	--	20,000	246,982,044
Total Assets	<u>\$ 2,877,684</u>	<u>\$ 252,108</u>	<u>\$ 316,644,612</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ --	\$ --	\$ 162,764,383
Due to other funds	151,435	6,615	153,880,229
Total Liabilities	<u>151,435</u>	<u>6,615</u>	<u>316,644,612</u>
Fund Balances			
Reserved for:			
Encumbrances	388,764	608	--
Other	--	--	5,000,000
Unreserved:			
Designated-continuing appropriations	2,337,485	244,885	--
Undesignated	--	--	(5,000,000)
Total Fund Balances	<u>2,726,249</u>	<u>245,493</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 2,877,684</u>	<u>\$ 252,108</u>	<u>\$ 316,644,612</u>

<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ 1,846	\$ 306,684	\$ 6,861,177
14,343	19,291,452	34,531,566
--	--	64,199,719
--	--	462,849
--	--	5,000,000
--	--	97,530,784
--	--	247,002,044
<u>\$ 16,189</u>	<u>\$ 19,598,136</u>	<u>\$ 455,588,139</u>
\$ --	\$ 175,843	\$ 163,168,739
--	1,031,697	165,406,367
<u>--</u>	<u>1,207,540</u>	<u>328,575,106</u>
--	15,032,421	28,404,762
--	--	5,000,000
16,189	3,358,175	98,608,271
<u>--</u>	<u>--</u>	<u>(5,000,000)</u>
<u>16,189</u>	<u>18,390,596</u>	<u>127,013,033</u>
<u>\$ 16,189</u>	<u>\$ 19,598,136</u>	<u>\$ 455,588,139</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
REVENUES			
Federal and other grants	\$ --	\$ --	\$ --
Services and assessments	--	--	--
Investment earnings	24,861	31,325	12,113
Total Revenues	24,861	31,325	12,113
EXPENDITURES			
Current:			
Public safety and criminal justice	--	6,024	--
Physical and mental health	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Total Expenditures	--	6,024	--
Excess (deficiency) of revenues over expenditures	24,861	25,301	12,113
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	--	--	--
Transfers to other funds	(24,861)	(31,325)	(12,113)
Total other financing sources (uses)	(24,861)	(31,325)	(12,113)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(6,024)	--
Fund balances - July 1, 2007	589,073	814,106	279,694
Fund balances - June 30, 2008	\$ 589,073	\$ 808,082	\$ 279,694

Human Services Facilities Construction Fund	Motor Vehicle Commission Fund	New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund
\$ --	\$ --	\$ --
--	--	--
1,824	5,115,310	266,268
<u>1,824</u>	<u>5,115,310</u>	<u>266,268</u>
--	9,411,617	--
--	--	--
--	--	--
--	--	--
--	7,903	--
<u>--</u>	<u>9,419,520</u>	<u>--</u>
1,824	(4,304,210)	266,268
<u>--</u>	<u>--</u>	<u>--</u>
(1,824)	--	(266,268)
<u>(1,824)</u>	<u>--</u>	<u>(266,268)</u>
--	(4,304,210)	--
11,649	102,085,519	6,164,699
<u>\$ 11,649</u>	<u>\$ 97,781,309</u>	<u>\$ 6,164,699</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Public Purpose Buildings and Community-Based Facilities Construction Fund	Public Purpose Buildings Construction Fund	Special Transportation Fund
REVENUES			
Federal and other grants	\$ --	\$ --	\$ 756,690,741
Services and assessments	--	--	223,315
Investment earnings	131,435	6,615	--
Total Revenues	131,435	6,615	756,914,056
EXPENDITURES			
Current:			
Public safety and criminal justice	341,619	--	--
Physical and mental health	50,305	--	--
Economic planning, development, and security	42,515	--	--
Transportation programs	--	--	2,186,194,220
Government direction, management, and control	--	--	--
Total Expenditures	434,439	--	2,186,194,220
Excess (deficiency) of revenues over expenditures	(303,004)	6,615	(1,429,280,164)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	--	--	1,429,280,164
Transfers to other funds	(131,435)	(6,615)	--
Total other financing sources (uses)	(131,435)	(6,615)	1,429,280,164
Excess (deficiency) of revenues and other sources over expenditures and other uses	(434,439)	--	--
Fund balances - July 1, 2007	3,160,688	245,493	--
Fund balances - June 30, 2008	\$ 2,726,249	\$ 245,493	\$ --

<u>State Facilities for Handicapped Fund</u>	<u>1999 Statewide Transportation and Local Bridge Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ --	\$ --	\$ 756,690,741
--	--	223,315
579	1,031,697	6,622,027
<u>579</u>	<u>1,031,697</u>	<u>763,536,083</u>
--	--	9,759,260
--	--	50,305
--	--	42,515
--	7,922,997	2,194,117,217
--	--	7,903
<u>--</u>	<u>7,922,997</u>	<u>2,203,977,200</u>
<u>579</u>	<u>(6,891,300)</u>	<u>(1,440,441,117)</u>
--	--	1,429,280,164
--	(1,031,697)	(1,506,138)
--	(1,031,697)	1,427,774,026
579	(7,922,997)	(12,667,091)
15,610	26,313,593	139,680,124
<u>\$ 16,189</u>	<u>\$ 18,390,596</u>	<u>\$ 127,013,033</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2008**

	<u>Alternate Benefit Program Fund</u>	<u>Dental Expense Program</u>	<u>Judiciary Bail Fund</u>
ASSETS			
Cash and cash equivalents	\$ 355,364	\$ --	\$ 63,020
Investments	7,083,286	27,054,709	32,844,965
Receivables, net of allowances for uncollectibles			
Members	146,671	--	--
Employers	--	--	--
Departmental accounts	--	--	--
Other	--	--	41,822
Due from other funds	<u>30,272,192</u>	<u>1,153,157</u>	<u>--</u>
Total Assets	<u><u>\$ 37,857,513</u></u>	<u><u>\$ 28,207,866</u></u>	<u><u>\$ 32,949,807</u></u>
LIABILITIES			
Accounts payable	\$ 34,174,495	\$ 28,177,734	32,949,807
Due to other funds	<u>3,683,018</u>	<u>30,132</u>	<u>--</u>
Total Liabilities	<u><u>\$ 37,857,513</u></u>	<u><u>\$ 28,207,866</u></u>	<u><u>\$ 32,949,807</u></u>

<u>Judiciary Child Support and Paternity Fund</u>	<u>Judiciary Probation Fund</u>	<u>Judiciary Special Civil Fund</u>
\$ 9,056,941	\$ 74,664	\$ --
10,112,049	9,853,519	2,386,967
--	--	--
--	--	--
--	--	--
--	--	--
<u>\$ 19,168,990</u>	<u>\$ 9,928,183</u>	<u>\$ 2,386,967</u>
\$ 19,168,990	\$ 9,928,183	\$ 2,386,967
--	--	--
<u>\$ 19,168,990</u>	<u>\$ 9,928,183</u>	<u>\$ 2,386,967</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
AGENCY FUNDS
JUNE 30, 2008

	<u>Luxury Tax Development Fund</u>	<u>Pension Adjustment Fund</u>	<u>Resource Recovery Investment Tax Fund</u>
ASSETS			
Cash and cash equivalents	\$ 61,316	\$ 664,256	\$ 100,299
Investments	10,460,825	3,202,059	460,027
Receivables, net of allowances for uncollectibles			
Members	--	--	--
Employers	--	1,374,460	--
Departmental accounts	--	--	--
Other	--	--	--
Due from other funds	<u>--</u>	<u>31,143</u>	<u>--</u>
Total Assets	<u>\$ 10,522,141</u>	<u>\$ 5,271,918</u>	<u>\$ 560,326</u>
LIABILITIES			
Accounts payable	\$ 10,522,141	\$ 3,427,362	\$ 560,326
Due to other funds	<u>--</u>	<u>1,844,556</u>	<u>--</u>
Total Liabilities	<u>\$ 10,522,141</u>	<u>\$ 5,271,918</u>	<u>\$ 560,326</u>

Solid Waste Service Tax Fund	Wage and Hour Trust Fund	Total Agency Funds
\$ 283,594	\$ 1,280,807	\$ 11,940,261
1,492,403	2,748,972	107,699,781
--	--	146,671
--	--	1,374,460
25,945	--	25,945
--	--	41,822
--	--	31,456,492
<u>\$ 1,801,942</u>	<u>\$ 4,029,779</u>	<u>\$ 152,685,432</u>
\$ 1,801,942	\$ 3,989,669	\$ 147,087,616
--	40,110	5,597,816
<u>\$ 1,801,942</u>	<u>\$ 4,029,779</u>	<u>\$ 152,685,432</u>

STATE OF NEW JERSEY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ALTERNATE BENEFIT PROGRAM FUND				
Assets				
Cash and cash equivalents	\$ --	\$ 132,418,297	\$ 132,062,933	\$ 355,364
Investments	3,646,750	154,906,867	151,470,331	7,083,286
Receivables, net - members	156,007	146,671	156,007	146,671
Due from other funds	26,386,742	30,272,192	26,386,742	30,272,192
Total Assets	\$ 30,189,499	\$ 317,744,027	\$ 310,076,013	\$ 37,857,513
Liabilities				
Account payable	\$ 28,733,404	\$ 33,502,064	\$ 28,060,973	\$ 34,174,495
Due to other funds	1,456,095	3,683,018	1,456,095	3,683,018
Total Liabilities	\$ 30,189,499	\$ 37,185,082	\$ 29,517,068	\$ 37,857,513

DENTAL EXPENSE PROGRAM

Assets				
Cash and cash equivalents	\$ --	\$ 35,509,047	\$ 35,509,047	\$ --
Investments	19,767,770	156,320,159	149,033,220	27,054,709
Due from other funds	1,728,091	1,287,638	1,862,572	1,153,157
Total Assets	\$ 21,495,861	\$ 193,116,844	\$ 186,404,839	\$ 28,207,866
Liabilities				
Accounts payable	\$ 21,419,233	\$ 50,696,566	\$ 43,938,065	\$ 28,177,734
Due to other funds	76,628	46,372	92,868	30,132
Total Liabilities	\$ 21,495,861	\$ 50,742,938	\$ 44,030,933	\$ 28,207,866

JUDICIARY BAIL FUND

Assets				
Cash and cash equivalents	\$ 113,713	\$ 136,978,276	\$ 137,028,969	\$ 63,020
Investments	35,310,965	19,038,596	21,504,596	32,844,965
Receivables, net - other	41,822	--	--	41,822
Total Assets	\$ 35,466,500	\$ 156,016,872	\$ 158,533,565	\$ 32,949,807
Liabilities				
Accounts payable	\$ 35,466,500	\$ 63,208,260	\$ 65,724,953	\$ 32,949,807
Total Liabilities	\$ 35,466,500	\$ 63,208,260	\$ 65,724,953	\$ 32,949,807

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
Assets				
Cash and cash equivalents	\$ 6,737,017	\$ 2,754,448,847	\$ 2,752,128,923	\$ 9,056,941
Investments	10,262,049	99,515,022	99,665,022	10,112,049
Total Assets	\$ 16,999,066	\$ 2,853,963,869	\$ 2,851,793,945	\$ 19,168,990
Liabilities				
Accounts payable	\$ 16,999,066	\$ 1,276,587,203	\$ 1,274,417,279	\$ 19,168,990
Total Liabilities	\$ 16,999,066	\$ 1,276,587,203	\$ 1,274,417,279	\$ 19,168,990
 JUDICIARY PROBATION FUND				
Assets				
Cash and cash equivalents	\$ 154,105	\$ 77,974,690	\$ 78,054,131	\$ 74,664
Investments	10,263,519	20,467,828	20,877,828	9,853,519
Total Assets	\$ 10,417,624	\$ 98,442,518	\$ 98,931,959	\$ 9,928,183
Liabilities				
Accounts payable	\$ 10,417,624	\$ 38,048,967	\$ 38,538,408	\$ 9,928,183
Total Liabilities	\$ 10,417,624	\$ 38,048,967	\$ 38,538,408	\$ 9,928,183
 JUDICIARY SPECIAL CIVIL FUND				
Assets				
Cash and cash equivalents	\$ 210,802	\$ 77,606,902	\$ 77,817,704	\$ --
Investments	4,147,967	20,545,790	22,306,790	2,386,967
Total Assets	\$ 4,358,769	\$ 98,152,692	\$ 100,124,494	\$ 2,386,967
Liabilities				
Accounts payable	\$ 4,358,769	\$ 40,388,061	\$ 42,359,863	\$ 2,386,967
Total Liabilities	\$ 4,358,769	\$ 40,388,061	\$ 42,359,863	\$ 2,386,967

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
LUXURY TAX DEVELOPMENT FUND				
Assets				
Cash and cash equivalents	\$ 6,138	\$ 55,178	\$ --	\$ 61,316
Investments	10,038,242	422,583	--	10,460,825
Total Assets	<u>\$ 10,044,380</u>	<u>\$ 477,761</u>	<u>\$ --</u>	<u>\$ 10,522,141</u>
Liabilities				
Accounts payable	\$ 10,044,380	\$ 477,761	\$ --	\$ 10,522,141
Total Liabilities	<u>\$ 10,044,380</u>	<u>\$ 477,761</u>	<u>\$ --</u>	<u>\$ 10,522,141</u>
PENSION ADJUSTMENT FUND				
Assets				
Cash and cash equivalents	\$ 692,405	\$ 6,469,866	\$ 6,498,015	\$ 664,256
Investments	3,225,781	8,295,672	8,319,394	3,202,059
Receivables, net - employers	1,801,378	7,757,984	8,184,902	1,374,460
Due from other funds	10,237	79,737	58,831	31,143
Total Assets	<u>\$ 5,729,801</u>	<u>\$ 22,603,259</u>	<u>\$ 23,061,142</u>	<u>\$ 5,271,918</u>
Liabilities				
Accounts payable	\$ 3,659,658	\$ 2,141	\$ 234,437	\$ 3,427,362
Due to other funds	2,070,143	14,809,159	15,034,746	1,844,556
Total Liabilities	<u>\$ 5,729,801</u>	<u>\$ 14,811,300</u>	<u>\$ 15,269,183</u>	<u>\$ 5,271,918</u>
RESOURCE RECOVERY INVESTMENT TAX FUND				
Assets				
Cash and cash equivalents	\$ 100,299	\$ 452	\$ 452	\$ 100,299
Investments	441,886	18,593	452	460,027
Total Assets	<u>\$ 542,185</u>	<u>\$ 19,045</u>	<u>\$ 904</u>	<u>\$ 560,326</u>
Liabilities				
Accounts payable	\$ 542,185	\$ 18,221	\$ 80	\$ 560,326
Total Liabilities	<u>\$ 542,185</u>	<u>\$ 18,221</u>	<u>\$ 80</u>	<u>\$ 560,326</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
SOLID WASTE SERVICE TAX FUND				
Assets				
Cash and cash equivalents	\$ 223,557	\$ 18,659,241	\$ 18,599,204	\$ 283,594
Investments	11,625,260	409,622	10,542,479	1,492,403
Receivables, net - departmental	448,663	25,945	448,663	25,945
Total Assets	\$ 12,297,480	\$ 19,094,808	\$ 29,590,346	\$ 1,801,942
Liabilities				
Accounts payable	\$ 12,297,480	\$ 19,634,637	\$ 30,130,175	\$ 1,801,942
Total Liabilities	\$ 12,297,480	\$ 19,634,637	\$ 30,130,175	\$ 1,801,942
WAGE AND HOUR TRUST FUND				
Assets				
Cash and cash equivalents	\$ 1,016,551	\$ 1,281,464	\$ 1,017,208	\$ 1,280,807
Investments	2,641,539	107,433	--	2,748,972
Total Assets	\$ 3,658,090	\$ 1,388,897	\$ 1,017,208	\$ 4,029,779
Liabilities				
Accounts payable	\$ 3,591,874	\$ 1,281,464	\$ 883,669	\$ 3,989,669
Due to other funds	66,216	107,433	133,539	40,110
Total Liabilities	\$ 3,658,090	\$ 1,388,897	\$ 1,017,208	\$ 4,029,779
TOTAL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 9,254,587	\$ 3,241,402,260	\$ 3,238,716,586	\$ 11,940,261
Investments	111,371,728	480,048,165	483,720,112	107,699,781
Receivables, net - members	156,007	146,671	156,007	146,671
Receivables, net - employers	1,801,378	7,757,984	8,184,902	1,374,460
Receivables, net - departmental	448,663	25,945	448,663	25,945
Receivables, net - other	41,822	--	--	41,822
Due from other funds	28,125,070	31,639,567	28,308,145	31,456,492
Total Assets	\$ 151,199,255	\$ 3,761,020,592	\$ 3,759,534,415	\$ 152,685,432
Liabilities				
Accounts payable	\$ 147,530,173	\$ 1,523,845,345	\$ 1,524,287,902	\$ 147,087,616
Due to other funds	3,669,082	18,645,982	16,717,248	5,597,816
Total Liabilities	\$ 151,199,255	\$ 1,542,491,327	\$ 1,541,005,150	\$ 152,685,432

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2008**

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ASSETS			
Cash and cash equivalents	\$ --	\$ 36,880	\$ 163,325
Securities lending collateral	--	--	--
Investments	1,487,907	38,092	12,511,670
Receivables, net of allowances for uncollectibles			
Members	--	--	--
Employers	--	--	--
Interest and dividends	--	12	1,498
Due from other funds	--	1,712	1,363,430
Other	--	--	37,120
Total Assets	1,487,907	76,696	14,077,043
LIABILITIES			
Accounts payable	--	10,030	4,437
Benefits payable	--	42,940	856,751
Securities lending collateral and rebates payable	--	--	--
Due to other funds	--	23,726	33,472
Total Liabilities	--	76,696	894,660
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,487,907</u>	<u>\$ --</u>	<u>\$ 13,182,383</u>

Health Benefits Program Fund Local	Health Benefits Program Fund State	Judicial Retirement System	New Jersey State Employees' Deferred Compensation Plan
\$ 201,783	\$ 327,229	\$ 48,642	\$ --
--	--	47,742,690	--
844,240,742	163,941,288	348,783,272	2,017,950,132
--	--	--	--
--	--	--	--
--	--	2,773,756	1,868,133
30,132	26,855,427	180,921	--
75,861,001	728,288	1,321,199	31,226
<u>920,333,658</u>	<u>191,852,232</u>	<u>400,850,480</u>	<u>2,019,849,491</u>
1,486,000	3,075,390	46	2,178,502
235,043,546	171,373,806	2,994,426	--
--	--	47,742,690	--
--	15,996	117,528	--
<u>236,529,546</u>	<u>174,465,192</u>	<u>50,854,690</u>	<u>2,178,502</u>
<u>\$ 683,804,112</u>	<u>\$ 17,387,040</u>	<u>\$ 349,995,790</u>	<u>\$ 2,017,670,989</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2008

	<u>Police and Firemen's Retirement System</u>	<u>Prison Officers' Pension Fund</u>	<u>Public Employees' Retirement System</u>
ASSETS			
Cash and cash equivalents	\$ 791,490	\$ 256,584	\$ 3,234,492
Securities lending collateral	2,571,408,167	--	4,331,393,425
Investments	19,128,454,373	12,766,635	25,233,329,733
Receivables, net of allowances for uncollectibles			
Members	45,876,801	--	63,946,072
Employers	1,486,433,268	--	1,448,132,004
Interest and dividends	159,844,392	999	260,338,191
Due from other funds	3,325,567	91,163	17,574,977
Other	354,843,464	--	432,997,787
Total Assets	<u>23,750,977,522</u>	<u>13,115,381</u>	<u>31,790,946,681</u>
LIABILITIES			
Accounts payable	2,068,322	1,674	35,138,681
Benefits payable	113,683,766	219,517	183,551,372
Securities lending collateral and rebates payable	2,571,408,167	--	4,331,393,425
Due to other funds	2,599,412	3,749	3,907,400
Total Liabilities	<u>2,689,759,667</u>	<u>224,940</u>	<u>4,553,990,878</u>
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 21,061,217,855</u>	<u>\$ 12,890,441</u>	<u>\$ 27,236,955,803</u>

State Police Retirement System	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
\$ 221,398	\$ 455,628	\$ 2,669,431	\$ 8,406,882
316,979,452	--	5,564,888,940	12,832,412,674
1,931,558,969	159,217,933	31,864,162,918	81,718,443,664
--	472,450	81,100,542	191,395,865
--	--	78,480,862	3,013,046,134
19,013,452	229,741	336,832,198	780,902,372
1,248,438	37,206	3,132,182	53,841,155
26,242,908	16,540	205,735,873	1,097,815,406
<u>2,295,264,617</u>	<u>160,429,498</u>	<u>38,137,002,946</u>	<u>99,696,264,152</u>
4,662	72,247	26,642,215	70,682,206
10,178,256	1,456,213	225,242,194	944,642,787
316,979,452	--	5,564,888,940	12,832,412,674
304,257	5,554	4,745,520	11,756,614
<u>327,466,627</u>	<u>1,534,014</u>	<u>5,821,518,869</u>	<u>13,859,494,281</u>
<u>\$ 1,967,797,990</u>	<u>\$ 158,895,484</u>	<u>\$ 32,315,484,077</u>	<u>\$ 85,836,769,871</u>

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ADDITIONS			
Contributions:	\$	\$	\$
Members	--	--	--
Employers	2,000,000	403,163	550,881
Other	--	24,690	6,515,308
Total Contributions	2,000,000	427,853	7,066,189
Investment Income:			
Net increase (decrease) in fair value of investments	40	1	464
Interest and dividends	128,361	8,972	450,182
Total Investment Income	128,401	8,973	450,646
Less investment expense	--	--	12,297
Net Investment Income	128,401	8,973	438,349
Total Additions	2,128,401	436,826	7,504,538
DEDUCTIONS			
Benefit payments	2,554,019	415,032	10,398,599
Refunds of contributions	--	21,794	--
Administrative expense	--	--	20,151
Total Deductions	2,554,019	436,826	10,418,750
Total Changes in Net Assets Held in Trust	(425,618)	--	(2,914,212)
Net Assets - July 1, 2007	1,913,525	--	16,096,595
Net Assets - June 30, 2008	\$ 1,487,907	\$ --	\$ 13,182,383

Health Benefits Program Fund Local	Health Benefits Program Fund State	Judicial Retirement System	New Jersey State Employees' Deferred Compensation Plan
\$	\$	\$	\$
77,617,592	121,702,318	1,825,726	185,234,570
2,051,655,808	1,427,661,308	12,913,986	--
--	--	--	--
<u>2,129,273,400</u>	<u>1,549,363,626</u>	<u>14,739,712</u>	<u>185,234,570</u>
17,144	3,603	(14,752,713)	(192,302,803)
34,774,176	8,591,733	13,496,065	22,307,355
<u>34,791,320</u>	<u>8,595,336</u>	<u>(1,256,648)</u>	<u>(169,995,448)</u>
--	--	12,297	246,860
<u>34,791,320</u>	<u>8,595,336</u>	<u>(1,268,945)</u>	<u>(170,242,308)</u>
<u>2,164,064,720</u>	<u>1,557,958,962</u>	<u>13,470,767</u>	<u>14,992,262</u>
2,056,457,817	1,506,738,235	35,602,960	65,013,841
--	--	9,642	--
5,320,547	3,547,031	212,923	455,696
<u>2,061,778,364</u>	<u>1,510,285,266</u>	<u>35,825,525</u>	<u>65,469,537</u>
102,286,356	47,673,696	(22,354,758)	(50,477,275)
581,517,756	(30,286,656)	372,350,548	2,068,148,264
<u>\$ 683,804,112</u>	<u>\$ 17,387,040</u>	<u>\$ 349,995,790</u>	<u>\$ 2,017,670,989</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Police and Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System
ADDITIONS			
Contributions:	\$	\$	\$
Members	310,259,367	--	705,903,439
Employers	886,871,720	--	812,356,103
Other	--	1,104,335	--
Total Contributions	<u>1,197,131,087</u>	<u>1,104,335</u>	<u>1,518,259,542</u>
Investment Income:			
Net increase (decrease) in fair value of investments	(1,073,518,805)	2,342	(1,321,131,720)
Interest and dividends	735,393,529	546,221	935,713,718
Total Investment Income	<u>(338,125,276)</u>	<u>548,563</u>	<u>(385,418,002)</u>
Less investment expense	1,086,873	2,375	6,290,687
Net Investment Income	<u>(339,212,149)</u>	<u>546,188</u>	<u>(391,708,689)</u>
Total Additions	<u>857,918,938</u>	<u>1,650,523</u>	<u>1,126,550,853</u>
DEDUCTIONS			
Benefit payments	1,353,109,000	2,250,040	2,149,381,072
Refunds of contributions	7,294,112	--	93,590,971
Administrative expense	6,281,676	9,403	21,669,271
Total Deductions	<u>1,366,684,788</u>	<u>2,259,443</u>	<u>2,264,641,314</u>
Total Changes in Net Assets Held in Trust	<u>(508,765,850)</u>	<u>(608,920)</u>	<u>(1,138,090,461)</u>
Net Assets - July 1, 2007	<u>21,569,983,705</u>	<u>13,499,361</u>	<u>28,375,046,264</u>
Net Assets - June 30, 2008	<u>\$ 21,061,217,855</u>	<u>\$ 12,890,441</u>	<u>\$ 27,236,955,803</u>

State Police Retirement System	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
\$	\$	\$	\$
18,306,246	8,271,028	585,800,133	2,014,920,419
36,506,782	--	701,584,600	5,932,504,351
--	--	--	7,644,333
<u>54,813,028</u>	<u>8,271,028</u>	<u>1,287,384,733</u>	<u>7,955,069,103</u>
(108,474,420)	(22,067,459)	(2,016,278,945)	(4,748,503,271)
74,441,857	4,379,307	1,253,113,254	3,083,344,730
<u>(34,032,563)</u>	<u>(17,688,152)</u>	<u>(763,165,691)</u>	<u>(1,665,158,541)</u>
77,190	--	3,211,403	10,939,982
<u>(34,109,753)</u>	<u>(17,688,152)</u>	<u>(766,377,094)</u>	<u>(1,676,098,523)</u>
<u>20,703,275</u>	<u>(9,417,124)</u>	<u>521,007,639</u>	<u>6,278,970,580</u>
121,438,077	12,918,042	2,677,682,713	9,993,959,447
196,139	--	40,716,544	141,829,202
531,983	--	13,787,440	51,836,121
<u>122,166,199</u>	<u>12,918,042</u>	<u>2,732,186,697</u>	<u>10,187,624,770</u>
(101,462,924)	(22,335,166)	(2,211,179,058)	(3,908,654,190)
2,069,260,914	181,230,650	34,526,663,135	89,745,424,061
<u>\$ 1,967,797,990</u>	<u>\$ 158,895,484</u>	<u>\$ 32,315,484,077</u>	<u>\$ 85,836,769,871</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2008**

	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
ASSETS		
Cash and cash equivalents	\$ 6,100	\$ 27,473
Investments	129,041	244,699
Receivables, net of allowances for uncollectibles		
Departmental accounts	--	--
Total Assets	135,141	272,172
LIABILITIES		
Accounts payable	--	261,931
Due to other funds	--	10,142
Total Liabilities	--	272,073
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	\$ 135,141	\$ 99

<u>Unclaimed County Deposits Trust Fund</u>	<u>Unclaimed Insurance Payments on Deposit Accounts Fund</u>	<u>Total Private Purpose Trust Funds</u>
\$ 506,103	\$ 53,133	\$ 592,809
13,043,129	128,247	13,545,116
--	11,070	11,070
13,549,232	192,450	14,148,995
3,492,264	--	3,754,195
4,656,351	22,597	4,689,090
8,148,615	22,597	8,443,285
\$ 5,400,617	\$ 169,853	\$ 5,705,710

**STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Insurance Annuity Trust Fund</u>	<u>Motor Vehicle Security Responsibility Fund</u>
ADDITIONS		
Investment Income:		
Interest and dividends	\$ 5,212	\$ 10,142
Total Investment Income	5,212	10,142
Miscellaneous	6,000	--
Total Additions	11,212	10,142
DEDUCTIONS		
Refunds and transfers to other systems	--	10,142
Payments in accordance with trust agreements	--	--
Total Deductions	--	10,142
Total Changes in Net Assets Held In Trust	11,212	--
Net Assets - July 1, 2007	123,929	99
Net Assets - June 30, 2008	\$ 135,141	\$ 99

Unclaimed County Deposits Trust Fund	Unclaimed Insurance Payments on Deposit Accounts Fund	Total Private Purpose Trust Funds
\$ 526,899	\$ 5,771	\$ 548,024
526,899	5,771	548,024
82,138	11,070	99,208
609,037	16,841	647,232
--	--	10,142
91,504	68,675	160,179
91,504	68,675	170,321
517,533	(51,834)	476,911
4,883,084	221,687	5,228,799
<u>\$ 5,400,617</u>	<u>\$ 169,853</u>	<u>\$ 5,705,710</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
JUNE 30, 2008**

ASSETS	Authorities	Colleges and Universities	Total Non-Major Component Units
Current Assets			
Cash and cash equivalents	\$ 691,986,918	\$ 199,231,838	\$ 891,218,756
Investments	5,168,799,069	1,470,508,823	6,639,307,892
Receivables, net of allowances for uncollectibles			
Federal government	12,608,321	22,924,083	35,532,404
Loans	2,503,871,644	17,098,640	2,520,970,284
Mortgages	2,480,206,189	--	2,480,206,189
Other	361,011,521	62,103,859	423,115,380
Due from external parties	39,522,000	10,922,876	50,444,876
Inventories	1,651,382	205,674	1,857,056
Other	155,976,442	98,904,014	254,880,456
Total Current Assets	11,415,633,486	1,881,899,807	13,297,533,293
Noncurrent Assets			
Capital assets - nondepreciated	564,949,671	327,345,334	892,295,005
Capital assets - depreciated, net	1,364,776,170	2,317,882,039	3,682,658,209
Total Noncurrent Assets	1,929,725,841	2,645,227,373	4,574,953,214
Total Assets	13,345,359,327	4,527,127,180	17,872,486,507
LIABILITIES			
Current Liabilities			
Accounts payable	166,957,602	122,238,993	289,196,595
Due to external parties	12,317,414	1,813,232	14,130,646
Interest payable	69,654,485	28,152,481	97,806,966
Deferred revenue	146,698,600	63,657,864	210,356,464
Current portion of long-term obligations	250,507,825	37,468,230	287,976,055
Other	338,764,289	35,875,787	374,640,076
Total Current Liabilities	984,900,215	289,206,587	1,274,106,802
Noncurrent Liabilities			
Net pension obligation	1,075,436	--	1,075,436
Net OPEB obligation	138,956,586	--	138,956,586
Other	7,372,878,176	2,286,046,251	9,658,924,427
Total Noncurrent Liabilities	7,512,910,198	2,286,046,251	9,798,956,449
Total Liabilities	8,497,810,413	2,575,252,838	11,073,063,251
NET ASSETS			
Invested in capital assets, net of related debt	434,041,602	927,705,113	1,361,746,715
Restricted for:			
Capital projects	73,573,379	77,970,160	151,543,539
Debt service	661,940,145	63,365,869	725,306,014
Other purposes	2,549,065,616	309,717,378	2,858,782,994
Unrestricted	1,128,928,172	573,115,822	1,702,043,994
Total Net Assets	\$ 4,847,548,914	\$ 1,951,874,342	\$ 6,799,423,256

**STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Authorities</u>	<u>Colleges and Universities</u>	<u>Total Non-Major Component Units</u>
Expenses	\$ 2,037,484,229	\$ 1,696,548,627	\$ 3,734,032,856
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	716,337,966	878,722,167	1,595,060,133
Operating grants and contributions	475,237,817	540,231,487	1,015,469,304
Capital grants and contributions	678,339,856	4,052,986	682,392,842
Net (Expense) Revenue	<u>(167,568,590)</u>	<u>(273,541,987)</u>	<u>(441,110,577)</u>
General Revenue			
Payments from State	326,754,560	350,282,881	677,037,441
Total General Revenue	<u>326,754,560</u>	<u>350,282,881</u>	<u>677,037,441</u>
Changes in Net Assets	159,185,970	76,740,894	235,926,864
Net Assets - Beginning of Year (Restated)	<u>4,688,362,944</u>	<u>1,875,133,448</u>	<u>6,563,496,392</u>
Net Assets - End of Year	<u><u>\$ 4,847,548,914</u></u>	<u><u>\$ 1,951,874,342</u></u>	<u><u>\$ 6,799,423,256</u></u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2008**

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority	New Jersey Commerce Commission
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 114,087	\$ 88,520,584	\$ 2,079,885
Investments	224,041,776	2,405,590,831	1,673,841
Receivables, net of allowances for uncollectibles			
Federal government	--	12,157,537	--
Loans		1,224,978,670	2,987,832
Mortgages	125,871,189	--	--
Other	37,073,924	21,557,177	914,235
Due from external parties	--	--	--
Inventories	--	--	--
Other	6,814,224	8,082,806	30,634
Total Current Assets	393,915,200	3,760,887,605	7,686,427
Noncurrent Assets			
Capital assets - nondepreciated	88,766,276	--	--
Capital assets - depreciated, net	51,403	621,925	34,922
Total Noncurrent Assets	88,817,679	621,925	34,922
Total Assets	482,732,879	3,761,509,530	7,721,349
LIABILITIES			
Current Liabilities			
Accounts payable	11,675,302	23,178,431	1,634,364
Due to external parties	--	--	--
Interest payable	9,604,932	12,676,616	--
Deferred revenue	--	--	--
Current portion of long-term obligations	10,132,468	8,120,193	--
Other	--	13,959,088	256,676
Total Current Liabilities	31,412,702	57,934,328	1,891,040
Noncurrent Liabilities			
Net pension obligation	--	--	--
Net OPEB obligation	--	--	--
Other	489,764,426	1,538,680,000	--
Total Noncurrent Liabilities	489,764,426	1,538,680,000	--
Total Liabilities	521,177,128	1,596,614,328	1,891,040
NET ASSETS			
Invested in capital assets, net of related debt	51,403	--	34,922
Restricted for:			
Capital projects	--	--	--
Debt service	17,281,964	5,545,424	--
Other purposes	--	2,159,349,778	2,987,832
Unrestricted	(55,777,616)	--	2,807,555
Total Net Assets	\$ (38,444,249)	\$ 2,164,895,202	\$ 5,830,309

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority	New Jersey Environmental Infrastructure Trust	New Jersey Health Care Facilities Financing Authority
\$ 34,583 1,180,500	\$ 8,067,727 573,820,305	\$ 62,244 10,344,662	\$ 357,219,526 404,781,466	\$ 1,000 5,240,000
--	--	--	--	--
--	--	--	1,003,854,570	2,516,000
--	--	--	--	--
1,430,453	214,993,437	469,291	--	2,011,000
--	--	--	--	--
2,206	--	--	--	--
--	1,309,720	29,566	32,412,321	124,000
<u>2,647,742</u>	<u>798,191,189</u>	<u>10,905,763</u>	<u>1,798,267,883</u>	<u>9,892,000</u>
--	23,873,656	--	--	--
--	114,346,951	243,907	26,884	204,000
--	138,220,607	243,907	26,884	204,000
<u>2,647,742</u>	<u>936,411,796</u>	<u>11,149,670</u>	<u>1,798,294,767</u>	<u>10,096,000</u>
34,195	14,562,797	289,182	25,246,001	383,000
--	--	--	--	--
--	1,833,794	--	--	--
109,083	1,130,105	--	--	1,028,000
--	14,897,723	--	75,970,277	--
290,000	8,048,949	--	--	--
<u>433,278</u>	<u>40,473,368</u>	<u>289,182</u>	<u>101,216,278</u>	<u>1,411,000</u>
--	--	--	--	--
--	3,857,978	2,223,716	--	952,000
--	146,333,291	217,768	1,321,526,939	--
--	150,191,269	2,441,484	1,321,526,939	952,000
<u>433,278</u>	<u>190,664,637</u>	<u>2,730,666</u>	<u>1,422,743,217</u>	<u>2,363,000</u>
--	54,010,607	243,907	--	204,000
--	--	--	--	--
--	--	--	238,254,705	--
--	38,459,932	--	111,569,974	--
<u>2,214,464</u>	<u>653,276,620</u>	<u>8,175,097</u>	<u>25,726,871</u>	<u>7,529,000</u>
<u>\$ 2,214,464</u>	<u>\$ 745,747,159</u>	<u>\$ 8,419,004</u>	<u>\$ 375,551,550</u>	<u>\$ 7,733,000</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2008

	<u>New Jersey Housing and Mortgage Finance Agency</u>	<u>New Jersey Meadowlands Commission</u>	<u>New Jersey Redevelopment Authority</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 80,558,000	\$ 37,655,370	\$ 4,583,481
Investments	1,194,697,000	52,978,999	--
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Loans	250,003,000	--	19,531,572
Mortgages	2,354,335,000	--	--
Other	13,856,000	2,193,378	1,886,135
Due from external parties	2,650,000	--	--
Inventories	--	--	--
Other	25,706,000	54,770	32,992,193
Total Current Assets	<u>3,921,805,000</u>	<u>92,882,517</u>	<u>58,993,381</u>
Noncurrent Assets			
Capital assets - nondepreciated	1,345,000	28,305,698	--
Capital assets - depreciated, net	10,940,000	566,091	6,033
Total Noncurrent Assets	<u>12,285,000</u>	<u>28,871,789</u>	<u>6,033</u>
Total Assets	<u>3,934,090,000</u>	<u>121,754,306</u>	<u>58,999,414</u>
LIABILITIES			
Current Liabilities			
Accounts payable	--	4,720,538	113,350
Due to external parties	11,222,000	--	1,095,414
Interest payable	21,485,000	--	--
Deferred revenue	--	1,485,342	--
Current portion of long-term obligations	85,920,000	--	--
Other	223,949,000	1,295,200	--
Total Current Liabilities	<u>342,576,000</u>	<u>7,501,080</u>	<u>1,208,764</u>
Noncurrent Liabilities			
Net pension obligation	--	--	--
Net OPEB obligation	27,694,000	1,199,892	--
Other	2,573,586,000	16,621,142	--
Total Noncurrent Liabilities	<u>2,601,280,000</u>	<u>17,821,034</u>	<u>--</u>
Total Liabilities	<u>2,943,856,000</u>	<u>25,322,114</u>	<u>1,208,764</u>
NET ASSETS			
Invested in capital assets, net of related debt	12,285,000	28,871,789	6,033
Restricted for:			
Capital projects	--	--	29,084,096
Debt service	322,340,000	--	--
Other purposes	177,030,000	58,247,000	--
Unrestricted	<u>478,579,000</u>	<u>9,313,403</u>	<u>28,700,521</u>
Total Net Assets	<u>\$ 990,234,000</u>	<u>\$ 96,432,192</u>	<u>\$ 57,790,650</u>

New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority	South Jersey Port Corporation	South Jersey Transportation Authority	Total Non-Major Authorities
\$ 19,336,000	\$ 31,991,504	\$ 8,613,988	\$ 53,148,939	\$ 691,986,918
178,129,000	17,101,066	24,977,087	74,242,536	5,168,799,069
--	--	--	450,784	12,608,321
--	--	--	--	2,503,871,644
--	--	--	--	2,480,206,189
52,167,000	5,774,786	2,885,428	3,799,277	361,011,521
36,872,000	--	--	--	39,522,000
--	92,635	1,421,100	135,441	1,651,382
19,014,000	14,821,845	4,861,174	9,723,189	155,976,442
<u>305,518,000</u>	<u>69,781,836</u>	<u>42,758,777</u>	<u>141,500,166</u>	<u>11,415,633,486</u>
192,241,000	26,893,747	19,494,798	184,029,496	564,949,671
656,664,000	121,195,021	119,132,515	340,742,518	1,364,776,170
<u>848,905,000</u>	<u>148,088,768</u>	<u>138,627,313</u>	<u>524,772,014</u>	<u>1,929,725,841</u>
<u>1,154,423,000</u>	<u>217,870,604</u>	<u>181,386,090</u>	<u>666,272,180</u>	<u>13,345,359,327</u>
70,560,000	2,368,357	1,576,430	10,615,655	166,957,602
--	--	--	--	12,317,414
18,405,000	--	2,867,473	2,781,670	69,654,485
140,107,000	1,779,922	583,669	475,479	146,698,600
38,614,000	4,733,004	5,696,925	6,423,235	250,507,825
73,360,000	--	141,216	17,464,160	338,764,289
<u>341,046,000</u>	<u>8,881,283</u>	<u>10,865,713</u>	<u>37,760,199</u>	<u>984,900,215</u>
--	--	1,075,436	--	1,075,436
2,740,000	--	271,000	100,018,000	138,956,586
776,618,000	99,565,653	124,475,000	285,489,957	7,372,878,176
<u>779,358,000</u>	<u>99,565,653</u>	<u>125,821,436</u>	<u>385,507,957</u>	<u>7,512,910,198</u>
<u>1,120,404,000</u>	<u>108,446,936</u>	<u>136,687,149</u>	<u>423,268,156</u>	<u>8,497,810,413</u>
42,274,000	43,790,111	20,322,813	231,947,017	434,041,602
--	--	--	44,489,283	73,573,379
32,431,000	12,082,047	11,087,294	22,917,711	661,940,145
--	--	1,421,100	--	2,549,065,616
<u>(40,686,000)</u>	<u>53,551,510</u>	<u>11,867,734</u>	<u>(56,349,987)</u>	<u>1,128,928,172</u>
<u>\$ 34,019,000</u>	<u>\$ 109,423,668</u>	<u>\$ 44,698,941</u>	<u>\$ 243,004,024</u>	<u>\$ 4,847,548,914</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority	New Jersey Commerce Commission
Expenses	\$ 83,663,632	\$ 736,785,626	\$ 8,302,468
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	41,763,514	129,534,856	2,808,211
Operating grants and contributions	23,270,317	101,105,149	2,252,638
Capital grants and contributions	--	647,192,664	--
Net (Expense) Revenue	<u>(18,629,801)</u>	<u>141,047,043</u>	<u>(3,241,619)</u>
General Revenue			
Payments from State	--	--	3,892,108
Total General Revenue	<u>--</u>	<u>--</u>	<u>3,892,108</u>
Changes in Net Assets	(18,629,801)	141,047,043	650,489
Net Assets - Beginning of Year (Restated)	<u>(19,814,448)</u>	<u>2,023,848,159</u>	<u>5,179,820</u>
Net Assets - End of Year	<u>\$ (38,444,249)</u>	<u>\$ 2,164,895,202</u>	<u>\$ 5,830,309</u>

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority	New Jersey Environmental Infrastructure Trust	New Jersey Health Care Facilities Financing Authority
\$ 539,873	\$ 259,631,725	\$ 2,697,289	\$ 67,329,849	\$ 4,402,000
119,401	3,302,706	3,824,201	5,575,556	4,493,000
146,462	66,050,398	439,498	57,044,182	428,000
--	--	--	--	--
(274,010)	(190,278,621)	1,566,410	(4,710,111)	519,000
--	128,438,344	--	1,248,384	--
--	128,438,344	--	1,248,384	--
(274,010)	(61,840,277)	1,566,410	(3,461,727)	519,000
2,488,474	807,587,436	6,852,594	379,013,277	7,214,000
<u>\$ 2,214,464</u>	<u>\$ 745,747,159</u>	<u>\$ 8,419,004</u>	<u>\$ 375,551,550</u>	<u>\$ 7,733,000</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	New Jersey Housing and Mortgage Finance Agency	New Jersey Meadowlands Commission	New Jersey Redevelopment Authority
Expenses	\$ 224,972,000	\$ 46,152,754	\$ 2,394,030
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	32,518,000	26,085,900	1,753,440
Operating grants and contributions	178,033,000	21,177,179	--
Capital grants and contributions	--	--	--
Net (Expense) Revenue	(14,421,000)	1,110,325	(640,590)
General Revenue			
Payments from State	154,056,000	--	1,702,968
Total General Revenue	154,056,000	--	1,702,968
Changes in Net Assets	139,635,000	1,110,325	1,062,378
Net Assets - Beginning of Year (Restated)	850,599,000	95,321,867	56,728,272
Net Assets - End of Year	\$ 990,234,000	\$ 96,432,192	\$ 57,790,650

New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority	South Jersey Port Corporation	South Jersey Transportation Authority	Total Non-Major Authorities
\$ 436,377,000	\$ 25,412,331	\$ 35,736,934	\$ 103,086,718	\$ 2,037,484,229
323,792,000	29,137,156	26,725,464	84,904,561	716,337,966
11,851,000	1,548,680	268,048	11,623,266	475,237,817
27,516,000	--	1,392,803	2,238,389	678,339,856
<u>(73,218,000)</u>	<u>5,273,505</u>	<u>(7,350,619)</u>	<u>(4,320,502)</u>	<u>(167,568,590)</u>
<u>27,315,000</u>	<u>--</u>	<u>10,101,756</u>	<u>--</u>	<u>326,754,560</u>
<u>27,315,000</u>	<u>--</u>	<u>10,101,756</u>	<u>--</u>	<u>326,754,560</u>
<u>(45,903,000)</u>	<u>5,273,505</u>	<u>2,751,137</u>	<u>(4,320,502)</u>	<u>159,185,970</u>
<u>79,922,000</u>	<u>104,150,163</u>	<u>41,947,804</u>	<u>247,324,526</u>	<u>4,688,362,944</u>
<u>\$ 34,019,000</u>	<u>\$ 109,423,668</u>	<u>\$ 44,698,941</u>	<u>\$ 243,004,024</u>	<u>\$ 4,847,548,914</u>

**STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2008**

	<u>The College of New Jersey</u>	<u>Thomas Edison State College</u>	<u>Kean University</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 4,578,000	\$ 2,749,887	\$ 68,907,994
Investments	174,210,000	47,085,011	212,665,257
Receivables, net of allowances for uncollectibles			
Federal government	911,000	432,397	2,944,779
Loans	4,691,000	--	1,769,119
Other	1,920,000	5,032,636	1,658,704
Due from external parties	--	--	6,735,583
Inventories	--	--	--
Other	47,646,000	651,443	8,204,010
Total Current Assets	233,956,000	55,951,374	302,885,446
Noncurrent Assets			
Capital assets - nondepreciated	48,209,000	3,350,172	60,045,794
Capital assets - depreciated, net	430,268,000	28,980,461	168,789,717
Total Noncurrent Assets	478,477,000	32,330,633	228,835,511
Total Assets	712,433,000	88,282,007	531,720,957
LIABILITIES			
Current Liabilities			
Accounts payable	16,128,000	4,833,429	14,852,246
Due to external parties	19,000	5,232	--
Interest payable	3,480,000	--	4,064,325
Deferred revenue	5,051,000	8,185,534	6,471,578
Current portion of long-term obligations	4,338,000	743,761	--
Other	6,877,000	1,134,705	5,892,496
Total Current Liabilities	35,893,000	14,902,661	31,280,645
Noncurrent Liabilities			
Other	350,635,000	2,810,448	333,521,413
Total Noncurrent Liabilities	350,635,000	2,810,448	333,521,413
Total Liabilities	386,528,000	17,713,109	364,802,058
NET ASSETS			
Invested in capital assets, net of related debt	249,506,000	28,925,155	85,692,762
Restricted for:			
Capital projects	--	1,817,689	15,862,930
Debt service	--	--	9,014,575
Other purposes	13,128,000	6,709,545	19,011,620
Unrestricted	63,271,000	33,116,509	37,337,012
Total Net Assets	\$ 325,905,000	\$ 70,568,898	\$ 166,918,899

<u>Montclair State University</u>	<u>New Jersey City University</u>	<u>New Jersey Institute of Technology</u>	<u>The William Paterson University of New Jersey</u>	<u>Ramapo College of New Jersey</u>
\$ 5,226,568	\$ 2,985,439	\$ 24,747,000	\$ 54,379,720	\$ 1,521,000
251,283,905	51,848,826	111,352,000	131,643,705	57,832,000
635,470	276,146	13,916,000	569,182	1,142,000
3,775,502	550,669	2,037,000	1,002,378	917,000
12,496,921	6,090,883	12,715,000	6,374,291	2,971,000
--	--	--	310,293	3,877,000
--	--	--	--	--
11,793,764	5,053,946	7,060,000	7,009,620	2,855,000
<u>285,212,130</u>	<u>66,805,909</u>	<u>171,827,000</u>	<u>201,289,189</u>	<u>71,115,000</u>
37,403,014	20,477,234	20,464,000	17,871,095	4,584,000
370,665,633	152,374,975	220,309,000	243,697,183	274,356,000
<u>408,068,647</u>	<u>172,852,209</u>	<u>240,773,000</u>	<u>261,568,278</u>	<u>278,940,000</u>
693,280,777	239,658,118	412,600,000	462,857,467	350,055,000
19,546,809	4,798,898	10,264,000	13,583,628	10,518,000
--	--	1,789,000	--	--
7,953,835	1,686,979	3,772,000	--	--
12,952,485	2,159,597	12,365,000	3,799,365	3,216,000
5,755,000	1,845,790	5,416,000	5,930,913	5,300,000
4,124,168	3,296,936	4,262,000	2,142,355	1,593,000
<u>50,332,297</u>	<u>13,788,200</u>	<u>37,868,000</u>	<u>25,456,261</u>	<u>20,627,000</u>
<u>354,217,090</u>	<u>119,739,858</u>	<u>180,500,000</u>	<u>192,927,935</u>	<u>250,680,000</u>
354,217,090	119,739,858	180,500,000	192,927,935	250,680,000
<u>404,549,387</u>	<u>133,528,058</u>	<u>218,368,000</u>	<u>218,384,196</u>	<u>271,307,000</u>
125,004,596	63,679,154	85,586,000	154,262,980	36,366,000
--	--	--	--	3,674,000
11,934,592	3,781,362	--	12,305,226	1,149,000
47,313,784	7,499,996	63,122,000	14,116,851	13,002,000
104,478,418	31,169,548	45,524,000	63,788,214	24,557,000
<u>\$ 288,731,390</u>	<u>\$ 106,130,060</u>	<u>\$ 194,232,000</u>	<u>\$ 244,473,271</u>	<u>\$ 78,748,000</u>

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STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2008

	<u>Rowan University</u>	<u>The Richard Stockton College of New Jersey</u>	<u>Total Non-Major Colleges and Universities</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 25,817,034	\$ 8,319,196	\$ 199,231,838
Investments	278,924,947	153,663,172	1,470,508,823
Receivables, net of allowances for uncollectibles			
Federal government	1,482,806	614,303	22,924,083
Loans	--	2,355,972	17,098,640
Other	9,715,953	3,128,471	62,103,859
Due from external parties	--	--	10,922,876
Inventories	192,100	13,574	205,674
Other	6,157,593	2,472,638	98,904,014
Total Current Assets	322,290,433	170,567,326	1,881,899,807
Noncurrent Assets			
Capital assets - nondepreciated	72,802,644	42,138,381	327,345,334
Capital assets - depreciated, net	293,754,972	134,686,098	2,317,882,039
Total Noncurrent Assets	366,557,616	176,824,479	2,645,227,373
Total Assets	688,848,049	347,391,805	4,527,127,180
LIABILITIES			
Current Liabilities			
Accounts payable	11,150,098	16,563,885	122,238,993
Due to external parties	--	--	1,813,232
Interest payable	7,195,342	--	28,152,481
Deferred revenue	5,719,602	3,737,703	63,657,864
Current portion of long-term obligations	5,294,741	2,844,025	37,468,230
Other	1,946,138	4,606,989	35,875,787
Total Current Liabilities	31,305,921	27,752,602	289,206,587
Noncurrent Liabilities			
Other	341,165,386	159,849,121	2,286,046,251
Total Noncurrent Liabilities	341,165,386	159,849,121	2,286,046,251
Total Liabilities	372,471,307	187,601,723	2,575,252,838
NET ASSETS			
Invested in capital assets, net of related debt	81,545,107	17,137,359	927,705,113
Restricted for:			
Capital projects	650,000	55,965,541	77,970,160
Debt service	20,548,700	4,632,414	63,365,869
Other purposes	119,141,548	6,672,034	309,717,378
Unrestricted	94,491,387	75,382,734	573,115,822
Total Net Assets	\$ 316,376,742	\$ 159,790,082	\$ 1,951,874,342



**STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>The College of New Jersey</u>	<u>Thomas Edison State College</u>	<u>Kean University</u>
Expenses	\$ 165,712,000	\$ 73,844,479	\$ 193,394,326
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	100,130,000	28,030,230	97,460,542
Operating grants and contributions	46,277,000	33,684,020	63,411,596
Capital grants and contributions	71,000	--	--
Net (Expense) Revenue	<u>(19,234,000)</u>	<u>(12,130,229)</u>	<u>(32,522,188)</u>
General Revenue			
Payments from State	<u>37,040,000</u>	<u>14,565,071</u>	<u>42,534,659</u>
Total General Revenue	<u>37,040,000</u>	<u>14,565,071</u>	<u>42,534,659</u>
Changes in Net Assets	17,806,000	2,434,842	10,012,471
Net Assets - July 1, 2007 (Restated)	<u>308,099,000</u>	<u>68,134,056</u>	<u>156,906,428</u>
Net Assets - June 30, 2008	<u>\$ 325,905,000</u>	<u>\$ 70,568,898</u>	<u>\$ 166,918,899</u>

<u>Montclair State University</u>	<u>New Jersey City University</u>	<u>New Jersey Institute of Technology</u>	<u>The William Paterson University of New Jersey</u>	<u>Ramapo College of New Jersey</u>
\$ 264,610,289	\$ 128,839,313	\$ 234,012,000	\$ 173,328,208	\$ 120,284,000
166,772,056	50,218,594	84,994,000	98,647,539	70,910,000
71,471,703	47,176,202	97,026,000	49,409,914	38,306,000
417,661	193,115	335,000	2,097,430	200,000
<u>(25,948,869)</u>	<u>(31,251,402)</u>	<u>(51,657,000)</u>	<u>(23,173,325)</u>	<u>(10,868,000)</u>
<u>48,573,622</u>	<u>32,888,274</u>	<u>49,097,000</u>	<u>41,317,360</u>	<u>20,468,000</u>
<u>48,573,622</u>	<u>32,888,274</u>	<u>49,097,000</u>	<u>41,317,360</u>	<u>20,468,000</u>
22,624,753	1,636,872	(2,560,000)	18,144,035	9,600,000
<u>266,106,637</u>	<u>104,493,188</u>	<u>196,792,000</u>	<u>226,329,236</u>	<u>69,148,000</u>
<u>\$ 288,731,390</u>	<u>\$ 106,130,060</u>	<u>\$ 194,232,000</u>	<u>\$ 244,473,271</u>	<u>\$ 78,748,000</u>

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Rowan University	The Richard Stockton College of New Jersey	Total Non-Major Colleges and Universities
Expenses	\$ 203,003,307	\$ 139,520,705	\$ 1,696,548,627
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	108,751,059	72,808,147	878,722,167
Operating grants and contributions	43,472,858	49,996,194	540,231,487
Capital grants and contributions	708,500	30,280	4,052,986
	Net (Expense) Revenue	(16,686,084)	(273,541,987)
General Revenue			
Payments from State	38,678,547	25,120,348	350,282,881
	Total General Revenue	25,120,348	350,282,881
	Changes in Net Assets	8,434,264	76,740,894
Net Assets - July 1, 2007 (Restated)	327,769,085	151,355,818	1,875,133,448
Net Assets - June 30, 2008	\$ 316,376,742	\$ 159,790,082	\$ 1,951,874,342

STATE OF NEW JERSEY
DESCRIPTION OF FUNDS

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

Special Revenue Fund

Annual deposits of \$11 million are made to this fund from annual Alcohol Beverage Excise Tax collections. The legislation provides that 75.0 percent is dedicated toward alcohol rehabilitation, 15.0 percent is dedicated toward enforcement, and 10.0 percent is dedicated toward education. Additionally, a \$40 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs is deposited into this fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of driving while intoxicated.

Alternate Benefit Long-Term Disability Fund

Pension Trust Fund

The fund is employer-funded for long-term disability. Benefits are paid to those members of the Alternate Benefit Program Fund who have been disabled for two years or more since October 1, 1986.

Alternate Benefit Program Fund (N.J.S.A. 18A:66-167 et seq.)

Agency Fund

Faculty members of public institutions of higher education and certain administrative and professional titles are allowed to participate in a defined contribution plan. The employer contributes eight percent of base or contractual salary and then is reimbursed through this fund. The State's appropriation equals the amount needed to reimburse the employers for their contribution.

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

Special Revenue Fund

A \$3 parking fee per diem is imposed for each vehicle parked, garaged, or stored in any casino hotel parking space. Effective July 1, 2007, the first \$1.50 is remitted to the Casino Reinvestment Development Authority (CRDA). Of the remaining \$1.50, the first \$0.50 is deposited into the Casino Revenue Fund while the remaining \$1.00 is remitted to the CRDA.

Atlantic City Projects-Room Fund (P.L. 2001, c.221)

Special Revenue Fund

The Atlantic City Projects-Room Fund facilitates the development of entertainment-retail projects in specified districts located within Atlantic City and promotes the revitalization of other urban areas throughout the State. Room Fund revenue is comprised of Tourism Promotion Fee receipts limited to annual Luxury Tax receipts that exceed the pre-determined baseline amount for a given district. Project Fund revenue is comprised of Sales and Use Tax receipts received from the entertainment-retail vendors within each district project. These funds shall be used by the Casino Reinvestment Development Authority for eligible projects in the corridor regions of Atlantic City.

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

Special Revenue Fund

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 Atlantic City Convention and Visitors Authority. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

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

Special Revenue Fund

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

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

Special Revenue Fund

This fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, 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. 55:14K-14)

Special Revenue Fund

A \$1.0 million appropriation (\$750 thousand from the Casino Revenue Fund and \$250 thousand from the General Fund) initially funded the Boarding House Rental Assistance Fund. This fund finances life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to account for the repayments for such life safety improvement loans.

Body Armor Replacement Fund (P.L. 1997, c.177)

Special Revenue Fund

One dollar for every bail forfeiture and one dollar added to the amount of each fine and penalty collected under authority of any law for any violation of Title 39 of the revised statutes or any other motor vehicle or traffic violation are deposited in this fund. This fund is used exclusively for the purchase of body vests for law enforcement officers and correction officers.

Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)

Special Revenue Fund

This fund was established for the redevelopment and revitalization of the City of Trenton. The State has established the Capital City Redevelopment Corporation to operate within the boundaries of the Trenton district, which plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites. Redevelopment projects are funded via a \$5.0 million General Fund appropriation.

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

Special Revenue Fund

This fund accounts for fees from the issuance and annual renewal of casino licenses and other license fees. The Casino Control Commission and the Division of Gaming Enforcement are funded by appropriations from the Casino Control Fund.

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

Special Revenue Fund

This 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. Other taxes and fees deposited into this fund are the Casino Complimentary Tax, Casino Room Fee, Progressive Slot Tax, and a portion of the Casino Parking Fee. Appropriations from this fund must be used to provide for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

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

Special Revenue Fund

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 deposited into this fund and is used for services to benefit senior citizens.

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

Special Revenue Fund

A portion of the revenue generated from casino simulcasting is deposited into this fund and is disbursed as operating subsidies to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

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

Special Revenue Fund

This fund provides 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 \$1.50 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

Central Pension Fund

Pension Trust Fund

This fund administers a series of noncontributory pension acts. 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.

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

Special Revenue Fund

A user fee on sales of litter-generating products is credited to the Clean Communities Account Fund. Twenty-five percent of the annual amount credited to the fund, but not more than \$4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance credited to the fund is used to provide grants to eligible municipalities for programs of litter pickup and removal; and is also used for a State program of litter pickup and removal and of enforcement of litter-related laws.

Clean Energy Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

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

Special Revenue Fund

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

Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)

Pension Trust Fund

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 are shared: two-thirds by the participating counties and municipalities and one-third by the State.

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

Capital Projects Fund

An amount of \$170 million of General Obligation bonds was authorized for construction of new medium security prisons, county assistance programs, and renovations and modifications to existing State facilities.

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

Capital Projects Fund

An amount of \$198 million of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

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

Special Revenue Fund

An amount of \$100 million of General Obligation bonds 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, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

2003 Dam, Lake and Stream Project Revolving Loan Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$110 million of General Obligation bonds was authorized to make low-interest loans to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects.

2003 Dam, Lake, Stream and Flood Control Project Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$40 million of General Obligation bonds was authorized to provide assistance, other than full or matching grants, to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects, and for State flood control projects or State dam restoration and repair projects.

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

Special Revenue Fund

An amount of \$20 million of General Obligation bonds 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.

Dental Expense Program (N.J.S.A. 52:14-17.29)

Agency Fund

This program helps meet the dental expenses for eligible state and local employees, retirees, and their dependents. There are two separate benefit types available. The Dental Expense Program (DEP) is a self-insured indemnity plan. Included are full coverage of eligible diagnostic and preventive services and substantial benefits for covered restorative services. For active employees there is an annual benefit maximum of \$3,000 and a separate lifetime \$1,000 maximum for child orthodontic services. The DEP also has a "discount network" of providers who have contracts with the insurance carrier which reduces the cost of services to the employee and to the program. In addition to the DEP, there are several Dental Plan Organizations (DPOs) participating in the State program. Similar to HMOs for health care, the DPOs pay for benefits rendered by contracted providers. The DEP is available to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities. Although the cost sharing is subject to bargaining contracts, at this time all State employees use the same rule: the State pays for at least one-half of the cost of coverage. The DEP is offered to local employees whose employers have elected to participate.

Retirees who participate in the State Health Benefits Plan are permitted to enroll themselves and eligible dependents in the DEP at the time of retirement, but are subject to a maximum annual benefit limit of \$1,500. The retiree pays the entire cost.

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

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized to provide 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)

Special Revenue Fund

An amount of \$160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

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

Special Revenue Fund

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. Revenues are generated from annual attorney assessments paid by bar members.

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

Special Revenue Fund

This fund consists of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority to pay principle and interest applicable to bonds for the Market Transition Facility, Motor Vehicle Commission, Special Needs Housing Program, and Motor Vehicle Surcharge Bonds. Excess funds are available for transfer to the State's General Fund.

Dredging and Containment Facility Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of \$185 million of General Obligation bonds was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million of General Obligation bond proceeds was authorized for the purpose of dredging navigation channels located in the port region.

Drinking Water State Revolving Fund (P.L. 1998, c.84)

Special Revenue Fund

This fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

1996 Economic Development Site Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

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

Special Revenue Fund

An amount of \$25 million of General Obligation bonds 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)

Special Revenue Fund

An amount of \$0.50, added to each fine, penalty, and forfeiture imposed and collected under authority of law for any violation of the provisions of Title 39 of the revised statutes or any other motor vehicle or traffic violation, is deposited in this fund. This fund annually reimburses any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

Emergency Services Fund (N.J.S.A. 52:14E-5)

Special Revenue Fund

Funds are appropriated from the General Fund on an as needed basis. This fund reimburses 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.

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

Capital Projects Fund

Of the \$50 million of General Obligation bonds that was authorized, \$3 million is appropriated for energy audits and \$47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

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

Special Revenue Fund

The purpose of this fund is to provide relief in certain areas of economic distress, by reducing sales and use tax paid by up to one half of the current tax rate. The revenues generated in these zones are made available to the municipalities located within the Urban Enterprise Zones for various approved revitalization projects.

1996 Environmental Cleanup Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of \$70 million of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by discharge.

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

Special Revenue Fund

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

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

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for farmland preservation and agricultural use.

1995 Farmland Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)

Special Revenue Fund

The fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. Interest income supports General Fund appropriations set forth by the Annual Appropriations Act for the support of free public schools.

The fund provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts. For bonds issued prior to July 1, 2003, the old school bond reserve account is funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes. For bonds issued on or after July 1, 2003, the new school bond reserve account is funded in an amount equal to at least 1.0 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.

Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

Garden State Preservation Trust (P.L. 1999, c.152)

Special Revenue Fund

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated \$98 million annually in Sales and Use Tax revenues for such purposes. In 2003, voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust the authorization to issue up to \$1.15 billion in bonds.

General Fund

This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Annual Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

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

Special Revenue Fund

An amount of \$83 million of General Obligation bonds was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

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

Special Revenue Fund

This 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)

Special Revenue Fund

An amount of \$100 million of General Obligation bonds was authorized for the identification, cleanup, and removal of hazardous discharges.

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

Special Revenue Fund

An amount of \$200 million of General Obligation bonds 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)

Special Revenue Fund

This fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary for the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Benefits Program Fund – Local (N.J.S.A. 52:14-17.25 et seq.)

Pension Trust Fund

The Health Benefits Program Fund, which includes the Prescription Drug Program Fund (N.J.S.A. 52:14-17.29) provides medical and prescription drug coverage to active and retired local government employees who are qualified members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund, and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service or are on a disability retirement. Active employees may enroll in the preferred provider organization which includes two options named NJ DIRECT10 and NJ DIRECT15 or a health maintenance organization (HMO) plan. An HMO provides employees with complete coverage including wellness and preventative care for medical services provided by affiliated physicians and hospitals. NJ DIRECT is a preferred provider organization that combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals or laboratories. An active local employee or dependent is required to pay a co-payment when visiting an HMO or NJ DIRECT affiliated physician. The prescription drug 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. This program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment for eligible prescription and prescription refill. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

Health Benefits Program Fund – State (N.J.S.A. 52:14-17.25 et seq.)

Pension Trust Fund

The Health Benefits Program Fund, which includes the Prescription Drug Program Fund (N.J.S.A. 52:14-17.29), provides medical and prescription drug coverage to qualified active and retired State employees, including employees of certain independent agencies, such as colleges and universities. Active employees may enroll in NJ DIRECT15 or a health maintenance organization (HMO) plan. Most active employees pay 1.5 percent of salary for State Health Benefits Plan medical coverage regardless of the chosen plan or selected level of coverage. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ DIRECT15 is a preferred provider organization that combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An active State employee or a dependent is required to pay a co-payment when visiting an HMO or NJ DIRECT15 affiliated physician. A small number of employees are represented by bargaining units that have not yet settled their contracts. These employees and their dependents continue to be enrolled in the Traditional Plan or NJ PLUS. The prescription drug 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. This program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment for eligible prescription and prescription refill.

Under P.L. 1977, c.136, the State pays for the health insurance coverage including prescription drug coverage of all enrolled retired State employees whose pensions are based upon 25 years or more of credited service or a disability retirement regardless of years of service, subject to the collective bargaining agreement that was in effect at the time the member attained 25 years of service or was granted a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

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

Special Revenue Fund

This fund is comprised of revenues from cigarette and tobacco taxes, HMO assessments, hospital assessments, cosmetic surgery taxes, ambulatory facility fees, General Fund appropriations, interest, and penalties. Monies in the fund are used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the Family Care-CHIP program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

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

Special Revenue Fund

The sum of \$45 million of General Obligation bonds was appropriated from the Jobs, Education and Competitiveness Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities.

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

Special Revenue Fund

An amount of \$25 million of General Obligation bonds 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 for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

1995 Historic Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$10.0 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation, and Blue Acres Act of 1995. The purpose of this fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)

Special Revenue Fund

The sum of \$3 million was appropriated to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

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

Special Revenue Fund

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

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

Special Revenue Fund

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 that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

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

Capital Projects Fund

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

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

Private Purpose Trust Fund

This fund was 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. Monies are held in trust on behalf of the claimant until such time the claimant is released from State care.

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

Special Revenue Fund

An amount of \$350 million of General Obligation bonds 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)

Special Revenue Fund

An amount of \$90 million of General Obligation bonds 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.

Judicial Retirement System (N.J.S.A. 43:6A)

Pension Trust Fund

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

Judiciary Bail Fund (R.3:26)

Agency Fund

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)

Agency Fund

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)

Agency Fund

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)

Agency Fund

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.

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

Special Revenue Fund

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee as well as income tax designations. The purpose of this fund is to provide maintenance to the memorial which is located in Atlantic City.

1996 Lake Restoration Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)

Special Revenue Fund

This fund was established for the purpose of providing grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units, a portion of the Sales and Use Tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

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

Special Revenue Fund

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, funding for ten Superior Court judgeships, and support 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.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))

Agency Fund

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 Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)

Special Revenue Fund

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, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)

Special Revenue Fund

This fund was established to provide medical malpractice liability insurance premium relief to certain health care providers who have experienced or are experiencing a liability insurance premium increase in an amount established by regulation by the Department of Banking and Insurance. Revenues in the fund are generated from a \$3 per employee surcharge on those businesses who are subject to the "unemployment compensation law" and an annual \$75 assessment of certain health care professionals and attorneys.

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

Special Revenue Fund

An amount of \$25 million of General Obligation bonds 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.

Motor Vehicle Commission Fund (P.L. 2003, c.13)

Capital Projects Fund

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million was transferred to the Administrative Office of the Courts for improvements to the automated traffic system. The remainder was used to make capital improvements to Motor Vehicle Commission facilities.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

Private Purpose Trust Fund

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 or returned to the motorist upon release of liability.

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

Special Revenue Fund

This fund is dedicated for the purpose of reimbursing a developer who enters into a certified redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for a 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

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

Special Revenue Fund

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

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

Special Revenue Fund

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited into this fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

Special Revenue Fund

The New Jersey Building Authority is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the projects. Debt service on outstanding bonds is paid through lease agreements with the State.

1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

New Jersey Cultural Trust Fund (P.L. 2000, c.76)

Special Revenue Fund

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

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

Special Revenue Fund

An amount of \$135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes. Of this amount, \$52 million has been allocated for the acquisition and development of land by the State. An amount of \$83 million has been transferred to the Green Trust Fund for grants or loans to local governmental entities for acquisition or development of land.

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

Special Revenue Fund

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

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

Special Revenue Fund

An amount of \$80 million of General Obligation bonds 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)

Special Revenue Fund

An amount of \$115 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and the Blue Acres Bond Act of 1995 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)

Special Revenue Fund

An amount of \$140 million of General Obligation bonds was 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)

Special Revenue Fund

An amount of \$120 million of General Obligation bonds 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 governmental entities to acquire and develop land for recreation and conservation.

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

Special Revenue Fund

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

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

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)

Special Revenue Fund

The purpose of this fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of \$41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

Special Revenue Fund

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)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

Special Revenue Fund

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding pari-mutuel money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing

New Jersey Schools Development Authority

Special Revenue Fund

On August 6, 2007 legislation created the New Jersey Schools Development Authority, as successor to the New Jersey Schools Construction Corporation. The New Jersey Schools Development Authority is an independent authority that is in but not of the Department of the Treasury. Legislation that established the New Jersey Schools Development Authority encompassed a package of statutory amendments on program and governance reform.

In 1998, the New Jersey Supreme Court ruled in the Abbott v. Burke case that the State must provide 100 percent funding for all school renovation and construction projects in special-needs school districts. According to the Court, aging, unsafe and overcrowded buildings prevented children from receiving the “thorough and efficient” education required under the New Jersey Constitution. In response, the New Jersey Educational Facilities Construction and Financing Act was enacted on July 18, 2000, in order to create the New Jersey Schools Construction Corporation to effectively launch the School Construction Program. Full funding for approved projects was authorized for the 31 special-needs districts, known as Abbotts. Grants totaling 40 percent of eligible costs were made available to the remaining districts, now known as Regular Operating Districts. Overall, the act authorized \$6.0 billion in funding for the Abbotts districts, \$2.5 billion for Regular Operating Districts, and \$100 million for vocational districts.

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

Special Revenue Fund

Receipts from taxes and penalties levied on 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 Spinal Cord Research Fund (P.L. 1999, c.201)

Special Revenue Fund

A \$1 surcharge on motor vehicle fines and penalties are credited to this fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

Pension Trust Fund

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.

New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)

Special Revenue Fund

The New Jersey Transportation Trust Fund Authority was created to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation and the New Jersey Transit Corporation 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)

Special Revenue Fund

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.

Pension Adjustment Fund (N.J.S.A. 43:3B)

Agency Fund

The Pension Adjustment Fund (PAF) is a pay-as-you-go multiple-employer defined benefit plan which was established in 1958 under the provisions of N.J.S.A. 43:3B. The PAF provides a cost-of-living increase through a yearly State appropriation which is disbursed monthly to the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and the Central Pension Fund.

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

Special Revenue Fund

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)

Special Revenue Fund

An amount of \$30 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local governmental entities for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

Police and Firemen's Retirement System (N.J.S.A. 43:16A)

Pension Trust Fund

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.

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

Special Revenue Fund

This fund was established to fund the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The fund is credited with a \$2 per employee fee imposed upon employers and collected by the New Jersey Department of Labor.

Prison Officers' Pension Fund (N.J.S.A. 43:7)

Pension Trust Fund

This is a closed system for certain employees of State penal institutions and is funded on a pay -as-you-go basis.

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

Special Revenue Fund

This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use 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. P.L. 2006, c.44 increased the Sales and Use Tax rate to seven percent from six percent. Of the additional one percent, one half of a percent was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

Public Employees' Retirement System (N.J.S.A. 43:15A)

Pension Trust Fund

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.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)

Capital Projects Fund

An amount of \$125 million of General Obligation bonds was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and the equipping of State and community-based human services facilities and State correctional facilities.

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

Capital Projects Fund

An amount of \$159 million of General Obligation bonds 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. The fund also provided \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities that provide Medicaid funded beds.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Special Revenue Fund

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.

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

Special Revenue Fund

An amount of \$85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Agency Fund

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.

Retail Margin Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues collected from a "retail margin charge" collected mostly from large commercial and industrial utility customers. Funds generated from this charge are used to support initiatives of the Board of Public Utilities related to commercial and industrial-based customers.

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

Special Revenue Fund

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)

Special Revenue Fund

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)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds 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 was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million was allocated for State loans to counties and municipalities.

Solid Waste Service Tax Fund (P.L. 1985, c.38)

Agency Fund

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.

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

Capital Projects Fund

This fund was established in accordance with the enactment provisions of the New Jersey Transportation Trust Fund Authority. 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 State Legislature.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Special Revenue Fund

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.

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

Capital Projects Fund

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

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

Special Revenue Fund

An amount of \$200 million of General Obligation bonds 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)

Proprietary Fund

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Remaining balances are paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. 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-External Portion (N.J.S.A. 52:18A-90.4)

Investment Trust Fund

This fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

State-Owned Real Property Fund (P.L. 2007, c.108)

Special Revenue Fund

Proceeds from the sale of surplus, State-owned real property are deposited into this fund. The monies in the fund are dedicated only for the relief of State debt or to assist in funding capital improvement projects.

State Police Retirement System (N.J.S.A. 53:5A)

Pension Trust Fund

This system is the State Police Retirement and Benevolent Fund's successor. 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.

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

Special Revenue Fund

An amount of \$200 million of General Obligation bonds was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, 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)

Special Revenue Fund

Beginning on April 1, 2008, a \$3.00 per ton tax is levied on the owner or operator of every solid waste facility as well as on solid waste collectors that transport solid waste for out-of-state disposal. Revenues also consist of transfers from the Clean Communities Account Fund and the Solid Waste Service Tax Fund. Monies in the fund are used for: direct recycling grants to counties and municipalities; aid to counties for preparing, revising, and implementing solid waste management plans; state recycling program planning and program funding; aid to counties for public information and education programs concerning recycling programs; and for state grants to institutions of higher education to conduct research in recycling.

1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)

Capital Projects Fund

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

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

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the cost 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)

Special Revenue Fund

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.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Pension Trust Fund

Any active, contributing member of the seven 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.

Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)

Special Revenue Fund

The monies in this fund are used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers. Each worker shall contribute 0.0175 percent of their wages to the Fund as determined by paragraph (3) of subsection (b) of R.S. 43:21-7.

Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)

Pension Trust Fund

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.

Tobacco Settlement Financing Corporation, Inc. (P.L. 2002, c.32)

Special Revenue Fund

The Tobacco Settlement Financing Corporation, Inc. has been established in, but not of, the Department of the Treasury. The State sold to the corporation rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement (MSA) reached between 46 states and the major tobacco companies. The Corporation has sold and refinanced Tobacco Settlement Asset-Backed Bonds. Receipts under the MSA were pledged to the bondholders, with any unpledged revenue available to the State.

Tobacco Settlement Fund

Special Revenue Fund

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this fund. The MSA is the national settlement reached with the tobacco industry in which participating states are expected to be paid in perpetuity.

Tourism Improvement and Development Fund (P.L. 1992, c.165)

Special Revenue Fund

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.

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

Special Revenue Fund

This fund was established to assist the New Jersey Supreme Court in the administration of the certification function for civil or criminal trial attorneys. Revenues are generated by payments made by members of the Bar of the State of New Jersey and sponsors of Continuing Legal Education (CLE) programs.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

Special Revenue Fund

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

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

Private Purpose Trust Fund

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 are 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 Insurance Payments on Deposit Accounts Fund

Private Purpose Trust 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.

Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)

Special Revenue Fund

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion is retained in the fund and used to pay claims duly presented and allowed.

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

Special Revenue Fund

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, authorized training programs, and economic development activities.

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

Proprietary Fund

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, whereby 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.

Universal Services Fund (P.L. 1999, c.23)

Special Revenue Fund

Monies deposited into this fund are generated from a "societal benefit charge" on monthly utility bills. The funds generated from the charge support the Lifeline program, clean energy initiatives and provide financial assistance to low income utility customers.

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)

Special Revenue Fund

This fund was 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. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders. Revenues are derived from General Fund appropriations, as well as contributions from University affiliated hospitals and from University faculty members.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

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

Special Revenue Fund

This fund receives monies from donations and income tax designations 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)

Special Revenue Fund

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. Revenues consist of General Fund appropriations and interest on loan repayments.

Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

Agency Fund

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.

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

Special Revenue Fund

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, \$145 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. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

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

Special Revenue Fund

An amount of \$45 million was authorized for the purpose of making zero percent loans to local governmental entities 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)

Special Revenue Fund

An amount of \$271 million of General Obligation bonds 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.

2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$5 million of General Obligation bonds was authorized to establish reserve accounts to secure debt issued by the New Jersey Environmental Infrastructure Trust and loan guarantee accounts to secure debt issued by a local government unit. Monies in the reserve and loan guarantee accounts may be made available to the New Jersey Department of Environmental Protection, with the concurrence of the New Jersey Environmental Infrastructure Trust, for temporary use by the department in implementing the provisions of the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003.

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

Special Revenue Fund

An amount of \$350 million of General Obligation bonds 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.

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

Special Revenue Fund

P.L. 1986 c.144 created a surtax on the corporate business tax to be deposited into the Hazardous Discharge Site Cleanup Fund. Of the amount deposited, \$60 million was transferred to this fund to provide 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)

Special Revenue Fund

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 allocated for expenses incurred by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Workers' Compensation Security Fund (P.L. 2004, c.179)

Special Revenue Fund

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited into this fund. Payments are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

Other Information

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Balance July 1, 2007*</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers/ Adjustments**</u>	<u>Balance June 30, 2008</u>
FUNCTION:					
Public safety and criminal justice	\$ 1,575,724,680	\$ 72,240,678	\$ 22,951,266	\$ (14,167,503)	\$ 1,610,846,589
Physical and mental health	288,478,785	36,785,292	282,764	(3,557,624)	321,423,689
Educational, cultural, and intellectual development	402,427,281	20,740,441	--	(5,720,580)	417,447,142
Community development and environmental management	2,388,466,334	105,683,583	391,189	24,269,263	2,518,027,991
Economic planning, development, and security	223,833,908	70,504,035	31,875,415	8,783,047	271,245,575
Transportation programs	19,746,936,195	1,439,775,440	1,779,247	(185,864)	21,184,746,524
Government direction, management, and control	729,512,103	70,783,593	40,585,949	16,551,220	776,260,967
Special government services	<u>306,351,302</u>	<u>7,753,795</u>	<u>--</u>	<u>(18,613,183)</u>	<u>295,491,914</u>
Total Gross Capital Assets By Function	<u>\$ 25,661,730,588</u>	<u>\$ 1,824,266,857</u>	<u>\$ 97,865,830</u>	<u>\$ 7,358,776</u>	<u>\$ 27,395,490,391</u>

* The opening balance has been restated by \$143,712,773 to reflect the addition of software assets and revised building improvements.

** Transfers/Adjustments represent a revaluation and reclassification of assets among statewide functions.

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION
JUNE 30, 2008**

	<u>Land and Easements</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
FUNCTION:			
Public safety and criminal justice	\$ 21,040,372	\$ 60,937,782	\$ 1,066,055,951
Physical and mental health	1,142,826	893,788	173,719,149
Educational, cultural, and intellectual development	9,236,111	14,618,740	279,919,726
Community development and environmental management	2,101,003,056	81,706,018	280,171,674
Economic planning, development, and security	1,257,969	221,819	181,388,879
Transportation programs	2,191,412,060	9,383,769	169,386,322
Government direction, management, and control	12,919,101	39,746,987	542,831,688
Special government services	<u>2,408,922</u>	<u>577,280</u>	<u>174,872,716</u>
Total Gross Capital Assets By Function	<u><u>\$ 4,340,420,417</u></u>	<u><u>\$ 208,086,183</u></u>	<u><u>\$ 2,868,346,105</u></u>

Machinery, Equipment, and Software	Infrastructure	Construction in Progress	Total
\$ 143,537,798	\$ 38,109,134	\$ 281,165,552	\$ 1,610,846,589
40,249,609	6,581,403	98,836,914	321,423,689
59,220,471	12,257,765	42,194,329	417,447,142
18,029,664	5,043,405	32,074,174	2,518,027,991
83,881,126	364,927	4,130,855	271,245,575
113,966,484	16,202,636,074	2,497,961,815	21,184,746,524
102,807,807	988,497	76,966,887	776,260,967
<u>3,418,086</u>	<u>--</u>	<u>114,214,910</u>	<u>295,491,914</u>
<u>\$ 565,111,045</u>	<u>\$ 16,265,981,205</u>	<u>\$ 3,147,545,436</u>	<u>\$ 27,395,490,391</u>

**STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Balance July 1, 2007*</u>	<u>Depreciation Expense</u>	<u>Deductions</u>	<u>Transfers/ Adjustments</u>	<u>Balance June 30, 2008</u>
FUNCTION:					
Public safety and criminal justice	\$ 802,181,529	\$ 61,324,179	\$ 19,222,578	\$ (10,761,362)	\$ 833,521,768
Physical and mental health	131,607,219	14,742,027	29,088,875	(3,017,874)	114,242,497
Educational, cultural, and intellectual development	205,444,206	15,105,557	--	(7,745,701)	212,804,062
Community development and environmental management	187,558,531	13,697,440	166,987	7,241,171	208,330,155
Economic planning, development, and security	67,163,742	21,021,070	1,175,476	3,193,174	90,202,510
Transportation programs	5,919,886,676	409,584,328	1,254,242	203,537	6,328,420,299
Government direction, management, and control	272,678,062	29,665,994	35,652,142	10,887,055	277,578,969
Special government services	97,890,209	6,287,898	--	--	104,178,107
Total Accumulated Depreciation By Function	<u>\$ 7,684,410,174</u>	<u>\$ 571,428,493</u>	<u>\$ 86,560,300</u>	<u>\$ --</u>	<u>\$ 8,169,278,367</u>

* The accumulated depreciation beginning balance has been increased by \$39,199,107 to reflect the revised land improvements, software, and building improvements.



**STATE OF NEW JERSEY
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Bonded Debt	General Obligation Bonds		
	<u>Amount Authorized</u>	<u>Amount Unissued</u>	<u>Year Authorized</u>
General Obligation Bond Act			
Clean Waters	\$ 120,000,000	\$ 3,750,000	1976
Community Development	85,000,000	--	1982
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	200,000,000	68,750,000	2003
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction	160,000,000	--	1994
Energy Conservation	50,000,000	1,600,000	1980
Green Acres, Cultural Centers and Historic Preservation	100,000,000	1,000,000	1987
Green Acres, Farmland, Blue Acres, and Historic Preservation	200,000,000	200,000,000	2007
Green Acres, Farmland and Historic Preservation, and Blue Acres	340,000,000	21,000,000	1995
Hazardous Discharge	100,000,000	43,000,000	1981
Hazardous Discharge	200,000,000	48,000,000	1986
Jobs, Education and Competitiveness	350,000,000	--	1988
Natural Resources	145,000,000	9,600,000	1980
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	115,000,000	--	1989
New Jersey Green Acres	135,000,000	14,500,000	1983
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	345,000,000	23,780,000	1992
New Jersey Open Space Preservation	300,000,000	26,000,000	1989
Pinelands Infrastructure Trust	30,000,000	8,000,000	1985
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	300,000,000	119,000,000	1996
Public Purpose Buildings and Community-Based Facilities Construction	125,000,000	5,000,000	1989
Refunding Bonds	5,220,479,598	--	1985
Resource Recovery and Solid Waste Disposal Facility	85,000,000	--	1985
State Land Acquisition and Development	200,000,000	--	1978
Statewide Transportation and Local Bridge	500,000,000	--	1999
Stormwater Management and Combined Sewer Overflow Abatement	50,000,000	16,000,000	1989
Urban and Rural Centers Unsafe Buildings Demolition	20,000,000	--	1997
Water Conservation	271,000,000	--	1969
Water Supply	350,000,000	93,400,000	1981
Subtotal General Obligation Bond Acts	\$ 10,096,479,598	\$ 702,380,000	
General Obligation Debt-Capital Appreciation Bonds Subject to Accretion			
Total General Obligation Bonds - Government-Wide Basis			
Revenue Bonds Payable			
Capital Leases			
Installment Obligations			
Certificates of Participation			
Unamortized Premium			
Tobacco Settlement Financing Corporation			
Unamortized Deferral on Refunding			
Unamortized Interest on Capital Appreciation Bonds			
Subtotal Bonded Debt			
Non-Bonded Debt			
Accumulated Sick and Vacation Payable			
Capital Leases			
Loans Payable			
Net Pension Obligation			
OPEB Liability			
Other *			
Subtotal Non-Bonded Debt			
Total Debt			

* Restated-See Note 10 - Long-Term Obligations

Outstanding July 1, 2007	Issued	Retired	Outstanding June 30, 2008
\$ 95,000	\$ 1,250,000	\$ 120,000	\$ 1,225,000
300,000	--	300,000	--
--	131,250,000	2,725,000	128,525,000
34,305,000	5,000,000	6,995,000	32,310,000
565,000	--	210,000	355,000
3,510,000	8,000,000	675,000	10,835,000
--	--	--	--
82,180,000	4,500,000	12,435,000	74,245,000
1,680,000	--	495,000	1,185,000
31,095,000	--	8,960,000	22,135,000
6,980,000	--	1,585,000	5,395,000
17,035,000	--	895,000	16,140,000
9,930,000	--	3,075,000	6,855,000
95,000	--	95,000	--
51,585,000	3,000,000	11,200,000	43,385,000
12,160,000	--	4,270,000	7,890,000
--	--	--	--
48,705,000	80,000,000	3,405,000	125,300,000
8,020,000	--	1,310,000	6,710,000
2,332,139,928	--	189,924,446	2,142,215,482
4,705,000	--	1,085,000	3,620,000
1,465,000	1,500,000	235,000	2,730,000
174,090,000	--	15,960,000	158,130,000
3,485,000	5,500,000	540,000	8,445,000
7,250,000	--	3,535,000	3,715,000
685,000	--	685,000	--
--	--	--	--
2,832,059,928	240,000,000	270,714,446	2,801,345,482
32,630,072	--	15,440,554	17,189,518
2,864,690,000	240,000,000	286,155,000	2,818,535,000
12,739,620,001	1,387,395,000	424,620,000	13,702,395,001
297,830,000	--	11,275,000	286,555,000
17,185,158,543	3,368,700,000	2,335,827,690	18,218,030,853
58,835,734	23,781,445	27,909,100	54,708,079
1,397,407,017	120,119,366	104,765,612	1,412,760,771
4,643,694,015	--	52,285,315	4,591,408,700
(924,227,466)	(9,581,198)	(68,154,426)	(865,654,238)
(6,522,644,357)	(89,218,689)	(264,264,696)	(6,347,598,350)
31,740,363,487	5,041,195,924	2,910,418,595	33,871,140,816
578,527,546	326,372,141	309,043,866	595,855,821
384,982,557	97,921,058	72,351,855	410,551,760
1,279,358,087	--	--	1,279,358,087
3,761,278,709	998,088,912	--	4,759,367,621
--	3,177,400,000	--	3,177,400,000
251,088,570	276,655,015	251,088,570	276,655,015
6,255,235,469	4,876,437,126	632,484,291	10,499,188,304
\$ 37,995,598,956	\$ 9,917,633,050	\$ 3,542,902,886	\$ 44,370,329,120

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	CASINO CONTROL FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and fees	74,312,834	72,974,834	72,510,556	(464,278)
Investment earnings	200,000	500,000	462,419	(37,581)
Other	--	--	--	--
Total Revenues	74,512,834	73,474,834	72,972,975	(501,859)
OTHER FINANCING SOURCES				
Transfers from other funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
Total Revenues and Other Financing Sources	74,512,834	73,474,834	72,972,975	(501,859)
EXPENDITURES				
Public safety and criminal justice	44,983,292	44,983,292	43,491,321	1,491,971
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	29,679,542	29,679,542	28,065,276	1,614,266
Special government services	--	--	--	--
Total Expenditures	74,662,834	74,662,834	71,556,597	3,106,237
Net change in fund balance	(150,000)	(1,188,000)	1,416,378	2,604,378
FUND BALANCES - JULY 1, 2007	150,000	1,487,663	1,487,663	--
FUND BALANCES - JUNE 30, 2008	\$ --	\$ 299,663	\$ 2,904,041	\$ 2,604,378

CASINO REVENUE FUND			
Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
\$ 429,483,000	\$ 409,102,000	\$ 410,331,582	\$ 1,229,582
--	--	--	--
3,000,000	1,500,000	1,345,473	(154,527)
12,331,609	12,331,609	13,064,711	733,102
<u>444,814,609</u>	<u>422,933,609</u>	<u>424,741,766</u>	<u>1,808,157</u>
550,000	1,381,000	2,679,357	1,298,357
<u>550,000</u>	<u>1,381,000</u>	<u>2,679,357</u>	<u>1,298,357</u>
445,364,609	424,314,609	427,421,123	3,106,514
--	--	--	--
373,458,607	356,589,718	356,594,453	(4,735)
32,516,000	31,047,273	32,514,012	(1,466,739)
2,440,000	2,329,787	2,440,000	(110,213)
36,928,002	35,259,987	36,928,000	(1,668,013)
--	--	--	--
92,000	87,844	92,000	(4,156)
<u>445,434,609</u>	<u>425,314,609</u>	<u>428,568,465</u>	<u>(3,253,856)</u>
(70,000)	(1,000,000)	(1,147,342)	(147,342)
<u>10,070,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>--</u>
<u>\$ 10,000,000</u>	<u>\$ --</u>	<u>\$ (147,342)</u>	<u>\$ (147,342)</u>

(Continued on next page)

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

GUBERNATORIAL ELECTIONS FUND				
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and fees	--	--	--	--
Investment earnings	--	--	--	--
Other	700,000	700,000	537,583	(162,417)
Total Revenues	700,000	700,000	537,583	(162,417)
OTHER FINANCING SOURCES				
Transfers from other funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
Total Revenues and Other Financing Sources	700,000	700,000	537,583	(162,417)
EXPENDITURES				
Public safety and criminal justice	--	--	--	--
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	--	--	--	--
Special government services	--	--	--	--
Total Expenditures	--	--	--	--
Net change in fund balance	700,000	700,000	537,583	(162,417)
FUND BALANCES - JULY 1, 2007	700,000	552,527	552,527	--
FUND BALANCES - JUNE 30, 2008	\$ 1,400,000	\$ 1,252,527	\$ 1,090,110	\$ (162,417)

TOTAL NON-MAJOR GOVERNMENTAL FUNDS			
Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
\$ 429,483,000	\$ 409,102,000	\$ 410,331,582	\$ 1,229,582
74,312,834	72,974,834	72,510,556	(464,278)
3,200,000	2,000,000	1,807,892	(192,108)
13,031,609	13,031,609	13,602,294	570,685
<u>520,027,443</u>	<u>497,108,443</u>	<u>498,252,324</u>	<u>1,143,881</u>
550,000	1,381,000	2,679,357	1,298,357
<u>550,000</u>	<u>1,381,000</u>	<u>2,679,357</u>	<u>1,298,357</u>
<u>520,577,443</u>	<u>498,489,443</u>	<u>500,931,681</u>	<u>2,442,238</u>
44,983,292	44,983,292	43,491,321	1,491,971
373,458,607	356,589,718	356,594,453	(4,735)
32,516,000	31,047,273	32,514,012	(1,466,739)
2,440,000	2,329,787	2,440,000	(110,213)
36,928,002	35,259,987	36,928,000	(1,668,013)
29,679,542	29,679,542	28,065,276	1,614,266
92,000	87,844	92,000	(4,156)
<u>520,097,443</u>	<u>499,977,443</u>	<u>500,125,062</u>	<u>(147,619)</u>
480,000	(1,488,000)	806,619	2,294,619
<u>10,920,000</u>	<u>3,040,190</u>	<u>3,040,190</u>	<u>--</u>
<u>\$ 11,400,000</u>	<u>\$ 1,552,190</u>	<u>\$ 3,846,809</u>	<u>\$ 2,294,619</u>

**STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Explanation of differences between budgetary inflows and outflows
and GAAP revenues and expenditures**

	<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Gubernatorial Elections Fund</u>
Sources/inflows of resources:			
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	\$72,972,975	\$427,421,123	\$537,583
Differences--budget to GAAP: No reconciling items.	--	--	--
	<u>\$72,972,975</u>	<u>\$427,421,123</u>	<u>\$537,583</u>
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$72,972,975</u>	<u>\$427,421,123</u>	<u>\$537,583</u>
Uses/outflows of resources:			
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	\$71,556,597	\$428,568,465	\$ -
Differences--budget to GAAP: Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(964,540)	(37,384,711)	--
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	<u>512,694</u>	<u>35,628,759</u>	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	<u>\$71,104,751</u>	<u>\$426,812,513</u>	<u>\$ -</u>

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
MAJOR TAXES				
Sales	\$ 8,900,400,000	\$ 8,915,515,422	100	\$ 15,115,422
Sales Tax Dedication	(674,000,000)	(665,991,710)	98	8,008,290
Corporation Business	2,623,000,000	3,062,378,873	116	439,378,873
Cigarette	236,809,000	251,247,605	106	14,438,605
Motor Fuels	572,000,000	563,266,276	98	(8,733,724)
Transfer Inheritance	618,000,000	698,694,013	113	80,694,013
Insurance Premium	466,000,000	512,689,682	110	46,689,682
Motor Vehicle Fees	278,444,000	265,743,354	95	(12,700,646)
Realty Transfer	380,000,000	320,751,817	84	(59,248,183)
Petroleum Products Gross Receipts	233,000,000	230,666,835	98	(2,333,165)
Corporation Banks and Financial Institutions	130,000,000	70,850,577	54	(59,149,423)
Alcoholic Beverage Excise	93,000,000	93,101,187	100	101,187
Tobacco Products Wholesale Sales	13,000,000	14,360,266	110	1,360,266
Public Utility Excise	10,726,000	12,233,800	114	1,507,800
Savings Institutions	--	68,234	--	68,234
TOTAL MAJOR TAXES	13,880,379,000	14,345,576,231	103	465,197,231
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	366,000	366,000	100	--
Miscellaneous Revenue	362,000	3,175	1	(358,825)
Total Department of Agriculture	728,000	369,175	50	(358,825)
Department of Banking and Insurance:				
Actuarial Services	55,000	119,646	217	64,646
Bank Assessments	9,200,000	9,417,642	102	217,642
Banking Examination Fees	--	2,330	--	2,330
Banking Licenses and Other Fees	3,400,000	3,180,028	93	(219,972)
FAIR Act Administration	16,500,000	23,348,141	141	6,848,141
Fraud Fines	2,000,000	1,495,227	74	(504,773)
Insurance Examination Billings	2,500,000	2,076,089	83	(423,911)
Insurance Fraud Prevention	32,000,000	30,958,671	96	(1,041,329)
Insurance Licenses and Other Fees	25,480,000	40,210,748	157	14,730,748
Insurance Special Purpose Assessment	15,000,000	12,090,513	80	(2,909,487)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Real Estate Commission	6,500,000	7,849,327	120	1,349,327
Total Department of Banking and Insurance	112,635,000	130,748,362	116	18,113,362
Department of Children and Families:				
Child Care Licensing/Adoption Law	350,000	307,469	87	(42,531)
Marriage License Fees	1,309,000	1,256,477	95	(52,523)
Total Department of Children and Families	1,659,000	1,563,946	94	(95,054)
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation Fair Housing	20,765,000	20,765,000	100	--
Construction Fees	14,675,000	14,675,000	100	--
Divorce Filing Fees	1,400,000	1,563,900	111	163,900
Fire Safety	15,722,000	15,722,000	100	--
Housing Inspection Fees	8,558,000	8,558,000	100	--
Planned Real Estate Development Fees	828,000	828,000	100	--
Total Department of Community Affairs	61,948,000	62,111,900	100	163,900
Department of Corrections:				
Miscellaneous Revenue	--	75,417	--	75,417
Total Department of Corrections	--	75,417	--	75,417
Department of Education:				
Audit Recoveries	550,000	1,239,790	225	689,790
Audit of Enrollments	41,000	41,849	102	849
Local School District Loan Recoveries-NJEDA	6,486,000	7,009,579	108	523,579
Nonpublic Schools Handicapped and Auxiliary Recoveries	4,000,000	13,912,904	347	9,912,904
Nonpublic Schools Textbook Recoveries	1,200,000	1,368,060	114	168,060
School Construction Inspection Fees	1,100,000	498,704	45	(601,296)
State Board of Examiners	4,800,000	4,800,000	100	--
Total Department of Education	18,177,000	28,870,886	158	10,693,886
Department of Environmental Protection:				
Air Pollution Fees	19,400,000	18,876,232	97	(523,768)
Air Pollution Fines	2,800,000	7,373,457	263	4,573,457
Air Toxics Surcharge	--	(3,845)	--	(3,845)
Clean Water Enforcement Act	1,510,000	3,327,980	220	1,817,980

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Coastal Area Facility Review Act	3,330,000	1,889,660	56	(1,440,340)
Endangered Species Tax Checkoff	158,000	158,000	100	--
Environmental Infrastructure Financing Program Administrative Fee	5,000,000	5,000,000	100	--
Excess Diversion	251,000	319,636	127	68,636
Freshwater Wetlands Fees	5,310,000	4,000,652	75	(1,309,348)
Freshwater Wetlands Fines	200,000	602,945	301	402,945
Hazardous Waste Fees	4,211,000	2,903,863	68	(1,307,137)
Hazardous Waste Fines	700,000	668,177	95	(31,823)
Highlands Permitting	670,000	541,475	80	(128,525)
Hunters' and Anglers' Licenses	11,000,000	11,000,000	100	--
Industrial Site Recovery Act	980,000	704,400	71	(275,600)
Laboratory Certification Fees	2,400,000	800,733	33	(1,599,267)
Laboratory Certification Fines	80,000	81,992	102	1,992
Marina Rentals	885,000	885,000	100	--
Marine Lands - Preparation and Filing Fees	140,000	171,818	122	31,818
Medical Waste	4,400,000	4,635,314	105	235,314
Miscellaneous Revenue	--	62,664	--	62,664
New Jersey Pollutant Discharge Elimination System / Stormwater Permits	16,700,000	16,700,000	100	--
Parks Management Fees and Permits	4,300,000	4,300,000	100	--
Parks Management Fines	165,000	123,427	74	(41,573)
Pesticide Control Fees	4,200,000	4,491,495	106	291,495
Pesticide Control Fines	50,000	84,616	169	34,616
Radiation Protection Fees	3,898,000	3,885,074	99	(12,926)
Radiation Protection Fines	88,000	164,202	186	76,202
Radon Testers Certification	280,000	223,148	79	(56,852)
Shellfish and Marine Fisheries	9,000	8,257	91	(743)
Solid and Hazardous Waste Disclosure	--	266,245	--	266,245
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	--
Solid Waste Fines	650,000	944,442	145	294,442
Solid Waste Management Fees	7,482,000	7,294,386	97	(187,614)
Spring Meadow Golf Course	300,000	250,000	83	(50,000)
Stream Encroachment	3,710,000	3,757,513	101	47,513
Toxic Catastrophe Prevention Fees	1,500,000	1,455,822	97	(44,178)
Toxic Catastrophe Prevention Fines	48,000	100,800	210	52,800
Treatment Works Approval	1,957,000	1,625,114	83	(331,886)
Underground Storage Tanks Fees	1,200,000	1,457,115	121	257,115

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	OVER (UNDER) ANTICIPATION
Water Allocation	2,050,000	2,050,000	100	--
Water Supply Management Regulations	1,300,000	1,720,655	132	420,655
Water/Wastewater Operators Licenses	215,000	202,185	94	(12,815)
Waterfront Development Fees	3,510,000	3,314,688	94	(195,312)
Waterfront Development Fines	10,000	17,850	178	7,850
Well Permits/Well Drillers/ Pump Installers Licenses	1,100,000	1,100,000	100	--
Wetlands	44,000	44,000	100	--
Worker Community Right to Know Fines	48,000	60,400	125	12,400
Total Department of Environmental Protection	121,339,000	122,741,587	101	1,402,587
Department of Health and Senior Services:				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	--
Health Care Reform	1,200,000	1,200,000	100	--
HMO Covered Lives	1,800,000	1,571,279	87	(228,721)
Licenses, Fines, Permits, Penalties and Fees	790,000	790,000	100	--
Miscellaneous Revenue	400,000	317,463	79	(82,537)
Total Department of Health and Senior Services	10,190,000	9,878,742	96	(311,258)
Department of Human Services:				
Early Periodic Screening, Diagnosis and Treatment	1,800,000	2,147,981	119	347,981
Medicaid Uncompensated Care-Acute	273,500,000	289,881,364	105	16,381,364
Medicaid Uncompensated Care-Mental Health	36,160,000	39,797,843	110	3,637,843
Medicaid Uncompensated Care-Psychiatric	178,685,000	175,701,007	98	(2,983,993)
Medical Assistance-Federal Match on PAAD Medicaid Dual Eligibles	--	457,488	--	457,488
Miscellaneous Revenue	1,500,000	185,903	12	(1,314,097)
Patients' and Residents' Cost Recoveries - Developmental Disability	16,642,000	16,495,197	99	(146,803)
Patients' and Residents' Cost Recoveries - Psychiatric Hospitals	63,016,000	75,838,070	120	12,822,070
School Based Medicaid	--	17,121,378	--	17,121,378
Total Department of Human Services	571,303,000	617,626,231	108	46,323,231
Department of Labor:				
Miscellaneous Revenue	155,000	132,515	85	(22,485)
Special Compensation Fund	1,739,000	1,739,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	
Workers' Compensation Assessment	12,639,000	12,639,000	100	--
Workplace Standards - Licenses, Permits and Fines	4,720,000	4,720,000	100	--
Total Department of Labor	19,253,000	19,230,515	99	(22,485)
Department of Law and Public Safety:				
Beverage Licenses	3,960,000	3,960,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
General Consumer Affairs	--	1,200	--	1,200
Legalized Games of Chance Control	1,200,000	1,200,000	100	--
New Jersey Cemetery Board	111,000	111,000	100	--
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	450,000	450,000	100	--
Audiology and Speech Language Pathology Advisory	270,000	270,000	100	--
Certified Psychoanalysts	40,000	--	--	(40,000)
Certified Public Accountants	42,000	42,000	100	--
Chiropractors	545,000	545,000	100	--
Cosmetology and Hairstyling	970,000	970,000	100	--
Court Reporting	122,000	122,000	100	--
Dentistry	1,650,000	1,650,000	100	--
Electrical Contractors	120,000	120,000	100	--
Marriage Counselor Examiners	93,000	93,000	100	--
Master Plumbers	45,000	45,000	100	--
Medical Examiners	2,710,000	2,710,000	100	--
Mortuary Science	225,000	225,000	100	--
Nursing	6,450,000	6,450,000	100	--
Occupational Therapists and Assistants	24,000	24,000	100	--
Ophthalmic Dispensers and Ophthalmic Technicians	242,000	242,000	100	--
Optometrists	18,000	18,000	100	--
Orthotics and Prosthetics	5,000	3,205	64	(1,795)
Pharmacy	450,000	450,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	
Physical Therapy	301,000	301,000	100	--
Polysomnography	50,000	--	--	(50,000)
Professional Engineers and Land Surveyors	960,000	960,000	100	--
Professional Planners	215,000	215,000	100	--
Psychological Examiners	60,000	60,000	100	--
Real Estate Appraisers	410,000	410,000	100	--
Respiratory Care	301,000	301,000	100	--
Social Workers	120,000	120,000	100	--
Veterinary Medical Examiners	42,000	42,000	100	--
Division of State Police:				
Fingerprint Fees	3,694,000	3,694,000	100	--
Nuclear Facilities Security Detail	1,600,000	2,568,010	160	968,010
Other Licenses	227,000	295,542	130	68,542
Private Detective Licenses	220,000	220,000	100	--
EDA School Construction Recoveries	499,000	--	--	(499,000)
Forfeiture Funds	250,000	250,000	100	--
Miscellaneous Revenue	--	85,116	--	85,116
Pleasure Boat Licenses	3,000,000	2,694,124	89	(305,876)
Securities Enforcement	8,994,000	8,994,000	100	--
Violent Crime Compensation	3,930,000	3,930,000	100	--
Total Department of Law and Public Safety	48,280,000	48,506,197	100	226,197
Department of Military and Veterans' Affairs:				
Nuclear Facilities Securities Detail	2,930,000	4,984,961	170	2,054,961
Soldiers' Homes	37,370,000	38,978,537	104	1,608,537
Total Department of Military and Veterans' Affairs	40,300,000	43,963,498	109	3,663,498
Department of the Public Advocate:				
Licenses, Fines, Permits, Penalties and Fees	--	16,215	--	16,215
Office of Dispute Settlement Mediation	158,000	56,989	36	(101,011)
Rate Counsel	7,296,000	7,296,000	100	--
Total Department of the Public Advocate	7,454,000	7,369,204	98	(84,796)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	
Department of State:				
Governor's Teaching Scholars Program Loan Repayment	77,000	55,304	71	(21,696)
Miscellaneous Revenue	25,000	9,476	37	(15,524)
Total Department of State	102,000	64,780	63	(37,220)
Department of Transportation:				
Air Safety Fund	965,000	723,279	74	(241,721)
Applications and Highway Permits	1,300,000	1,300,000	100	--
Auto Body Repair Shop Licensing	50,000	41,135	82	(8,865)
Autonomous Transportation Authorities	24,500,000	24,503,874	100	3,874
Commercial Bus Safety Fines	--	1,425	--	1,425
Drunk Driving Fines	350,000	469,441	134	119,441
Good Driver	71,950,000	75,570,143	105	3,620,143
Graduated Driver's License	1,390,000	1,509,105	108	119,105
Heavy Duty Diesel Fines	500,000	406,672	81	(93,328)
Interest on Purchase of Right-of-Way	5,000	36,852	737	31,852
Logo Sign Program Fees	300,000	300,000	100	--
Miscellaneous Revenue	--	49,125	--	49,125
Motor Vehicle Database - Automated Access	47,500,000	50,403,079	106	2,903,079
Motor Vehicle Inspection Fund	77,200,000	76,541,549	99	(658,451)
Motor Vehicle Security - Responsibility Law Administration	--	(97,984)	--	(97,984)
Outdoor Advertising	740,000	740,000	100	--
Parking Offenses	450,000	427,785	95	(22,215)
Salvage Title Program	1,100,000	1,109,000	100	9,000
Special Plate Fees	1,000,000	89,583	8	(910,417)
Tow Truck Marker Fee	--	121,375	--	121,375
Uninsured Motorists Program	5,700,000	4,554,512	79	(1,145,488)
Total Department of Transportation	235,000,000	238,799,950	101	3,799,950
Department of the Treasury:				
Assessment on Real Property Greater Than \$1 Million	140,000,000	118,688,847	84	(21,311,153)
Assessments - Cable TV	4,564,000	4,886,000	107	322,000
Assessments - Public Utility	30,327,000	31,952,986	105	1,625,986
Casino Fines	--	662,325	--	662,325
Coin Operated Telephones	4,300,000	4,428,040	102	128,040
Commercial Recording Expedited	2,853,000	2,853,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
	TO JUNE 30, 2008	AMOUNT	PERCENT	
Domestic Security	34,500,000	33,951,428	98	(548,572)
Dormitory Safety Trust Fund - Debt Service Recovery	5,698,000	--	--	(5,698,000)
Enhanced Debt Collection	47,000,000	--	--	(47,000,000)
Equipment Leasing Fund - Debt Service Recovery	3,480,000	3,531,739	101	51,739
Escrow Interest - Construction Accounts	81,000	61,100	75	(19,900)
Fur Clothing Gross Receipts	2,000,000	1,640,017	82	(359,983)
General Revenue - Fees	49,800,000	52,314,691	105	2,514,691
Higher Education Capital Improvement Fund - Debt Service Recovery	15,299,000	--	--	(15,299,000)
Hotel/Motel Occupancy Tax	79,000,000	86,285,708	109	7,285,708
Investment Earnings	--	45,171,992	--	45,171,992
Miscellaneous Revenue	2,200,000	11,225,073	510	9,025,073
New Jersey Public Records Preservation	46,900,000	34,992,212	74	(11,907,788)
Notary Commissions	1,900,000	1,629,281	85	(270,719)
Non-Pledged Dedicated Cigarette Tax	41,599,000	--	--	(41,599,000)
Nuclear Emergency Response Assessment	4,266,000	5,335,000	125	1,069,000
Public Defender Client Receipts	4,900,000	5,236,120	106	336,120
Public Utility Fines	1,000,000	1,307,700	130	307,700
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	87,100,000	87,556,994	100	456,994
Railroad Tax:				
Class II	3,800,000	2,998,642	78	(801,358)
Franchise	1,000,000	1,475,858	147	475,858
Surplus Property	2,500,000	1,929,769	77	(570,231)
Tax Referral Cost Recovery Fee	5,000,000	6,091,028	121	1,091,028
Telephone Assessment	127,000,000	130,245,001	102	3,245,001
Tire Clean-Up Surcharge	10,000,000	9,637,313	96	(362,687)
Transitional Energy Facilities Assessment	232,104,000	257,221,724	110	25,117,724
Total Department of the Treasury	990,171,000	943,309,588	95	(46,861,412)
Other Sources:				
Miscellaneous Revenue	500,000	13,275,187	2,655	12,775,187
Total Other Sources	500,000	13,275,187	2,655	12,775,187

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Inter-Departmental Accounts:				
Administration and Investment of Pension and Health Benefits Funds - Recoveries	5,185,000	3,114,000	60	(2,071,000)
Employee Maintenance Deductions	300,000	419,423	139	119,423
Fringe Benefit Recoveries from Colleges and Universities	150,930,000	144,819,017	95	(6,110,983)
Fringe Benefit Recoveries from Federal and Other Funds	246,025,000	233,177,878	94	(12,847,122)
Fringe Benefit Recoveries from School Districts	54,600,000	51,384,521	94	(3,215,479)
Indirect Cost Recoveries - DEP Other Funds	9,291,000	8,519,890	91	(771,110)
MTF Revenue Fund	46,500,000	30,806,282	66	(15,693,718)
Rent of State Building Space	1,900,000	2,922,877	153	1,022,877
Social Security Recoveries from Federal and Other Funds	64,444,000	64,723,991	100	279,991
Total Inter-Departmental Accounts	579,175,000	539,887,879	93	(39,287,121)
Judicial Branch:				
Court Fees	64,160,000	68,763,771	107	4,603,771
Total Judicial Branch	64,160,000	68,763,771	107	4,603,771
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	2,882,374,000	2,897,156,815	100	14,782,815
INTERFUND TRANSFERS				
Beaches and Harbor Fund	70,000	45,622	65	(24,378)
Clean Energy Fund	10,000,000	10,000,000	100	--
Clean Waters Fund	--	18,065	--	18,065
Correctional Facilities Construction Fund	14,000	24,861	177	10,861
Correctional Facilities Construction Fund - 1987	26,000	31,325	120	5,325
Cultural Centers and Historic Preservation Fund	100,000	48,714	48	(51,286)
Dam, Lake, Stream and Flood Control Project Fund - 2003	--	270,492	--	270,492
Developmental Disabilities Waiting List Reduction Fund	106,000	324,146	305	218,146
Dredging and Containment Facility Fund	375,000	375,000	100	--
Emergency Flood Control Fund	15,000	14,721	98	(279)
Energy Conservation Fund	15,000	12,113	80	(2,887)
Enterprise Zone Assistance Fund	14,567,000	12,066,641	82	(2,500,359)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Fund for Support of Free Public Schools	6,050,000	4,939,504	81	(1,110,496)
Garden State Farmland Preservation Trust Fund	1,764,000	1,691,866	95	(72,134)
Garden State Green Acres Preservation Trust Fund	5,007,000	4,787,425	95	(219,575)
Garden State Historic Preservation Trust Fund	616,000	453,302	73	(162,698)
Hazardous Discharge Fund	10,000	7,793	77	(2,207)
Hazardous Discharge Site Cleanup Fund	15,196,000	14,773,125	97	(422,875)
Housing Assistance Fund	276,000	180,456	65	(95,544)
Human Services Facilities Construction Fund	--	1,824	--	1,824
Jobs, Education and Competitiveness Fund	43,000	84,965	197	41,965
Jobs, Science and Technology Fund	--	69	--	69
Judiciary Bail Fund	1,840,000	1,550,699	84	(289,301)
Judiciary Child Support and Paternity Fund	560,000	327,702	58	(232,298)
Judiciary Probation Fund	500,000	398,854	79	(101,146)
Judiciary Special Civil Fund	170,000	130,148	76	(39,852)
Judiciary Superior Court Miscellaneous Fund	250,000	208,667	83	(41,333)
Legal Services Fund	10,410,000	11,204,125	107	794,125
Mortgage Assistance Fund	752,000	839,936	111	87,936
Motor Vehicle Security Responsibility Fund	3,000	10,142	338	7,142
Natural Resources Fund	78,000	144,008	184	66,008
New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund	308,000	266,268	86	(41,732)
New Jersey Green Acres Fund - 1983	850,000	849,181	99	(819)
New Jersey Spill Compensation Fund	15,232,000	14,879,167	97	(352,833)
New Jersey Workforce Development Partnership Fund	17,426,000	13,540,150	77	(3,885,850)
Pollution Prevention Fund	1,497,000	1,496,423	99	(577)
Public Purpose Buildings and Community- Based Facilities Construction Fund	107,000	131,435	122	24,435
Public Purpose Buildings Construction Fund	8,000	6,615	82	(1,385)
Resource Recovery Investment Tax Fund	--	372	--	372
Safe Drinking Water Fund	2,333,000	2,215,345	94	(117,655)
School Fund Investment Account	3,809,000	3,808,286	99	(714)
Shore Protection Fund	495,000	428,336	86	(66,664)
Solid Waste Service Tax Fund	9,000	8,192	91	(808)
State Disability Benefit Fund	103,581,000	102,866,995	99	(714,005)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
State Land Acquisition and Development Fund	30,000	19,044	63	(10,956)
State Lottery Fund	845,000,000	882,058,235	104	37,058,235
State Lottery Fund - Administration	21,818,000	20,210,157	92	(1,607,843)
State of New Jersey Cash Management Fund	2,540,000	2,798,460	110	258,460
State Recreation and Conservation Land Acquisition and Development Fund	10,000	19,376	193	9,376
1999 Statewide Transportation and Local Bridge Fund	500,000	1,031,697	206	531,697
Supplemental Workforce Fund for Basic Skills	2,000,000	1,997,623	99	(2,377)
Tobacco Settlement Fund	114,308,000	117,548,065	102	3,240,065
Unclaimed Personal Property Trust Fund	244,900,000	244,900,000	100	--
Unclaimed Utility Deposits Trust Fund	280,000	144,327	51	(135,673)
Unemployment Compensation Auxiliary Fund	26,297,000	26,558,519	100	261,519
Universal Services Fund	72,570,000	73,136,444	100	566,444
Wage and Hour Trust Fund	75,000	107,433	143	32,433
Water Conservation Fund	32,000	30,921	96	(1,079)
Water Supply Fund	4,126,000	4,021,988	97	(104,012)
Worker and Community Right to Know Fund	3,664,000	3,281,443	89	(382,557)
TOTAL INTERFUND TRANSFERS	<u>1,552,618,000</u>	<u>1,583,326,807</u>	101	<u>30,708,807</u>
TOTAL REVENUES, GENERAL FUND	<u>\$ 18,315,371,000</u>	<u>\$ 18,826,059,853</u>	102	<u>\$ 510,688,853</u>

STATE OF NEW JERSEY
 SCHEDULE OF ANTICIPATED REVENUE
 CASINO CONTROL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
License Fees	\$ 73,689,000	\$ 72,510,556	98	\$ (1,178,444)
Investment Income	200,000	462,419	231	262,419
TOTAL CASINO CONTROL FUND	\$ 73,889,000	\$ 72,972,975	98	\$ (916,025)

STATE OF NEW JERSEY
 SCHEDULE OF ANTICIPATED REVENUE
 CASINO REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Revenue Tax	\$ 400,745,000	\$ 383,183,274	95	\$ (17,561,726)
Casino Simulcasting Fund	550,000	546,254	99	(3,746)
Investment Income	3,000,000	1,345,473	44	(1,654,527)
Other Casino Taxes and Fees	28,738,000	27,911,638	97	(826,362)
TOTAL CASINO REVENUE FUND	\$ 433,033,000	\$ 412,986,639	95	\$ (20,046,361)

STATE OF NEW JERSEY
 SCHEDULE OF ANTICIPATED REVENUE
 GUBERNATORIAL ELECTIONS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Taxpayers' Designations	\$ 700,000	\$ 537,583	76	\$ (162,417)
TOTAL GUBERNATORIAL ELECTIONS FUND	\$ 700,000	\$ 537,583	76	\$ (162,417)

STATE OF NEW JERSEY
 SCHEDULE OF ANTICIPATED REVENUE
 PROPERTY TAX RELIEF FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ANTICIPATED TO JUNE 30, 2008	REALIZED TO JUNE 30, 2008		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Gross Income Tax	\$ 12,379,000,000	\$ 12,605,545,164	101	\$ 226,545,164
Sales Tax Dedication	674,000,000	665,991,710	98	(8,008,290)
TOTAL PROPERTY TAX RELIEF FUND	\$ 13,053,000,000	\$ 13,271,536,874	101	\$ 218,536,874

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
LEGISLATIVE BRANCH	\$ --	\$ --	\$ 320	\$ 320
EXECUTIVE BRANCH				
Chief Executive	--	--	409,343	409,343
Agriculture	2,356,210	274,976,502	9,467,053	286,799,765
Banking and Insurance	1,023,178	--	4,866,973	5,890,151
Children and Families	--	130,014,140	64,919,403	194,933,543
Community Affairs	27,654,775	354,543,418	90,628,376	472,826,569
Corrections	--	6,732,630	62,115,107	68,847,737
Education	969,373	797,858,803	16,003,522	814,831,698
Environmental Protection	39,156,984	52,443,321	25,301,131	116,901,436
Health and Senior Services	14,206,256	342,599,630	289,097,089	645,902,975
Human Services	209,020,052	5,519,350,793	827,184,262	6,555,555,107
Labor and Workforce Development	56,583,406	355,184,269	155,347,847	567,115,522
Law and Public Safety	122,340,429	124,362,777	181,575,530	428,278,736
Military and Veterans' Affairs	2,964,036	36,935,192	1,234,428	41,133,656
Personnel	4,806,748	--	--	4,806,748
Public Advocate	150,653	--	581,029	731,682
State	10,996	27,585,709	27,126,156	54,722,861
Transportation	3,431,450	33,926,907	366,738,049	404,096,406
Treasury	152,240,557	2,819,129	1,267,417,141	1,422,476,827
Interdepartmental	590,028	--	--	590,028
TOTAL EXECUTIVE BRANCH	637,505,131	8,059,333,220	3,390,012,439	12,086,850,790
JUDICIAL BRANCH	3,216,678	1,188,542	66,891,498	71,296,718
TOTAL APPROPRIATED REVENUE	\$ 640,721,809	\$ 8,060,521,762	\$ 3,456,904,257	\$ 12,158,147,828

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
EXECUTIVE BRANCH				
Health and Senior Services	\$ 12,301,386	\$ --	\$ --	\$ 12,301,386
TOTAL APPROPRIATED REVENUE	\$ 12,301,386	\$ --	\$ --	\$ 12,301,386

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Legislative Branch	\$ 75,476,666	\$ 20,582,459	\$ 75,668,665
Executive Branch			
Chief Executive's Office	5,056,000	1,400,501	5,116,583
Agriculture	9,238,000	4,064,418	11,832,609
Banking and Insurance	70,311,000	1,833,564	67,683,085
Children and Families	309,450,000	21,910,588	318,241,696
Community Affairs	38,878,000	26,001,700	59,421,235
Corrections	974,226,000	38,479,409	986,964,218
Education	77,233,000	6,650,882	71,161,551
Environmental Protection	245,229,449	63,284,405	265,295,281
Health and Senior Services	72,245,000	26,957,331	87,385,549
Human Services	484,363,928	197,989,288	537,910,568
Labor and Workforce Development	63,314,000	59,698,686	110,840,459
Law and Public Safety	507,280,000	240,788,343	642,407,009
Military and Veterans' Affairs	89,379,073	8,841,525	90,700,719
Personnel	22,437,000	7,730,682	24,289,386
Public Advocate	19,202,000	6,775,757	17,528,992
State	27,005,000	17,297,702	36,992,938
Transportation	96,831,500	10,423,379	101,250,300
Treasury	453,170,985	125,511,915	507,750,164
Miscellaneous Executive Commissions	1,444,000	8,764	1,452,222
Inter-Departmental Accounts	2,353,915,211	(2,904,612)	2,194,166,052
Total Executive Branch	<u>5,920,209,146</u>	<u>862,744,227</u>	<u>6,138,390,616</u>
Judicial Branch	<u>594,398,000</u>	<u>24,389,858</u>	<u>577,749,476</u>
TOTAL DIRECT STATE SERVICES	<u>\$ 6,590,083,812</u>	<u>\$ 907,716,544</u>	<u>\$ 6,791,808,757</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,801,277	\$ --	\$ 18,589,183
7,920	54,819	1,277,179
186,642	--	1,283,167
956,943	2,995,990	508,546
9,461,106	3,231,856	425,930
707,931	139,187	4,611,347
11,714,610	1,422,797	12,603,784
8,505,366	3,617,239	599,726
15,091,699	777,648	27,349,226
5,322,651	3,788,511	2,705,620
11,783,692	5,765,536	126,893,420
5,449,708	3,326,562	3,395,957
17,310,270	2,552,268	85,798,796
4,347,960	386,542	2,785,377
1,663,884	6,179	4,208,233
451,671	3,490,179	4,506,915
4,118,202	113,405	3,078,157
4,625,110	711,437	668,032
27,932,506	18,289,029	24,711,201
81	--	461
7,598,377	61,818,073	87,428,097
<u>137,236,329</u>	<u>112,487,257</u>	<u>394,839,171</u>
<u>27,724,182</u>	<u>2,597</u>	<u>13,311,603</u>
<u>\$ 166,761,788</u>	<u>\$ 112,489,854</u>	<u>\$ 426,739,957</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GRANTS-IN-AID			
Executive Branch			
Agriculture	\$ 5,175,000	\$ 2,248,504	\$ 5,626,787
Children and Families	754,909,000	(8,882,066)	705,766,346
Community Affairs	54,255,000	25,613,959	50,984,000
Corrections	151,098,000	389,500	132,544,452
Education	31,688,000	(1,270,676)	23,856,319
Environmental Protection	35,947,000	39,944,961	8,336,521
Health and Senior Services	1,382,646,000	(6,425,088)	1,287,603,241
Human Services	3,897,582,477	280,791,218	3,919,608,451
Labor and Workforce Development	329,735,000	(500,000)	313,949,163
Law and Public Safety	28,085,000	314,205	10,945,450
Military and Veterans' Affairs	3,044,000	107,278	2,241,558
State	1,245,881,000	22,105,971	1,243,488,940
Transportation	298,200,000	3,359,719	298,229,969
Treasury	408,285,526	72,544,996	376,210,983
Inter-Departmental Accounts	912,346,000	(11,158,954)	887,890,976
Total Executive Branch	9,538,877,003	419,183,527	9,267,283,156
Judicial Branch	--	7,896	6,477
TOTAL GRANTS-IN-AID	\$ 9,538,877,003	\$ 419,191,423	\$ 9,267,289,633
STATE AID			
Executive Branch			
Agriculture	\$ 11,727,000	\$ 3,162,265	\$ 10,969,233
Community Affairs	52,281,000	7,282,654	50,520,771
Education	639,355,000	2,099,582	625,459,254
Environmental Protection	11,216,000	403,617	8,165,481
Health and Senior Services	9,552,000	--	6,612,235
Human Services	281,122,000	8,695,199	284,849,793
Labor and Workforce Development	1,522,000	--	1,285,403
Law and Public Safety	53,045,000	(3,868,262)	28,567,451
State	18,520,000	10,000,000	18,468,582
Transportation	--	200,000	200,000
Treasury	238,277,000	37,762,986	222,033,737
Total Executive Branch	1,316,617,000	65,738,041	1,257,131,940
TOTAL STATE AID	\$ 1,316,617,000	\$ 65,738,041	\$ 1,257,131,940

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 584,121	\$ --	\$ 1,212,596
8,132,096	32,128,492	--
26,189,901	48,339	2,646,719
1,617,992	6,415,558	10,909,498
5,707,306	853,699	--
950,000	80,374	66,525,066
35,998,532	51,569,521	1,049,618
65,738,526	78,751,928	114,274,790
15,281,043	2,827	1,967
14,806,126	300,168	2,347,461
325,143	64,238	520,339
9,989,648	60,773	14,447,610
54,440	--	3,275,310
3,237,907	27,194,995	74,186,637
37,500	12,554,447	704,123
<u>188,650,281</u>	<u>210,025,359</u>	<u>292,101,734</u>
<u>1,419</u>	<u>--</u>	<u>--</u>
<u>\$ 188,651,700</u>	<u>\$ 210,025,359</u>	<u>\$ 292,101,734</u>
\$ --	\$ --	\$ 3,920,032
1,610,950	437,807	6,994,126
688,072	357,596	14,949,660
3,256,163	4,870	193,103
2,801,042	138,723	--
1,365,015	--	3,602,391
195,810	40,787	--
6,798,580	1,171,594	12,639,113
--	51,418	10,000,000
--	--	--
33,616	2,141,146	51,831,487
<u>16,749,248</u>	<u>4,343,941</u>	<u>104,129,912</u>
<u>\$ 16,749,248</u>	<u>\$ 4,343,941</u>	<u>\$ 104,129,912</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
CAPITAL CONSTRUCTION			
Legislative Branch	\$ --	\$ 2,340,744	\$ 1,500
Executive Branch			
Agriculture	250,000	1,799,182	247,742
Children and Families	--	9,632,360	4,077,791
Corrections	3,936,000	8,928,604	(881,869)
Education	2,800,000	2,870,202	918,444
Environmental Protection	117,024,000	104,679,594	69,978,550
Health and Senior Services	--	159,466	17,213
Human Services	2,800,000	15,519,360	1,331,656
Law and Public Safety	3,800,000	10,520,259	1,203,836
Military and Veterans' Affairs	1,318,000	6,633,996	520,731
State	--	404,671	401,579
Transportation	895,000,000	191,174	895,000,000
Treasury	6,500,000	14,307,043	7,755,094
Inter-Departmental Accounts	931,206,000	65,275,303	920,717,524
Total Executive Branch	<u>1,964,634,000</u>	<u>240,921,214</u>	<u>1,901,288,291</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$ 1,964,634,000</u>	<u>\$ 243,261,958</u>	<u>\$ 1,901,289,791</u>
DEBT SERVICE			
Executive Branch			
Environmental Protection	\$ 56,790,000	\$ 8,942,551	\$ 65,732,164
Treasury	382,007,000	(8,942,551)	362,937,433
Total Executive Branch	<u>438,797,000</u>	<u>--</u>	<u>428,669,597</u>
TOTAL DEBT SERVICE	<u>\$ 438,797,000</u>	<u>\$ --</u>	<u>\$ 428,669,597</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,500	\$ --	\$ 2,337,744
801,267	--	1,000,173
1,136,669	4,000,000	417,900
1,828,810	--	11,917,663
315,705	--	4,436,053
25,083,210	--	126,641,834
--	--	142,253
1,635,756	497,280	14,854,668
3,400,204	--	9,716,219
3,728,166	--	3,703,099
--	--	3,092
--	191,174	--
1,133,022	--	11,918,927
6,946,643	223,236	68,593,900
<u>46,009,452</u>	<u>4,911,690</u>	<u>253,345,781</u>
<u>\$ 46,010,952</u>	<u>\$ 4,911,690</u>	<u>\$ 255,683,525</u>
\$ --	\$ 387	\$ --
--	10,127,016	--
<u>--</u>	<u>10,127,403</u>	<u>--</u>
<u>\$ --</u>	<u>\$ 10,127,403</u>	<u>\$ --</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
FEDERAL			
Legislative Branch	\$ --	\$ 1,670	\$ 1,670
Executive Branch			
Agriculture	328,624,287	5,740,499	231,800,719
Children and Families	376,910,000	27,839,060	361,120,616
Community Affairs	382,304,554	18,914,784	330,309,177
Corrections	10,178,713	3,301,871	8,053,912
Education	801,239,642	48,905,035	749,826,305
Environmental Protection	230,403,633	20,711,756	39,456,838
Health and Senior Services	1,681,667,432	68,436,809	1,456,664,734
Human Services	4,062,411,246	199,413,865	3,875,591,396
Labor and Workforce Development	429,125,333	75,265,675	318,828,439
Law and Public Safety	230,910,988	89,518,788	101,197,834
Military and Veterans' Affairs	51,682,591	43,721,751	32,840,151
Personnel	--	332,851	332,028
Public Advocate	1,650,000	54,268	1,027,619
State	38,500,710	1,979,427	27,315,165
Transportation	61,656,000	(1,713,226)	21,092,335
Treasury	5,441,000	12,130,970	4,321,508
Total Executive Branch	<u>8,692,706,129</u>	<u>614,554,183</u>	<u>7,559,778,776</u>
Judicial Branch	<u>93,403,000</u>	<u>2,247,924</u>	<u>86,392,373</u>
TOTAL FEDERAL	<u>\$ 8,786,109,129</u>	<u>\$ 616,803,777</u>	<u>\$ 7,646,172,819</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ --
42,737,749	--	59,826,318
4,285,201	--	39,343,243
39,495,876	--	31,414,285
594,520	--	4,832,152
34,636,250	--	65,682,122
8,851,261	--	202,807,290
99,599,797	--	193,839,710
84,929,041	3,000	301,301,674
65,154,076	--	120,408,493
26,113,932	--	193,118,010
32,742,524	--	29,821,667
823	--	--
105,682	--	570,967
2,480,178	--	10,684,794
4,509,892	--	34,340,547
1,276,099	--	11,974,363
<u>447,512,901</u>	<u>3,000</u>	<u>1,299,965,635</u>
<u>409,446</u>	<u>--</u>	<u>8,849,105</u>
<u>\$ 447,922,347</u>	<u>\$ 3,000</u>	<u>\$ 1,308,814,740</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
REVOLVING FUNDS			
Legislative Branch	\$ --	\$ 1,880	\$ 1,880
Executive Branch			
Community Affairs	--	18,024,224	8,207,675
Corrections	--	31,456,991	32,304,318
Education	--	3,638,131	2,239,615
Environmental Protection	--	1,232,032	744,844
Health and Senior Services	--	21,488,044	16,286,119
Human Services	--	6,033,370	6,348,337
Labor and Workforce Development	--	2,267,126	1,147,374
Law and Public Safety	--	287,233	(1,468,650)
State	--	1,008,631	586,930
Transportation	--	533,908	232,761
Treasury	--	128,876,614	98,549,114
Total Executive Branch	<u>--</u>	<u>214,846,304</u>	<u>165,178,437</u>
TOTAL REVOLVING FUNDS	<u>\$ --</u>	<u>\$ 214,848,184</u>	<u>\$ 165,180,317</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ --
5,539,080	--	4,277,469
94,443	--	(941,770)
186,807	--	1,211,709
31,463	--	455,725
1,071,089	--	4,130,836
12,337	--	(327,304)
304,642	--	815,110
--	--	1,755,883
30,539	--	391,162
26,505	--	274,642
<u>12,920,857</u>	<u>1,081,279</u>	<u>16,325,364</u>
<u>20,217,762</u>	<u>1,081,279</u>	<u>28,368,826</u>
<u>\$ 20,217,762</u>	<u>\$ 1,081,279</u>	<u>\$ 28,368,826</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
ALL OTHER			
Legislative Branch	\$ --	\$ 29,908	\$ --
Executive Branch			
Chief Executive's Office	--	1,385,244	608,071
Agriculture	--	14,219,533	10,101,027
Banking and Insurance	--	5,341,052	4,758,507
Children and Families	--	69,122,658	56,230,634
Community Affairs	--	200,211,016	36,195,593
Corrections	--	37,826,947	29,510,589
Education	--	18,543,460	13,119,494
Environmental Protection	--	57,390,253	12,546,314
Health and Senior Services	--	336,719,097	253,488,694
Human Services	--	858,598,463	806,160,589
Labor and Workforce Development	--	174,572,020	167,611,209
Law and Public Safety	--	253,033,527	208,096,964
Military and Veterans' Affairs	--	1,703,225	776,365
Personnel	--	194	--
Public Advocate	--	691,728	428,193
State	--	41,662,650	30,065,933
Transportation	--	450,025,571	305,116,886
Treasury	--	1,343,224,251	1,192,233,114
Inter-Departmental Accounts	--	6,939,478	44,737
Total Executive Branch	<u>--</u>	<u>3,871,210,367</u>	<u>3,127,092,913</u>
Judicial Branch	<u>--</u>	<u>84,069,744</u>	<u>48,589,874</u>
TOTAL ALL OTHER	<u>\$ --</u>	<u>\$ 3,955,310,019</u>	<u>\$ 3,175,682,787</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ --	\$ 29,908
--	--	777,173
35,565	--	4,082,941
788	--	581,757
1,321,225	(15)	11,570,814
110,005,971	--	54,009,452
420,278	--	7,896,080
385,073	--	5,038,893
15,323,713	--	29,520,226
10,914,003	--	72,316,400
10,796,056	--	41,641,818
1,184,668	--	5,776,143
18,731,869	--	26,204,694
80,666	--	846,194
--	--	194
34,274	--	229,261
6,805,083	--	4,791,634
36,013,431	--	108,895,254
17,203,175	77,959,843	55,828,119
--	--	6,894,741
<u>229,255,838</u>	<u>77,959,828</u>	<u>436,901,788</u>
<u>8,473,444</u>	<u>--</u>	<u>27,006,426</u>
<u>\$ 237,729,282</u>	<u>\$ 77,959,828</u>	<u>\$ 463,938,122</u>

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

GENERAL FUND SUMMARY	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
Legislative Branch	\$ 75,476,666	\$ 22,956,661	\$ 75,673,715
Executive Branch			
Chief Executive's Office	5,056,000	2,785,745	5,724,654
Agriculture	355,014,287	31,234,401	270,578,117
Banking and Insurance	70,311,000	7,174,616	72,441,592
Children and Families	1,441,269,000	119,622,600	1,445,437,083
Community Affairs	527,718,554	296,048,337	535,638,451
Corrections	1,139,438,713	120,383,322	1,188,495,620
Education	1,552,315,642	81,436,616	1,486,580,982
Environmental Protection	696,610,082	296,589,169	470,255,993
Health and Senior Services	3,146,110,432	447,335,659	3,108,057,785
Human Services	8,728,279,651	1,567,040,763	9,431,800,790
Labor and Workforce Development	823,696,333	311,303,507	913,662,047
Law and Public Safety	823,120,988	590,594,093	990,949,894
Military and Veterans' Affairs	145,423,664	61,007,775	127,079,524
Personnel	22,437,000	8,063,727	24,621,414
Public Advocate	20,852,000	7,521,753	18,984,804
State	1,329,906,710	94,459,052	1,357,320,067
Transportation	1,351,687,500	463,020,525	1,621,122,251
Treasury	1,493,681,511	1,725,416,224	2,771,791,147
Miscellaneous Executive Commissions	1,444,000	8,764	1,452,222
Inter-Departmental Accounts	4,197,467,211	58,151,215	4,002,819,289
Total Executive Branch	27,871,840,278	6,289,197,863	29,844,813,726
Judicial Branch	687,801,000	110,715,422	712,738,200
TOTAL GENERAL FUND SUMMARY	\$ 28,635,117,944	\$ 6,422,869,946	\$ 30,633,225,641

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 1,802,777	\$ --	\$ 20,956,835
7,920	54,819	2,054,352
44,345,344	--	71,325,227
957,731	2,995,990	1,090,303
24,336,297	39,360,333	51,757,887
183,549,709	625,333	103,953,398
16,270,653	7,838,355	47,217,407
50,424,579	4,828,534	91,918,163
68,587,509	863,279	453,492,470
155,707,114	55,496,755	274,184,437
176,260,423	85,017,744	602,241,457
87,569,947	3,370,176	130,397,670
87,160,981	4,024,030	331,580,176
41,224,459	450,780	37,676,676
1,664,707	6,179	4,208,427
591,627	3,490,179	5,307,143
23,423,650	225,596	43,396,449
45,229,378	902,611	147,453,785
63,737,182	136,793,308	246,776,098
81	--	461
14,582,520	74,595,756	163,620,861
<u>1,085,631,811</u>	<u>420,939,757</u>	<u>2,809,652,847</u>
<u>36,608,491</u>	<u>2,597</u>	<u>49,167,134</u>
<u>\$ 1,124,043,079</u>	<u>\$ 420,942,354</u>	<u>\$ 2,879,776,816</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$ 44,599,000	\$ 384,292	\$ 42,718,214
Treasury	29,440,000	239,542	27,873,843
TOTAL CASINO CONTROL FUND	<u>\$ 74,039,000</u>	<u>\$ 623,834</u>	<u>\$ 70,592,057</u>

**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
DIRECT STATE SERVICES			
Health and Senior Services	\$ 871,000	\$ 165,104	\$ 913,545
Law and Public Safety	92,000	--	92,000
GRANTS-IN-AID			
Health and Senior Services	279,928,000	12,166,503	272,949,169
Human Services	112,844,000	--	112,842,012
Labor	2,440,000	--	2,440,000
STATE AID			
Transportation	36,928,000	--	1,947,028
TOTAL CASINO REVENUE FUND	<u>\$ 433,103,000</u>	<u>\$ 12,331,607</u>	<u>\$ 391,183,754</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 773,107	\$ 1,039,099	\$ 452,872
191,433	1,423,545	190,721
<u>\$ 964,540</u>	<u>\$ 2,462,644</u>	<u>\$ 643,593</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ 31,953	\$ 6,690	\$ 83,916
--	--	--
2,371,786	16,773,548	--
--	1,988	--
--	--	--
<u>34,980,972</u>	<u>--</u>	<u>--</u>
<u>\$ 37,384,711</u>	<u>\$ 16,782,226</u>	<u>\$ 83,916</u>

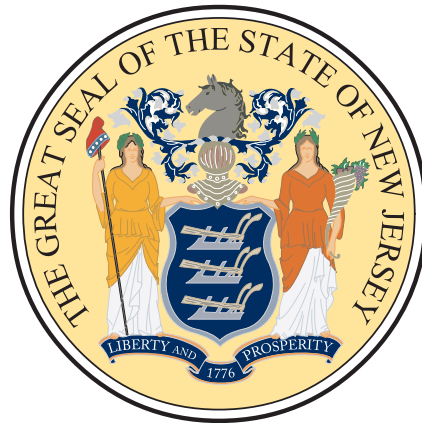
**STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS</u>	<u>OTHER AUTHORIZED APPROPRIATIONS</u>	<u>EXPENDITURES</u>
GRANTS-IN-AID			
Treasury	\$ 2,411,925,474	\$ --	\$ 2,243,398,361
STATE AID			
Community Affairs	1,160,327,000	(131,736,589)	994,220,244
Education	10,257,383,000	(172,656)	10,221,256,653
Environmental Protection	9,827,683	--	9,827,683
Human Services	148,044,000	--	148,044,000
Treasury	224,193,000	--	217,585,060
TOTAL PROPERTY TAX RELIEF FUND	<u>\$ 14,211,700,157</u>	<u>\$ (131,909,245)</u>	<u>\$ 13,834,332,001</u>

<u>ENCUMBRANCES</u>	<u>LAPSED</u>	<u>CONTINUING APPROPRIATIONS</u>
\$ --	\$ 168,527,113	\$ --
16,480,703	53,923	17,835,541
3,122,744	32,830,947	--
--	--	--
--	--	--
--	6,607,940	--
<u>\$ 19,603,447</u>	<u>\$ 208,019,923</u>	<u>\$ 17,835,541</u>

New Jersey CAFR

Statistical Section



2008

**STATE OF NEW JERSEY
STATISTICAL SECTION
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**STATE OF NEW JERSEY
NET ASSETS BY COMPONENT
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

	<u>2008</u>	<u>2007*</u>	<u>2006</u>
<u>Governmental Activities</u>			
Invested in capital assets, net of related debt	\$ 6,868.5	\$ 6,452.0	\$ 5,981.9
Restricted	5,492.5	5,796.5	5,625.8
Unrestricted	(26,396.0)	(20,753.5)	(19,723.0)
Total	<u>\$ (14,035.0)</u>	<u>\$ (8,505.0)</u>	<u>\$ (8,115.3)</u>
<u>Business-type Activities</u>			
Restricted	\$ 1,316.7	\$ 1,143.2	\$ 1,500.6
Unrestricted	--	--	(2.8)
Total	<u>\$ 1,316.7</u>	<u>\$ 1,143.2</u>	<u>\$ 1,497.8</u>
<u>Total Primary Government</u>			
Invested in capital assets, net of related debt	\$ 6,868.5	\$ 6,452.0	\$ 5,981.9
Restricted	6,809.2	6,939.7	7,126.4
Unrestricted	(26,396.0)	(20,753.5)	(19,725.8)
Total	<u>\$ (12,718.3)</u>	<u>\$ (7,361.8)</u>	<u>\$ (6,617.5)</u>

Note:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans* for Fiscal Year 2007, three Special Revenue Funds and three Proprietary Funds were reclassified to Fiduciary Funds. In addition, Invested in capital assets, net of related debt was restated for an increase of \$104.5 million to reflect revised land improvements, software, and building improvements and Unrestricted was increased by \$146.5 million to exclude debt related to other health benefits.

Information presented is based on the accrual basis of accounting.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 6,575.3	\$ 6,167.1	\$ 4,907.4	\$ 4,781.8
4,795.3	3,715.3	4,175.0	3,453.5
(18,987.8)	(14,270.9)	(10,881.7)	(8,258.0)
<u>\$ (7,617.2)</u>	<u>\$ (4,388.5)</u>	<u>\$ (1,799.3)</u>	<u>\$ (22.7)</u>
\$ 1,682.9	\$ 1,697.7	\$ 2,219.8	\$ 2,974.6
(1.3)	--	--	(59.7)
<u>\$ 1,681.6</u>	<u>\$ 1,697.7</u>	<u>\$ 2,219.8</u>	<u>\$ 2,914.9</u>
\$ 6,575.3	\$ 6,167.1	\$ 4,907.4	\$ 4,781.8
6,478.2	5,413.0	6,394.8	6,428.1
(18,989.1)	(14,270.9)	(10,881.7)	(8,317.7)
<u>\$ (5,935.6)</u>	<u>\$ (2,690.8)</u>	<u>\$ 420.5</u>	<u>\$ 2,892.2</u>

STATE OF NEW JERSEY
CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2008</u>	<u>2007**</u>	<u>2006</u>
Governmental Activities			
Expenses			
Public safety and criminal justice	\$ 3,211.8	\$ 3,189.7	\$ 2,827.9
Physical and mental health	10,177.4	9,682.1	9,729.9
Educational, cultural, and intellectual development	15,545.6	14,968.4	14,200.5
Community development and environmental management	2,502.0	2,484.5	2,205.4
Economic planning, development, and security	5,487.7	5,300.7	4,914.9
Transportation programs	1,717.9	2,913.0	2,435.1
Government direction, management, and control	11,865.8	5,835.8	8,251.4
Special government services	344.1	327.5	239.6
Interest expense	1,048.3	975.0	537.0
Total Expenses	<u>51,900.6</u>	<u>45,676.7</u>	<u>45,341.7</u>
Program Revenues			
Charges for services	4,426.5	4,450.7	5,000.6
Operating grants	10,231.0	10,032.7	9,708.5
Capital grants and contributions	116.6	108.5	174.3
Total Program Revenues	<u>14,774.1</u>	<u>14,591.9</u>	<u>14,883.4</u>
Net (Expense) Revenue	<u>(37,126.5)</u>	<u>(31,084.8)</u>	<u>(30,458.3)</u>
General Revenues and Transfers			
Taxes	30,441.3	28,983.4	26,714.1
Investment earnings	181.3	271.7	183.0
Miscellaneous	753.6	752.9	1,627.3
Transfers	220.3	883.2	1,435.8
Special Item - gain on sale of tobacco rights	--	--	--
Total General Revenue and Transfers	<u>31,596.5</u>	<u>30,891.2</u>	<u>29,960.2</u>
Change in Net Assets	<u>(5,530.0)</u>	<u>(193.6)</u>	<u>(498.1)</u>
Net Assets - July 1	<u>(8,505.0)</u>	<u>(8,311.4)</u> *	<u>(7,617.2)</u>
Net Assets - June 30	<u>\$ (14,035.0)</u>	<u>\$ (8,505.0)</u>	<u>\$ (8,115.3)</u>
Business-type Activities			
Expenses			
State Lottery Fund	\$ 1,667.6	\$ 1,544.2	\$ 1,573.3
Unemployment Compensation Fund	2,119.2	1,937.4	1,828.5
Other	--	--	1,959.0
Total Expenses	<u>3,786.8</u>	<u>3,481.6</u>	<u>5,360.8</u>
Program Revenues			
Charges for services	4,559.3	4,307.4	5,859.9
Operating grants	71.3	73.3	102.9
Total Program Revenues	<u>4,630.6</u>	<u>4,380.7</u>	<u>5,962.8</u>
Net (Expense) Revenue	<u>843.8</u>	<u>899.1</u>	<u>602.0</u>
General Revenues and Transfers			
Government subsidies and grants	--	--	--
Transfers	(670.3)	(883.2)	(785.8)
Total General Revenue and Transfers	<u>(670.3)</u>	<u>(883.2)</u>	<u>(785.8)</u>
Change in Net Assets	<u>173.5</u>	<u>15.9</u>	<u>(183.8)</u>
Net Assets - July 1	<u>1,143.2</u>	<u>1,127.3</u> *	<u>1,681.6</u>
Net Assets - June 30	<u>\$ 1,316.7</u>	<u>\$ 1,143.2</u>	<u>\$ 1,497.8</u>
Total Primary Government			
Expenses	\$ 55,687.4	\$ 49,158.3	\$ 50,702.5
Program revenues	19,404.7	18,972.6	20,846.2
Net (Expense) Revenue	<u>(36,282.7)</u>	<u>(30,185.7)</u>	<u>(29,856.3)</u>
General revenues and other changes in net assets	30,926.2	30,008.0	29,174.4
Change in Net Assets	<u>(5,356.5)</u>	<u>(177.7)</u>	<u>(681.9)</u>
Net Assets - July 1	<u>(7,361.8)</u>	<u>(7,184.1)</u> *	<u>(5,935.6)</u>
Net Assets - June 30	<u>\$ (12,718.3)</u>	<u>\$ (7,361.8)</u>	<u>\$ (6,617.5)</u>

Note:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans*, three Special Revenue Funds and three Proprietary Funds were reclassified to Fiduciary Funds. The reclassification of Special Revenue Funds reduced the Fiscal Year 2007 beginning fund balance by \$196.1 million and the reclassification of Proprietary Funds reduced fund balance by \$370.5 million.

** Net Assets was restated by \$104.5 million to reflect revised land improvements, software, and building improvements and by \$146.5 million to exclude debt related to other health benefits.

Information presented is based on the accrual basis of accounting.

2005	2004	2003	2002
\$ 2,916.8	\$ 2,652.5	\$ 2,504.5	\$ 2,485.0
9,565.4	8,809.3	9,305.6	8,952.4
13,609.3	12,562.2	10,686.3	10,117.8
1,997.6	1,228.7	1,959.0	2,207.6
4,123.7	3,714.1	4,046.6	3,577.1
1,724.2	1,774.0	1,561.1	1,541.6
8,086.4	6,027.8	5,763.2	4,951.3
291.6	264.9	236.3	227.2
791.6	750.4	574.7	540.8
<u>43,106.6</u>	<u>37,783.9</u>	<u>36,637.3</u>	<u>34,600.8</u>
4,601.5	3,341.0	3,900.7	3,052.3
9,156.4	8,985.0	9,151.1	9,233.0
125.8	140.9	30.6	23.8
<u>13,883.7</u>	<u>12,466.9</u>	<u>13,082.4</u>	<u>12,309.1</u>
(29,222.9)	(25,317.0)	(23,554.9)	(22,291.7)
23,308.2	20,940.6	19,347.3	18,049.8
84.3	59.8	61.1	42.8
1,569.1	1,939.1	1,647.5	2,194.6
1,032.6	(211.7)	716.9	725.3
--	--	5.5	--
<u>25,994.2</u>	<u>22,727.8</u>	<u>21,778.3</u>	<u>21,012.5</u>
(3,228.7)	(2,589.2)	(1,776.6)	(1,279.2)
(4,388.5)	(1,799.3)	(22.7)	1,256.5
<u>\$ (7,617.2)</u>	<u>\$ (4,388.5)</u>	<u>\$ (1,799.3)</u>	<u>\$ (22.7)</u>
\$ 1,476.4	\$ 1,413.2	\$ 1,339.0	\$ 1,304.7
1,948.5	2,481.5	2,876.3	2,497.1
1,860.6	1,700.7	1,367.1	1,217.5
<u>5,285.5</u>	<u>5,595.4</u>	<u>5,582.4</u>	<u>5,019.3</u>
5,898.4	5,317.5	4,706.4	4,032.0
103.6	481.8	897.8	847.9
<u>6,002.0</u>	<u>5,799.3</u>	<u>5,604.2</u>	<u>4,879.9</u>
716.5	203.9	21.8	(139.4)
--	--	--	246.8
(732.6)	(726.0)	(716.9)	(725.3)
(732.6)	(726.0)	(716.9)	(478.5)
(16.1)	(522.1)	(695.1)	(617.9)
1,697.7	2,219.8	2,914.9	3,532.8
<u>\$ 1,681.6</u>	<u>\$ 1,697.7</u>	<u>\$ 2,219.8</u>	<u>\$ 2,914.9</u>
\$ 48,392.1	\$ 43,379.3	\$ 42,219.7	\$ 39,620.1
19,885.7	18,266.2	18,686.6	17,189.0
<u>(28,506.4)</u>	<u>(25,113.1)</u>	<u>(23,533.1)</u>	<u>(22,431.1)</u>
25,261.6	22,001.8	21,061.4	20,534.0
(3,244.8)	(3,111.3)	(2,471.7)	(1,897.1)
(2,690.8)	420.5	2,892.2	4,789.3
<u>\$ (5,935.6)</u>	<u>\$ (2,690.8)</u>	<u>\$ 420.5</u>	<u>\$ 2,892.2</u>

**STATE OF NEW JERSEY
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>General Fund</u>			
Reserved			
Encumbrances	\$ 923.9	\$ 974.4	\$ 907.6
Surplus Revenue	734.7	484.6	559.8
Other	65.8	251.4	368.1
Unreserved	<u>2,816.9</u>	<u>2,891.4</u>	<u>2,522.7</u>
Total	<u><u>\$ 4,541.3</u></u>	<u><u>\$ 4,601.8</u></u>	<u><u>\$ 4,358.2</u></u>
<u>All Other Governmental Funds</u>			
Reserved			
Encumbrances	\$ 1,247.4	\$ 1,232.2	\$ 896.8
Other	1,633.1	1,538.6	1,605.3
Unreserved			
Special Revenue Funds	2,639.2	3,149.7	4,477.8
Capital Projects Fund	93.6	105.5	119.1
Total	<u><u>\$ 5,613.3</u></u>	<u><u>\$ 6,026.0</u></u>	<u><u>\$ 7,099.0</u></u>
<u>Total</u>			
Reserved			
Encumbrances	\$ 2,171.3	\$ 2,206.6	\$ 1,804.4
Surplus Revenue	734.7	484.6	559.8
Other	1,698.9	1,790.0	1,973.4
Unreserved			
General Fund	2,816.9	2,891.4	2,522.7
Special Revenue Funds*	2,639.2	3,149.7	4,477.8
Capital Projects Fund	93.6	105.5	119.1
Total Governmental Funds	<u><u>\$ 10,154.6</u></u>	<u><u>\$ 10,627.8</u></u>	<u><u>\$ 11,457.2</u></u>

Note:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans* for Fiscal Year 2007, three Special Revenue Funds were reclassified to Fiduciary Funds.

Information presented is based on the modified accrual basis of accounting.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 839.3	\$ 664.4	\$ 630.8	\$ 584.6
288.7	282.4	--	--
369.9	312.8	377.2	103.8
1,689.5	1,491.6	1,243.8	1,240.3
<u>\$ 3,187.4</u>	<u>\$ 2,751.2</u>	<u>\$ 2,251.8</u>	<u>\$ 1,928.7</u>

\$ 629.3	\$ 680.9	\$ 700.1	\$ 746.3
1,601.6	1,632.2	1,064.1	1,571.1
2,638.4	1,901.5	4,203.8	1,563.4
143.3	170.5	168.2	(225.6)
<u>\$ 5,012.6</u>	<u>\$ 4,385.1</u>	<u>\$ 6,136.2</u>	<u>\$ 3,655.2</u>

\$ 1,468.6	\$ 1,345.3	\$ 1,330.9	\$ 1,330.9
288.7	282.4	--	--
1,971.5	1,945.0	1,441.3	1,674.9
1,689.5	1,491.6	1,243.8	1,240.3
2,638.4	1,901.5	4,203.8	1,563.4
143.3	170.5	168.2	(225.6)
<u>\$ 8,200.0</u>	<u>\$ 7,136.3</u>	<u>\$ 8,388.0</u>	<u>\$ 5,583.9</u>

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
REVENUES			
Taxes	\$ 30,404.5	\$ 29,123.4	\$ 25,909.3
Federal and other grants	9,480.3	9,389.9	9,122.2
Licenses and fees	1,252.9	1,361.5	959.8
Services and assessments	2,613.8	2,525.4	2,493.6
Investment earnings	321.3	440.8	321.7
Contributions	0.5	0.1	662.6
Other	2,537.4	2,424.7	3,628.9
Total Revenues	<u>46,610.7</u>	<u>45,265.8</u>	<u>43,098.1</u>
EXPENDITURES			
Public safety and criminal justice	3,317.5	3,247.0	3,155.7
Physical and mental health	10,251.2	9,703.7	9,732.6
Educational, cultural, and intellectual development	15,760.9	15,173.6	14,405.1
Community development and environmental management	2,659.1	2,618.8	2,446.6
Economic planning, development, and security	5,603.1	5,376.6	4,981.2
Transportation programs	2,788.1	2,855.2	3,106.2
Government direction, management, and control	7,946.5	6,783.5	7,134.2
Special government services	331.8	328.0	313.3
Capital Outlay	318.6	105.0	573.5
Debt Service:			
Principal	613.9	558.2	48.2
Interest	805.4	779.7	361.3
Total Expenditures	<u>50,396.1</u>	<u>47,529.3</u>	<u>46,257.9</u>
Excess (deficiency) of revenues over expenditures	<u>(3,785.4)</u>	<u>(2,263.5)</u>	<u>(3,159.8)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	1,507.7	48.8	2,850.1
Transfers from (to) other funds	220.3	883.3	1,435.8
Other	1,584.2	698.1	2,131.1
Total	<u>3,312.2</u>	<u>1,630.2</u>	<u>6,417.0</u>
Change in Fund Balance	(473.2)	(633.3)	3,257.2
Fund balances - July 1	10,627.8	11,261.1 *	8,200.0
Fund balances - June 30	<u>\$ 10,154.6</u>	<u>\$ 10,627.8</u>	<u>\$ 11,457.2</u>
Debt Service as a percentage of noncapital expenditures:**	2.8%	2.8%	0.9%

Notes:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans*, three Special Revenue Funds were reclassified to Fiduciary Funds. This reclassification reduced the Fiscal Year 2007 beginning fund balance by \$196.1 million.

** Debt Service as a percentage of noncapital expenditures is defined as total debt service divided by total expenditures minus capital outlay and expenditures for capitalized assets included within the functional categories.

Information presented is based on the modified accrual basis of accounting.

2005	2004	2003	2002
\$ 23,395.5	\$ 21,008.9	\$ 19,491.1	\$ 18,196.3
8,594.9	8,495.2	7,954.5	7,658.5
930.6	811.5	979.1	875.1
2,172.7	1,835.3	1,798.6	1,705.5
149.2	96.9	103.0	101.1
646.7	281.9	510.3	231.3
3,508.8	3,213.8	6,560.9	3,560.6
<u>39,398.4</u>	<u>35,743.5</u>	<u>37,397.5</u>	<u>32,328.4</u>
2,989.7	2,733.5	2,548.0	2,546.8
9,603.5	8,826.6	9,315.2	8,863.6
13,909.5	12,723.6	10,813.0	10,249.9
2,341.5	2,160.1	2,050.0	2,260.5
4,233.2	3,763.6	4,087.1	3,620.8
2,483.8	2,551.9	2,225.7	2,252.4
7,335.6	5,505.4	5,476.9	5,199.0
299.9	270.9	239.1	230.7
237.6	326.3	863.1	1,122.3
390.5	483.4	418.7	399.4
623.3	650.5	457.8	439.2
<u>44,448.1</u>	<u>39,995.8</u>	<u>38,494.6</u>	<u>37,184.6</u>
<u>(5,049.7)</u>	<u>(4,252.3)</u>	<u>(1,097.1)</u>	<u>(4,856.2)</u>
1,000.5	1,139.8	895.0	1,014.6
1,032.6	(211.7)	716.9	725.3
4,080.3	2,072.5	2,289.3	1,122.3
<u>6,113.4</u>	<u>3,000.6</u>	<u>3,901.2</u>	<u>2,862.2</u>
1,063.7	(1,251.7)	2,804.1	(1,994.0)
7,136.3	8,388.0	5,583.9	7,577.9
<u>\$ 8,200.0</u>	<u>\$ 7,136.3</u>	<u>\$ 8,388.0</u>	<u>\$ 5,583.9</u>
2.3%	2.9%	2.3%	2.3%

**STATE OF NEW JERSEY
FUND BALANCE SUMMARY FOR BUDGETED FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

<u>Budgeted Fund</u>	Comprehensive Annual Financial Report			
	2008	2007	2006	2005
General Fund	\$ 469.8	\$ 1,410.4	\$ 1,216.7	\$ 461.7
Surplus Revenue Fund	734.7	484.6	559.8	288.6
Debt Avoidance and Retirement Fund	--	--	--	--
Property Tax Relief Fund	99.0	690.7	2.6	27.9
Casino Control Fund	3.0	1.5	(1.6)	1.3
Casino Revenue Fund	--	1.0	1.0	--
	<u>\$ 1,306.5</u>	<u>\$ 2,588.2</u>	<u>\$ 1,778.5</u>	<u>\$ 779.5</u>

<u>Budgeted Fund</u>	Appropriations Act			
	2008	2007	2006	2005
General Fund	\$ 102.5	\$ 765.0	\$ 311.6	\$ 109.6
Surplus Revenue Fund	489.8	448.6	288.4	288.0
Debt Avoidance and Retirement Fund	--	--	--	--
Property Tax Relief Fund	--	46.0	--	--
Casino Control Fund	--	--	--	2.4
Casino Revenue Fund	10.0	--	--	--
	<u>\$ 602.3</u>	<u>\$ 1,259.6</u>	<u>\$ 600.0</u>	<u>\$ 400.0</u>

<u>Budgeted Fund</u>	Dollar Variance			
	2008	2007	2006	2005
General Fund	\$ 367.3	\$ 645.4	\$ 905.1	\$ 352.1
Surplus Revenue Fund	244.9	36.0	271.4	0.6
Debt Avoidance and Retirement Fund	--	--	--	--
Property Tax Relief Fund	99.0	644.7	2.6	27.9
Casino Control Fund	3.0	1.5	(1.6)	(1.1)
Casino Revenue Fund	(10.0)	1.0	1.0	--
	<u>\$ 704.2</u>	<u>\$ 1,328.6</u>	<u>\$ 1,178.5</u>	<u>\$ 379.5</u>

Note:

* For the Fiscal Year 1999 Appropriations Act, the General Fund balance includes \$46.0 million for the Work First Contingency Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2004	2003	2002	2001	2000	1999
\$ 376.5	\$ 373.0	\$ 292.3	\$ 388.7	\$ 187.7	\$ 276.1
282.4	--	--	720.0	698.2	626.9
--	--	--	20.8	--	--
175.2	--	--	160.0	397.7	363.8
4.9	4.3	--	(1.9)	(1.1)	--
22.7	--	--	--	--	--
<u>\$ 861.7</u>	<u>\$ 377.3</u>	<u>\$ 292.3</u>	<u>\$ 1,287.6</u>	<u>\$ 1,282.5</u>	<u>\$ 1,266.8</u>

2004	2003	2002	2001	2000	1999*
\$ 248.6	\$ 110.4	\$ 298.9	\$ 175.0	\$ 171.4	\$ 244.9
--	--	720.0	650.3	608.1	500.7
--	--	--	--	--	--
--	--	--	39.9	--	--
--	--	--	--	--	--
1.5	--	0.6	5.0	--	--
<u>\$ 250.1</u>	<u>\$ 110.4</u>	<u>\$ 1,019.5</u>	<u>\$ 870.2</u>	<u>\$ 779.5</u>	<u>\$ 745.6</u>

2004	2003	2002	2001	2000	1999
\$ 127.9	\$ 262.6	\$ (6.6)	\$ 213.7	\$ 16.3	\$ 31.2
282.4	--	(720.0)	69.7	90.1	126.2
--	--	--	20.8	397.7	--
175.2	--	--	120.1	(1.1)	363.8
4.9	4.3	--	(1.9)	--	--
21.2	--	(0.6)	(5.0)	--	--
<u>\$ 611.6</u>	<u>\$ 266.9</u>	<u>\$ (727.2)</u>	<u>\$ 417.4</u>	<u>\$ 503.0</u>	<u>\$ 521.2</u>

**STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)**

<u>Major Tax</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Gross Income Tax	\$ 12,605.5	\$ 11,727.2	\$ 10,506.6	\$ 9,537.9
Sales and Use Tax	8,915.5	8,609.6	6,853.4	6,552.2
Corporation Business Tax	3,062.4	3,084.9	3,007.8	2,368.1
Other Major Taxes	3,033.7	2,967.0	3,544.7	3,244.0
Miscellaneous Taxes, Fees	3,598.9	3,465.9	3,324.0	4,988.5
State Lottery	882.1	828.3	844.2	812.0
Casino Taxes and Fees	486.0	525.8	570.3	540.0
Total	\$ 32,584.1	\$ 31,208.7	\$ 28,651.0	\$ 28,042.7

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR TAX
FOR THE FISCAL YEAR ENDED JUNE 30**

<u>Major Tax</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Gross Income Tax	38.7 %	37.6 %	36.7 %	34.0 %
Sales and Use Tax	27.4	27.6	23.9	23.4
Corporation Business Tax	9.4	9.9	10.5	8.4
Other Major Taxes	9.3	9.4	12.4	11.6
Miscellaneous Taxes, Fees	11.0	11.1	11.6	17.8
State Lottery	2.7	2.7	2.9	2.9
Casino Taxes and Fees	1.5	1.7	2.0	1.9
Total	100.0 %	100.0 %	100.0 %	100.0 %

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2004	2003	2002	2001	2000	1999
\$ 7,400.7	\$ 6,735.3	\$ 6,837.0	\$ 7,989.2	\$ 7,205.3	\$ 6,323.9
6,261.7	5,936.1	5,996.8	5,758.7	5,508.1	5,054.4
2,370.2	2,525.4	1,171.5	1,389.5	1,452.1	1,402.9
3,028.0	2,837.3	2,489.1	2,429.9	2,307.8	2,282.5
4,472.4	4,265.2	2,911.5	2,296.9	2,307.7	2,107.9
795.0	765.4	754.5	697.4	719.9	652.3
532.7	413.9	413.0	399.3	396.3	382.5
\$ 24,860.7	\$ 23,478.6	\$ 20,573.4	\$ 20,960.9	\$ 19,897.2	\$ 18,206.4

2004	2003	2002	2001	2000	1999
29.8 %	28.7 %	33.2 %	38.1 %	36.3 %	34.7 %
25.2	25.3	29.1	27.5	27.7	27.8
9.5	10.7	5.7	6.6	7.3	7.7
12.2	12.1	12.1	11.6	11.6	12.5
18.0	18.2	14.2	11.0	11.5	11.6
3.2	3.2	3.7	3.3	3.6	3.6
2.1	1.8	2.0	1.9	2.0	2.1
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

**STATE OF NEW JERSEY
REAL GROSS STATE PRODUCT BY INDUSTRY
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Billions)**

	<u>2007**</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Gross State Product				
<u>Goods Producing</u>				
Agriculture, forestry, fishing, and hunting	\$ 0.6	\$ 0.6	\$ 0.5	\$ 0.5
Mining	0.1	0.2	0.2	0.2
Manufacturing	37.4	39.5	39.3	38.8
Construction	13.0	13.4	13.4	13.5
Subtotal	<u>51.1</u>	<u>53.7</u>	<u>53.4</u>	<u>53.0</u>
<u>Private Service Producing</u>				
Transportation and warehousing	12.1	13.6	11.7	11.3
Information	25.7	22.4	21.6	20.6
Utilities	7.2	8.0	6.8	6.9
Wholesale trade	31.5	33.3	33.0	33.4
Retail trade	28.2	27.9	27.5	27.3
Finance and insurance	34.6	35.4	33.4	31.2
Real estate, rental, and leasing	68.3	61.9	60.6	60.9
Services*	98.9	97.2	94.2	90.0
Other services	7.2	7.5	7.3	7.1
Subtotal	<u>313.7</u>	<u>307.2</u>	<u>296.1</u>	<u>288.7</u>
Government	<u>34.7</u>	<u>36.5</u>	<u>36.1</u>	<u>36.1</u>
Grand Total	<u>\$ 399.5</u>	<u>\$ 397.4</u>	<u>\$ 385.6</u>	<u>\$ 377.8</u>
Total Personal Income***	\$ 427.3	\$ 405.3	\$ 377.4	\$ 361.7

Notes:

* Services include professional and technical services, management of companies and enterprises, administrative and waste services, educational services, health care and social services, arts, entertainment and recreation, and accomodation and food servies.

** Calendar Year 2007 amounts are estimates.

*** Total personal income for 2005 and 2006 has been revised.

Source:

Global Insight and the New Jersey Department of the Treasury, Division of Taxation.

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 0.5	\$ 0.6	\$ 0.5	\$ 0.6	\$ 0.5	\$ 0.5
0.2	0.2	0.2	0.2	0.2	0.2
39.6	38.6	40.5	41.3	39.1	36.9
13.2	13.6	13.7	12.8	12.7	12.9
<u>53.5</u>	<u>53.0</u>	<u>54.9</u>	<u>54.9</u>	<u>52.5</u>	<u>50.5</u>
11.2	10.6	10.5	11.2	11.0	10.5
18.7	19.1	18.7	17.3	16.6	15.8
6.8	6.3	6.5	6.7	6.3	6.2
33.0	31.8	32.2	29.8	29.1	28.6
26.2	25.5	24.4	22.4	21.1	20.2
31.3	30.5	29.6	27.3	24.2	22.9
56.4	54.5	53.4	50.8	50.2	49.3
87.2	85.1	84.1	83.9	83.2	81.9
6.9	6.8	6.7	6.7	6.6	6.9
<u>277.7</u>	<u>270.2</u>	<u>266.1</u>	<u>256.1</u>	<u>248.3</u>	<u>242.3</u>
35.2	34.7	34.2	33.7	33.3	33.3
<u>\$ 366.4</u>	<u>\$ 357.9</u>	<u>\$ 355.2</u>	<u>\$ 344.7</u>	<u>\$ 334.1</u>	<u>\$ 326.1</u>
\$ 342.9	\$ 337.0	\$ 333.0	\$ 323.6	\$ 294.4	\$ 282.7

**STATE OF NEW JERSEY
GROSS INCOME TAX RATES
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

Top Income Tax Rate Is Applied To Taxable Income In Excess Of

<u>Year</u>	<u>Top Rate</u>	<u>Single</u>	<u>Married Filing Jointly</u>	<u>Head of Household</u>	<u>Average Effective Rate*</u>
1999	6.37 %	\$ 75,000	\$ 150,000	\$ 150,000	2.67 %
2000	6.37	75,000	150,000	150,000	2.84
2001	6.37	75,000	150,000	150,000	2.61
2002	6.37	75,000	150,000	150,000	2.56
2003	6.37	75,000	150,000	150,000	2.59
2004	8.97	500,000	500,000	500,000	3.02
2005	8.97	500,000	500,000	500,000	3.07
2006	8.97	500,000	500,000	500,000	3.31
2007	8.97	500,000	500,000	500,000	3.27
2008	8.97	500,000	500,000	500,000	3.33

* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability. Data for 2006 has been revised. Data for 2007 and 2008 are estimates based on projections.

Source:

New Jersey Department of the Treasury, Division of Taxation.

**STATE OF NEW JERSEY
GROSS INCOME TAX (GIT) FILERS AND LIABILITY BY INCOME LEVEL
2006 AS COMPARED TO 1997
(GIT Liability Expressed in Millions)**

<u>Income Level</u>	<u>2006</u>				<u>1997</u>			
	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>GIT Liability</u>	<u>Percent of Total</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>GIT Liability</u>	<u>Percent of Total</u>
\$500,001 and higher	45,350	1.6 %	\$ 3,907.5	42.4 %	20,520	0.7 %	\$ 1,281.2	28.5 %
\$250,001 - \$500,000	92,717	3.3	1,226.0	13.3	42,052	1.5	569.0	12.7
\$100,001 - \$250,000	594,468	21.1	2,520.5	27.4	305,864	10.9	1,220.3	27.2
\$75,001 - \$100,000	311,727	11.1	544.1	5.9	265,065	9.5	426.7	9.5
\$50,001 - \$75,000	488,202	17.4	532.5	5.8	469,323	16.7	470.1	10.5
\$35,001 - \$50,000	440,857	15.7	260.4	2.8	431,032	15.3	247.0	5.5
\$20,001 - \$35,000	571,156	20.3	176.1	1.9	613,883	21.8	191.4	4.3
\$10,001 - \$20,000	266,749	9.5	43.0	0.5	515,610	18.3	73.1	1.6
\$10,000 and lower	--	--	--	--	148,523	5.3	10.2	0.2
Total	<u>2,811,226</u>	<u>100.0 %</u>	<u>\$ 9,210.1</u>	<u>100.0 %</u>	<u>2,811,872</u>	<u>100.0 %</u>	<u>\$ 4,489.0</u>	<u>100.0 %</u>

Source:

New Jersey Department of the Treasury, Division of Taxation.

**STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY*
FOR THE CALENDAR YEAR ENDED DECEMBER 31**

Year	Dollar Amount (Expressed in Millions)							Sales and Use Tax Rate**
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total	
1998	\$ 251.6	\$ 232.1	\$ 2,642.2	\$ 1,400.9	\$ 92.5	\$ 47.9	\$ 4,667.2	6.0 %
1999	261.1	245.9	2,856.6	1,423.7	99.8	53.3	4,940.4	6.0
2000	274.7	251.8	3,066.3	1,483.5	110.0	60.9	5,247.2	6.0
2001	301.7	259.5	3,227.6	1,573.6	120.7	79.3	5,562.4	6.0
2002	251.4	236.4	3,267.6	1,498.4	107.9	73.8	5,435.5	6.0
2003	256.2	236.4	3,432.9	1,515.8	113.9	82.4	5,637.6	6.0
2004	284.9	265.2	3,587.2	1,574.2	128.2	92.4	5,932.1	6.0
2005	327.8	277.4	3,686.3	1,599.0	136.7	88.3	6,115.5	6.0
2006	395.9	318.7	4,036.6	1,782.9	160.0	107.8	6,801.9	7.0
2007	455.9	364.2	4,407.2	2,260.5	177.1	140.3	7,805.2	7.0

Year	Percent Distribution						
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total
1998	5.4 %	5.0 %	56.6 %	30.0 %	2.0 %	1.0 %	100.0 %
1999	5.3	5.0	57.8	28.8	2.0	1.1	100.0
2000	5.2	4.8	58.4	28.3	2.1	1.2	100.0
2001	5.4	4.7	58.0	28.3	2.2	1.4	100.0
2002	4.6	4.3	60.1	27.6	2.0	1.4	100.0
2003	4.5	4.2	60.9	26.9	2.0	1.5	100.0
2004	4.8	4.5	60.5	26.5	2.1	1.6	100.0
2005	5.4	4.5	60.3	26.2	2.2	1.4	100.0
2006	5.8	4.7	59.3	26.2	2.4	1.6	100.0
2007	5.8	4.7	56.4	29.0	2.3	1.8	100.0

Notes:

* Category data from 1998 through 2006 has been revised.

** The New Jersey Sales and Use Tax rate increased to 7.0 percent from 6.0 percent effective July 15, 2006.

Source:

New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
RATIO OF OUTSTANDING LONG-TERM DEBT
1999-2008
(Expressed in Thousands Except for General Long-Term Debt Ratios)

Governmental Activities	2008	2007*	2006	2005
Bonded Debt				
General Obligation Bonds	\$ 2,818,535	\$ 2,864,690	\$ 3,132,755	\$ 3,156,375
Revenue Bonds Payable	13,702,395	12,739,620	12,975,955	7,856,005
Capital Leases	286,555	297,830	308,575	130,340
Installment Obligations	18,218,030	17,185,158	16,896,002	15,373,185
Certificates of Participation	54,708	58,836	60,559	66,148
Unamortized Premium	1,412,761	1,397,407	1,500,850	1,204,377
Tobacco Settlement Financing Corporation	4,591,409	4,643,694	3,248,580	3,280,155
Unamortized Deferral on Refunding	(865,654)	(924,227)	(604,570)	(533,008)
Unamortized Interest on Capital Appreciation Bonds	(6,347,598)	(6,522,644)	(5,673,484)	(3,211,862)
Subtotal	33,871,141	31,740,364	31,845,222	27,321,715
Non-Bonded Debt				
Accumulated Sick and Vacation Payable	595,856	578,527	518,561	488,913
Capital Leases	410,552	384,982	430,768	538,926
Loans Payable	1,279,358	1,279,358	1,279,358	1,279,358
Net Pension Obligation	4,759,367	3,761,279	2,953,944	1,796,799
Other Pension Employment Benefits (OPEB) Liability	3,177,400	--	--	--
Other	276,655	251,089	417,733	397,545
Subtotal	10,499,188	6,255,235	5,600,364	4,501,541
Grand Total	\$ 44,370,329	\$ 37,995,599	\$ 37,445,586	\$ 31,823,256
New Jersey Total Personal Income	\$ 445,457,000	\$ 427,297,000	\$ 405,254,000	\$ 377,448,000
Percentage of Personal Income**	7.6%	7.4%	7.9%	7.2%
New Jersey Population (All prior years revised)	8,698	8,686	8,666	8,657
General Obligation Debt Per Capita	\$324.04	\$329.81	\$361.50	\$364.60
Total Long-Term Debt Per Capita**	\$3,894.13	\$3,654.20	\$3,674.73	\$3,156.03

Notes:

* Fiscal Year 2007 has been restated.

** Debt as a percentage of personal income equals total bonded debt divided by New Jersey personal income and total debt per capita equals total bonded debt divided by New Jersey population.

New Jersey Total Personal Income and Population figures for 2008 are estimates.

New Jersey Total Personal Income data for 2004 through 2007 has been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2004	2003	2002	2001	2000	1999
\$ 3,301,005	\$ 3,366,605	\$ 3,249,855	\$ 3,555,375	\$ 3,875,025	\$ 3,734,360
7,229,340	6,520,530	5,885,515	5,119,160	5,289,155	4,425,150
137,535	126,960	135,150	147,565	157,000	184,370
11,741,335	10,149,031	9,062,246	8,990,688	8,428,873	8,389,293
77,392	81,662	100,950	138,623	147,575	115,751
498,641	365,248	193,961	--	--	--
3,329,406	3,345,107	--	--	--	--
(223,754)	(211,909)	(104,984)	--	--	--
<u>(3,311,643)</u>	<u>(3,435,380)</u>	<u>(3,290,843)</u>	<u>(3,422,621)</u>	<u>(3,587,914)</u>	<u>(3,706,206)</u>
<u>22,779,257</u>	<u>20,307,854</u>	<u>15,231,850</u>	<u>14,528,790</u>	<u>14,309,714</u>	<u>13,142,718</u>
466,126	449,934	477,003	449,045	428,155	415,219
553,984	515,331	413,130	117,190	79,584	80,447
1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,279,358
845,563	115,033	81,687	54,576	18,513	--
--	--	--	--	--	--
<u>377,766</u>	<u>332,019</u>	<u>320,083</u>	<u>228,980</u>	<u>--</u>	<u>--</u>
<u>3,522,797</u>	<u>2,691,675</u>	<u>2,571,261</u>	<u>2,129,149</u>	<u>1,805,610</u>	<u>1,775,024</u>
<u>\$ 26,302,054</u>	<u>\$ 22,999,529</u>	<u>\$ 17,803,111</u>	<u>\$ 16,657,939</u>	<u>\$ 16,115,324</u>	<u>\$ 14,917,742</u>
\$ 361,822,000	\$ 342,858,000	\$ 337,010,000	\$ 332,951,000	\$ 323,554,000	\$ 294,385,000
6.3%	5.9%	4.5%	4.4%	4.4%	4.5%
8,641	8,605	8,558	8,496	8,432	8,360
\$382.02	\$391.24	\$379.74	\$418.48	\$459.56	\$446.69
\$2,636.18	\$2,360.01	\$1,779.84	\$1,710.07	\$1,697.07	\$1,572.10

**STATE OF NEW JERSEY
STATE CONSTITUTION - LEGAL DEBT LIMITATIONS**

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or 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, or to 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 by the Constitution would prohibit any other method of creation of such debt or liability.

**STATE OF NEW JERSEY
CALCULATION OF LEGAL LIMITS
(Expressed in Millions)**

Fiscal Year	Total Appropriations For Budgeted Funds	Legal Debt Limit
1999	\$ 18,485.6	\$ 184.8
2000	20,163.5	201.6
2001	21,842.8	218.4
2002	23,352.2	233.5
2003	23,726.4	237.2
2004	24,569.1	245.6
2005	28,644.8	286.4
2006	28,087.7	280.8
2007	31,022.8	310.2
2008	34,567.9	345.6

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2008 AND 2007
(Expressed in Millions)

<u>Debt Program*</u>	<u>Year</u>	<u>Amount Authorized</u>	<u>Unissued As Of</u>	
			<u>6/30/2008</u>	<u>6/30/2007</u>
<u>General Obligation Bonds**</u>				
Clean Waters	1976	\$ 120.0	\$ 3.8	\$ 5.0
State Land Acquisition and Development	1978	200.0	--	1.5
Natural Resources	1980	145.0	9.6	9.6
Energy Conservation	1980	50.0	1.6	1.6
Water Supply	1981	350.0	93.4	93.4
Hazardous Discharge	1981	100.0	43.0	43.0
New Jersey Green Acres	1983	135.0	14.5	14.5
Pinelands Infrastructure Trust	1985	30.0	8.0	8.0
Hazardous Discharge	1986	200.0	48.0	48.0
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	100.0	1.0	9.0
Open Space Preservation	1989	300.0	26.0	26.0
Public Purpose Buildings and Community - Based Facilities Construction	1989	125.0	5.0	5.0
Stormwater Management and Combined Sewer Overflow Abatement	1989	50.0	16.0	21.5
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345.0	23.8	26.8
Development Disabilities' Waiting List Reduction and Human Services Facilities Construction	1994	160.0	--	5.0
1995 New Jersey Green Acres, Farmland and Historic Preservation and Blue Acres	1995	340.0	21.0	25.5
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300.0	119.0	199.0
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200.0	68.8	200.0
Green Acres, Farmland, Blue Acres, and Historic Preservation Bonds	2007	200.0	200.0	--
Subtotal		3,450.0	702.5	742.4
<u>Revenue Bonds Payable</u>				
<u>Transportation Trust Fund Authority</u>				
Annual Capital Plan***	1995, 2006	15,600.0	5,940.3	7,111.4
Subtotal		15,600.0	5,940.3	7,111.4
<u>Installment Obligations</u>				
<u>Economic Development Authority</u>				
Market Transition Facility	1994	750.0	44.7	44.7
School Facilities Construction****	2000	8,600.0	1,229.1	2,479.1
Special Needs Housing	2005	200.0	--	148.6
Stem Cell, Life Sciences, and Biomedical Research Facilities	2006	270.0	270.0	270.0
<u>Educational Facilities Authority</u>				
Equipment Leasing Fund	1993	100.0	86.6	73.7
Capital Improvement Fund	1999	550.0	0.6	0.6
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Subtotal		10,560.0	1,641.8	3,027.5
Total		\$ 29,610.0	\$ 8,284.6	\$ 10,881.3

Notes:

For debt issued after June 30, 2008, please refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

* The Legislature has authorized additional programs for Revenue Bonds Payable and Installment Obligations. These programs do not have a limit on the amount of bonds that can be issued in order to fund their associated projects. Such programs are not included in this Statistical Section.

** An additional \$1 million in Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

*** The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2011.

**** On July 9, 2008 the Educational Facilities Construction and Financing Act was amended to increase the amount of bonds, authorized to be issued by the New Jersey Economic Development Authority, in an additional aggregate principal amount not to exceed \$3.9 billion.

Source:

New Jersey Department of the Treasury, Office of Public Finance.

**STATE OF NEW JERSEY
DEBT SERVICE COVERAGE RATIO
(Expressed in Millions Except for Coverage Ratio)**

Market Transition Facility (MTF) Senior Lien Revenue Bonds Series 1994A and Series 2001A

MTF Senior Lien Revenue Bonds are repaid solely from surcharges assessed on drivers who commit certain violations. The violations for which surcharges are imposed are: (i) driving while intoxicated, (ii) receiving six or more motor vehicle points during a three year period preceding the imposition of the surcharge, (iii) driving without a license, (iv) driving without insurance, and (v) driving with a suspended license.

New Jersey Motor Vehicle Commission (MVC) Bonds, Series 2003A

The bonds will be repaid solely from surcharges that are being used to pay outstanding MTF Senior Lien Revenue Bonds as well as any other future bonds, notes, or other obligations hereafter issued under the same Bond Resolution. The MTF Senior Lien Revenue Bonds have a final maturity date of July 1, 2011. The New Jersey Motor Vehicle Commission Bonds, Series 2003A consist of capital appreciation bonds. Therefore, debt service payments are made when the bonds mature. Final maturities on the New Jersey Motor Vehicle Commission Bonds occur on July 1, 2012, July 1, 2013, July 1, 2014, and July 1, 2015.

Fiscal Year	Motor Vehicle Surcharges	Debt Service			MTF/MVC Surplus	Coverage Ratio
		Principal	Interest	Total		
1999	\$ 143.4	\$ 34.4	\$ 38.1	\$ 72.5	\$ 70.9	2.0
2000	133.2	36.0	36.4	72.4	60.8	1.8
2001	126.4	37.8	34.6	72.4	54.0	1.7
2002	128.6	39.8	21.9	61.7	66.9	2.1
2003	134.3	38.2	27.5	65.7	68.6	2.0
2004	136.6	46.4	25.3	71.7	64.9	1.9
2005	130.0	49.6	22.0	71.6	58.4	1.8
2006	131.7	53.0	19.0	72.0	59.7	1.8
2007	129.0	55.6	16.3	71.9	57.1	1.8
2008	115.9	58.4	13.4	71.8	44.1	1.6

Motor Vehicle Surcharges (MVS) Revenue Bonds, 2004 Series A

The Motor Vehicle Surcharges Revenue Bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired.

Fiscal Year	Unsafe Driver Surcharges	MTF/MVC Surplus	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2007	\$ 45.0	\$ 57.1	\$ 102.1	\$ --	\$ 37.8	\$ 37.8	2.7
2008	44.3	44.1	88.4	--	37.8	37.8	2.3

**Motor Vehicle Surcharge Revenue Bonds, Special Needs Housing Program
2005 Series A and 2007 Series A&B**

The bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired.

Fiscal Year	MVS Surplus	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2008	\$ 50.6	\$ --	\$ 1.8	\$ 1.8	28.1

**Tobacco Settlement Financing Corporation, Inc.
Tobacco Settlement Asset—Backed Bonds Series 2007-1**

Pursuant to a Purchase and Sale Agreement between the State and the Tobacco Settlement Financing Corporation, Inc., the State has sold 76.26 percent of its future rights to receive payments under the Master Settlement Agreement (MSA) entered into by participating cigarette manufacturers, 46 states and six other United States jurisdictions. The purchase price of the State's future rights, title and interest in the Tobacco Settlement Revenues has been financed by the issuance of these bonds. The Tobacco Settlement Financing Corporation, Inc. has pledged these future payments in order to secure the Tobacco Settlement Bonds. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of principal or interest on the bonds.

Fiscal Year	MSA Payments	Existing Surplus	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2006	\$ 240.5	\$ 367.4	\$ 607.9	\$ 34.5	\$ 205.7	\$ 240.2	2.5
2007	162.2	267.8	430.0	43.5	158.1	201.6	2.1
2008	199.6	264.6	464.2	53.2	163.3	216.5	2.1

Cigarette Tax Revenue Bonds, Series 2004

The bonds will be repaid solely from a separate nonlapsing "Dedicated Cigarette Tax Revenue Fund" that will be credited on a monthly basis in an amount equal to 78.598 percent of the tax collected by the State from \$0.0325 per cigarette (i.e., \$0.65 per pack of 20 cigarettes). However, no credits of dedicated revenues may be made to the Dedicated Cigarette Tax Revenue Fund in any fiscal year until the legislatively required deposits of Cigarette Tax revenues into the State Cancer Research Fund and State Health Care Subsidy Fund have been made. Once these deposits occur, a "catch-up" mechanism temporarily credits all Cigarette Tax revenues to the Dedicated Cigarette Tax Revenue Fund until it reaches the level it otherwise would have reached if the deposits had not been made.

Fiscal Year	Cigarette Dedication	Existing Surplus	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2007	\$ 152.9	\$ 10.1	\$ 163.0	\$ 59.6	\$ 79.5	\$ 139.1	1.2
2008	153.7	23.9	177.6	85.5	75.1	160.6	1.1

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
TEN LARGEST EMPLOYERS
2007 AS COMPARED TO 1998**

2007 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	79,191	1.9 %
2	Wakefern Food Corporation	31,671	0.7
3	The Great Atlantic and Pacific Tea Company	21,277	0.5
4	Verizon Communications	17,996	0.4
5	Harrah's Entertainment, Inc.	16,167	0.4
6	United Parcel Service (UPS)	16,120	0.4
7	Wal-Mart Stores, Inc.	14,717	0.4
8	Johnson & Johnson	14,500	0.3
9	Continental Airlines	13,752	0.3
10	The Home Depot	12,000	0.3
		237,391	5.6 %

1998 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	New Jersey State Government	69,222	1.7 %
2	Wakefern Food Corporation	34,702	0.9
3	American Telephone & Telegraph	24,500	0.6
4	Lucent Technologies	20,000	0.5
5	The Prudential Insurance Company	18,200	0.4
6	Bell Atlantic-New Jersey Incorporated	18,008	0.4
7	United Parcel Service (UPS)	16,124	0.4
8	Pathmark Stores, Inc.	16,022	0.4
9	Trump Hotel & Casino Resorts	14,554	0.4
10	The Great Atlantic and Pacific Tea Company	12,019	0.3
		243,351	6.0 %

Notes:

Total New Jersey Employment for Calendar Year 2007 totaled 4.277 million.

Total New Jersey Employment for Calendar Year 1998 totaled 4.047 million.

New Jersey State Government excludes State Authorities, Colleges, and Universities.

Sources:

"New Jersey Business," New Jersey Business & Industry Association, "36th Annual Top 100 Employers, May 2008."

"New Jersey Business," New Jersey Business & Industry Association, "27th Annual Top 100 Employers, May 1999."

Data reprinted with permission from the New Jersey Business and Industry Association.

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)**

<u>Year</u>	<u>Population*</u>	<u>Civilian Labor Force**</u>	<u>Resident Employment**</u>	<u>Resident Unemployment**</u>	<u>New Jersey Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
1998	8,287	4,242	4,047	195	4.6 %	4.5 %
1999	8,360	4,285	4,093	192	4.5	4.2
2000	8,432	4,288	4,130	158	3.7	4.0
2001	8,496	4,303	4,118	185	4.3	4.7
2002	8,558	4,371	4,117	254	5.8	5.8
2003	8,605	4,364	4,108	256	5.9	6.0
2004	8,641	4,373	4,158	215	4.9	5.5
2005	8,657	4,432	4,233	199	4.5	5.1
2006	8,666	4,493	4,284	209	4.7	4.6
2007	8,686	4,466	4,277	189	4.2	4.6

* Data for 1998 through 2006 has been revised.

** Data for 2002 through 2006 has been revised.

Sources:

New Jersey Department of Labor, "New Jersey Economic Indicators."

New Jersey Department of Labor, Division of Planning and Research.

**STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME
(Expressed in Thousands Except as Indicated)**

<u>Year</u>	<u>New Jersey Population*</u>	<u>Assessed Valuation of Property**</u>	<u>True Valuation of Property</u>	<u>Personal Income (Millions)**</u>	<u>Per Capita Income**</u>
1998	8,287	\$ 438,965,016	\$ 514,007,592	\$ 282,721	\$ 34,115
1999	8,360	455,710,137	539,354,740	294,385	35,215
2000	8,432	470,554,943	548,448,342	323,554	38,372
2001	8,496	493,857,109	645,145,129	332,951	39,191
2002	8,558	524,816,215	720,179,653	337,009	39,378
2003	8,605	567,908,706	820,922,044	342,858	39,844
2004	8,641	606,248,658	937,193,205	361,822	41,872
2005	8,657	666,117,074	1,079,838,476	377,448	43,598
2006	8,666	743,219,514	1,235,285,449	405,254	46,763
2007	8,686	833,112,659	1,326,296,906	427,297	49,194

* Data for 1998 through 2006 has been revised.

** Data for 2000 through 2006 has been revised.

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
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30**

Dollar Amount (Expressed in Millions)

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1999	\$ 4,792.2	\$ 5,160.6	\$ 7,475.2	\$ 608.3	\$ 495.5	\$ 18,531.8
2000	4,650.2	6,211.7	7,866.4	737.4	494.2	19,959.9
2001	5,012.6	6,210.0	8,408.2	1,171.0	525.0	21,326.8
2002	5,106.4	7,264.0	8,834.8	1,012.1	451.2	22,668.5
2003	5,437.5	8,035.2	9,163.6	1,075.4	430.4	24,142.1
2004	5,650.9	7,768.2	10,079.7	1,117.0	438.1	25,053.9
2005	6,146.0	10,230.4	10,878.3	1,106.1	260.3	28,621.1
2006	6,236.2	10,017.8	11,312.7	1,103.0	169.3	28,839.0
2007	6,624.7	10,196.6	12,320.3	1,241.2	427.8	30,810.6
2008	7,031.2	12,089.9	12,921.3	1,947.3	428.7	34,418.4

Percent Distribution

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1999	25.9 %	27.8 %	40.3 %	3.3 %	2.7 %	100.0 %
2000	23.3	31.1	39.4	3.7	2.5	100.0
2001	23.5	29.1	39.4	5.5	2.5	100.0
2002	22.5	32.0	39.0	4.5	2.0	100.0
2003	22.5	33.3	38.0	4.4	1.8	100.0
2004	22.6	31.0	40.2	4.5	1.7	100.0
2005	21.5	35.7	38.0	3.9	0.9	100.0
2006	21.6	34.8	39.2	3.8	0.6	100.0
2007	21.5	33.1	40.0	4.0	1.4	100.0
2008	20.4	35.1	37.5	5.7	1.3	100.0

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
EXPENDITURES FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Expressed in Millions)**

Government Branch	Direct State Service	Grants- In-Aid	State Aid	Capital Construction	Debt Service	Total
Executive Branch						
Chief Executive Office	\$ 5.1	\$ --	\$ --	\$ --	\$ --	\$ 5.1
Agriculture	12.0	6.2	11.0	1.1	--	30.3
Banking and Insurance	68.6	--	--	--	--	68.6
Children and Families	327.7	713.9	--	5.2	--	1,046.8
Community Affairs	60.1	77.2	1,062.8	--	--	1,200.1
Corrections	998.7	134.1	--	0.9	--	1,133.7
Education	79.7	29.6	10,850.5	1.2	--	10,961.0
Environmental Protection	280.4	9.3	21.2	95.1	65.7	471.7
Health and Senior Services	93.6	1,598.9	9.4	--	--	1,701.9
Human Services	549.7	4,098.2	434.2	3.0	--	5,085.1
Labor and Workforce Development	116.3	331.7	1.5	--	--	449.5
Law and Public Safety	703.3	25.7	35.4	4.6	--	769.0
Military and Veterans' Affairs	95.0	2.6	--	4.2	--	101.8
Personnel	26.0	--	--	--	--	26.0
Public Advocate	18.0	--	--	--	--	18.0
State	41.1	1,253.5	18.5	0.4	--	1,313.5
Transportation	105.9	298.3	37.1	895.0	--	1,336.3
Treasury	563.7	2,622.8	439.7	8.9	363.0	3,998.1
Miscellaneous	1.5	--	--	--	--	1.5
Inter-Departmental	2,201.8	887.9	--	927.7	--	4,017.4
Subtotal	6,348.2	12,089.9	12,921.3	1,947.3	428.7	33,735.4
Legislative Branch	77.5	--	--	--	--	77.5
Judicial Branch	605.5	--	--	--	--	605.5
Grand Total	\$ 7,031.2	\$ 12,089.9	\$ 12,921.3	\$ 1,947.3	\$ 428.7	\$ 34,418.4

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES**

Department/Agency	January		
	2008	2007	2006
Executive Branch			
Agriculture	245	256	266
Banking and Insurance	464	480	506
Chief Executive's Office	84	92	93
Children and Families	6,986	6,482	N/A
Community Affairs	1,129	1,149	1,151
Corrections	9,240	9,323	9,417
Parole Board	695	724	720
Education	883	922	962
Environmental Protection	3,241	3,305	3,437
Health and Senior Services	1,950	2,037	2,172
Human Services	15,684	15,739	21,840
Labor and Workforce Development	3,418	3,583	3,777
Public Employees Relations Commission	36	33	34
Law and Public Safety	7,571	7,832	8,106
Election Law Enforcement Commission	68	71	75
Executive Commission on Ethical Standards	13	15	13
Juvenile Justice	1,685	1,750	1,776
Military and Veterans' Affairs	1,511	1,493	1,494
Personnel	326	338	375
Public Advocate	190	158	N/A
State	215	196	198
Commission on Higher Education	18	18	17
Public Broadcasting Authority	150	156	158
Student Assistance	191	196	198
Transportation	6,161	6,415	6,669
Treasury	3,633	3,688	3,774
Casino Control Commission	312	336	346
Office of Administrative Law	104	107	113
Office of Information Technology	894	907	950
Public Defender	1,070	1,023	1,094
Board of Public Utilities/Ratepayer Advocate	283	301	346
Violent Crimes Compensation Agency	38	46	47
Miscellaneous Executive Commissions	2	2	2
Total	68,490	69,173	70,126
Legislative Branch	512	523	503
Judicial Branch	9,495	9,495	9,556
Grand Total	78,497	79,191	80,185

Notes:

Full-time paid employees were tabulated as of Pay Period No. 1 for each year displayed. Certain offices within departments have been reorganized throughout various fiscal years. These offices have been displayed in a manner that meets the current State organization chart.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2005	2004	2003	2002	2001	2000	1999
262	254	247	259	255	245	239
501	481	486	517	502	472	471
109	111	118	116	122	123	124
N/A	N/A	N/A	N/A	N/A	N/A	N/A
1,098	1,045	1,015	1,106	1,086	1,022	974
9,419	9,257	9,344	9,445	8,907	8,697	9,258
714	652	699	713	741	693	161
952	971	920	991	915	860	870
3,437	3,296	3,248	3,449	3,312	3,203	3,085
2,151	2,136	1,953	2,148	2,036	1,956	1,859
20,977	20,152	19,278	18,978	18,001	17,427	16,928
3,765	3,672	3,458	3,486	3,524	3,546	3,624
36	34	36	36	38	38	39
7,772	7,405	7,137	7,379	6,841	6,666	6,486
53	45	46	50	49	38	44
9	8	8	9	6	7	6
1,774	1,705	1,585	1,638	1,529	1,439	1,423
1,473	1,419	1,358	1,449	1,458	1,426	1,366
442	399	376	440	426	422	409
N/A	N/A	N/A	N/A	N/A	N/A	N/A
199	185	187	202	199	185	165
19	19	22	24	24	23	20
159	159	157	159	153	149	133
201	210	193	213	197	191	198
6,448	6,049	5,109	5,438	5,431	5,071	5,114
3,784	3,599	3,612	3,889	3,695	3,607	3,592
349	350	325	334	333	325	336
112	110	109	112	111	115	114
938	923	929	1,048	1,015	996	994
1,044	951	877	942	927	901	862
345	336	319	307	290	292	298
49	48	46	47	47	50	47
2	2	2	2	2	2	2
<u>68,593</u>	<u>65,983</u>	<u>63,199</u>	<u>64,926</u>	<u>62,172</u>	<u>60,187</u>	<u>59,241</u>
512	520	506	492	505	484	471
9,424	9,343	9,118	9,361	9,166	9,038	8,882
<u>78,529</u>	<u>75,846</u>	<u>72,823</u>	<u>74,779</u>	<u>71,843</u>	<u>69,709</u>	<u>68,594</u>

**STATE OF NEW JERSEY
OPERATING INDICATORS**

Department/Agency	2008*	2007**	2006**
Agriculture			
Farmland Preservation			
Cumulative acres permanently preserved	170,000	158,721	147,925
Children and Families			
Active caseload - children receiving services	164,013	156,707	148,745
Corrections			
Average daily population - State Facilities	22,962	22,908	23,008
Parole Board			
Parolees under supervision	14,770	14,320	14,009
Total hearings	41,900	41,499	45,733
State hearings	29,500	29,348	29,292
Education			
Resident enrollment	1,433,498	1,440,767	1,448,232
Support per pupil	\$17,064	\$16,255	\$15,040
Local	\$8,974	\$8,690	\$8,108
State	\$7,535	\$7,000	\$6,375
Federal	\$555	\$565	\$557
Health and Senior Services			
Family Health Services			
Newborns screened-metabolic & genetic disorders	115,000	111,607	110,851
HealthStart (prenatal)	31,000	29,167	35,439
AIDS Services			
Number of clients tested and counseled	78,000	76,828	74,277
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	137,441	138,084	146,142
Aged: Annual prescriptions	4,667,496	4,407,641	5,489,094
Disabled: Average monthly eligibles	28,473	28,509	29,492
Disabled: Annual prescriptions	1,093,363	1,040,008	1,419,155
Human Services			
Work First New Jersey			
Average monthly recipients	100,463	103,094	112,192
Average monthly grant	\$130.93	\$132.04	\$130.78
Labor and Workforce Development			
Unemployment Insurance			
Covered workers	3,926,100	3,899,300	3,877,600
State Disability Insurance Plan			
Covered workers	2,872,500	2,852,800	2,837,000
Claims received	172,000	171,885	168,188
Law and Public Safety			
State Police Operations			
Criminal investigations	23,500	23,452	17,460
Accident investigations	44,500	44,415	43,858
General investigations	835,000	833,975	805,131
Transportation			
Motor Vehicle Services			
Registrations and title documents issued	9,650,000	9,528,128	9,774,684
Total licensed drivers	5,519,976	5,519,976	5,629,451
Total registered vehicles	6,385,000	6,362,199	6,537,486
Total NJ inspections/reinspections	2,905,057	2,898,582	3,006,193

Notes:

* Fiscal Year 2008 amounts are estimates.

** Fiscal Years 2007 and 2006 have been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2005	2004	2003	2002	2001	2000	1999
137,947	127,038	110,476	94,806	80,381	66,375	53,478
121,568	N/A	N/A	N/A	N/A	N/A	N/A
22,932	23,006	22,867	22,561	23,109	24,946	25,005
13,297	13,297	13,234	12,867	12,266	13,834	16,406
44,338	42,377	39,910	42,060	47,265	35,300	35,617
29,007	26,902	25,481	27,734	37,564	25,002	23,650
1,446,815	1,441,748	1,424,773	1,395,131	1,357,160	1,327,643	1,298,927
\$14,159	\$13,234	\$12,505	\$11,834	\$11,909	\$10,833	\$10,962
\$7,597	\$7,103	\$6,702	\$6,375	\$6,424	\$6,013	\$6,161
\$6,032	\$5,628	\$5,344	\$5,044	\$5,138	\$4,594	\$4,571
\$530	\$503	\$459	\$415	\$347	\$226	\$230
110,473	113,404	113,032	112,666	111,795	110,815	111,578
36,500	35,000	31,000	30,103	31,000	32,000	31,000
68,700	67,789	67,067	61,969	62,577	57,260	66,192
148,280	148,349	147,841	150,280	140,023	137,305	141,382
5,838,243	5,477,045	5,304,535	4,995,313	4,603,956	4,415,742	4,580,777
28,274	27,902	27,247	26,933	24,728	23,400	22,747
1,396,133	1,334,832	1,258,811	1,193,426	1,080,119	1,031,940	982,670
116,188	112,280	107,143	112,773	123,236	146,090	178,114
\$130.43	\$129.06	\$128.12	\$128.82	\$126.19	\$123.41	\$125.69
3,836,301	3,813,549	3,778,630	3,801,600	3,883,400	3,772,368	3,668,800
2,806,700	2,790,000	2,764,500	2,781,200	2,804,900	2,760,200	2,662,600
172,919	174,232	170,958	164,627	167,405	166,393	162,603
16,287	13,079	12,552	11,954	11,385	13,833	15,394
45,001	41,263	39,724	37,833	33,368	32,714	29,948
802,280	565,156	573,098	582,204	640,337	627,782	611,657
10,202,096	10,386,777	10,558,682	10,320,282	10,156,100	10,232,544	10,346,894
5,668,712	5,741,036	5,706,951	5,713,520	5,737,000	5,736,996	5,682,425
6,781,736	7,055,501	7,302,521	7,043,077	6,924,006	6,774,155	6,393,435
3,000,324	3,171,458	3,243,086	3,545,739	3,272,085	3,521,091	4,571,056

**STATE OF NEW JERSEY
CAPITAL ASSET STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30**

Function	2008	2007
Public safety and criminal justice		
Adult and juvenile correctional institutions	38	38
State police stations	34	35
State police officers	3,030	2,971
Motor vehicle facilities	75	77
Number of active armories	32	33
Total acreage dedicated to function	6,792	6,724
Total buildings dedicated to function*	1,622	1,607
Physical and mental health		
Number of mental health facilities	5	5
Average daily population	2,135	2,223
Total acreage dedicated to function	651	1,038
Total buildings dedicated to function*	320	316
Educational, cultural, and intellectual development		
Number of schools	31	31
Number of developmental centers	7	7
Average number of residents	2,897	2,987
Total acreage dedicated to function	4,046	4,552
Total buildings dedicated to function*	529	526
Community development and environmental management		
State parks, historic sites, natural areas, marinas, other**	207	207
Land preservation acres (easements/farmland)	68,762	66,988
Total acreage dedicated to function (includes preservation)	694,602	685,385
Total buildings dedicated to function*	2,023	2,021
Economic planning, development, and security		
Number of residential centers	3	3
Number of group homes	924	924
Total acreage dedicated to function	1,516	1,130
Total buildings dedicated to function*	1,050	1,044
Transportation programs		
Lane miles, state highways	13,493	13,485
Bridges, state owned	2,578	2,579
Facilities	87	89
Total acreage dedicated to function	52,527	52,522
Total buildings dedicated to function*	504	502
Government direction, management, and control		
Total acreage dedicated to function	3,274	3,044
Total buildings dedicated to function*	312	310
Special government services		
Veteran homes	3	3
Veterans in residence	914	932
Total acreage dedicated to function	77	76
Total buildings dedicated to function*	30	25

Notes:

* Data for 2007 has been revised.

** Data for 2007 through 2002 has been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2006	2005	2004	2003	2002
38	39	39	39	39
35	35	35	35	38
2,963	2,823	2,669	2,664	2,769
80	80	80	80	80
33	33	33	33	33
6,725	6,712	6,712	6,667	6,665
1,569	1,552	1,537	1,515	1,482
5	6	6	6	6
2,303	2,284	2,237	2,240	2,211
1,038	1,038	1,023	1,023	1,023
324	322	322	321	317
30	30	30	30	31
7	7	7	7	7
3,061	3,096	3,145	3,233	3,365
4,552	4,551	4,551	4,551	4,525
530	527	523	522	518
207	207	207	207	207
54,381	50,824	38,935	31,793	27,371
670,987	653,127	635,495	631,932	621,999
1,963	1,948	1,928	1,911	1,896
3	3	3	3	3
924	924	924	924	924
1,130	1,130	1,130	1,130	1,130
999	984	979	974	968
11,178	11,120	11,107	11,073	11,061
2,581	2,364	2,366	2,349	2,367
89	89	89	89	89
52,510	52,509	50,569	48,862	48,816
502	488	477	476	467
3,044	3,044	3,044	3,039	3,037
325	322	316	316	315
3	3	3	3	3
875	815	786	767	815
76	76	76	76	76
29	26	26	26	24

NEW JERSEY HISTORICAL FACTS AND FIGURES

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held 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 for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

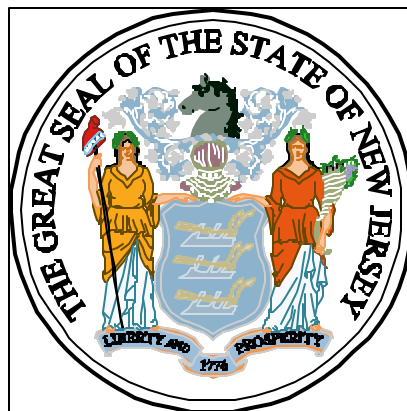
The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2007 was 8,686,000 making New Jersey the eleventh largest state in population, and the most densely populated of all the states, with an average of 1,171 people per square mile.

There are 17 departments of the Executive Branch of State Government. The maximum number of executive branch departments permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

The State Seal

Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed at securing exclusive access to New Jersey's farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse's head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer's left, carries a staff with the same kind of "Liberty cap" worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state's fields, forests, and waters. Below them is a scroll bearing the motto "Liberty and Prosperity," and the year of statehood, 1776.



The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.



Other Legislative Designations

The State Fruit is the blueberry. The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the Hadrosaurus Foulki, a 25-foot-long, duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the A.J. Meerwald, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long has a beam of 22 feet, 3 inches, and weighs 57 tons. In 1942, the tall ship was commandeered by the Maritime Commission under the War Powers Act for use by the Coast Guard as a fireboat. Five years later, it was returned to its owners and used as an oyster dredge, under power, without sails, until the industry vanished in 1957. The A.J. Meerwald was used as a clam dredge from 1959 until 1989, when it was turned over to The Delaware Bay Schooner Project. Today, the A.J. Meerwald serves as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey.



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